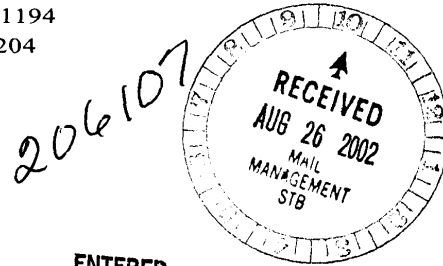


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August 23, 2002



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Office of Proceedings

AUG 26 2002

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Public Record

By UPS overnight mail
(Monday delivery)

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

Re: Docket No. AB-55 (Sub-No. 618), *CSX Transportation, Inc. -- Discontinuance --*
at Memphis, in Shelby County, TN

Dear Mr. Williams:

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

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

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Bolen-Brunson-Bell
Lumber Company, Inc.

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BEFORE THE
SURFACE TRANSPORTATION BOARD



CSX TRANSPORTATION, INC. --) DOCKET NO. AB-55
DISCONTINUANCE -- AT MEMPHIS, IN) (SUB-NO. 618)
SHELBY COUNTY, TN)

PROTEST

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BOLEN-BRUNSON-BELL LUMBER COMPANY, INC.
3175 Johnson Avenue
P.O. Box 11205
Memphis, TN 38111

Protestant

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DUE DATE: August 26, 2002

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BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX TRANSPORTATION, INC. --	)	DOCKET NO. AB-55
DISCONTINUANCE -- AT MEMPHIS, IN	)	(SUB-NO. 618)
SHELBY COUNTY, TN	)	

PROTEST

Pursuant to 49 C.F.R. § 1152.25(a)(1) and the Board's procedural decision served July 30, 2002, BOLEN-BRUNSON-BELL LUMBER COMPANY, INC. (BBB) hereby protests the application for authority to discontinue service over a 1.1-mile rail line at Memphis, TN, filed by CSX Transportation, Inc. (CSXT) on July 10, 2002.

OVERVIEW

CSXT's position is inexplicable. Its own evidence establishes that operation of the line is very highly profitable. Whereas CSXT's systemwide rate of return is 4.6 percent per year, operation of the line produces a return of over 40 percent per year on CSXT's net investment base! The cost of necessary bridge rehabilitation can easily be amortized out of annual operating profit, with enough profit left over to provide a return of more than twice the cost of capital on the investment in the bridge! Why CSXT would want to rid itself of this lucrative rail line is a mystery.

This Protest contains a compelling showing that discontinuance of service on the subject rail line is not permitted by public convenience and necessity. Much of that showing is based on CSXT's own evidence in the Application. This Protest also includes four appendices providing additional evidence, as follows:

Appendix 1 - a verified statement in behalf of Harvey H. Stone, a highly-qualified expert on railroad bridges, providing evidence that rail operations at the forecast year traffic level can be conducted safely over Bridge ONI 223.3 for at least 10 years if repairs are made at a cost of \$77,186.

Appendix 2 - a standard amortization calculation showing that a bridge repair cost of \$77,186 can be amortized over 10 years at the current prime rate of interest by means of 10 equal annual payments of \$9,875.

Appendix 3 - a standard amortization calculation showing that a bridge repair cost of \$214,500 can be amortized over 10 years at the current prime rate of interest by means of 10 equal annual payments of \$27,442.

Appendix 4 - a verified statement in behalf of Robert J. (Bob) Bell, BBB's President, providing evidence that discontinuance of rail service would reduce BBB's net income by nearly \$100,000 per year.

THE SUBJECT RAIL LINE

The subject rail line extends from a point of connection with a main line at Aulon Switch (Milepost [MP] 224.0) to a point near Holmes Street (MP 222.9), a distance of 1.1 miles, within the city limits of Memphis, TN (*See* Application [Applic.], Vol. 1 at 34).^{1/} BBB's lumber distribution center, which is commonly known as the Bellwood Reload, is located on the subject rail line at MP 223.1. The subject rail line is the remaining portion of a CSXT rail line that extended 13.34 miles from Aulon Switch to Cordova, TN (MP 210.66) (Cordova line). An

^{1/} The application is filed in three volumes, each of which is consecutively numbered. Volume 1 contains CSXT's legal argument and verified statements. Volumes 2 and 3 contain workpapers of CSXT witnesses.

unopposed CSXT petition for exemption of discontinuance of service over the 12.24-mile portion of the Cordova line to the east of the subject rail line was granted in *CSX Transportation, Inc. -- Discon. Exempt. -- (bet. East of Memphis and Cordova), in Shelby County, TN*, 2002 STB LEXIS 422 (STB Docket No. AB-55 [Sub-No. 615X]), decision served July 17, 2002).^{2/}

PROCEDURAL BACKGROUND

A CSXT petition for exemption of abandonment of the Cordova line, which was opposed by BBB, was denied in *CSX Transportation, Inc. -- Aban. Exempt. -- (bet. Memphis and Cordova) in Shelby County, TN*, 2001 STB LEXIS 943 (STB Docket No. AB-55 [Sub-No. 590X], decision served Dec. 12, 2001). The Cordova line has been embargoed since March 1, 2001. On July 19, 2002, BBB filed a complaint with the Board alleging that on or shortly after inception of that embargo to the present and continuing, CSXT has failed and refused to provide rail transportation to Bellwood Reload on reasonable request in violation of 49 U.S.C. § 11101(a). *Bolen-Brunson-Bell Lumber Company, Inc. v. CSX Transportation, Inc.*, Finance Docket No. 34236, filed July 19, 2002.^{3/}

The current proceeding involves CSXT's attempt to get discontinuance authority for the segment of the Cordova line that is involved in the complaint.

^{2/} CSXT has not explained why it initially sought abandonment of the line, but now seeks only discontinuance of service. Nor has CSXT explained why it did not seek discontinuance authority until now for two-tenths of a mile (1,056 feet) of trackage that lies beyond (east of) Bellwood Reload. There are no shippers located on that stretch of track. That length of trackage is not required for tail room for shipments to Bellwood Reload. It is questionable whether track maintenance costs for that trackage are properly charged as avoidable costs of the subject rail line.

^{3/} Contemporaneously, BBB filed a petition for partial revocation of the exemption for rail transportation of lumber or wood products in order to permit the Board to hear that complaint. *Rail General Exemption Authority - Lumber or Wood Products*, Ex Parte No. 346 (Sub-No. 25), petition filed July 19, 2002.

RAIL TRAFFIC AND OPERATING RESULTS

The base year is 2000 in view of the embargo of rail service that has been in effect since March 1, 2001. The forecast year is the 12-month period beginning July 1, 2002.

BBB is the only rail user on the short stretch of trackage here involved. BBB received 198 carloads of lumber and wood products in the base year. (Applic., Vol 1 at 7). It received 33 carloads of those commodities in the first two months of 2001 (*id.*). At that pace, it would have received the same volume in 2001 as in 2000 ($33 \div 2 \times 12 = 198$). On that basis, BBB agrees with CSXT that forecast year traffic volume is likely to be 198 carloads.

BBB has only minor disagreement with the base year operating profit of \$31,571 put forth by CSXT (Applic., Vol. 1 at 17, line 17). That operating result takes into account costs for return on value of freight cars of \$2,148 (off-branch) and \$368 (on-branch) (*id.*, lines 6b and 5i). CSXT does not incur those costs on traffic to Bellwood Reload. CSXT's workpapers show that it does not own any of the freight cars used to provide the involved transportation (Applic., Vol. 2 at 21-24). Costs for return on value of freight cars are not properly assessed as avoidable costs in that circumstance. *See CSX Transportation, Inc. -- Aban. -- in Thomas and Colquitt County, GA*, 1987 ICC LEXIS 269 at 14 (Docket No. AB-55 [Sub-No. 181], decision served June 3, 1987), and cases there cited. ("(W)e clarified the circumstances where ownership costs would not be applied to foreign-owned cars to include those situations where a very substantial majority of the cars used on the branch were foreign-owned."). Elimination of those costs increases base year operating profit to \$34,087.

There is an obvious lack of credibility in CSXT's contention that it will incur a forecast year operating loss of \$175,663 transporting the same traffic on which it acknowledges deriving an operating profit in the base year (Applic., Vol. 1 at 17, line 17). The forecast year operating

result improperly includes \$214,500 in costs for maintenance of way and structures for repair of Bridge ONI 223.3 (*id.* at 22). That is not a recurring yearly cost. According to CSXT, such repair would allow utilization of that bridge for 10 additional years through 2012 (*id.* at 47). A rehabilitation cost of that nature is not to be included in forecast year maintenance costs. *South Orient RR - Aban. & Discon. of Trackage Rights*, 3 S.T.B. 743, 752 (1998) (“... (W)e have placed this expense under rehabilitation because it is not a recurring item.”); *Louisville and Nashville R. Co. - Abandonment*, 366 I.C.C. 1, 22 (1981); *Illinois Central Gulf R. Co. - Abandonment*, 363 I.C.C. 729, 731 (1980); *Baltimore and Ohio R. Co. Abandonment*, 360 I.C.C. 681, 682 (1980). When the bridge repair cost is appropriately excluded from the forecast year maintenance cost, the result is an operating profit of \$38,837.^{4/} Forecast year costs for return on value of freight cars of \$1,308 (off-branch) and \$226 (on-branch) are to be excluded for reasons explained above. There is a resulting forecast year operating profit of \$40,371.

OPPORTUNITY COSTS

BBB agrees with CSXT that return on value of rail line assets (opportunity costs) is not applicable in determining the merits of an application for discontinuance of rail service, in contrast to abandonment (*Applic.*, Vol. 1 at 28: “The return on value calculation is deemed not applicable for the forecast year period under the discontinuance of service scenario”).

^{4/} CSXT’s improper inclusion of the bridge repair cost in the forecast year operating result appears to be an intentional attempt to obscure the significant forecast year operating profit. In a Motion for Leave to Respond and Response filed October 23, 2001 in the proceeding in which an exemption for abandonment of the Cordova line was denied, CSXT correctly treated the bridge repair cost as a rehabilitation cost and acknowledged a significant forecast year operating profit. (Docket No. AB-55 [Sub-No. 590X], *supra*, Motion filed Oct. 23, 2001, Exhibit 1, lines 8 and 17). The contrary treatment of the repair cost in the present case is thus indicative of an intent to mislead.

There is no such opportunity cost in this case in any event. On the contrary, the forecast year operating profit of \$40,371 provides a return of 42.3 percent per year on the \$95,444 valuation of property shown on line 12 of CSXT's Exhibit 1 (Applic., Vol. 1 at 17, line 12). Such operating profit is over four times the cost-of-capital return on value of \$9,487 per year shown on line 16 of Exhibit 1 (*id.*, line 16). The rail line is thus shown to be very highly profitable.

REHABILITATION COSTS

BBB disagrees with CSXT's contention that Bridge ONI 223.3 requires immediate repair at a cost of \$214,500 and that the bridge will have to be rebuilt in 10 years at an additional cost of \$360,000 (Applic., Vol. 1 at 46-47).^{5/}

CSXT made that same contention in its petition for exemption of abandonment of the Cordova line. In denying that petition in *CSX Transportation, Inc. -- Aban. Exempt. -- (bet. Memphis and Cordova) in Shelby County, TN, supra*, the Board stated (2001 STB LEXIS 943 at 9):

... Based on our experience, bridges that compare to Bridge No. 1 (Bridge ONI 223.3) in length, height and structural composition can be rebuilt for less than CSXT's estimated repair cost. Accordingly, CSXT's estimates appear to be unacceptably high.

The Board's observation in that respect is right on target. As demonstrated below, CSXT's evidence regarding bridge rehabilitation is unreliable for a number of reasons, i.e., it includes replacement of bridge components that do not exist; it omits a number of workpapers and duplicates others; it is inherently contradictory; and it is unsupported in extensive respects.

^{5/} CSXT acknowledges that the trackage in the subject rail line does not require rehabilitation.

CSXT's repair costs include costs for replacement of 120 stringers (Applic., Vol. 1 at 46-47). But there are only a total of 82 stringers in the entire bridge (Protest, Appdx. 1, Appdx. HHS-5 at 3). No wonder CSXT's rehabilitation costs are excessive when they include replacement costs for 38 stringers that do not even exist!

There is no June, 2002 bridge inspection report in CSXT's workpapers for Bent 3 in the bridge, and there are duplicate inspection reports for Bent 7; that results in an error in CSXT's cost calculations (Protest, Appdx. 1, Appdx. HHS-5 at 4, referring to Applic., Vol. 3 at 87 and 90-91). A significant number of additional pages of CSXT's bridge workpapers were omitted. The pages of the publication at Application, Vol. 3 at 16-20, are numbered 7, 9, 11, 13 and 15, indicating omission of even-numbered pages. Those pages and others from that publication do not appear to be complete. In light of omitted pages, the publication in CSXT's bridge workpapers does not provide support for CSXT's evidence on bridge repair.^{6/}

CSXT's estimated "repair" costs provide for complete replacement of all bridge components except pilings (Applic., Vol. 1 at 46-47). That would essentially rebuild most of the bridge. CSXT states that bridges of this type have a life span of 40 to 50 years. Rebuilt bridge components thus would be expected to last at least 40 to 50 years. Yet CSXT contends that this rebuilt bridge would have to be rebuilt all over again in 10 years at a cost that significantly exceeds the cost of current replacement (*id.*). Inconsistent evidence of that nature lacks credibility. Moreover, the replacement cost said to be required 10 years in the future is nowhere

^{6/} The omitted materials should have been filed as part of CSXT's case-in-chief. They would not be properly accepted for filing in CSXT's reply statement because that would unfairly insulate them from rebuttal by BBB. *See Malone Freight Lines, Inc. v. United States*, 204 F.Supp. 745, 755 (ND, Ala, SD, 1962) (it was proper to strike evidence that was not in rebuttal of any facts appearing in protestants' statements, but served merely to aid applicant's case-in-chief after its deficiencies had been pointed out by protestants).

broken down nor explained in CSXT's evidence. As such, that cost is wholly unsupported and not entitled to weight.

Other aspects of CSXT's evidence are also unsupported or insufficiently supported. There is no support anywhere in CSXT's evidence or workpapers for the unit costs for bridge repair shown in Volume 1 of the Application, at page 47, nor for the costs for miscellaneous hardware and rental equipment shown on that page. There is no support whatsoever for the statement of CSXT's bridge witness that components of the bridge have an 80-percent decay level (Applic., Vol. 1 at 46). There is no support of any kind for that witness's statement that a large number of the piles are very small in diameter (*id.*). The CSXT witness included costs for replacement of all stringers (actually, as noted, more stringers than exist) (Applic., Vol. 1 at 46-47), but he stated inconsistently that "several" stringers are failing (*id.* at 46). The entry in the January, 2001 inspection report opposite stringers, i.e., "burnt and various decayed areas", does not support replacement of all stringers (Applic., Vol. 3 at 59). The June, 2002 inspection report is silent on the condition of stringers (*id.* at 85-95). Similarly, the CSXT witness included costs for replacement of all flooring (Applic., Vol. 1 at 47), but his testimony does not provide support for a need to replace the deck. The January, 2001 inspection report opposite "ballast deck" states only "decay at ends" (*id.*, Vol. 3 at 59), and the June, 2002 inspection report does not cover flooring (*id.* at 85-95). These unsupported aspects of CSXT's evidence are not entitled to any weight.^{2/}

BBB's evidence on bridge rehabilitation does not suffer from those numerous infirmities. BBB's evidence is contained in the verified statement of Harvey H. Stone and in his inspection

^{2/} It is too late for CSXT to cure these defects. See note 6, *supra*.

report with attachments (Protest, Appdx. 1, Appdx. HHS-5, Att. 1-24). Mr. Stone identified bridge repair costs in total amount of \$77,186 (*id.*, Appdx. 1 at 2, Appdx. HHS-5 at 5, Att. 1). Those repairs would enable performance of safe rail operations over Bridge ONI 223.3 at the forecast year traffic level for at least 10 years (*id.*, Appdx. HHS-5 at 5).

The major areas of disagreement regarding bridge repair costs relate to replacement of stringers (13 in BBB's evidence; 120 in CSXT's evidence), replacement of deck flooring (none in BBB's evidence, all in CSXT's evidence), and unit costs (except for curbing). As shown below, BBB's evidence is far more reliable than CSXT's on each of those cost elements.

BBB's evidence contains a specific discussion of the condition of the stringers, a specific standard derived from CSXT's workpapers for measuring a need for replacement of stringers, and an analysis of the extent of decay in each of the 82 individual stringers in the bridge (Protest, Appdx. 1, Appdx. HHS-5 at 3, 4-5, Att. 4-9, 19). As previously noted, CSXT's evidence substantially overstates the actual number of stringers; fails to provide a standard for determining a need for their replacement; inconsistently provides for replacement of all stringers while acknowledging that only several stringers are failing; and does not contain an analysis of the condition of any individual stringers.

BBB's evidence contains a specific discussion of the condition of the flooring, a specific standard for measuring the need for replacement of flooring, and a photograph of a typical flooring condition that provides support for the absence of need for replacement of flooring (Protest, Appdx. 1, Appdx. HHS-5 at 5, Att. 23). As noted, there is no support anywhere in CSXT's evidence or workpapers for its contention that the entire flooring of the bridge must be replaced.

The unit costs in BBB's evidence are supported by the highest actual unit costs in a recent bridge repair project on the Meridian Southern Railway, as adjusted to apply to bridge projects in Memphis (Protest, Appdx. 1, Appdx. HHS-5 at 3-4, Att. 10-15). As noted, the unit costs in CSXT's evidence are entirely unsupported.

In sum, BBB's evidence of bridge repair is much more comprehensive, detailed, documented and otherwise supported than CSXT's. As such, the Board should find that BBB's evidence is more reliable than CSXT's and, for that reason, is entitled to more weight. *Illinois Central Gulf R. Co. - Abandonment*, 363 I.C.C. 690, 698 (1980) (less thorough engineering study is less persuasive). On that basis, bridge repair costs should be found to amount to \$77,186.

ADVERSE EFFECT OF DISCONTINUANCE

Discontinuance of rail service would have a serious adverse effect on BBB. BBB is a wholesale distributor of lumber and wood products. Its distribution facility is located on CSXT's Cordova rail line at Milepost 223.1. BBB is the sole rail line user on the short stretch of rail trackage here involved. BBB received 198 carloads in the base year. It would receive that same number of carloads in the forecast year (Protest, Appdx. 4 at 1).

An important part of BBB's business, prior to embargo of rail service on the Cordova line, was its rail-to-truck reload operation. That business involved reloading lumber from railcars to trucks at BBB's place of business for delivery to retail lumber dealers in the tri-state Memphis area (TN, MS and AR) who do not have the ability to receive lumber directly by rail. That business and BBB's place of business came to be known as Bellwood Reload (Protest, Appdx. 4 at 1-2).

Embargo of rail service on the Cordova rail line prevented BBB from providing rail-to-truck reloading at Bellwood Reload. There is no form of transportation that is a logistically

feasible alternative to rail service in a rail-to-truck reload operation. An entity obviously must have the ability to receive lumber directly by rail in order to be in a position to provide a rail-to-truck reload operation for customers who lack the ability themselves to receive lumber directly by rail. Once BBB lost rail service due to the embargo, it lost the ability to provide a rail-to-truck reload service (Protest, Appdx. 4 at 1-2).^{8/} The inability of BBB to provide reload service would become permanent if CSXT's application for authority to discontinue rail service were to be approved.

