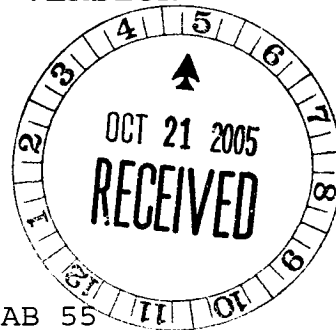


215 023

PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD



CSX TRANSPORTATION, INC.) STB DOCKET NO. AB 55
ABANDONMENT EXEMPTION - IN) SUB-NO. 659X
ALLEGANY COUNTY, MD)

ORIGINAL

OFFER OF FINANCIAL ASSISTANCE
OF WMS, LLC

FILED

OCT 21 2005

TRANSPORTATION BOARD

ORIGINAL

JOHN D. HEFFNER
JOHN D. HEFFNER, PLLC
1920 N St., N.W.
Suite 800
Washington, DC 20036
(202) 263-4180

Attorney for Offeror

ENTERED
Office of Proceedings

OCT 21 2005

Part of
Public Record

DATE FILED: October 21, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD



CSX TRANSPORTATION, INC.) STB DOCKET NO. AB 55
ABANDONMENT EXEMPTION - IN) SUB-NO. 659X
ALLEGANY COUNTY, MD)

OFFER OF FINANCIAL ASSISTANCE
OF WMS, LLC

INTRODUCTION

Pursuant to 49 U.S.C. § 10904(c) and 49 C.F.R. § 1152.27(c)(1), and in accordance with the Board's decision in this proceeding served September 23, 2005, WMS, LLC (hereafter "WMS") submits this Offer of Financial Assistance ("OFA") for the purchase of the entire rail line ("the Line") involved in the above proceeding: between Milepost BAI 27.0 near Morrison and Milepost BAI 18.46 at the end of the line near Carlos, a distance of 8.54 miles in Allegany County, MD. WMS offers to pay \$360,610, for the Line.

BACKGROUND INFORMATION

On August 25, 2005, the Board served a decision stating that CSX Transportation, Inc. ("CSX") had filed a notice of exemption in the above-captioned proceeding for abandonment of an out of service rail line between Milepost BAI 27.0 near Morrison and the end of the line at Milepost BAI 18.46 near Carlos, in Allegany County, MD. WMS late filed a formal expression of intent to file an OFA that the Board accepted in a decision served September 23, 2005. That decision also set October 21, 2005, as the due date for WMS' OFA.

WMS is a Maryland limited liability company established by Gerald Altizer and chartered in West Virginia for the purpose of acquiring, preserving, and operating light density rail lines in Maryland and contiguous areas in Pennsylvania and West Virginia. WMS seeks to acquire and restore to common carrier rail service this line that has been out of service for at least two years on account of a washout.

In support of its offer, WMS submits (1) a letter from A&K Materials ("A&K") committing to loan WMS \$200,000 for two years to finance the acquisition pending refinancing at a later date, (2) a letter from an investor prominent in

the short line railroad field willing to invest \$360,610 to finance the acquisition and rehabilitation of the Line and to provide working capital,¹ (3) a support letter from an on-line customer, United Energy Company, Inc. ("United"), stating that it had previously used the railroad for shipping coal over the Line and stating that it wanted to preserve rail service as a future shipping option, and (4) a letter from a prominent railroad appraiser, Stone Consulting & Design, Inc. ("Stone"), explaining the discrepancy between WMS' \$360,610 offer and CSX's \$691,000 asking price.

THE STATUTORY REQUIREMENTS

The Board and the Interstate Commerce Commission have consistently held that there are two basic requirements for submitting an OFA. The Offeror must show that it is "financially responsible" meaning that it has the ability to pay its proposed purchase price and own and operate the line for the statutorily mandated period. Moreover, the Offeror must explain any difference between the amount of its offer and the railroad's stated valuation or asking price. In the ICC's own words, this explanation "need not

¹ A copy of the investor's letter along with information establishing the investor's financial responsibility is submitted with the confidential version of this filing.

be detailed." See, e.g., Conrail Abandonments Under NERSA, 365 I.C.C. 472 (1981).

