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January 26, 2005

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

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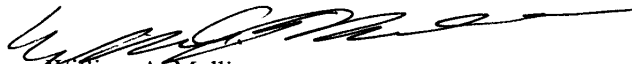
RE: **Groome & Associates, Inc. and Lee K. Groome, Complainants v. Greenville
County Economic Development Corporation, Defendant
STB Docket No. 42087**

Dear Secretary Williams:

On Monday, we filed Greenville County Economic Development Corporation's Reply to Complainants' Opening Statement, which included a Verified Statement of Joseph J. Plaistow as Exhibit 11. Due to format compatibility problems, Attachments 2 and 3 to that statement (*i.e.*, workpapers supporting Mr. Plaistow's calculations) were able to be submitted only in electronic form. The format problems have now been remedied, so I am enclosing herewith an original and 11 printed copies of those attachments. Both electronic and printed copies of Attachments 2 and 3 have been sent to counsel for Complainants.

Please acknowledge receipt of the enclosed material by date stamping the eleventh copy of this filing and returning it to the individual making this filing for return to me. If there are any questions about this matter, please contact me. A copy of this filing is being served today on counsel for Complainants, the only other party of record to this matter, by hand delivery.

Sincerely yours,


William A. Mullins

Enclosures

DEVELOPMENT OF ROAD PROPERTY INVESTMENT IN URCS
(REGION 4 - 2003 STB URCS)

Account		Acct.	Gross Inv	Net Investment 1/	Adj for Working Capital (Col 4 x 2/)	Deferred Tax Reduction (Col 4 x 3/)	Net Investment Adj for Def Taxes & WC (Col 5 - Col 6)	Return on Investment (Col 7 x 4/)	Variable ROI (Col 8 x 50%)
Identification									
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. Return on Investment									
1. Purchase of G&N			\$118,175	\$100,449	\$101,572	\$34,517	\$67,055	8,918	4,459
2. Grading	03		154,036	130,931	132,395	44,991	87,403	11,625	5,812
3. Bridges & Trestles	06		1,384,600	1,176,910	1,190,070	404,419	785,651	104,492	52,246
4. Ties	08		237,390	201,782	204,038	69,338	134,700	17,915	8,958
5. Rails & OTM	09		760,986	646,838	654,071	222,272	431,800	57,429	28,715
6. Crossings, Switches, etc	39		456,263	387,824	392,160	133,267	258,893	34,433	17,216
7. Total			\$3,111,450	\$2,644,733	\$2,674,306			\$234,812	\$117,406
8. Gross Ton Miles 5/									358,155.2
9. Road Return per GTM (L7 + L8)									0.32781
10. Gross Ton Miles per Car 5/									1,393.6
11. Road Return per Car (L9 x L10)									\$456.83

Account		Acct.	Gross Inv	Depreciation Rate 6/	Annual Depreciation (Col 3 X Col 4)	Variable Deprec (Col 5 x 50%)
Identification						
(1)		(2)	(3)	(4)	(5)	(6)
II. Depreciation						
1. Purchase of G&N			118,175	2.51%	2,961	1,480
2. Grading	03		154,036	1.12%	1,732	866
3. Bridges & Trestles	06		1,384,600	1.39%	19,298	9,649
4. Ties	08		237,390	3.69%	8,768	4,384
5. Rails & OTM	09		760,986	2.49%	18,933	9,466
6. Crossings, Switches, etc	39		456,263	2.26%	10,301	5,151
7. Total L2 thru L6			\$3,111,450		\$61,993	\$30,996
8. Gross Ton Miles 5/						358,155.2
9. Depreciation per GTM (L7 + L8)						0.08654
10. Gross Ton Miles per Car 5/						1,393.6
11. Depreciation per Car (L9 x L10)						\$120.61

**DEVELOPMENT OF ROAD PROPERTY INVESTMENT IN URCS
(REGION 4 - 2003 STB URCS)**

Footnotes:

1/ Col (3) times the 85% adjustment factor from V.S. David Pettry, p. 11.

2/ Calculation of Working Capital Ratio

a. Working Capital (B5L101C01)	343,383
b. Unadj Net Invest (B5L372C1B)	30,708,520
c. (1 + (a / b))	1.01118

3/ Calculation of Deferred Tax Reduction

a. Deferred Tax Credits (B5L102C01)	9,974,979
b. Base for Deferred Tax Adjustment (B5L373C1B)	29,028,444
c. (a / b))	0.34363

4/ STB Region 4 URCS Cost of Capital equals .133 (Worktable A, Part 4 Col 2)

5/ Calculation of Gross Ton Miles

a. Carloads	257 a/
b. Loco Tons	205
c. Lading Tons per Car	60
d. Tare per Car	33
e. Miles Load	2.6
f. Miles Empty	2.6
g. Gross Ton Miles per Car	1,393.6
h. Gross Ton Miles (a * g)	358,155.2

a/ Average carloads from 1994-1996 from V.S. Groome in the instant proceeding, filed Dec. 31, 2004, paragraph 21, page 8.