Discontinuance of rail service would reduce BBB's net income by approximately \$100,000 per year. That lost income is based on loss of BBB's forecast year rail traffic volume of 180 carloads in its reload operation at \$500 per carload ($180 \times \$500 = \$90,000$), plus extra costs of \$500 per car on 18 carloads received in other BBB lumber operations ($18 \times \$500 = \$9,000$). Lost income of that magnitude would have a serious adverse effect on BBB's overall lumber business (Protest, Appdx. 4 at 2).

DEFECTIVE HISTORICAL REPORT

CSXT's historic report contains two unqualified representations that CSXT's records show that there are no CSXT-owned structures on the line that are over 50 years old (Applic., Vol. 1 at 81 and 82). However, CSXT's bridge engineer testified that Bridge ONI 223.3 was built in 1921, which is 81 years ago (*id.* at 46). Thus, those CSXT statements are contradictory. Assuming the accuracy of the engineer's testimony about the age of Bridge ONI 223.3, CSXT's

^{8/} CSXT has pointed to BBB's use of another rail-to-truck reload service in the Memphis area and BBB's ability to use transloading service at CSXT's Leewood Yard (Applic., Vol. 1 at 7). But BBB's use of those facilities has been as a reload customer after embargo of its rail service, not as a provider of reload service (Protest, Appdx. 4 at 2). BBB's use of those facilities does not lessen the harm to BBB from loss of income from its reload business.

historic report is deficient on a matter that is of substantial historical significance. CSXT's erroneous statements can be expected to have misled Tennessee's historical officer. CSXT's historical report is thus shown to be seriously defective.

ARGUMENT

1. Applicable Legal Principles

Pursuant to 49 U.S.C. § 10903(d)(2), a rail carrier may discontinue transportation over one of its rail lines only if the Board finds that the present or future public convenience and necessity require or permit the discontinuance. In implementing that standard, the Board balances any present and future burden that continued operation would impose on the rail carrier and interstate commerce against any harm to shippers and communities that would result from discontinuance of service. *Colorado v. United States*, 271 U.S. 153, 169 (1926). The Board considers operating profit or loss, other costs the carrier may experience (including economic costs) and the effect on shippers and communities, but none of such factors is necessarily conclusive. *South Orient RR - Aban. & Discon. of Trackage Rights, supra*, 3 STB at 757; *Conrail - Aban. - bet. Warsaw & Valp. Counties in IN*, 9 I.C.C.2d 1299, 1317 (1993).

As the proponent of Board action, the applicant rail carrier has the burden to prove that public convenience and necessity permit discontinuance of rail service; the carrier also has the burden of going forward with the evidence required in the applicable Board regulations. *Illinois Central Gulf R. Co. - Abandonment*, 363 I.C.C. 93, 101 (1980).

There is no occasion to perform the abandonment balancing process where the evidence does not establish that continued operation of a rail line would be burdensome in any respect. The abandonment or discontinuance is to be denied in that circumstance for failure to sustain the burden of proof. That is the situation in the case at hand.

2. Application Of Principles To The Facts

The application is required to be denied because continued operation has not been shown to be burdensome in any respect. There will be no burden from operating losses. Based primarily on CSXT's own evidence, there will be an avoidable operating profit of \$40,371 in the forecast year.

Opportunity cost is not an appropriate consideration in this application for discontinuance of service. Continued operation will not result in an opportunity cost in any event. Operation of the rail line will produce a profit that is over four times greater than a cost-of-capital return on the rail line's net investment base.

There will be no burden from a rehabilitation cost. Appendix 2 attached to this Protest shows that the \$77,186 cost of necessary bridge repair can be amortized over the 10-year life of the repairs at the current prime rate by means of 10 equal yearly payments of \$9,875. Those payments can easily be funded out of the line's operating profit of \$40,371, with enough profit left over to provide a return on the line's net investment base of more than three times the cost of capital (i.e., $\$40,371 - \$9,875 = \$30,496 \div 9,487 = 3.21$). That return on value would be 32 percent per year (i.e., $\$30,496 \div \$95,444 = .32$). CSXT surely would not be burdened by a rehabilitation cost that can easily be funded from operating profit with enough profit left over to provide a return on value greatly in excess of its cost of capital.

CSXT has argued, however, that the proper measure of burden from a rehabilitation cost is the ability to recover the rehabilitation investment during the life of the repairs plus a cost-of-capital return on both the amount of the rehabilitation cost and the value of the rail line property. At page 6 of Volume 1 of the Application, CSXT argues that continued operation would be burdensome because it would not be able to recover its investment in repair of the bridge during

the 10-year life of the repairs, plus a 10.2-percent-per-year cost-of-capital return on both that investment and on the value of the rail line assets.

CSXT's argument is clearly contrary to law. First, it is apparent that a return on the value of the rail line assets is to be eliminated from consideration inasmuch as a discontinuance of rail service is involved, rather than an abandonment. CSXT's own witness recognized the inapplicability of that element of return on value in such a case (Applic., Vol. 1 at 28: "The return on value calculation is deemed not applicable for the forecast year period under the discontinuance of service scenario.").

Secondly, a shortfall in rate of return on a rehabilitation investment compared to the cost of capital is not a legitimate element of burden from continued operation. BBB has not found any instance in which the Board or its predecessor relied on any such shortfall as a basis for approving an abandonment or discontinuance.^{2/} CSXT has not cited any such instance. Instead, in each case the Board must decide whether the future prospects for traffic and revenues justify the rehabilitation expense. *Illinois Central Gulf R. Co. - Abandonment, supra*, 363 ICC at 731. Here, the ability to amortize the bridge rehabilitation expense out of operating profit with enough profit left over to return comfortably more than the cost of capital establishes emphatically that future traffic and revenues justify the rehabilitation expense.

Even if CSXT's argument were consistent with the law, it is not supported by the facts. Income of \$15,592 per year would provide for a return of the \$77,186 investment in bridge

^{2/} In *Burlington Northern R. Co. -- Aban. -- in Emmons and McIntosh Counties, ND and Campbell and McPherson Counties, SD*, 1985 ICC LEXIS 331 at 34 (ICC Docket No. AB-6 [Sub-No. 236], decision served July 8, 1985), the ICC stated in *dicta* that "arguably" a shortfall in return on a rehabilitation investment and the value of rail line assets in relation to the cost of capital could justify a conclusion that continued operation would be burdensome. However, the abandonment was denied in that case.

rehabilitation over the 10-year life of that investment, plus a return on that investment of 10.2 percent per year (i.e., $[\$77,186 \div 10 = \$7,719] + [\$77,186 \times .102 = \$7,873] = \$15,592$). The rail line's operating profit of \$40,371 per year would easily fund that return of investment plus return on investment, with profit left over of \$24,779 per year. In other words, rail line operating profit would provide a return on investment in bridge rehabilitation of more than 42 percent per year in addition to return of that investment ($\$40,371 - \$7,719 = \$32,652 \div \$77,186 = .42$). There is nothing burdensome to CSXT about that.

Thus, none of the hallmarks of burden from continued operation is shown to exist in this case -- no forecast year operating loss, no opportunity cost, no unrecoverable rehabilitation cost. In the absence of any such burden, the application is required to be denied for failure of CSXT to sustain its burden of proof, without regard to consideration of evidence of harm to local interests from discontinuance of service. *See Boston & M. Corp. -- Aban. & Discon. of Serv. -- in Middlesex County, MA*, 1996 STB LEXIS 343 at 36 (STB Docket No. AB-32 [Sub-No. 74], decision served Sept. 10, 1996).^{10/} The Board should so find.

^{10/} As part of a summary of reasons for filing the application, CSXT stated that "BBB has made no commitment to use the Line" (Applic., Vol. 1 at 8). That statement, too, is wrong as a matter of fact and law. During the course of proceedings relating to the rail line, CSXT specifically asked in writing whether BBB would enter into a contract and would guarantee a volume of traffic. BBB responded that it is willing to consider a CSXT proposal for a rail transportation contract. This occurred in an exchange of letters dated December 27 and 28, 2001. BBB is not furnishing copies of those letters because their content as part of negotiations is confidential, but they would be produced on request. Even if BBB had refused to enter into a contract, that would not support discontinuance of rail service. Unwillingness to enter into a contract does not undermine a shipper's position in an abandonment case. *See Seaboard System RR Inc. -- Aban. -- in Bacon County, GA*, ICC Docket No. AB-55 (Sub-No. 72), decision served Dec. 22, 1983, at 5 ("There are a number of uncertainties, not necessarily related to volume, which may make entry into a prospective contract imprudent") (no ICC LEXIS citation available).

That finding would complete the Board's task in this matter. However, in the pages that follow, BBB demonstrates that there would be no burden from continued operation even if credence were to be given to CSXT's unwarranted claim that \$214,500 is required to be spent to extend the life of Bridge ONI 223.3 for 10 years. BBB provides that showing to demonstrate that discontinuance of rail service would not be justified even if the cost of repair of the bridge were found to be considerably greater than the amount shown by BBB in this Protest. That is so because the profit from continuing to operate the rail line is so substantial that it can amortize even the higher amount of CSXT's unsupported bridge repair cost, with enough profit left over to return more than the cost of capital on the value of rail line property. In other words, the overriding consideration in this case is the hefty rail line operating profit, not the precise amount of required bridge repair.

Attached to this Protest as Appendix 3 is a standard amortization calculation that shows that \$214,500 can be amortized over 10 years at the current prime rate by means of 10 equal annual payments of \$27,442 (rounded to closest dollar). That being the case, bridge repair in that amount could be funded from operating profit for each of 10 years, with enough profit left over each year to provide for a return on the value of rail line property in excess of the cost of capital (i.e., \$40,371 annual profit minus \$27,442 yearly payment = \$12,929 minus \$9,487 yearly cost-of-capital return = \$3,442 yearly return in excess of cost of capital). CSXT would not be burdened by a rehabilitation cost when it can amortize that cost out of rail line operating profit, with enough profit left over to provide a return on rail line property in excess of its cost of capital.

CSXT would not be burdened by an inadequate return on the alleged amount of its rehabilitation investment. The forecast year operating profit of \$40,371 would provide for a

timely return of a \$214,500 investment over 10 years plus a return on that investment of 8.8 percent per year (i.e., $\$40,371 - [\$214,500 \div 10 = \$21,450] = \$18,921 \div \$214,500 = .088$). That annual return is appreciably greater than CSXT's systemwide rate of return of 3.6 percent in 2000 (Applic., Vol. 1 at 29-30), and 4.6 percent in 2001. *See Railroad Revenue Adequacy - 2001 Determination*, ____ STB ____, 2002 STB LEXIS 444 at 2 (STB Ex Parte No. 552 [Sub-No. 6], decision served July 26, 2002). CSXT would not be burdened as a result of earning a return on an investment in bridge repair that is approximately twice as great as its systemwide rate of return.^{11/}

However, even assuming that a slight shortfall in rate of return on rehabilitation expense compared to the cost of capital constitutes some measure of burden from continued operation (and assuming again the validity of CSXT's claimed rehabilitation expense of \$214,500), the application still would be required to be denied in view of evidence establishing that discontinuance would seriously harm BBB. That is evident from the ICC's decision in *Burlington Northern R. Co. -- Aban. -- in Emmons and McIntosh Counties, ND and Campbell and McPherson Counties, SD, supra* (note 9). In that case, continued operation would provide a rate of return of 13.9 percent on the combined value of the rail line assets and an investment in rehabilitation, while the cost of capital at the time was 18.6 percent per year. The record there did not reflect the rail carrier's most recent actual systemwide rate of return. It was appropriate in that case to consider a return on the value of the rail line assets because an abandonment rather than a discontinuance was involved. In *dicta*, the ICC stated that "arguably" the shortfall in rate

^{11/} CSXT would recover at least a 10.2-percent rate of return per year on any bridge repair cost of \$199,800 or less, i.e., $\$40,371 - [\$199,800 \div 10 = \$19,980] = \$20,391 \div \$199,800 = .102$.

of return compared to the cost of capital could justify a conclusion that continued operation would be burdensome (1985 ICC LEXIS 331, at 34). However, the ICC put any such burden in the following limited perspective (*id.*):

However, the opportunity cost concept was never intended to be compared to operating profits and result in an automatic finding of abandonment if the opportunity cost were in excess of profits. Instead, it is only one factor in the balancing test. Although railroads must be allowed to become financially healthy, it is not necessarily in the public interest to permit abandonment of all branch lines whose combined opportunity costs exceed operating profits. Before permitting such abandonments we must closely examine the impact on shippers and communities.

After considering the adverse effect that abandonment would have on local interests, the ICC concluded as follows (*id.*, at 35-36):

When we balance this clear adverse impact on shippers and communities against the minimal burden to BN of operating a highly profitable line which is not quite earning an 18.6 percent return on both NLV and rehabilitation cost, we must conclude that applicant has not met its burden of showing that the abandonment is justified.

The same result would be dictated in the present case upon consideration of the evidence furnished by Mr. Robert J. (Bob) Bell, BBB's President, in Appendix 4 of this Protest. As a result of discontinuance of rail service, BBB would lose its reload business, whereby it transloads lumber from railcars to trucks at its place of business for delivery to companies in the Memphis area who are unable to receive lumber directly by rail (*id.* at 1-2). It would also suffer increased costs on traffic formerly received by rail in non-reload business. BBB would suffer a reduction of nearly \$100,000 per year in net income as a result of discontinuance of rail service (*id.* at 2). As in the *Burlington Northern* case, *supra*, harm of that magnitude would decidedly outweigh a minimal burden on CSXT of operating a highly profitable rail line that barely falls short of providing a cost-of-capital return on an inflated amount of rehabilitation expense.

Thus, even assuming the validity of CSXT's unsupported allegations regarding the cost of bridge rehabilitation, there would be no warrant for discontinuance of the subject rail service.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, there is no legitimate basis in this record for a finding that public convenience and necessity permits discontinuance of service on the subject rail line.

Accordingly, the application should be denied.

Respectfully submitted,

BOLEN-BRUNSON-BELL LUMBER COMPANY, INC.
3175 Johnson Avenue
P.O. Box 11205
Memphis, TN 38111

Protestant

Thomas F. McFarland

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

Attorney for Protestant

DUE DATE: August 26, 2002

VERIFIED STATEMENT OF HARVEY H. STONE

My name is Harvey H. Stone. I am President of Stone Consulting & Design, Inc. My business address is 324 Pennsylvania Avenue West, P.O. Box 306, Warren, PA 16365.

I am a licensed professional engineer in 31 states, including Tennessee. I established Stone Consulting & Design, Inc. in 1996 to provide consulting service in the rail industry. Prior to that time, I was employed by a regional engineering firm for 28 years. From 1980 to 1996, I was President of that company.

Attached to my statement as Appendix HHS-1 is a copy of my resume.

I have extensive experience in inspection, design and rehabilitation of railroad bridges, dating back to 1970. My resume lists seven railroad companies for whom I have performed bridge inspections. Attached to my statement as Appendix HHS-2 is a listing of additional projects in which I participated involving inspection, design and rehabilitation of railroad bridges. My assistant for the bridge inspection was Leon G. "Sandy" Perkins. His resume appears as Appendix HHS-3. Sandy also has extensive railroad bridge inspection experience.

On November 25, 2001, in behalf of Bolen-Brunson-Bell Lumber Company, Inc. (BBB), I conducted a preliminary inspection of Bridge ONI 223.3 that is located on the Cordova rail line of CSX Transportation, Inc. (CSXT). Attached to my statement as Appendix HHS-4 is a copy of my letter to counsel for BBB dated December 13, 2001, and my preliminary report regarding the condition of that bridge, including photographs of sections of the bridge. That report is provided

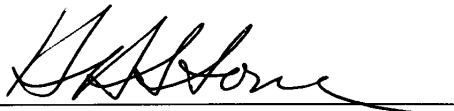
as information only. I am relying on my later bridge inspection report as the basis for my verified statement.

On August 11, 2002, I conducted a more thorough inspection of Bridge ONI 223.3. Attached to my statement as Appendix HHS-5 is a copy of my comprehensive report on the condition of that bridge, including additional photographs. I found that the bridge can be repaired for safe operations at the forecast year traffic level for at least 10 years at a cost of \$77,186.

VERIFICATION

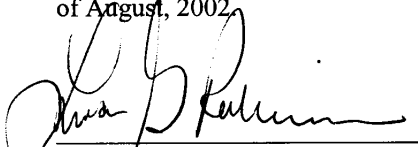
STATE OF PENNSYLVANIA)
) SS:
COUNTY OF WARREN)

HARVEY H. STONE, being duly sworn on oath, deposes and states that he has read the foregoing statement, that he knows the contents thereof, and that the facts therein stated are true and correct.



HARVEY H. STONE

SUBSCRIBED AND SWORN to
before me this 6th day
of August, 2002.



Notary Public

My Commission Expires:

Notary Seal
Linda G. Robinson, Notary Public
Warren, Warren County
My Commission Expires Apr. 7, 2003
Member, Pennsylvania Association of Notaries



Harvey H. Stone, P.E., President

Education: Rensselaer Polytechnic Institute/BSCE

Harvey Stone established Stone Consulting & Design, Inc. to provide a consulting service to the rail industry. Prior to forming SC & D, Mr. Stone was with a regional engineering firm for 28 years, president from 1980 to his leaving in 1996. He has also been employed by the U.S. Army Corps of Engineers and in the construction sector. Mr. Stone is chief engineer of the firm as well as chief executive officer and acts as principal-in-charge on major industrial and rail projects.

During Mr. Stone's many years of experience, he has successfully handled large projects involving railroad and rail passenger feasibility studies, railroad track and structure design, economic studies and feasibility reports along with numerous civil works projects in more than fourteen states. He is frequently called upon to prepare preliminary engineering feasibility studies for industrial development projects and rail projects involving federal and state grants. Most of the projects he has recommended as feasible have been funded and constructed.

Mr. Stone is involved with the Society of Professional Engineers, American Consulting Engineers Council (ACEC), American Railway Engineering and Maintenance-of-Way Association (AREMA) and the American Society of Highway Engineers through which he has obtained invaluable exposure to the many changes in engineering technology over the years as well as continued awareness of the constantly changing rules, regulations and grant programs on all governmental levels. He is past chairman of ACEC's Quality Committee on which he has served over five years.

Mr. Stone is a registered Professional Engineer in over 30 states.

Representative projects:

Bridge Inspections

Meridian Southern Railway, Mississippi
Owego & Harford Railroad, New York
Western New York & Pennsylvania Railroad, New York & Pennsylvania
New York & Ogdensburg Railroad, New York
Southwest Pennsylvania Railroad, Pennsylvania
Allegheny Valley Railroad, Pennsylvania
Arcade & Attica Railroad, New York

Duferco Farrell Corp., formerly Caparo Steel, Farrell, Pennsylvania

Rehabilitation of the 46 miles of in-plant track facilities for the former Sharon Steel Manufacturing Complex. Three phases complete to date, totaling over \$750,000.



Grand Valley Manufacturing, Warren, Pennsylvania

Rehabilitation of manufacturing facility (former Struthers Wells facility) with 120-ton crane and rail access. Project included floors, foundation, heating, electric and building improvements. Project cost - \$420,000.

Winner Steel Services, Sharon, Pennsylvania

Design and management of construction of 1400' embedded track siding through an area of contaminated ground. Provided consulting for coil unloading facility and overhead crane foundation design. Project cost - \$370,000.

Uniflo Building Improvements, Erie, Pennsylvania

Rehabilitation of 150,000 SF building constructed in 1890, including floors and loading/unloading facilities. Project cost - \$1,250,000.

Westmoreland County IDC, Greensburg, Pennsylvania

Design and administration of numerous projects for this client including several large track rehabilitation projects, rail access with crossings, and grade crossing warning systems. Total project costs to date - \$1.7 million.

Portage County Passenger Rail Study, Ravenna, Ohio

A passenger rail study to evaluate alternative passenger routings and potential ridership for a passenger connection, which could include Kent, Akron, Aurora and Cleveland, Ohio.

Western Nevada Development District, Carson City, Nevada

Feasibility study to determine the viability of reopening the historic Virginia and Truckee railroad as a regional passenger tourist attraction.

Kenosha Harborfront Trolley, Kenosha, Wisconsin

Design of a \$2,800,000 trolley system for downtown trolley loop to run from the harborfront to the railroad station.

Rail America, Inc. Lubbock, Texas

Rail line feasibility study, cost study and negotiations for the relocation of 12 miles of railroad track. Estimated project cost is \$16,000,000.

City of Warren, Warren, Pennsylvania

Design of a 425' five-span bridge across Conewango Creek, including intersections and traffic signals.

Pikes Peak Historical Street Railway, Colorado

Design of street track for historic trolley in new bridges and street connections.

Growth Resources of Wellsboro, Wellsboro, Pennsylvania

Railroad rehabilitation project, including drainage improvements, track welding, roadbed improvements, grade crossing replacements and new track construction. Project construction value close to \$1,000,000; total project value was \$2,200,000.

TMPA Rate Case, Slover & Loftus, Attorneys, Washington, DC

Preparation of engineering testimony on behalf of the Texas Municipal Power Authority against BNSF Railroad to establish lower coal shipping rates.

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Stone Consulting & Design, Inc.

Docket No. AB-55 (Sub-No. 618)

APPENDIX I

VS - Harvey H. Stone

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APPENDIX HHS-2

*Additional bridge inspections, design and rehabilitation
projects by Harvey H. Stone*

South Branch Valley Railroad, West Virginia

West Virginia Central Railroad, West Virginia

Knox & Kane Railroad, Pennsylvania

Lake Shore Railway Association, Ohio

Mohawk, Adirondack & Northern Railroad, New York

Northwest Pennsylvania Rail Authority, Pennsylvania

LEON G. PERKINS, JR., P.E.

EDUCATION

1969-1973 BS in Civil Engineering; University of Maine

PROFESSIONAL ASSOCIATIONS

American Society of Civil Engineers

REGISTRATION

Professional Engineer: State of Maine
 State of West Virginia
 State of Rhode Island

Wastewater Treatment Plant Operator: Massachusetts
Railway Scale Repairman: Maine

GENERAL EXPERIENCE

Mr. Perkins has been involved with the maintenance of railway bridges and buildings since the beginning of his career with Maine Central Railroad in 1973. His responsibilities have included the design and rating of railway structures, inspection of existing structures, development of repair plans, schedules, and budgets, and the supervision of crews performing repair work. He is an experienced climber and has helped to develop an innovative use of fall protection equipment to make the inspection of large structures much safer.

He is also a licensed railway scale repairman, and wastewater treatment plant operator having licenses in both Maine and Massachusetts. He has been responsible for the clean up of oil and hazardous material spills, coordinating activities with the various departments of the railroad, as well as local, state, and Federal regulatory agencies.

Mr. Perkins has provided bridge inspection and design services for short line and regional railroads throughout the eastern United States including;

Meridian Southern Railway	New England Central Railroad
Allegheny Valley Railroad	Buffalo & Pittsburgh Railroad
Trillium Railroad	Oil Creek & Titusville Railroad
South Branch Valley Railroad	Maine State Owned Railroads
East Penn Railway	York Railroad
Seminal Gulf Railroad	South Central Florida Railroad
Norfolk & Southern Railroad	West Virginia Central Railroad

Leon G. Perkins, P.E.

CHRONOLOGICAL EXPERIENCE

- 2000 - Present PRINCIPAL ENGINEER - TEC Associates, So. Portland, Maine.
Railway and waterfront structural engineering. Inspects, rates, and designs railway bridges and other structures. Assists in developing bridge inspection programs. Designs locomotive servicing/ fueling facilities.
- 1979 - 2000 BRIDGE AND BUILDING SUPERVISOR - Maine Central Railroad / Portland Terminal Company, Portland, Maine.
Responsible for maintenance of bridges, buildings, culverts, and other facilities system wide. Designed, built, and was responsible for operation of an industrial wastewater pre-treatment facility.
- 1974 - 1979 ASSISTANT BRIDGE AND BUILDING SUPERVISOR - Maine Central Railroad / Portland Terminal Company, Portland, Maine.
- 1973 - 1974 ENGINEERING ASSISTANT - Maine Central Railroad, Portland, Maine



Stone Consulting & Design, Inc.

December 13, 2001

Thomas F. McFarland, P.C.
208 South LaSalle Street - Suite 1890
Chicago IL 60604-1194

Subject: Bolen, Brunson, Bell Lumber Company
CSX Bridge 223.3 Preliminary Inspection

Dear Mr. McFarland:

At your request, I inspected the CSX Bridge ONI 223.3 on the embargoed Cordova Branch. It should be noted that this inspection was strictly a preliminary inspection and should a complete inspection be required, permission from CSX will be required.

My name is Harvey H. Stone and I am President of Stone Consulting and Design, Inc., a firm that specializes in railroad design and consulting. I have been involved in the inspection and design of bridges since 1970 and have inspected both railroad and vehicular bridges in six (6) states. I am licensed as a professional engineer in 31 states including Tennessee.

Prior to making my preliminary inspection, I reviewed the Verified Statement of Leeroy Davidson and his inspection notes, which were provided to Bolen, Brunson, Bell Lumber Company through Mr. McFarland.

I found the bridge to be in generally good condition. A fire has charred the underside and most of the structural members, but no significant fire damage has been done and only a minor section loss occurred from the fire. I found no holes in the decking of this ballasted bridge. The piles in the stream trap debris and that would tend to deteriorate the piles over time. Two piles appear to need replacement (by posting) and some of the cross bracing should be replaced. The low area in the deck that was described as a sag appears to be the result of a ballast program that ballasted both ends of the bridge but not the center. It is easily repaired.

I have inspected many timber bridges and have found that this bridge was in better condition than most of the bridges I have inspected.

My photos are enclosed. Should you have any questions, please feel free to call our office.

Very truly yours,
Stone Consulting & Design, Inc.

Harvey H. Stone, P.E.
President

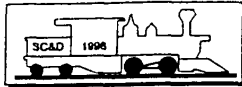
HHS/fsc
enclosures

-31-

cc: Bolen, Brunson, Bell Lumber Company

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APPENDIX I
VS - Harvey H. Stone
HHS-4 (Page 1)

324 Pennsylvania Avenue West, P.O. Box 306, Warren PA 16365
(814) 726-9870 tel (814) 726-9855 fax scdemail@stoneconsulting.com



Stone Consulting & Design, Inc.
324 Pennsylvania Ave. West, P.O. Box 306, Warren, PA 16365
814.726.9870 tel 814.726.9855 fax scdemail@stoneconsulting.com

TIMBER BRIDGE INSPECTION REPORT

#1 - LOOKING NORTH
TOWARD LUMBER
SIDING

Date: 11/25/01

Inspector: HAL

Photos: 1-8

IDENTIFICATION				CLASSIFICATION	
DIVISION	BRIDGE NO.	YEAR BUILT		1	TOTALLY DETERIORATED OR FAILED
SUB-DIV.	NO. OF SPANS	DECK		2	SHADE BETWEEN 1 & 3
TOWN	TYPE			3	SERIOUS DETERIORATION OR NOT FUNCT.
COUNTY	LENGTH	NO. TRACKS		4	SHADE BETWEEN 3 & 5
STATE	RR	HWY	WATER	5	MINOR DETERIORATION, FUNCT. AS DESIGNED
MILEPOST	CROSSING			6	SHADE BETWEEN 5 & 7
SPEED - MPH	ALIGNMENT-TANGENT	CURVE		7	NEW CONDITION, NO DETERIORATION
RAILROAD	DEGREE OF CURVE			8	N/A
				9	UNKNOWN
				HOW INS VISUAL ☒ INS. TRK ☐ ULTRASONIC ☐	
ITEMS INSPECTED			CLASS.	REMARKS	
G					
E	Drainage Opening		6		
N	Channel Scouring, Silting, Etc.		6		
E	Slopes, Rip Rap		6	Concrete	
R	General Cleanliness		4	PILES IN STREAM TRAP DEBRIS	
A	MCI Sprint Lightnet Other		8		
L					
	Approach - Surface, Alignment		5		
	Anchor Pattern				
T	Bridge Appr. Dist.				
R	Bridge, Surface, Alignment		4	SAG IN CENTER - NEEDS SURFACING	
A	Ties, Tie Pads, Date Installed		5		
C	Out Guard Rail, Timber Strap		8		
K	In Guard Rail Wt.		8		
	Deck Anchors, Bolt Clips				
	Hooks Lag Bolt % Effect.		8		
	Rail, JT CWR WT				
F					
D	Abutments, Bridge Seats		5		
N	Backwalls, Wingwalls		5		
S	Mud Sills, Blocking		5		



Stone Consulting & Design, Inc.
324 Pennsylvania Ave. West, P.O. Box 306, Warren, PA 16365
814.726.9870 tel 814.726.9855 fax scdemail@stoneconsulting.com

TIMBER BRIDGE INSPECTION REPORT

Date: 11/25/01

Inspector: HHS

Photos: 1-8

MILE POST		223.3	
ITEMS INSPECTED		CLASS	REMARKS
Walkways	LS RS , Railing, Refuge Bays	8	
D	Stringers, Number Each Rail <u>4</u> <u>4</u>	5	Charred but solid
E	Lap Chord Laminated		
C	Corbels		
K	Ballast Decking	4	No holes in evidence
	Ballast Curbs	4	STEEL
	Elevation Blocks		
B	No. Piles <u>6</u> Framed Posts	4	CHARRED - 2 should be posted
E	Timber Caps, Crushed <u>NO</u> Split <u>NO</u>	4	CHARRED
N	Concrete Pile Caps, Cracks, Top		
T	Bottom Vertical Horz. Spall	8	
S	Transverse Bracing	4	SOME SHOULD BE REPLACED
-	Longitudinal Bracing	8	
T	Sash, Girts	8	
O	Timber Cap Blocking, Steel Spans	8	
W	Bolts, Dowels, Lag Screws, Etc.	5	
E	In Place Treatment Date		
R	Movement Under Load		
S			

REMARKS:

BRIDGE has sustained fire damage - most timber is charred but with minimal section loss. Bridge appears to be quite solid with no apparent failure of stringers or caps. Two piles should be replaced.



Stone Consulting & Design, Inc.
Timber Trestle Inspection

ASSUMED NORTH END
CLOSEST TO BBB LUMBER

Railroad CSX Date 11/25/01 Inspector H.S. - ST

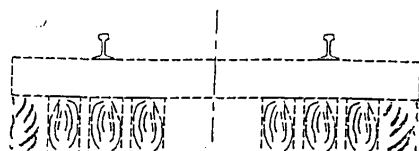
Bridge ONI 223.1 Mile Post 223.1 Bents Numbered AB-11-15 to 1

Page 1 of 6 Bent # SOUTH ABUTMENT

No. of Stringers 8 Cap Stringer Condition

Span 12'-3"

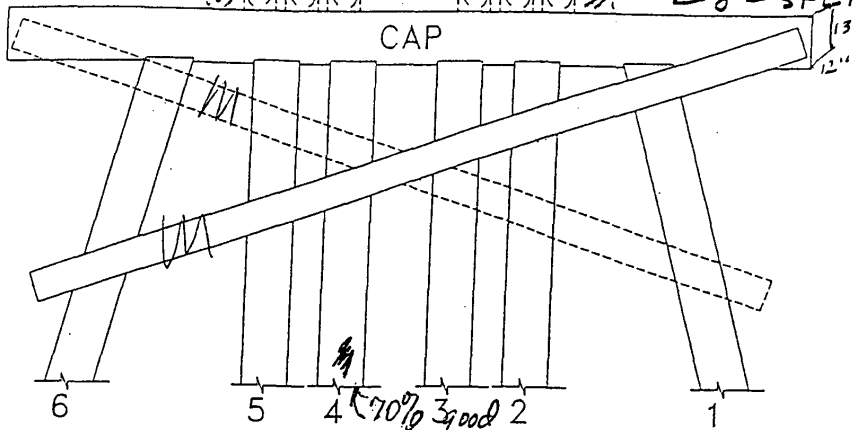
Cap 12x13



Fire Damage
Some section loss
(minimal)
#8-SPLIT-WATCH

E

W



Bent # 1
Cap

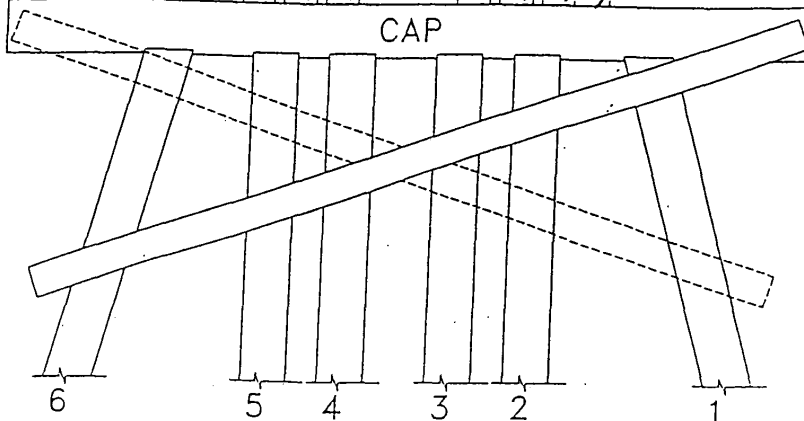
No. of Stringers 8

Span 12' 3"

Cap 12' x 13



Stringer Condition
From 1 - 2
Charred on Surface
APPEAR SOLID
8'x16"



Docket No. AB-55 (Sub-No. 618)
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HHS-4 (Page 4)

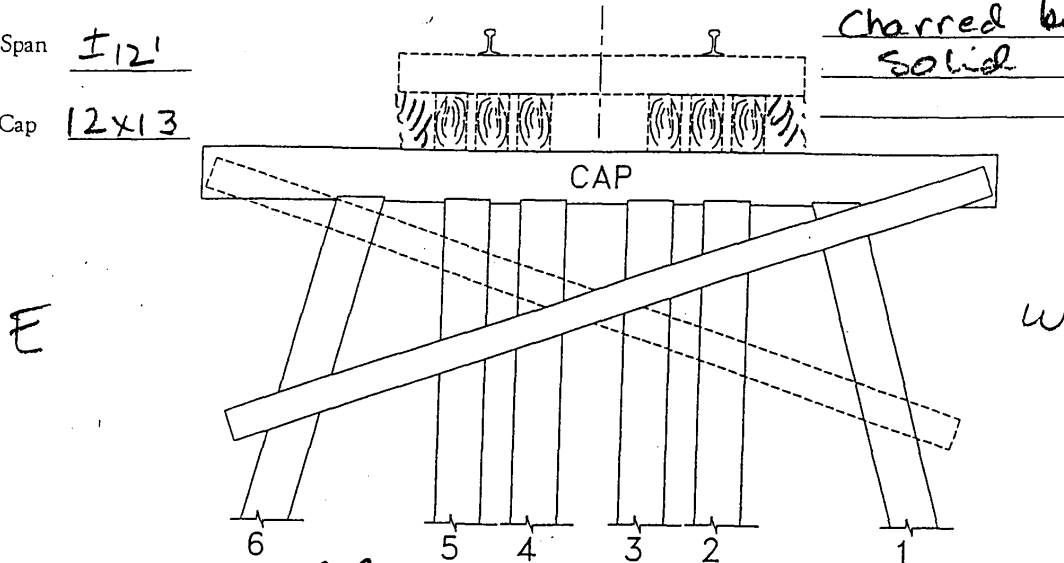


Stone Consulting & Design, Inc.
Timber Trestle Inspection

Railroad CSX Date 11/25/01 Inspector H.S. - ~~SE~~
Bridge ONI 223.3 Mile Post 223.3 Bents Numbered 2 to 3
Page 2 of 6 Bent # 2 Cap
No. of Stringers 8

Span ±12'
Cap 12x13

Stringer Condition
8x16
Charred but
Solid



All Solid

Bent # 3
Cap

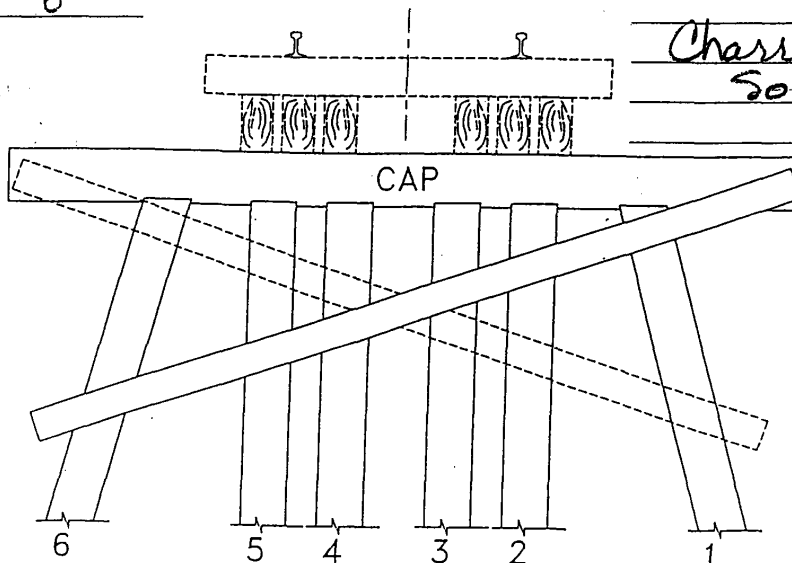
No. of Stringers 8

Span ±12'

Cap 12x13

Stringer Condition
8x16

Charred but
Solid



Good
Some
Charring

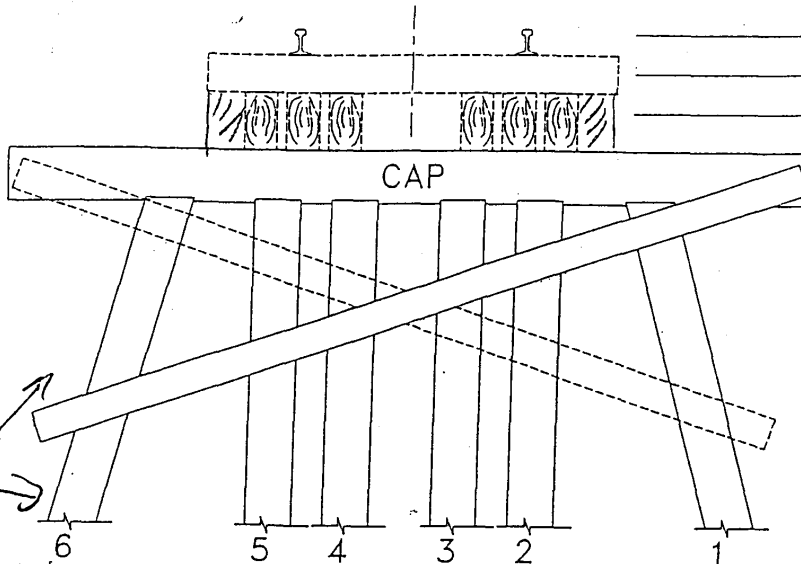


Stone Consulting & Design, Inc.
Timber Trestle Inspection

Railroad CSX Date 11/25/01 Inspector H.S. - S.P.
Bridge OWI 223.3 Mile Post 223.3 Bents Numbered 4 to 5
Page 3 of 6 Bent # 4
No. of Stringers 8 Cap _____ Stringer Condition Charred