6/ Calculation of Region 4 Depreciation Rate

Account		Reg4 Gross Inv a/	Annual Depreciation b/	Depreciation Rate Col(4) / Col(3)
Identification	Acct.			
(1)	(2)	(3)	(4)	(5)
a. Grading	03	2,271,733	25,537	1.12%
b. Bridges & Trestles	06	2,793,704	38,938	1.39%
c. Ties	08	5,494,349	202,943	3.69%
d. Rails & OTM	09	8,378,397	208,447	2.49%
e. Crossings, Switches, etc	39	<u>568,349</u>	<u>12,832</u>	<u>2.26%</u>
f. Sum/Average		<u>\$19,506,532</u>	<u>\$488,697</u>	2.51%

a/ Source: URCS B5, Part 3, Col (1)

b/ Source: URCS A3, Part 7, Col (2)

DEVELOPMENT OF VARIABLE COST PER TON FOR MOVEMENT OF
PAPER ROLLS FROM GREENVILLE, NC TO GROOME & ASSOCIATES, INC
REGION 4 - BASE YEAR 2003

(SINGLE CAR)

<u>Component</u> (1)	<u>Operating Expense</u> (2)	<u>Depreciation & Lease Rentals</u> (3)	<u>Return on Investment</u> (4)	<u>Total</u> (5)
1. Gross ton mile cost 1/	\$0.71	\$120.61	\$456.83	578.15
2. Locomotive unit mile cost	0.92	0.18	0.15	1.25
3. Crew wages	1.68	0.00	0.00	1.68
4. Train mile - other	0.16	0.00	0.00	0.16
5. Station clerical	10.15	0.00	0.00	10.15
6. Claims for cars handled	0.94	0.00	0.00	0.94
7. Switching - origin and destination 2	51.86	0.00	0.00	51.86
8. Switching - interchange 2/	27.89	0.00	0.00	27.89
9. Switching - I&I 2/	0.20	0.00	0.00	0.20
10. Railroad owned car costs	21.92	56.84	14.74	93.50
11. Loss & damage	<u>0.66</u>	<u>0.00</u>	<u>0.00</u>	<u>0.66</u>
12. Variable cost per carload	\$117.09	\$177.63	\$471.72	\$766.44
13. STB Make-Whole Add-On	<u>91.96</u>	<u>0.00</u>	<u>0.00</u>	<u>91.96</u>
14. Total Variable Cost Including Make-Whole Add-On	\$209.05	\$177.63	\$471.72	\$858.40
15. URCS Linking Factor	<u>0.9934</u>	<u>0.9934</u>	<u>0.9934</u>	<u>0.9934</u>
16. Variable cost per carload-linked	\$207.67	\$176.46	\$468.61	\$852.73
17. Variable cost per ton	\$3.46	\$2.94	\$7.81	\$14.21

1/ Road ROI and depreciation based on actual investment.

2/ Switching ROI and depreciation included in Line 1 as part of actual investment.

**MOVEMENTS OF PAPER ROLLS FROM GREENVILLE TO GROOME & ASSOC.
MAKEWHOLE ADJUSTMENT WORKSHEET FOR RR GS EQUIPPED BOXCARS**
(Based on STB's 2003 Region 4 Make-Whole Factors in Railroad Cars)

REG4
Greenville, NC
Groome

1. CALCULATION OF SWITCHING ADD-ON	
single car movements only (1 to 5 cars)	1
(A.) Number Of Industry Switching Events	1
Spotted & pulled ratio	2.000
No. cars x no. interchanges x spotted/pulled ratio	2.000
(B.) Make-Whole Add-On Per Industry Switching Event	\$36.55
Switching Add-On = (A) X (B)	\$73.11
2. CALCULATION OF STATION CLERICAL ADD-ON (1 to 5 cars only)	
(C.) Carloads Originated And Terminated (No interchanges * no cars)	1
(D.) Make-Whole Add-On Per Carload	\$16.01
Station Clerical Add-On = (C) X (D)	\$16.01
3. CALCULATION OF INTERCHANGE SWITCH ADD-ON (single & multiple 1-49 cars)	1
(E.) Single And Multiple Carloads Interchanged (No interchanges * mty/lb ratio)	1.955
(F.) Make-Whole Add-On Per Carload Interchanged	\$1.32
Interchange Switching Add-On = (E) X (F)	\$2.58
4. CALCULATION OF MILEAGE ADD-ON	
single & multiple car movements (1 to 49 cars)	
(G.) Car-Miles In Thousands (Cars * miles / 1000)	0.005
(H.) Line (G) x E/L Ratio By Car Type	0.010
(I.) Make-Whole Add-On Per Thousand Car Miles	\$25.34
Mileage Add-On = (H) X (I)	\$0.26
5. CALCULATION OF INTERCHANGE MAKE-WHOLE ADD-ON (Total (1) + (2) + (3) + (4))	\$91.96