Span 12'±

Cap 12x13



Bent #

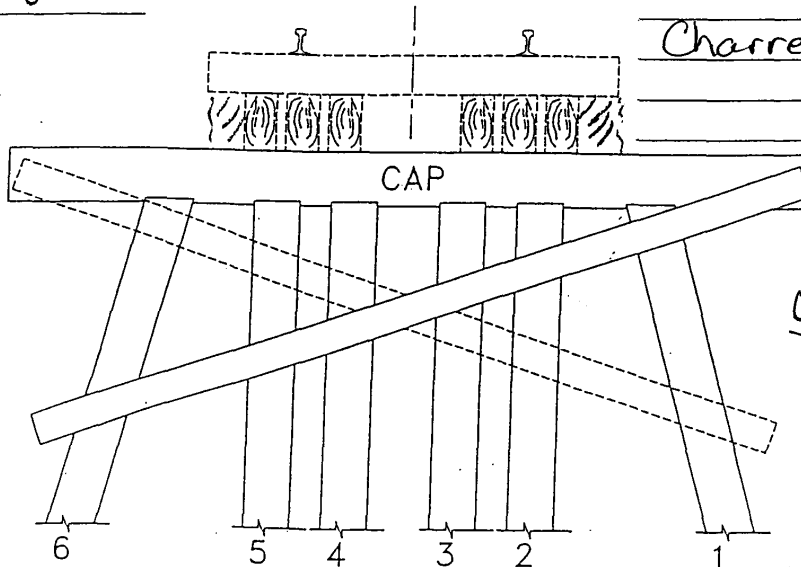
Cap

Stringer Condition

No. of Stringers 8

Span 12'±

Cap 12x13



IN CREEK

W

UPSTREAM SIDE
DEBRIS AGAINST
PILES - SET
IN CONCRETE
CHANNEL

Charred

UPSTREAM SIDE
DERIS AGAINST
PILES - SET IN
CONCRETE
BOTTOM



Stone Consulting & Design, Inc.
Timber Trestle Inspection

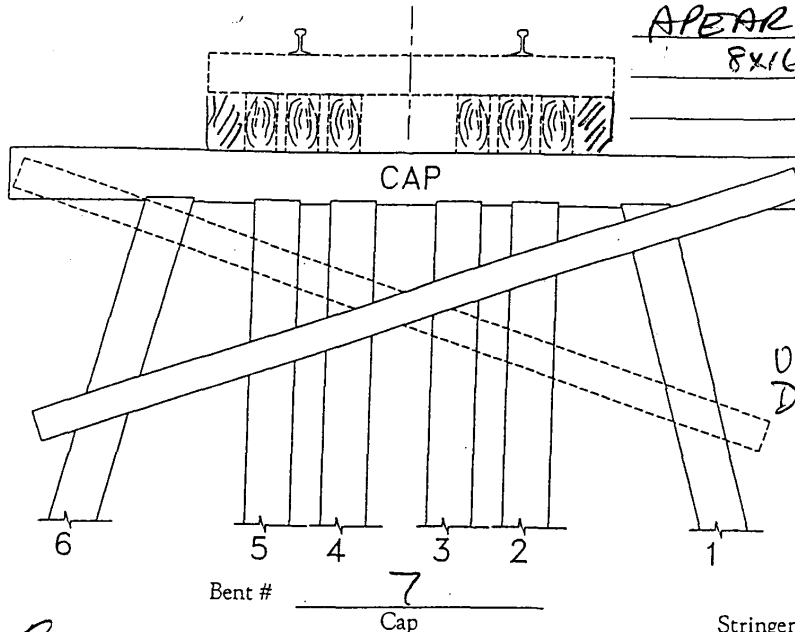
Railroad CSX Date 11/25/01 Inspector H.S. -
Bridge ONI 223.3 Mile Post 223.3 Bents Numbered 6 to 7
Page 4 of 6 Bent # 6
No. of Stringers 8 Cap

Span 12'±

Cap 12x13

Stringer Condition

CHARRED BUT
APPEAR SOLID
8x16



No. of Stringers 8

Span 12'±

Cap 12x13

Stringer Condition

CHARRED BUT
APPEAR SOLID

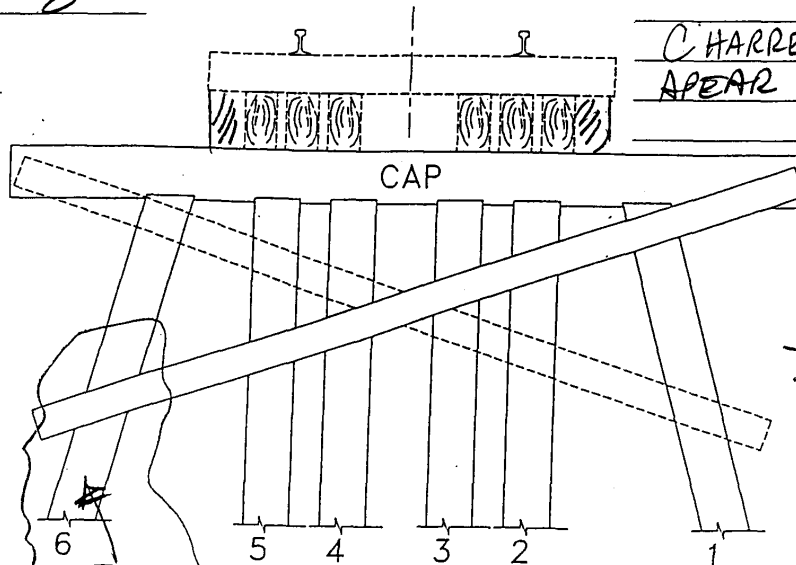
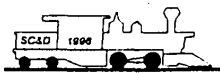


PHOTO 6

BAD
REPLACE



Stone Consulting & Design, Inc.
Timber Trestle Inspection

Railroad CSX Date 11/25/01 Inspector H.S. - ~~SA~~

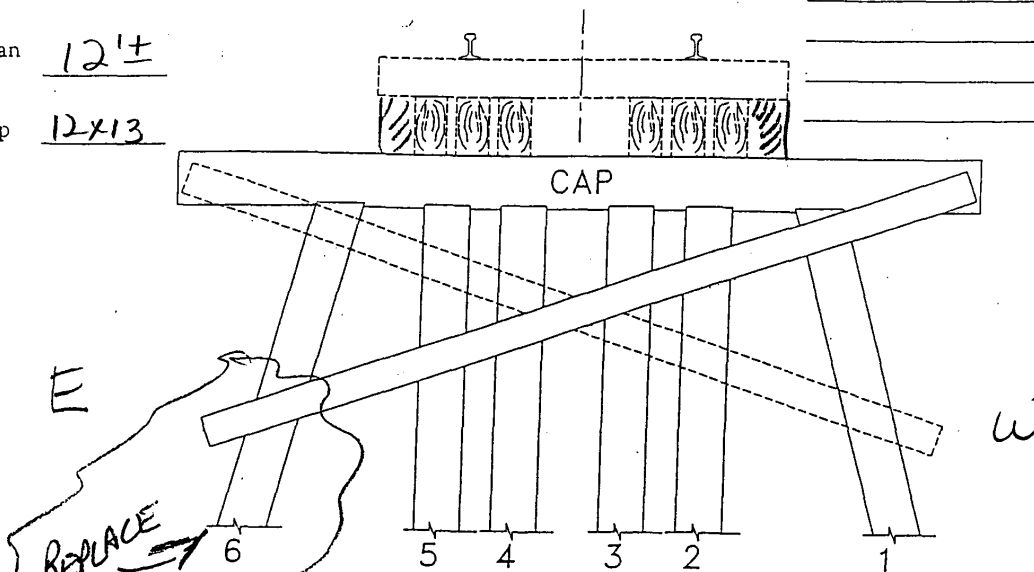
Bridge ONI 223.3 Mile Post 223.3 Bents Numbered _____ to _____

Page 5 of 6 Bent # 8 Cap _____ Stringer Condition _____

No. of Stringers 8

Span 12'±

Cap 12x13

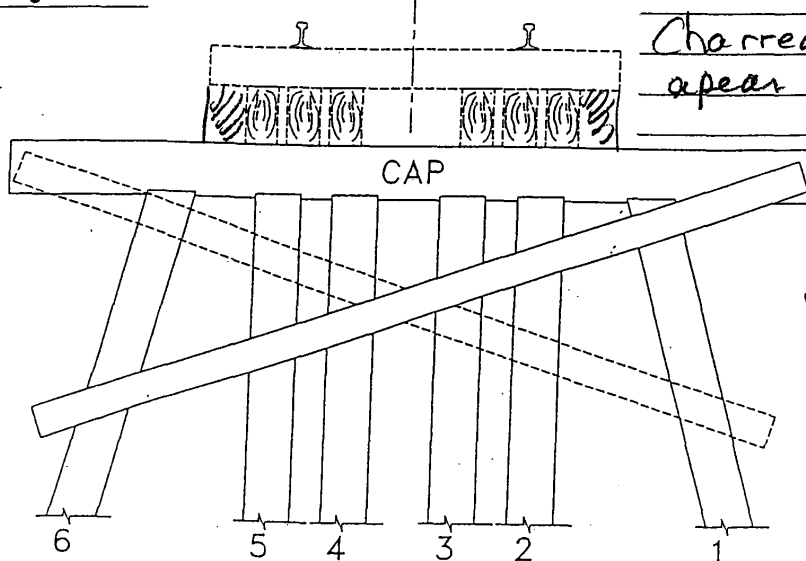


Bent # 9 Cap _____ Stringer Condition _____

No. of Stringers 8

Span 12'±

Cap 12x13



Charred but
appear OK

Charred but OK

← PHOTO 7



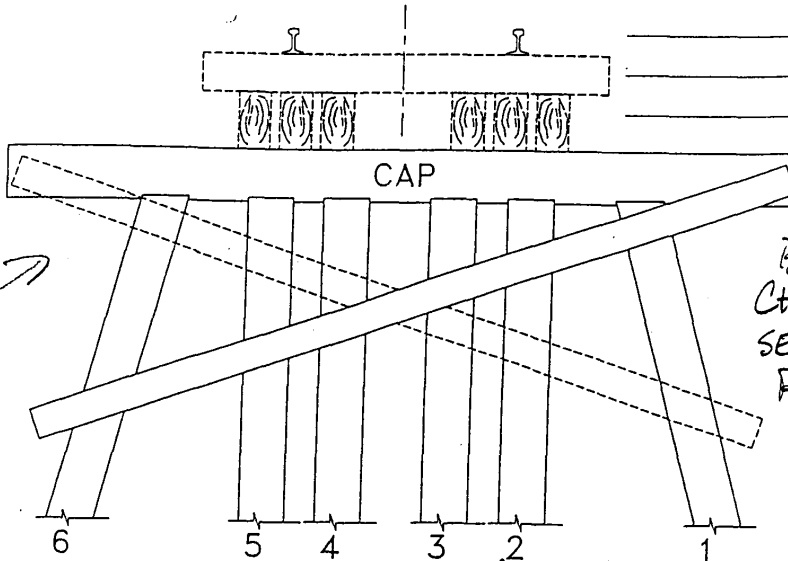
Stone Consulting & Design, Inc.
Timber Trestle Inspection

Railroad CSX Date 11/25/01 Inspector H.S. - ~~SE~~
Bridge ON 1 223.3 Mile Post 223.3 Bents Numbered _____ to _____
Page 6 of 6 Bent # ABUTMENT NORTH
Cap _____ Stringer Condition _____
No. of Stringers _____

Span _____
Cap _____

PHOTO 8 →

E



BACKWALL
CHARRED - OPEN
SEAM BETWEEN
PILES 3 & 4

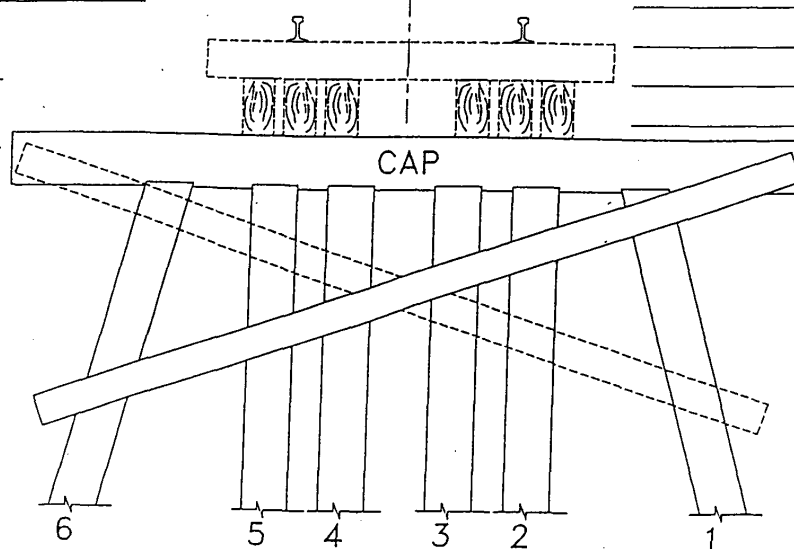
W

NO EVIDENCE OF CRUSHING

No. of Stringers _____

Span _____

Cap _____



Stringer Condition _____

Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
HHS-4 (Page 9)



ONI 223.3 Photo 1



ONI 223.3 Photo 3



ONI 223.3 Photo 4



ONI 223.3 Photo 5



ONI 223.3 Photo 7



ONI 223.3 Photo 6



ONI 223.3 Photo 8

APPENDIX HHS-5

BRIDGE INSPECTION REPORT

CSXT BRIDGE ONI 223.3

PREPARED FOR

BOLEN, BRUNSON, BELL LUMBER COMPANY

On Sunday, August 11, 2002 an in depth inspection of the CSXT bridge ONI 223.3 was conducted by Harvey H. Stone, P.E. and Leon "Sandy" Perkins.

A cursory inspection was conducted by Harvey Stone in November of 2001. At that time, the bents were numbered from South to North with piles numbered from West to East. In the CSXT bridge inspection conducted on June 19, 2002 by J. S. Hood, the bents were numbered from North to South and the piles numbered from West to East. In order to conveniently compare the two inspections, we have chosen to follow the CSXT convention and have numbered the bents from North to South and the piles from West to East.

During that November inspection, Stone was unable to get into the concrete creek channel to closely inspect the bents in the channel because of the significant flow of the creek. This was remedied during the August inspection. For the August inspection, water levels in the channel were down and ladders were used to access the tops of the piles, the caps and the stringers.

Bridge curbing has deteriorated in several areas of the bridge. It should be replaced for a distance of about 10' on both sides of the north and south ends of the bridge as well as in the center of the bridge on the east side for a distance of 40'. There is also some loss of ballast on the north end of the bridge, especially on the east side. This can be remedied by the replacement of several backwall boards on both sides of the north end of the bridge.

The entire bridge understructure has been subjected to a fire and there is considerable charring of the piles, stringers and floorboards on the underside of the bridge. Although it looks bad, most of the charring is superficial and has little effect on the structural capabilities of the bridge members. Where it is more than superficial, we have noted it and downgraded the particular member. It is important to note that although some members are in poor condition and should be replaced, there was no evidence of pile or cap crushing which would indicate significant overstress of specific members.

When timber bridges are inspected, it is customary to estimate the condition of each member and use that condition to determine if the member should be replaced. To do this, we used visual inspections, soundings and the pick test. In accordance with our Right-To-Enter agreement, we were not permitted to alter the bridge in any way and therefore could not drill any of the piles. Instead we noted where CSXT had drilled the piles and recorded their comments where they were readable.

Using a ten foot ladder for the shorter bents and a 20 foot ladder for the higher bents, we were able to inspect, sound and pick every structural member on the bridge. The creek was down to a trickle and did not impede us from a complete

inspection of every member. In order to determine which members should be replaced we used a 50% factor. That means if the member had 50% or less capacity remaining, we recommend replacement. In Volume III of the Davidson work papers, on page 19 the CSXT Guidelines state "When inspecting timber bents, look for the following serious conditions Any Pile or Post – broken, crushed, decayed through 50% or more".

A comparison of the two recommended repair programs is as follows;

	PILES	CAPS	STRINGERS	FLOORING	CURBS	BRACING	
Davidson	28	11	120	ALL	15	150	(Estimated)
Stone	21	9	13	NONE	5	200	

Notes:

1. Piles will be posted, while other members will be replaced.
2. It should be noted that there are 10 spans to this bridge and there are eight stringers per span with 9 stringers on two of the spans. This means that there can only be 82 stringers on this bridge. Mr. Davidson in his Verified Statement recommends replacing 120 stringers.

We also do not agree with the cost estimates prepared by Mr. Davidson. In our appendix we have provided an actual quote for similar repairs to timber bridges in Meridian Mississippi to the Meridian Southern Railway, that is dated January 26, 2001 from Currie Construction Company, Inc. This quote was obtained after Stone completed inspections of the 84 timber bridges on the Meridian Southern Railway in November of 2000. The prices provided included materials, hardware, equipment and installation. Meridian contracted with Currie to make most of the repairs

quoted in the attached letter. We have calculated the unit costs from that bid and used the highest cost per item in the bid for our estimate. We have then adjusted the costs using "RS Means Building Construction Cost Data" for the City Cost Indexes from Meridian, MS to Memphis, TN. As we had no bid price for curbing, we used the cost provided by Mr. Davidson.

The two largest discrepancies in quantities between Davidson and Stone are for stringer replacement and flooring replacement.

In reviewing the "Timber Bridge Inspection and Treating Reports" prepared by J. S. Hood of CSXT and numbered pages 85-95 we found an error. Page 87, noted as Bent 3 is actually Bent 4, there is no diagram for Bent 3; page 88, Bent 4 is actually Bent 5; page 89, Bent 5 is actually Bent 6; page 90, Bent 6 is actually Bent 7 and page 91 is also Bent 7. We were able to determine this from the positions of the piles that had been previously posted. This would create an error in Mr. Davidson's pile replacement calculations.

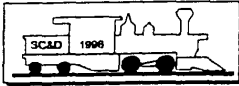
The goal of bridge repairs is to provide a safe bridge, not a new one. Our analysis of the stringers showed that although there was deterioration in some of the stringers, they were not in danger of imminent failure. If they were, we would have seen a large number of failed stringers. We actually saw very few failed stringers and the worst of them had been replaced by new stringers in the recent past. The replacement stringers (in spans 6-7 and 7-8) were installed improperly and are carrying very little if any of the deck load. The shims used to install them have worked free and they are not being properly supported. We have included in the cost estimate the cost for re-shimming those stringers, but have removed the cost of

replacing one failed stringer in each of those spans as the new stringers were installed to supplement the failed stringers.

Although the ends of the floorboards appear deteriorated and the bottoms are charred, we saw no evidence of failure in the flooring. There are no holes in the flooring which allow ballast to fall through and we would normally not recommend replacement of the entire floor of a ballasted deck bridge unless there are significant failures in the flooring which are causing ballast to be lost. Even then, sections of failed flooring are replaced rather than replacing the entire bridge deck.

A timber bridge such as this one deteriorates very slowly when not used but will deteriorate much more quickly if heavy traffic on a regular basis is experienced. The repetitive impact of unit trains can be very damaging to a timber bridge. This bridge experiences very little traffic. The Bolen, Brunson, Bell Lumber Company receives approximately 200 carloads per year. This is not a significant amount of traffic. We would expect that the repairs recommended by Stone in this report would provide a minimum of ten years of service and probably much longer. The useful life of a timber bridge changes every time repairs are made to the bridge. With on-going minimal repairs, based upon the traffic projected, the useful life of this bridge will continue to stretch out for many more years to come.

BOLEN, BRUNSON, BELL LUMBER COMPANY CSXT BRIDGE ONI 223.3 ESTIMATED COST OF REPAIRS AUGUST 2002										
Bent	Span	Length	Post Piles \$1,572.67	Replace Stringers \$960.00	Replace Caps \$1,797.60	Longitudinal Bracing \$19.38/LF	Replace Curbing \$20.32/LF	Others \$1,000/EA	Total	Comments
1	1-2	12' 4"			1			4	\$5,798	Backwall - 4 boards
2			1		1				\$0	
3	2-3	11' 10"		1					\$3,370	
4	3-4	11' 4"	2		1				\$960	
				2					\$4,943	
5	4-5	11' 8"	4		1				\$1,920	
				2					\$8,088	
6	5-6	12' 8"	3			100			\$1,920	
									\$6,656	
7	6-7	11' 8"	3		1	100			\$0	
				1				1	\$8,454	
8	7-8	11' 8"	3		1				\$1,960	Replace shims
				2				1	\$6,516	
9	8-9	12' 2"			1				\$2,920	Replace shims
				1					\$1,798	
10	9-10	11' 8"	1		1				\$960	
				3					\$3,370	
11	10-11	11' 10"	1		1				\$2,880	
				1					\$3,370	
Curbing			3						\$960	
Total			21	13	9	200	80	10	\$1,626	Backwall - 4 boards Accept CSXT cost/foot
									\$77,186	



Stone Consulting & Design, Inc.
324 Pennsylvania Ave. West, P.O. Box 306, Warren, PA 16365
814.726.9870 tel 814.726.9855 fax scdemail@stoneconsulting.com

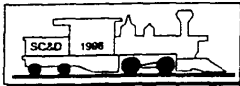
TIMBER BRIDGE INSPECTION REPORT

Date: 8/11/02

Inspector: H. Stone S. Perkins

Photos: 1-24

IDENTIFICATION			CLASSIFICATION	
DIVISION	BRIDGE NO. <u>223.3</u>	YEAR BUILT <u>1921</u>	1	TOTALLY DETERIORATED OR FAILED
SUB-DIV. <u>CORDOVA</u>	NO. OF SPANS <u>10</u>	DECK <u>Brilliant</u>	2	SHADE BETWEEN 1 & 3
TOWN <u>MEMPHIS</u>	TYPE <u>TIMBER 6 PILE BRIDGE</u>		3	SERIOUS DETERIORATION OR NOT FUNCT.
COUNTY	LENGTH <u>120'</u>	NO. TRACKS <u>1</u>	4	SHADE BETWEEN 3 & 5
STATE <u>TN</u>	RR	HWY	5	MINOR DETER' TION, FUNCT. AS DESIGNED
MILEPOST <u>ON 1223.3</u>	CROSSING <u>DEAD END</u>	WATER ☒ OTHER	6	SHADE BETWEEN 5 & 7
SPEED - MPH <u>Embruggway</u>	ALIGNMENT-TANGENT ☒ CURVE		7	NEW CONDITION, NO DETERIORATION
RAILROAD <u>CSXT</u>	DEGREE OF CURVE		8	N/A
			9	UNKNOWN
			HOW INS VISUAL ☐ INS. TRK ☐ ULTRASONIC ☐	
ITEMS INSPECTED		CLASS.	REMARKS	
G				
E	Drainage Opening	6		
N	Channel Scouring, Silting, Etc.	6		
E	Slopes, Rip Rap	6	ROAD. WALLS	
R	General Cleanliness	4	DEBRIS TRAPPED AGAINST PILES	
A	MCI Sprint Lightnet Other	8		
L				
	Approach - Surface, Alignment	5		
	Anchor Pattern		Varies from every other	
T	Bridge ☒ Appr. ☒ Dist.	4	tie to every 5th tie	
R	Bridge, Surface, Alignment	4		
A	Ties, Tie Pads, Date Installed	4		
C	Out Guard Rail, Timber Strap	8		
K	In Guard Rail Wt.	8		
	Deck Anchors, Bolt Clips	8		
	Hooks Log Bolt % Effect.	8		
	Rail, JT ☒ CWR WT <u>115</u>	6		
F				
D	Abutments, Bridge Seats	5		
N	Backwalls, Wingwalls	4	BOTH SIDES NEED 2 TOP BOARDS	
S	Mud Sills, Blocking			



Stone Consulting & Design, Inc.
324 Pennsylvania Ave. West, P.O. Box 306, Warren, PA 16365
814.726.9870 tel 814.726.9855 fax scdemail@stoneconsulting.com

TIMBER BRIDGE INSPECTION REPORT

Date: 8/11/02 Inspector: H. Stone, J Perkins Photos: 1-24

MILE POST <u>223.3</u>				CLASS.	REMARKS	
ITEMS INSPECTED						
	Walkways	LS	RS	Railing, Refuge Bays	8	
D	Stringers, Number Each Rail	<u>4</u>	<u>4</u>		5	Charred REPLACE 13 OF 82
E	Lap Chord		Laminated			
C	Corbels					
K	Ballast Decking				4	No holes evident
	Ballast Curbs				3	Wood covered with tin - replace 80'
	Elevation Blocks					
B	No. Piles	<u>10</u>	Framed Posts		4	Charred - REPLACE 21 OF 66
E	Timber Caps, Crushed	<u>NO</u>	Split	<u>4/20</u>	2	REPLACE 9 OF 11
N	Concrete Pile Caps, Cracks, Top				8	
T	Bottom	Vertical	Horz.	Spall		
S	Transverse Bracing				4	REPLACE ON TWO HIGH ABUTS
-	Longitudinal Bracing				8	NONE
T	Sash, Girts				8	
O	Timber Cap Blocking, Steel Spans				8	
W	Bolts, Dowels, Lag Screws, Etc.				8	
E	In Place Treatment		Date		8	
R	Movement Under Load					
S						

REMARKS:

BRIDGE HAS SUSTAINED FIRE DAMAGE
MOST TIMBER IS CHARRED BUT WITH
MINIMAL SECTION LOSS

No apparent failure of stringers, caps
or flooring.



Stone Consulting & Design, Inc.
Timber Trestle Inspection

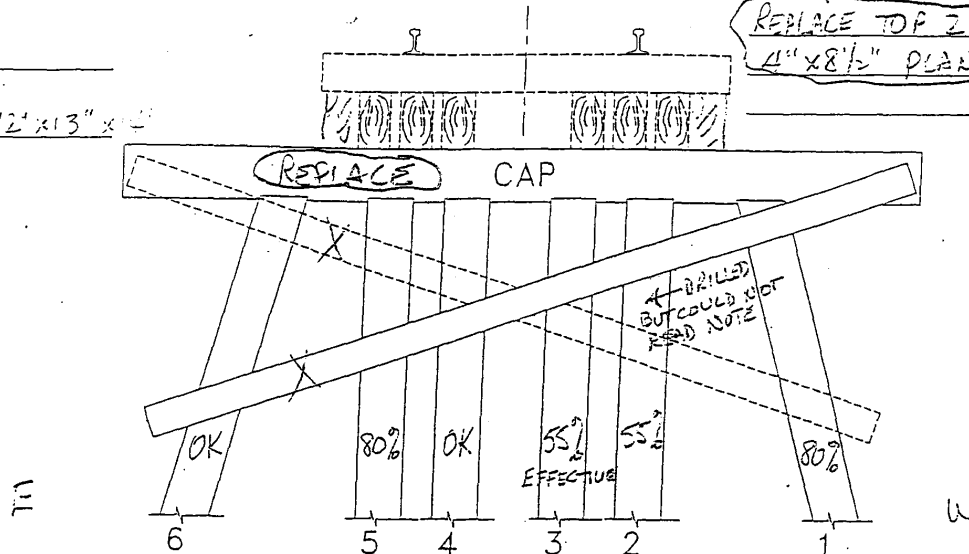
Railroad CSXT Date 8/11/02 Inspector H.S. - S.P.
Bridge ON 223.3 Mile Post 223.3 Bents Numbered N to S
Page 1 of 6 Bent # 1
No. of Stringers 8 Cap

Span 12' x 13' x 14'

Cap 12' x 13' x 14'

Stringer Condition

NOTE - BACKWALL
REPLACE TOP 2 BOARDS
4" x 8 1/2" PLANKS.

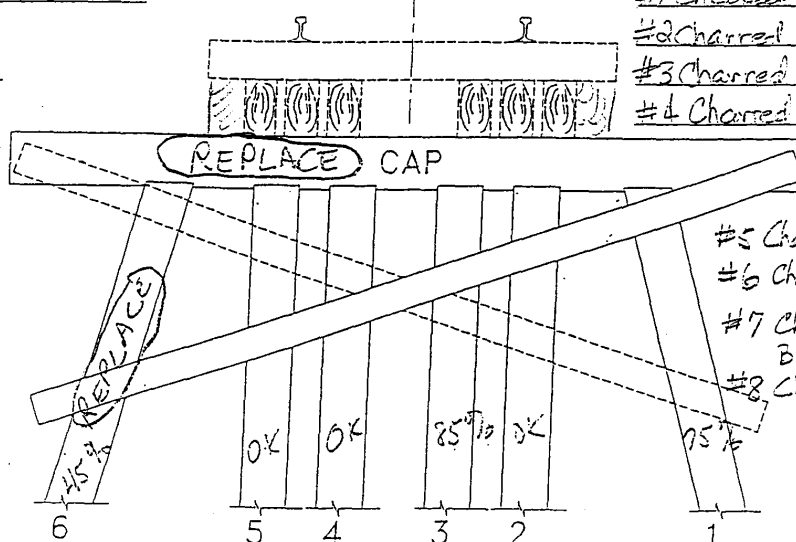


Bent # 2 Cap

No. of Stringers 8

Span 12' x 14'

Cap

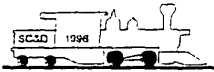


From Bent 1 to 2
Stringer Condition

#1 Charred West Side 65%
#2 Charred 2 sides 90%
#3 Charred 2 sides 90%
#4 Charred 2 sides 65%

#5 Charred 2 sides 90%
#6 Charred 2 sides 70%
#7 Charred 2 sides
Bearing Soft 80%
#8 Charred 3 sides 80%

Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
HHS-5 (Att. 4)



Stone Consulting & Design, Inc.
Timber Trestle Inspection

Ilrcad CSXT Date 8/11/02 Inspector H.S. - S.P.

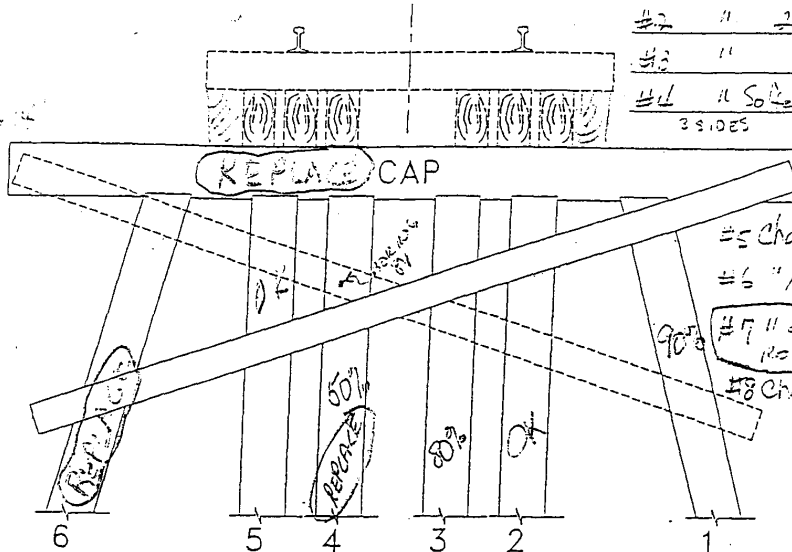
Bridge ONI 223.5 Mile Post 223.3 Bents Numbered (1) to (5)

Page 2 of 6 Bent # 3 Cap

No. of Stringers 8 From BENT 2-3 Stringer Condition

Span 11'-10" #1 Charred - 1 side - 90%
#2 " 2 sides - 90%
#3 " 90%
#4 " 11 Sides on bottom 80%
3 sides

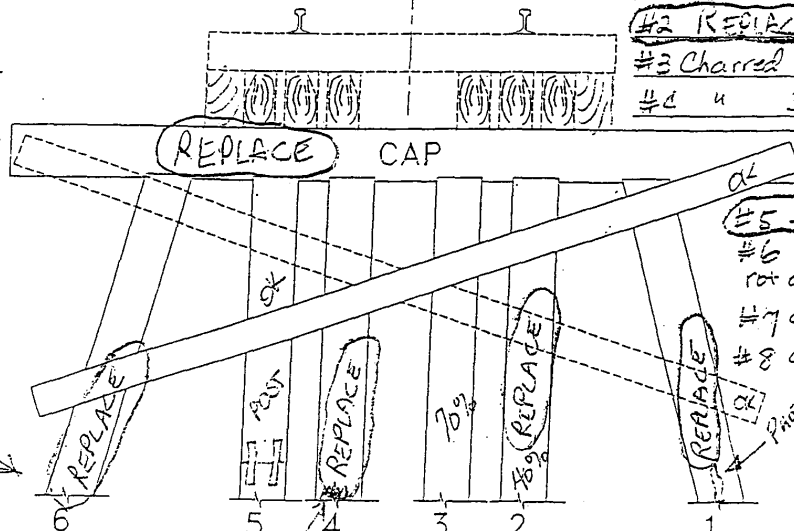
Cap 12' x 3' x 4'



No. of Stringers 8

Span 11'-4"

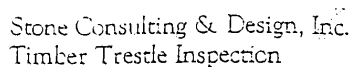
Cap 12' x 3' x 4'



From BENT 3-4 Stringer Condition
#1 Charred heavily 2 sides at bottom 65%
#2 REPLACE
#3 Charred 2 sides OK
#4 " 3 sides 90%

#5 - REPLACE
#6 - Checked Charred 2 sides
rot over South Building 70%
#7 Charred 2 sides 75%
#8 Charred 3 sides 85%

Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
IHS-5 (Att. 5)



Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
HHS-5 (Att. 6)

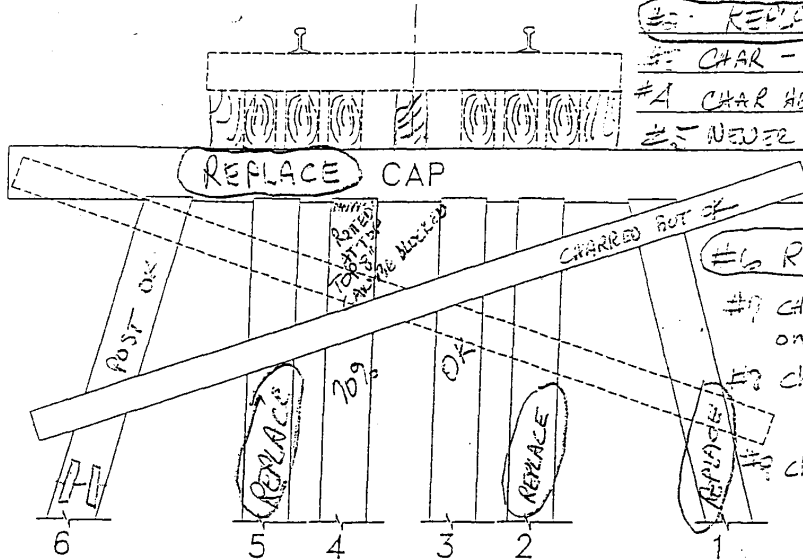


Stone Consulting & Design, Inc.
Timber Trestle Inspection

Railroad CSXT Date 8/11/02 Inspector H.S. - S.P.
Bridge ONI 223.3 Mile Post 223.3 Bents Numbered N to S
Page 11 of 16 Bent # 7 Cap 464 (223)
No. of Stringers 9

Span 11'-8"

Cap 12"x13"x14"

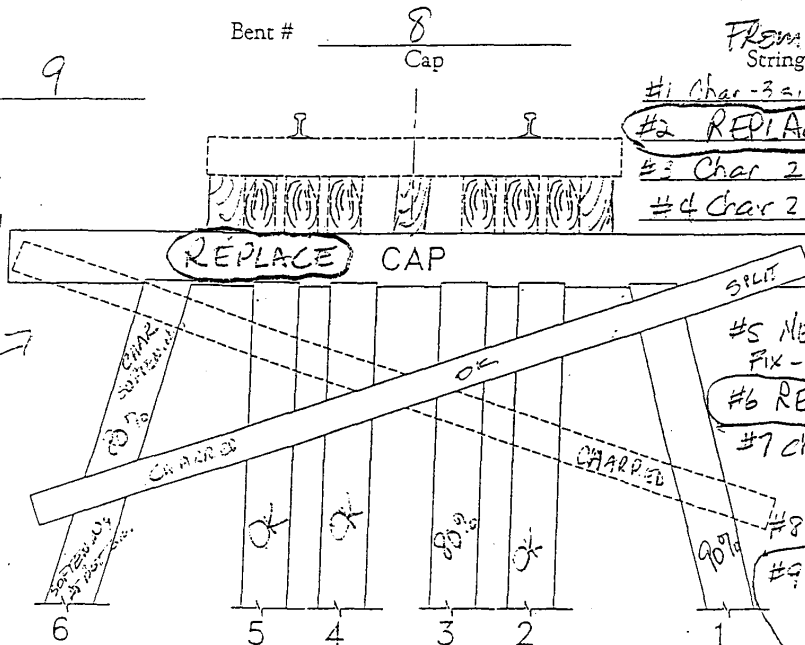


- FROM 6-7 Stringer Condition
- #1 Char - softening 75%
 - #2 REPLACE
 - #3 CHAR - 85%
 - #4 CHAR HEAVILY 3 SIDES 85%
 - #5 NEWER STRINGER - SHIMMED AT BEARING - NEED TO BE RE-SHIMMED
 - #6 REPLACE
 - #7 CHAR - 2 SIDES - softening on bottom - 75%
 - #8 Charred 2 sides 90%
 - #9 charred 3 sides - split 65%

No. of Stringers 9

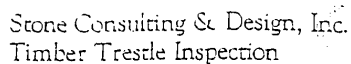
Span 11'-8"

Cap 12"x13"x14"



- FROM 7-8 Stringer Condition
- #1 Char - 3 sides some softening 75%
 - #2 REPLACE
 - #3 Char 2 sides soft
 - #4 Char 2 sides 85%
 - #5 NEWER - FORCE SHIMMED FIX - REPLACE CHAINS
 - #6 REPLACE
 - #7 Char 2 sides some softening on top 90%
 - #8 Char - 3/8" - 90%
 - #9 Char 3 sides some rot - 50% REPLACE

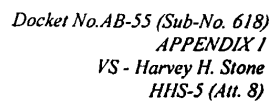
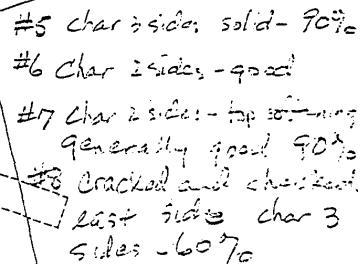
Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
HHS-5 (Att. 7)

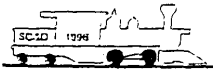


#6 Char 2 sides softening
on bottom TS97

#7 Char 2 sides OK

#8 Char 3 sides checked
on east side - soft
at bearing - 70°





Stone Consulting & Design, Inc.
Timber Trestle Inspection

Road CSXT Date 8/11/02 Inspector H.S. - S.P.
Bridge ON 223.3 Mile Post 223.3 Bents Numbered 11 to 12
Page 6 of 6 Bent # 11
No. of Stringers 8 Cap

Span 11'-10"

Cap 12" x 13" x 14"

Stringer Condition

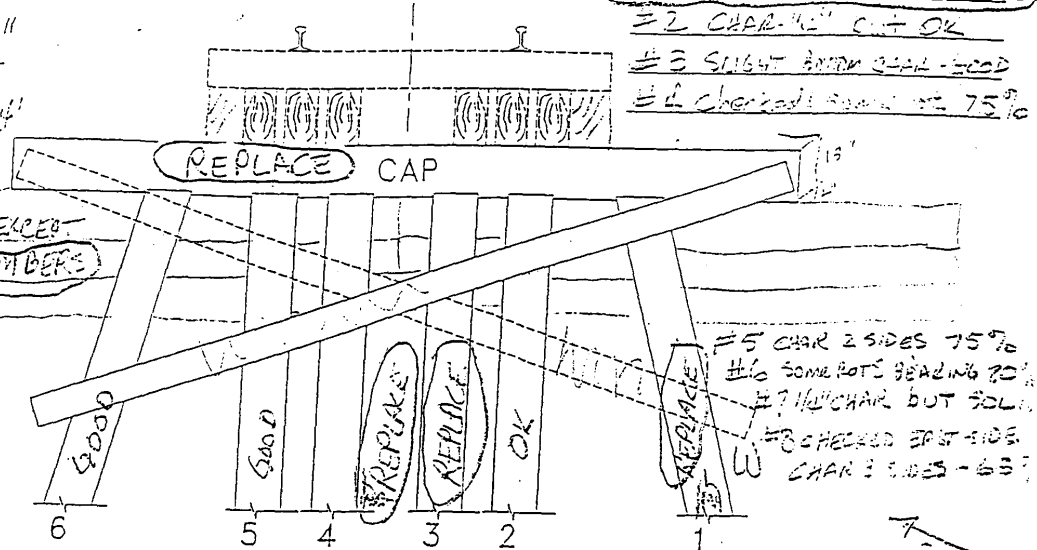
#1 REPLACE - SOME 8-10"

#2 CHAR - 4" CUT OK

#3 SLIGHT ANCHOR CHAR - GOOD

#4 CHECKED SPOT - 75%

BACKWALL OK EXCEPT
FOR 2 TOP TIMBERS



Bent #

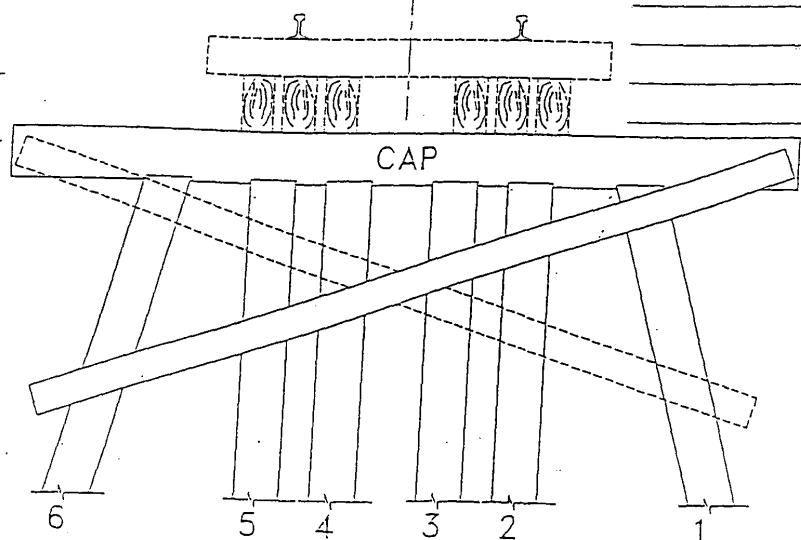
Cap

Stringer Condition

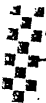
No. of Stringers

Span

Cap



Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
HHS-5 (Att. 9)



01/23/1996 12:33

6017829609

Carrie Construction Company, Inc.*Meridian Southern*P.O. Box 519
Raleigh, NC 27613Phone (601) 782-9805
Fax (601) 782-9809

January 26, 2001

Steve May
Meridian Southern Railway
25 Delphine street
Owego, NY 13327

Via Fax # (607) 687-6817

The following are our quotes for described repairs:

Bridge MP 129.07 - Bridge Repair Total \$28,500.00

- 1) 520 LF of Longitudinal Bracing - \$9,000.00 17³⁰ / LF
- 2) Reset all Canted Bridge Caps - \$10,500.00
- 3) Change 6 Caps - \$9,000.00 1500 / CAP

Bridge MP 113.52 - Bridge Repair Total \$4,850.00

- 1) Change out 5 Piling - \$4,850.00 970 / PILE

Bridge MP 113.111 - Bridge Repair Total \$19,390.00

- 1) Change 1 Cap - \$1,500.00 1500 / CAP
- 2) Change 21 Stringers - \$17,890.00 851³⁰ / STRINGER

Bridge MP 108.25 - Bridge Repair Total \$10,272.00

- 1) Change 3 caps - \$4,815.00 1605 / CAP
- 2) Change 5 Piling - \$3,745.00 749 / PILE
- 3) Change 2 Stringers - \$1,712.00 856 / STRINGER

Bridge MP 107.67 - Bridge Repair Total \$15,408.00

- 1) Change 16 Piling - \$15,408.00 963 / PILE

Bridge MP 107.33 - Bridge Repair Total \$17,120.00

- 1) Change 16 Piling - \$17,120.00 1070 / PILE

Bridge MP 107.97

Option #1 - Total Repair \$25,300.00

Build head wall at base of wash, back fill with dirt from right of way, rip rap headwall - \$25,300.00

Option #2 - Total Repair \$39,500.00

Back fill wash with dirt from right of way, rip rap slope to river bank - \$39,500.00

Bridge MP 96.27 - Total Bridge Repair \$10,120.00

- 1) Change out 2 Pilings - \$1,500.00 750 / PILE
Shim 2 Pilings - \$1,020.00
2) Change out 1 Cap - \$1,600.00 1600 / CAP
3) Change 7 Stringers - \$6,000.00 857¹⁴ / STRINGER

Bridge MP 95.94 - Total Bridge Repair \$78,590.00

- 1) Estimate to place 2 lines 40' long of jointed (20' joints) 78" concrete steel reinforced pipe, back fill with dirt, tear out bridge while working in time windows, furnish all ballast and rip rap as need. We will also furnish 75 new cross ties. Lump Sum - \$78,590.00

Bridge MP 94.99 - Total Bridge Repair \$13,450.00

- 1) Change 12 Pilings - \$16,850.00 1404.17 / PILE
2) Change 1 Cap - \$1,600.00 1600 / CAP

Bridge MP 91.02 - Total Bridge Repair \$13,475.00

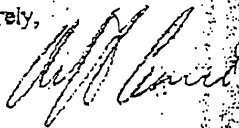
- 1) Change 3 Pilings - \$3,200.00 1066.67 / PILE
2) Change 12 Stringers - \$10,275.00 856²⁵ / STRINGER

These prices include all labor, material, and taxes. Material will be new or #1 relay material. All piling replaced will be pinned with drift bolts to stump and banded with metal bands and cemented. If desired not to use bands and cement, our price will be reduced \$100.00 per piling.

After completion of each project, we would expect payment within 30 days.

Thank you for giving us the opportunity to bid on these projects. If you have any questions please give me a call.

Sincerely,



Cliff Currie, President
CURRIE CONSTRUCTION COMPANY, INC

CC/mic

Highest Cost

PILES \$1404¹⁷

CAPS \$1605

STRINGER \$857¹⁴

BRACING \$17³⁰ / LF

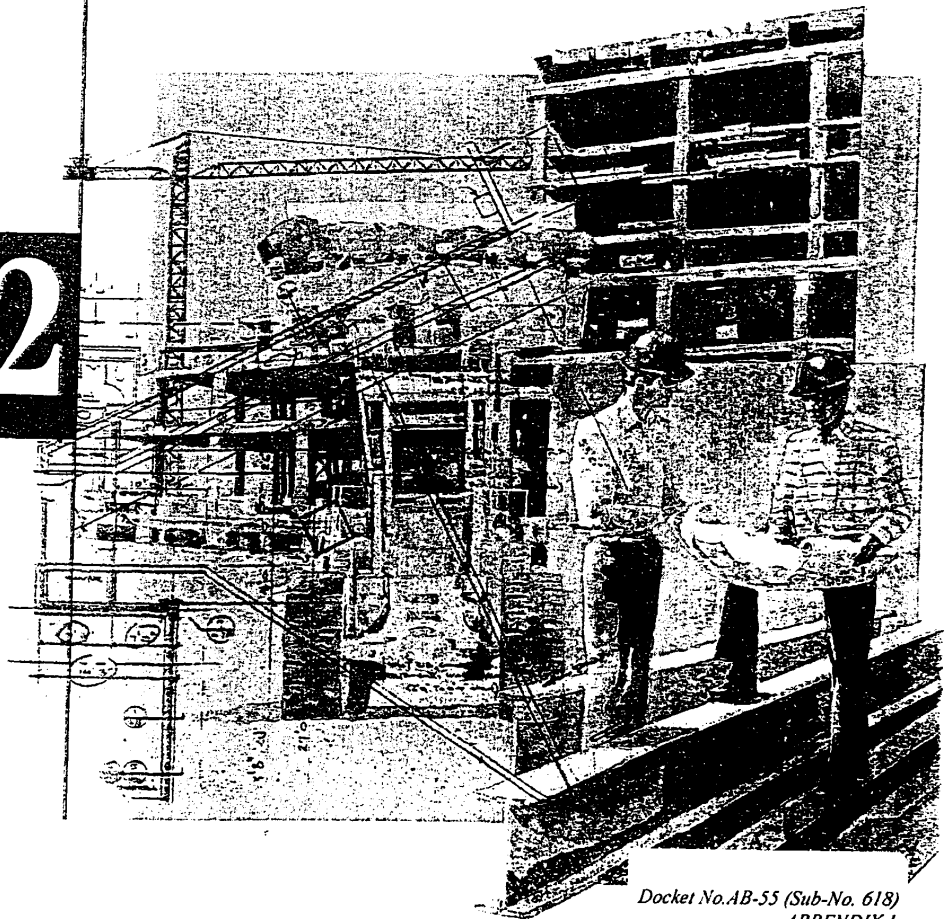
RSMeans.



Building Construction Cost Data

60th Annual Edition

2002



City Cost Indexes

DIVISION		SOUTH DAKOTA																	
		MITCHELL			MOBRIDGE			PIERRE			RAPID CITY			SIOUX FALLS			WATERTOWN		
		573			576			575			577			570 - 571			572		
		MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL
01590	EQUIPMENT RENTAL	0	95.4	95.4	0	95.4	95.4	0	95.4	95.4	0	95.4	95.4	0	95.7	95.7	0	95.4	95.4
02	SITE CONSTRUCTION	30.0	95.0	125.0	30.0	95.0	125.0	30.0	95.0	125.0	31.0	94.7	125.7	32.0	97.0	129.0	32.0	95.0	127.0
03100	CONCRETE FORMS & ACCESSORIES	94.3	43.3	137.6	92.9	43.4	136.3	93.0	45.7	138.7	106.3	42.0	148.3	137.7	44.0	181.7	93.5	43.1	136.6
03200	CONCRETE REINFORCEMENT	105.6	54.6	160.2	103.1	54.6	157.7	105.7	52.5	158.2	100.2	54.3	154.5	100.2	54.5	154.7	102.7	54.6	157.3
03300	CAST-IN-PLACE CONCRETE	96.6	51.8	148.4	96.6	51.9	148.5	96.6	50.8	147.4	95.3	47.9	143.2	99.9	55.1	155.0	96.6	51.9	148.5
03	CONCRETE	93.6	50.3	143.9	93.4	50.8	144.2	93.8	52.1	145.9	93.3	49.7	143.0	94.7	53.1	147.8	93.4	50.3	143.7
04	MASONRY	96.6	56.3	152.9	106.0	56.3	162.3	106.0	47.5	153.5	106.0	53.1	159.1	102.2	55.1	157.3	103.4	56.3	162.3
05	METALS	106.4	71.0	177.4	103.6	71.1	174.7	107.1	74.2	181.3	103.2	75.7	178.9	109.8	76.3	186.1	105.4	71.1	176.5
06	WOOD & PLASTICS	99.3	41.2	140.5	88.5	41.2	129.7	98.5	44.6	143.1	108.3	41.7	150.0	98.5	41.2	139.7	94.0	41.2	135.2
07	THERMAL & MOISTURE PROTECTION	97.7	51.1	148.8	97.7	51.1	148.8	99.1	49.0	148.1	98.6	50.2	148.8	98.0	55.2	153.2	97.4	51.1	148.5
08	DOORS & WINDOWS	94.4	44.4	138.8	97.6	44.1	141.7	93.5	48.9	142.4	100.5	47.1	147.6	100.5	47.1	147.6	94.4	44.4	138.8
09200	PLASTER & GYPSUM BOARD	104.1	39.9	144.0	100.4	39.9	140.3	103.6	42.4	146.0	104.7	40.4	145.1	104.7	39.9	144.6	97.7	39.9	137.6
095098	CEILING & ACOUSTICAL TREATMENT	109.3	39.9	149.2	110.7	39.9	150.6	109.3	43.4	152.7	114.9	40.4	155.3	114.9	39.9	154.8	109.3	39.9	149.2
09600	FLOORING	110.8	66.2	177.0	105.3	66.2	171.5	110.4	47.2	157.6	110.4	75.7	186.1	110.4	81.5	191.9	103.4	66.2	169.6
097099	WALL FINISHES, PAINTS & COATINGS	102.5	39.5	142.0	102.5	39.5	142.0	102.5	39.5	142.0	102.5	39.5	142.0	102.5	39.5	142.0	102.5	39.5	142.0
09	FINISHES	106.6	47.0	153.6	104.3	47.0	151.3	106.4	45.0	151.4	107.7	47.9	155.6	107.6	50.1	157.7	103.2	47.0	150.2
10 - 14	TOTAL DIV. 10000 - 14000	100.0	57.0	157.0	100.0	57.0	157.0	100.0	56.3	156.3	100.0	52.7	152.7	100.0	55.9	155.9	100.0	55.8	155.8
15	MECHANICAL	96.5	39.9	136.4	96.5	39.9	136.4	100.2	40.0	140.2	100.2	37.1	137.3	100.2	40.1	140.3	96.5	39.9	136.4
16	ELECTRICAL	100.0	46.4	146.4	102.5	46.4	148.9	96.1	55.7	151.8	96.9	55.7	152.6	96.3	59.7	156.0	96.6	46.4	143.0
01 - 16	WEIGHTED AVERAGE	98.6	53.9	152.5	99.3	54.2	153.5	100.4	55.3	155.7	101.1	55.3	156.4	101.0	60.5	161.5	99.3	54.2	153.5

DIVISION		TENNESSEE																	
		CHATTANOOGA			COLUMBIA			COCKEYVILLE			JACKSON			JOHNSON CITY			KNOXVILLE		
		373 - 374			384			385			382			376			377 - 379		
		MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL
01590	EQUIPMENT RENTAL	0	104.7	104.7	0	98.0	98.0	0	98.0	98.0	0	105.1	105.1	0	97.6	97.6	0	97.6	97.6
02	SITE CONSTRUCTION	104.1	97.4	201.5	95.1	84.3	179.4	101.9	84.8	186.7	103.4	95.1	198.5	112.5	86.1	198.6	91.2	86.1	177.3
03100	CONCRETE FORMS & ACCESSORIES	93.6	52.4	146.0	76.3	55.5	131.8	76.5	29.0	105.5	84.3	37.9	122.2	78.2	54.6	132.8	92.3	54.7	147.0
03200	CONCRETE REINFORCEMENT	94.0	49.2	143.2	99.4	51.2	150.6	99.4	23.2	122.6	99.7	49.5	149.2	98.0	49.4	147.4	94.0	49.4	143.4
03300	CAST-IN-PLACE CONCRETE	103.5	54.1	157.6	91.9	55.2	147.1	104.1	36.6	140.7	101.6	32.4	134.0	93.2	60.4	153.6	97.2	55.4	152.6
03	CONCRETE	94.0	54.3	148.3	92.0	55.3	147.3	101.8	33.1	134.9	93.6	42.4	136.0	98.3	57.5	155.8	91.2	55.3	146.5
04	MASONRY	97.4	51.1	148.5	110.2	51.2	161.4	105.0	25.6	130.6	110.6	30.7	141.3	108.4	50.8	159.2	111.1	50.8	161.9
05	METALS	97.0	82.5	179.5	93.2	82.2	175.4	93.2	67.3	160.5	95.1	79.1	174.2	94.7	82.2	176.9	97.2	82.3	179.5
06	WOOD & PLASTICS	96.7	53.4	150.1	67.4	64.1	131.5	67.6	30.0	97.6	82.3	40.1	122.4	71.8	56.7	128.5	85.1	56.7	141.8
07	THERMAL & MOISTURE PROTECTION	102.0	54.3	156.3	92.3	52.4	144.7	93.4	33.6	127.0	100.0	40.1	140.1	96.5	55.1	151.6	94.1	54.5	148.6
08	DOORS & WINDOWS	99.0	52.5	151.5	91.0	55.5	146.5	91.0	27.7	118.7	99.3	43.9	143.2	95.1	53.3	148.4	91.3	55.5	146.5
09200	PLASTER & GYPSUM BOARD	93.2	32.6	125.8	98.8	33.5	132.3	98.8	28.3	127.1	98.3	33.3	131.6	104.5	36.9	141.4	111.1	35.9	147.0
095098	CEILING & ACOUSTICAL TREATMENT	95.9	52.6	148.5	84.1	53.5	137.6	84.1	28.3	112.4	95.4	38.3	133.7	87.1	55.9	143.0	92.7	55.9	148.6
09600	FLOORING	99.3	58.0	157.3	88.9	59.1	148.0	89.0	28.1	117.1	90.4	23.1	113.5	92.6	59.6	152.2	94.4	59.6	154.0
097099	WALL FINISHES, PAINTS & COATINGS	105.0	48.9	153.9	93.5	28.8	122.3	93.5	26.8	120.3	94.1	31.9	126.0	102.9	62.5	165.4	102.9	62.5	165.4
09	FINISHES	97.5	53.1	150.6	95.3	50.2	145.5	95.7	28.7	124.4	95.5	35.0	130.5	98.2	56.6	154.8	92.3	55.5	147.8
10 - 14	TOTAL DIV. 10000 - 14000	100.0	64.0	164.0	100.0	50.7	150.7	100.0	27.3	127.3	100.0	57.7	157.7	100.0	69.6	169.6	100.0	69.7	169.7
15	MECHANICAL	100.2	52.9	153.1	97.9	48.6	146.5	97.9	28.3	126.2	100.1	46.9	147.0	99.9	58.6	158.5	99.9	62.5	162.4
16	ELECTRICAL	103.5	62.3	165.8	91.2	32.6	123.8	94.0	25.0	119.0	99.3	35.7	135.0	90.9	38.1	129.0	100.4	61.2	161.6
01 - 16	WEIGHTED AVERAGE	98.7	61.3	160.0	95.3	54.8	150.1	96.6	37.3	133.9	98.5	49.1	147.6	98.1	53.9	152.0	94.3	63.2	157.5

DIVISION		TEXAS																	
		MCKENZIE			MEMPHIS			NASHVILLE			ABILENE			AMARILLO			AUSTIN		
		382			375.380 - 381			370 - 372			795 - 796			790 - 791			786 - 787		
		MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL
01590	EQUIPMENT RENTAL	0	98.0	98.0	0	102.3	102.3	0	105.4	105.4	0	85.3	85.3	0	95.8	95.8	0	86.1	86.1
02	SITE CONSTRUCTION	101.1	85.0	186.1	97.5	92.0	189.5	95.2	100.1	195.3	103.2	85.0	188.2	103.5	35.9	139.4	86.1	55.7	141.8
03100	CONCRETE FORMS & ACCESSORIES	85.9	28.7	114.6	94.6	32.6	127.2	92.0	68.3	160.3	99.3	49.9	149.2	103.0	59.2	162.2	97.4	54.3	151.7
03200	CONCRETE REINFORCEMENT	100.4	22.9	123.3	92.3	65.6	157.9	93.1	64.5	157.6	95.6	53.1	148.7	95.6	57.8	153.4	94.1	60.3	154.4
03300	CAST-IN-PLACE CONCRETE	101.8	37.1	138.9	91.9	65.9	157.8	96.2	65.0	161.2	95.6	47.9	143.5	100.5	54.9	155.4	91.5	56.7	148.2
03	CONCRETE	100.6	32.1	132.7	87.5	66.2	153.7	91.7	68.0	159.7	99.9	51.5	151.4	92.5	58.2	150.7	92.0	51.6	143.6
04	MASONRY	103.1	41.8	144.9	85.4	61.5	146.9	85.7	64.0	149.7	99.3	53.1	152.4	103.1	46.1	149.2	93.3	52.0	145.3
05	METALS	93.2	69.1	162.3	96.5	94.2	190.7	99.7	92.3	192.0	96.7	69.7	166.4	96.7	69.3	166.0	95.7	69.9	165.6
06	WOOD & PLASTICS	76.6	29.1	105.7	94.3	64.3	158.6	88.4	70.4	158.8	101.8	50.1	151.9	104.8	62.6	167.4	98.3	69.2	167.5
07	THERMAL & MOISTURE PROTECTION	93.4	35.9	129.3	98.0	64.5	162.5	97.7	66.5	164.2	99.2	55.1	154.3	101.8	52.1	153.9	96.5	53.3	150.8
08	DOORS & WINDOWS	91.0	27.5	118.5	98.8	67.3	166.1	95.5	69.9	165.4	92.3	51.9	144.2	92.3	55.9	148.2	94.6	66.5	161.1
09200	PLASTER & GYPSUM BOARD	102.2	27.4	129.6	102.4	33.5	135.9	101.9	70.0	171.9	96.0	49.4	145.4	96.0	62.4	158.4	99.2	69.1	168.3
095098	CEILING & ACOUSTICAL TREATMENT	24.1	27.4	51.5	89.6	63.5	153.1	89.6	70.0	159.6	101.9	49.4	151.3	101.9	62.4	164.3	91.0	69.1	160.1
09600	FLOORING	92.5	57.7	150.2	91.7	52.9	144.6	103.2	72.0	175.2	95.5	118.1	213.6	117.9	50.5	168.4	97.9	53.1	151.0
097099	WALL FINISHES, PAINTS & COATINGS																		

City Cost Indexes

DIVISION	MINNESOTA																		MISSISSIPPI						
	SAINT PAUL			ST. CLOUD			THIEF RIVER FALLS			WILLMAR			WINOUM			BLOXI									
	350 - 351			363			367			362			361			395									
	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL							
01590	EQUIPMENT RENTAL	0	37.3	37.3	0	39.0	39.0	0	35.4	35.4	0	39.0	39.0	0	39.0	39.0	0	38.5	38.5						
02	SITE CONSTRUCTION	34.3	102.1	136.4	31.1	105.5	136.6	29.2	97.5	126.7	27.3	101.0	128.3	24.1	100.3	124.4	106.2	36.8	143.0						
03100	CONCRETE FORMS & ACCESSORIES	38.7	122.4	161.0	41.0	104.4	145.4	42.4	96.7	139.1	30.7	97.3	128.0	36.0	93.1	129.1	35.9	50.0	85.9						
03200	CONCRETE REINFORCEMENT	92.3	115.9	208.2	103.5	116.6	219.1	107.0	105.4	212.4	102.5	115.9	218.4	102.5	115.1	227.6	95.9	66.9	162.8						
03300	CAST-IN-PLACE CONCRETE	105.9	117.3	223.2	95.1	117.7	212.8	95.3	98.7	194.0	96.6	92.3	188.9	95.1	93.5	188.6	105.6	52.4	158.0						
03	CONCRETE	37.2	119.3	156.5	48.1	120.0	168.1	40.0	92.0	132.0	38.1	97.1	135.2	39.2	95.6	134.7	35.3	56.0	91.3						
04	MASONRY	121.5	127.5	249.0	111.0	121.5	232.5	122.1	103.2	225.3	114.1	91.4	205.5	124.9	96.3	221.2	99.2	45.0	144.2						
05	METALS	95.3	123.7	219.0	96.4	123.4	219.8	94.5	115.3	209.8	95.7	115.9	201.1	95.7	114.3	210.0	98.1	37.1	135.2						
06	WOOD & PLASTICS	99.1	119.6	218.7	91.2	95.5	186.7	75.3	34.3	109.6	90.9	96.5	183.1	95.6	96.5	31.1	35.4	50.3	72.2						
07	THERMAL & MOISTURE PROTECTION	98.7	129.2	227.9	97.3	119.0	216.3	99.0	79.1	178.1	97.5	97.0	191.5	97.5	97.1	78.4	95.7	53.1	153.5						
08	DOORS & WINDOWS	95.9	129.2	225.1	92.5	116.4	208.9	101.4	106.2	207.6	90.0	84.2	174.2	94.5	94.2	92.1	96.4	54.5	150.9						
09200	PLASTER & GYPSUM BOARD	100.3	121.0	221.3	90.0	96.2	186.2	115.5	94.3	209.8	90.0	96.3	186.3	92.0	96.3	184.3	108.4	49.3	157.7						
095098	CEILINGS & ACOUSTICAL TREATMENT	37.1	121.0	158.1	70.2	96.2	166.4	145.9	94.3	244.4	70.2	96.3	166.5	70.2	96.3	166.5	95.7	49.3	145.0						
09600	FLOORING	104.5	113.9	218.4	100.3	113.9	214.2	105.1	112.9	218.0	102.2	99.4	89.1	104.9	43.8	39.8	115.4	47.8	98.7						
097099	WALL FINISHES, PAINTS & COATINGS	106.1	120.7	226.8	107.0	121.7	228.7	102.5	91.5	194.0	102.5	91.5	191.1	102.5	102.3	102.7	105.0	41.5	67.9						
09	FINISHES	100.0	120.9	220.9	94.4	107.0	201.4	112.9	92.3	202.2	94.3	95.7	197.0	95.6	93.3	187.9	104.9	48.3	153.2						
10 - 14	TOTAL DIV. 10000 - 14000	100.0	107.5	207.5	100.0	102.2	202.2	100.0	95.0	195.0	100.0	92.4	192.4	100.0	98.0	198.0	100.0	65.2	165.2						
15	MECHANICAL	99.8	112.3	212.1	96.7	112.6	209.3	96.9	94.9	191.8	96.0	92.0	188.0	96.0	92.0	188.0	99.9	63.1	163.0						
16	ELECTRICAL	101.3	99.3	200.6	98.9	99.3	198.2	95.1	54.4	149.5	98.9	90.5	189.4	109.4	90.0	199.4	95.7	53.3	153.0						
01 - 16	WEIGHTED AVERAGE	99.2	114.9	214.1	96.3	110.6	206.9	97.5	99.9	197.9	95.2	99.4	192.1	96.0	91.7	189.1	93.4	60.9	161.3						

DIVISION	MISSISSIPPI																								
	CLARKSDALE			COLUMBUS			GREENVILLE			GREENWOOD			JACKSON			LAUREL									
	386			397			387			389			390 - 392			394									
	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL							
01590	EQUIPMENT RENTAL	0	98.5	98.5	0	98.5	98.5	0	98.5	98.5	0	98.5	98.5	0	98.5	98.5	0	98.5	98.5						
02	SITE CONSTRUCTION	103.2	35.9	139.1	105.5	36.3	141.8	104.4	36.6	141.0	102.6	35.7	138.3	102.6	36.6	140.5	111.3	34.9	146.2						
03100	CONCRETE FORMS & ACCESSORIES	79.9	22.2	102.1	77.6	36.0	113.6	75.9	41.3	117.2	91.1	24.4	115.5	90.9	47.2	138.1	77.3	23.3	100.6						
03200	CONCRETE REINFORCEMENT	103.2	19.3	122.5	102.5	35.3	137.8	102.7	39.3	142.0	103.2	33.6	136.8	95.9	54.6	150.5	103.2	35.1	138.3						
03300	CAST-IN-PLACE CONCRETE	103.0	31.2	134.2	107.7	43.2	150.9	106.1	46.0	152.1	110.8	31.1	141.9	103.6	48.3	151.9	105.3	34.8	140.1						
03	CONCRETE	93.5	27.5	121.0	97.1	40.3	137.4	98.4	46.3	144.7	99.9	34.9	134.8	94.5	51.2	145.7	96.9	34.3	131.2						
04	MASONRY	89.1	24.1	113.2	111.7	23.4	135.1	131.5	42.7	174.2	89.6	22.5	112.1	92.0	42.7	134.7	108.6	19.1	127.7						
05	METALS	95.6	64.8	160.4	95.5	72.2	167.7	95.4	79.5	174.9	95.6	77.9	173.5	98.0	91.5	190.5	95.6	70.4	166.0						
06	WOOD & PLASTICS	79.1	20.8	99.9	77.0	37.5	114.5	75.5	40.8	116.3	90.2	23.5	113.7	90.2	48.5	138.7	78.0	29.5	107.5						
07	THERMAL & MOISTURE PROTECTION	95.4	32.3	127.7	95.5	32.2	127.7	95.3	47.3	142.6	95.8	27.1	122.9	95.4	48.8	144.2	95.6	30.7	126.3						
08	DOORS & WINDOWS	95.8	25.2	121.0	95.3	34.1	129.4	95.3	44.0	139.3	95.8	35.9	131.7	96.8	49.3	146.1	92.5	29.7	122.2						
09200	PLASTER & GYPSUM BOARD	101.3	18.9	120.2	100.3	36.1	136.4	100.3	39.5	139.8	107.2	21.5	128.7	108.4	47.4	155.8	100.3	27.9	128.2						
095098	CEILINGS & ACOUSTICAL TREATMENT	86.9	18.9	105.8	86.9	35.1	122.0	90.1	39.5	129.6	86.9	21.6	108.5	95.7	47.4	143.1	86.9	27.9	114.8						
09600	FLOORING	108.3	27.3	135.6	107.0	24.0	131.0	105.3	40.3	145.6	115.4	25.0	140.4	115.4	47.2	162.6	104.9	22.5	127.4						
097099	WALL FINISHES, PAINTS & COATINGS	105.0	17.4	122.4	105.0	25.7	130.7	105.0	40.9	145.9	105.0	23.8	128.8	105.0	40.9	145.9	104.9	25.7	130.6						
09	FINISHES	99.8	22.6	122.4	99.3	33.2	132.5	100.0	41.0	141.0	103.3	24.4	127.7	104.9	46.5	151.4	99.2	27.7	126.9						
10 - 14	TOTAL DIV. 10000 - 14000	100.0	31.8	131.8	100.0	55.1	155.1	100.0	53.2	153.2	100.0	52.2	152.2	100.0	64.2	164.2	100.0	33.1	133.1						
15	MECHANICAL	98.3	22.7	121.0	97.9	31.0	128.9	99.9	41.5	140.4	98.3	24.0	122.3	99.9	41.2	141.1	98.0	26.4	124.4						
16	ELECTRICAL	95.6	18.8	114.4	92.5	32.5	125.0	95.6	44.8	140.4	95.6	17.3	112.9	97.2	44.8	142.0	95.0	22.3	117.3						
01 - 16	WEIGHTED AVERAGE	96.5	33.8	130.3	97.2	42.5	139.7	100.2	51.4	151.6	97.9	36.3	134.2	98.3	53.1	151.4	97.9	37.5	135.4						

DIVISION	MISSISSIPPI																		MISSOURI						
	MCCOMB			MERIDIAN			TUPELO			BOWLING GREEN			CAPE GIRARDEAU			CHILLICOTHE									
	396			393			388			633			637			646									
	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL	MAT.	INST.	TOTAL							
01590	EQUIPMENT RENTAL	0	98.5	98.5	0	98.5	98.5	0	98.5	98.5	0	109.6	109.6	0	109.6	109.6	0	101.3	101.3						
02	SITE CONSTRUCTION	97.3	85.8	183.1	101.5	86.6	188.1	101.3	85.9	187.2	92.3	93.3	185.6	93.3	93.3	186.6	100.0	39.3	139.3						
03100	CONCRETE FORMS & ACCESSORIES	77.6	27.3	104.9	74.4	40.2	114.6	75.5	28.8	104.3	91.8	35.5	127.3	83.1	83.9	167.0	99.2	33.5	132.7						
03200	CONCRETE REINFORCEMENT	103.9	16.8	120.7	102.6	54.1	156.7	103.1	54.4	157.5	104.8	91.6	196.4	106.1	92.9	199.0	100.8	32.5	133.3						
03300	CAST-IN-PLACE CONCRETE	92.5	33.0	125.5	100.0	48.8	148.8	102.0	44.9	146.9	95.5	93.3	188.8	84.6	92.2	176.8	95.3	73.3	168.6						
03	CONCRETE	85.3	29.8	115.1	91.1	48.0	139.1	92.3	41.7	134.0	96.1	91.1	187.2	85.0	90.2	175.2	97.0	34.5	131.5						
04	MASONRY	113.7	24.1	137.8	88.9	34.8	123.7	120.5	37.0	157.5	121.3	96.3	217.6	117.4	82.7	199.1	101.4	89.0	190.4						
05	METALS	95.7	63.5	159.2	96.4	80.7	177.1	95.5	79.8	175.3	93.0	117.0	210.0	93.8	115.4	209.2	92.2	99.7	191.9						
06	WOOD & PLASTICS	77.0	27.5	104.5	74.2	39.2	113.4	76.1	27.5	103.6	91.1	84.4	175.5	83.0	83.4	166.4	89.2	39.6	128.8						
07	THERMAL & MOISTURE PROTECTION	95.0	29.9	124.9	95.2	45.8	140.0	95.3	40.2	135.5	96.4	95.4	191.8	96.2	85.9	182.1	98.1	33.4	131.5						
08	DOORS & WINDOWS	95.2	28.0	123.2	95.3	43.4	138.7	95.3	34.0	129.3	94.2	94.9	189.1	94.2	84.0	178.2	91.1	79.3	150.4						
09200	PLASTER & GYPSUM BOARD	100.3	25.8	126.1	99.9	37.3	137.2	100.3	25.8	126.1	100.4	83.5	183.9	97.4	82.5	179.9	105.2	35.2	140.4						
095098	CEILINGS & ACOUSTICAL TREATMENT	86.9	25.8	112.7	90.1	37.3	127.4	86.9	25.8	112.7	93.1	83.5	176.6	93.1	82.5	175.6	95.0	35.2	130.2						
09600	FLOORING	107.0	27.3	134.3	104.8	33.2	138.0	105.3	30.6	135.9	102.9	87.3	190.2	98.6	83.3	181.9	94.4	53.1	147.5						
097099	WALL FINISHES, PAINTS & COATINGS	105.0	24.3	129.3	105.0	40.4	145.4	105.0	40.9	145.9	97.7	95.0	192.7	99.7	88.2	187.9	95.3	56.6	151.9						
09	FINISHES	99.0	27.3	126.3	98.9	38.2	137.1	99.0	30.1	129.1	95.6	36.2	131.8	93.3	94.4	187.7	98.5	73.3	171.8						
10 - 14	TOTAL DIV. 10000 - 14000	100.0	52.9	152.9	100.0	63.1	163.1	100.0	53.4	153.4	100.0	80.5	180.5	100.0	79.8	179.8	100								



STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEET

Subject COST ADJUSTMENT
MERIDIAN, MS to MEMPHIS TN
FOR BBB LUMBER

Page 1 of
By H. Stone
Date 8/14/02
Checked By
Date

MEANS HEAVY CONSTRUCTION - JAN. 2002

MERIDIAN, MISSISSIPPI 75.4

MEMPHIS, TENNESSEE 84.4

$$\frac{84.4}{75.4} = 1.12 = \text{FACTOR COST ADJUSTMENT}$$

	MERIDIAN	MEMPHIS
PILES	\$1464 ¹⁷	\$1572 ⁶⁷
CAPS	\$1605 ⁰⁰	\$1797 ⁶⁰
STRINGERS	857 ¹⁴	\$960 ⁰⁰
BRAACING	17 ³⁰	\$19 ³⁸

CORBING - USE CSXT COST/LF

$$\$4875 / 240' = \$20.32 / LF$$

(VERIFIED STATEMENT OF LEROY DAVIDSON)

Top of bridge looking North.



Curbing to be replaced on east side.

-65-



Stone Consulting & Design, Inc.

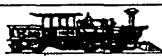
Docket No. AB-55 (Sub-No. 618)
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HHS-5 (Att. 16)

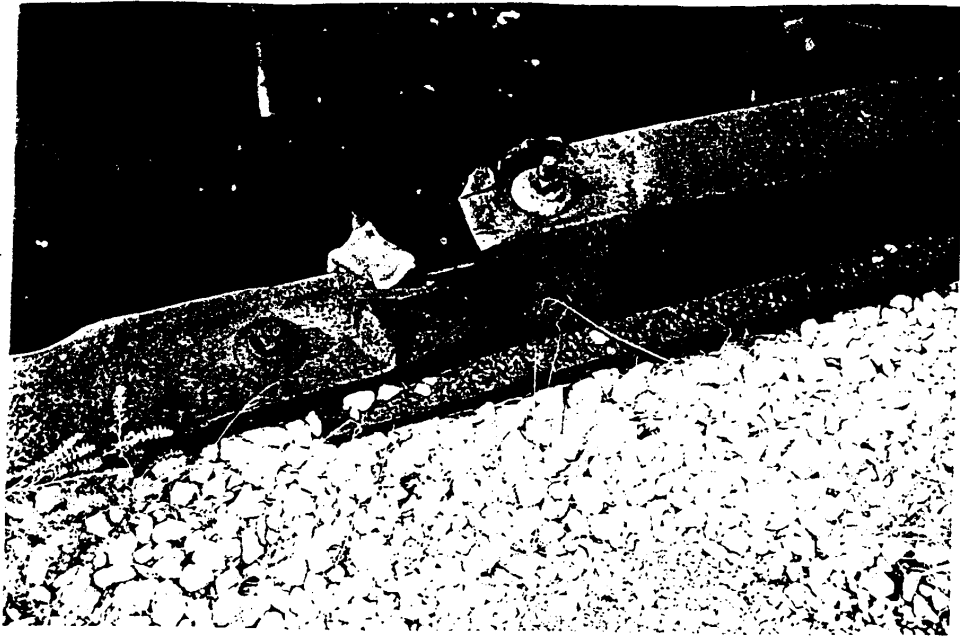


Northeast corner of bridge.



Southeast corner of bridge.





Curb to be replaced on east side.

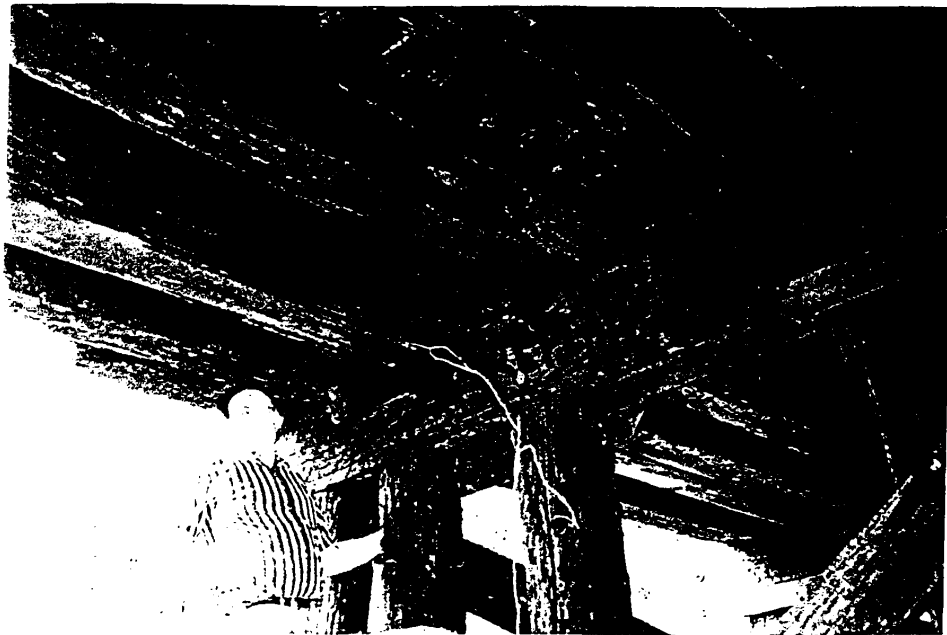


Bent 11.





Span 9 - 10, Stringer 1.

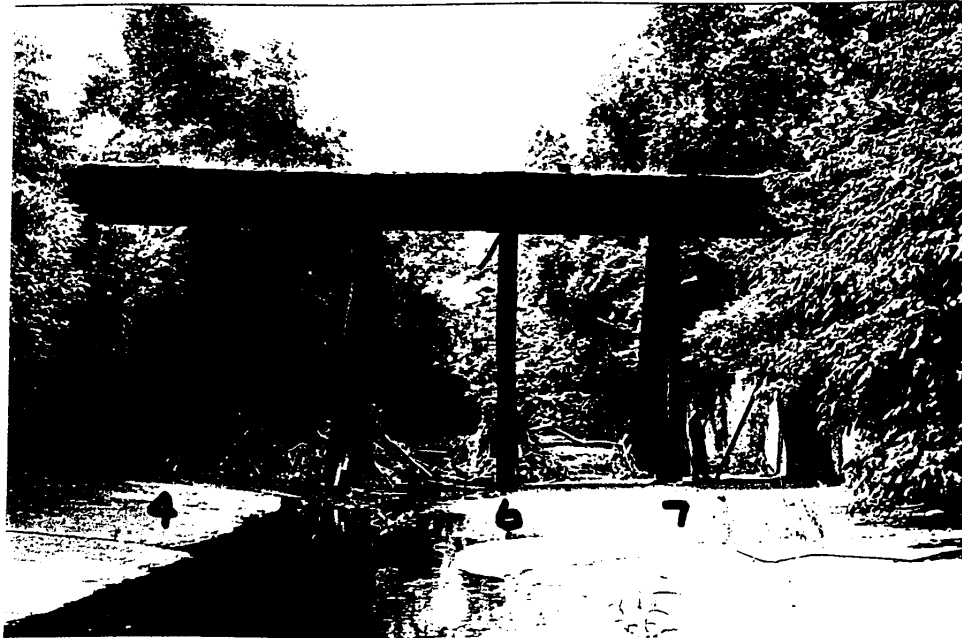


Bent 9.





Bent 8.



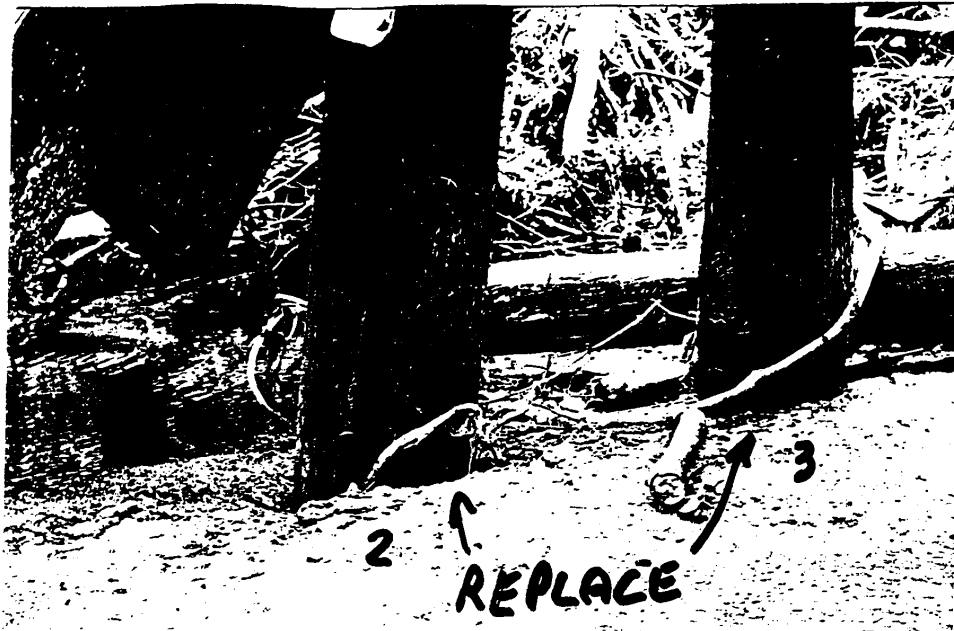
Bents 4 - 7, looking east.

-69-



Stone Consulting & Design, Inc.

Docket No. AB-55 (Sub-No. 618)
APPENDIX I
VS - Harvey H. Stone
HHS-5 (Att. 20)



Bent 6, Piles 2 and 3.



Bent 5, Post 5 and cross bracing.

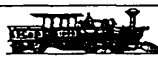




Bent 4, Pile 6.

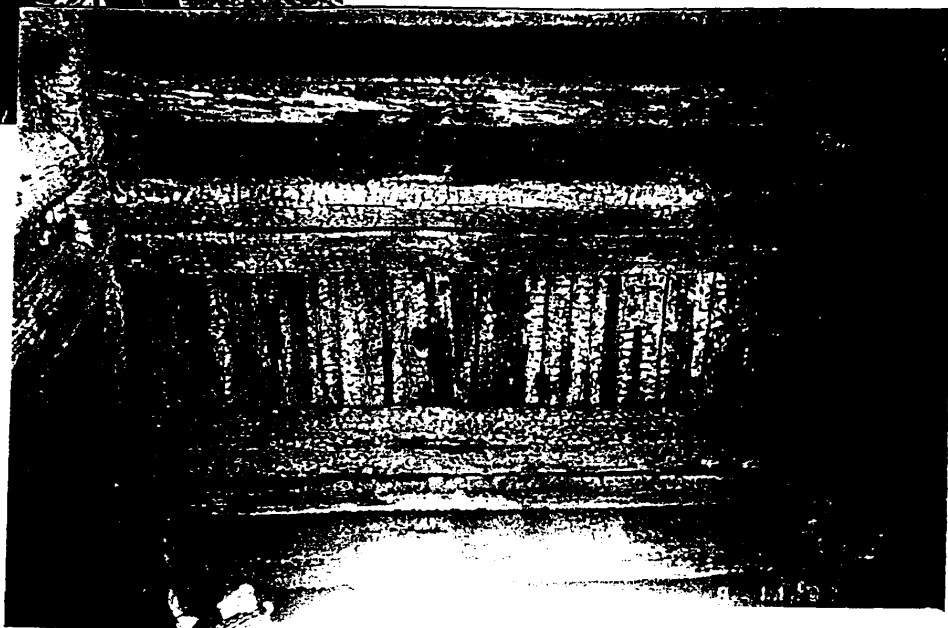


Bent 4, Pile 4.

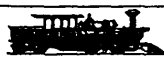


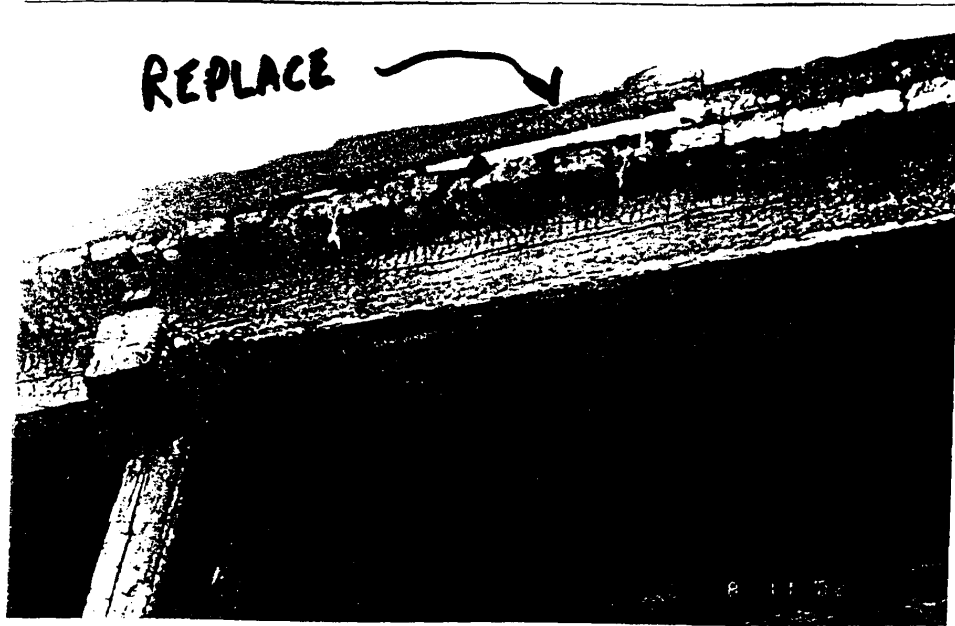


Left: Bent 4, Pile 6.



Bottom: Typical floorboards and stringers.





Curb board on east side to be replaced.



Amortization Calculator

This page requires forms and table support. You may want to find out [more about this calculator](#) or look at some [Frequently Asked Questions](#) and their answers. Comments, complaints, or compliments to [Bret Whissel](#) by [sending mail here](#), but please review the FAQ before asking questions.

Almost any data field on this form may be calculated. Enter the appropriate data in each slot, leaving blank (or zero) the value that you wish to calculate, and then activate "Calculate" to update the page.

☐ Show Amortization Schedule

Principal: 77186.00 Payments per Year: 1
 Annual Interest Rate: 4.7500 Number of Regular Payments: 10
 Balloon Payment: Payment Amount: 9874.94

Principal borrowed: \$77186.00

Annual Payments: 1 Total Payments: 10

Annual interest rate: 4.75% Periodic interest rate: 4.7500%

Regular Payment amount: \$9874.94 Final Balloon Payment: \$0.00

Note: the following numbers are estimates. See the amortization schedule for more accurate values.

Total Repaid: \$98749.40

Total Interest Paid: \$21563.40

Interest as percentage of Principal: 27.937%

Payment	Principal	Interest	Cum Prin	Cum Int	Prin Bal
1	6208.60	3666.34	6208.60	3666.34	70977.40
2	6503.51	3371.43	12712.11	7037.77	64473.89
3	6812.43	3062.51	19524.54	10100.28	57661.46
4	7136.02	2738.92	26660.56	12839.20	50525.44
5	7474.98	2399.96	34135.54	15239.16	43050.46
6	7830.04	2044.90	41965.58	17284.06	35220.42
7	8201.97	1672.97	50167.55	18957.03	27018.45
8	8591.56	1283.38	58759.11	20240.41	18426.89
9	8999.66	875.28	67758.77	21115.69	9427.23
10	* 9427.23	447.79	77186.00	21563.48	0.00

*The final payment has been adjusted to account for payments having been rounded to the nearest cent.

Amortization Calculator

This page requires forms and table support. You may want to find out [more about this calculator](#) or look at some [Frequently Asked Questions](#) and their answers. Comments, complaints, or compliments to [Bret Whissel](#) by [sending mail here](#), but please review the FAQ before asking questions.

Almost any data field on this form may be calculated. Enter the appropriate data in each slot, leaving blank (or zero) the value that you wish to calculate, and then activate "Calculate" to update the page.

☐ Show Amortization Schedule

Principal: 214500.00 Payments per Year: 1
 Annual Interest Rate: 4.7500 Number of Regular Payments: 10
 Balloon Payment: Payment Amount: 27442.48

Principal borrowed: \$214500.00

Annual Payments: 1 Total Payments: 10

Annual interest rate: 4.75% Periodic interest rate: 4.7500%

Regular Payment amount: \$27442.48 Final Balloon Payment: \$0.00

Note: the following numbers are estimates. See the amortization schedule for more accurate values.

Total Repaid: \$274424.80

Total Interest Paid: \$59924.80

Interest as percentage of Principal: 27.937%

Payment	Principal	Interest	Cum Prin	Cum Int	Prin Bal
1	17253.73	10188.75	17253.73	10188.75	197246.27
2	18073.28	9369.20	35327.01	19557.95	179172.99
3	18931.76	8510.72	54258.77	28068.67	160241.23
4	19831.02	7611.46	74089.79	35680.13	140410.21
5	20773.00	6669.48	94862.79	42349.61	119637.21
6	21759.71	5682.77	116622.50	48032.38	97877.50
7	22793.30	4649.18	139415.80	52681.56	75084.20
8	23875.98	3566.50	163291.78	56248.06	51208.22
9	25010.09	2432.39	188301.87	58680.45	26198.13
10	* 26198.13	1244.41	214500.00	59924.86	0.00

*The final payment has been adjusted to account for payments having been rounded to the nearest cent.

VERIFIED STATEMENT OF ROBERT J. (BOB) BELL

My name is Robert J. (Bob) Bell. I am President of Bolen-Brunson-Bell Lumber Company, Inc. (BBB). The business address is 3175 Johnson Avenue, P.O. Box 11205, Memphis, TN.

BBB is a wholesale distributor of lumber and wood products. Its place of business is located on CSX Transportation, Inc.'s (CSXT) Cordova rail line at Milepost 223.1.

CSXT embargoed its Cordova line effective March 1, 2001. In the year 2000, BBB received 198 carloads of lumber and wood products via the Cordova line, and 33 carloads in the first two months of 2001 prior to the embargo. At that pace, BBB would have received 198 carloads in 2001. If rail service were to be restored on the Cordova line, BBB would be likely to receive 198 carloads per year.

As here pertinent, BBB conducted a rail-to-truck reload operation prior to the embargo. That operation was known as Bellwood Reload. BBB would receive carloads of lumber by rail at its place of business, and reload the lumber onto trucks for delivery to retail dealers in the tri-state Memphis area (Tennessee, Mississippi, and Arkansas) who lack the ability to receive lumber directly by rail. Listed below are some of the major customers of BBB's reload operation:

Tom Eubanks Lumber Co.	Memphis, TN
Thrifty Building Supply	Collierville, TN
BFS	Memphis, TN
84 Lumber	Memphis, TN
84 Lumber	Southaven, MS
Smith Building Supply	Cornith, MS

BBB received \$500 per carload for its reload service. Attached to this statement as Appendix RJB-1 is a copy of Bellwood Reload Invoice No. 10921-2, dated Jan. 9, 2001, directed to Tom Eubanks Lumber Company in the amount of \$500 for unloading and reloading railcar TTZX 856317. That is a typical invoice for BBB's lumber reload service before CSXT's embargo.

BBB has lost the ability to conduct its reload business as a result of CSXT's embargo of rail service. Discontinuance of rail service, if authorized in this proceeding, would make loss of that reload business permanent. There is no form of transportation that is a logistically feasible alternative for rail service in a rail-to-truck reload operation. An entity obviously must have the ability to receive lumber directly by rail in order to provide a rail-to-truck reload operation for dealers who cannot themselves receive lumber directly by rail.

At page 7 of Volume 1 of the Application, CSXT has stated that BBB currently uses another transload facility in the Memphis area, and can use a transload facility at CSXT's Leewood Yard. CSXT's allegations in that respect are misleading. BBB's use of those facilities

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APPENDIX 4
VS - Robert J. (Bob) Bell
Page 2

has nothing to do with BBB's reload operation. BBB has used those facilities as a reload customer, not as a provider of reload service. After BBB lost its rail service as a result of CSXT's embargo, BBB has occasionally used the rail-to-truck transload service of GST Reload on Canadian National Railroad, as well as the transload service at Leewood Yard. Those shipments corresponded to shipments that BBB formerly received in direct rail service at Bellwood Reload for distribution to customers other than BBB's reload customers. Those shipments have cost BBB at least \$500 per carload more than receipt via direct rail service. Attached to this statement as Appendix RJB-2 is a copy of a typical invoice for a shipment received by BBB as a reload customer, i.e., L&D Transport's invoice dated June 25, 2002 in the amount of \$500 for trucking lumber from Leewood Yard to Bellwood Reload.

BBB's income has been reduced by approximately \$100,000 as a result of loss of rail service. That amount is based on loss of income of \$500 per car on approximately 180 cars per year in BBB's reload operation, plus added costs of \$500 per car on approximately 18 cars received in reload service ($[\$500 \times 180 = \$90,000] + [\$500 \times 18 = \$9,000] = \$99,000$). That loss would be permanent if discontinuance of rail service were to be authorized.

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Page 3*

VERIFICATION

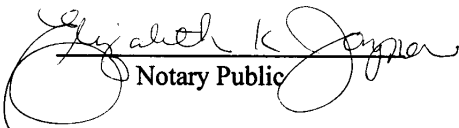
STATE OF TENNESSEE)
) SS:
COUNTY OF SHELBY)

ROBERT J. (BOB) BELL, being duly sworn on oath, deposes and states that he has read the foregoing statement, that he knows the contents thereof, and that the facts therein stated are true and correct to the best of his belief, information and knowledge.

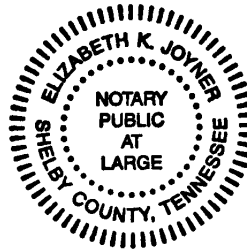


ROBERT J. (BOB) BELL

SUBSCRIBED AND SWORN to
before me this 30 day
of July, 2002.



Notary Public



My Commission Expires: 7-29-03

BELLWOOD RELOAD

3175 JOHNSON AVE
MEMPHIS, TN. 38112
(901) 327-8190 FAX (901) 327-8199

JAN 9, 20001
INVOICE 10921-2
TERMS: NET 10 DAYS

TOM EUBANKS LUMBER COMPANY
SCOTT STREET
MEMPHIS, TN.

CAR TTZX856317, 2X8 HF. FOR UNLOADING & RELOADING

\$500.00

THANK YOU \$500.00

I & B TRANSPORTS

P.O. BOX 2143
3540 SUMMER AVE. SUITE 211
MEMPHIS, TN 38122
SHELBY

Phone 901-454-1724
Fax 901-454-1928

June 25, 2002

BELLWOOD RELOAD:

RE: UNLOADING CAR FROM DOMAN.

\$500.00 FOR THE UNLOADING AND DELIVERY OF 2X10 22/24 AND 2X12 22/24.

Sincerely,

SANDY BAKER

CERTIFICATE OF SERVICE

I hereby certify that on August 23, 2002, I served the foregoing document, Protest, on Louis E. Gitomer, Ball Janik LLP, 1455 F Street, N.W., Suite 225, Washington, DC 20005; and on Natalie S. Rosenberg, CSX Transportation, Inc., 500 Water Street, J150, Jacksonville, FL 32202, by UPS overnight mail (Monday delivery).

Thomas F. McFarland

Thomas F. McFarland