WMS IS FINANCIALLY RESPONSIBLE

WMS submits as Exhibit A to this filing a letter from A&K, a well-known supplier of railroad rail and track materials, stating its willingness to provide WMS with a two year \$200,000 bridge loan to finance this acquisition. There is no corporate or other control relationship between WMS and A&K. WMS also submits as Exhibit B with the confidential version of this offer a letter from an investor willing to provide \$360,610 in financing for the acquisition and rehabilitation of the Line as well as any working capital needed for start up. Based upon its discussions with United, WMS anticipates handling a sufficient amount of traffic to be able to operate this line profitably as well as to refinance its acquisition debt. It intends to own and operate the Line for well more than the minimum period of ownership and operation specified in the statute.

THERE IS A REASONABLE EXPLANATION FOR THE DISPARITY BETWEEN THE CSX's APPRAISAL AND WMS' OFFER

CSX has advised WMS that the value of the Line is \$691,000, representing, in its words "a preliminary estimated net track salvage value" of track materials of

\$360,609.45 and a real estate value of \$330,000. WMS contends that the correct NLV for the Line is \$360,610. WMS submits as Exhibit C, a letter from Randall Gustafson at Stone accepting as reasonable CSX's track value estimate but reducing the real estate value of the right of way to \$122,704. Mr. Gustafson found CSX's real estate value flawed in several respects. First, CSX's original land value assumed that CSX owned all of the 66 acres of right of way in fee. WMS has been advised by CSX counsel Louis Gitomer that it only owns 44 acres in fee and the rest (26 acres) is reversionary.² Inasmuch as the Board does not normally assign any value to reversionary parcels,³ WMS' right of way values are based upon just the 44 parcels held in fee. Mr. Gustafson examined the per acre value of various parcels comprising the right of way and found a per acre price of \$3500 to be reasonable. Accordingly, Mr. Gustafson determined the real estate value to be \$154,000. Mr. Gustafson noted that CSX failed to adjust the right of way value for the cost and timing of sale. Because the Board has previously allowed adjustments of 10% reflecting

² A copy of an email from Louis Gitomer is attached as Exhibit D.

³ Chicago And North Western Transp. Co.-Abandonment, 363 I.C.C. 956, 959 (1981).

sales commissions and advertising,⁴ Mr. Gustafson made that adjustment. Regarding timing of sale, Mr. Gustafson's calculations assumed that the disposition process would take three years. Cf., Pennsylvania R. Co., -- Merger - New York central R. Co., 331 I.C.C. 643, 662-4 (1967).

Finally, the condition of the rail line requires significant further adjustments to arrive at the final valuation. WMS submits as Exhibit E a picture of the Line at milepost 26.0 showing that it has been the subject of major washout. As the Board can see, the Line lies between a stream and a road adjacent to housing. If CSX wanted to salvage the line and remove the track materials by rail, it would have to spend a substantial amount of money to rebuild the Line before it could haul the salvaged material away. Conversely, CSX could remove the salvaged material by truck at a higher price than by rail. Mr. Gustafson conservatively estimates that it would cost \$174,288 to restore the Line at CSX's labor rates, thus reducing the land value to \$0.

Adding the track and real estate values and adjusting them as discussed results in a net liquidation value of \$360,609 which WMS rounds off to \$360,610.

⁴ Cf. Fillmore Western Railway Company-Abandonment Exemption-In Fillmore County, NE, STB Docket No. AB-492 (Sub-No. 2x) (slip op. served October 31, 2001 at 9).

THE OFFER IS FOR CONTINUED RAIL SERVICE

Upon acquisition of the Line, WMS intends to rehabilitate the Line and restore rail service. In that regard, it submits as Exhibit F a letter of support from United, a former customer. It plans to work with United on the rehabilitation of trackage leading to its facility and anticipates that the traffic generated by this customer should be sufficient to make this line viable. It also intends to establish a transload facility on the Line and hold itself as a common carrier to solicit business from other potential customers in Allegany and Garrett Counties. WMS has attracted substantial political support from on-line communities as demonstrated by support letters from the Towns of Westernport, Barton, and Lonaconing, MD, submitted as Exhibits G, H, and I.

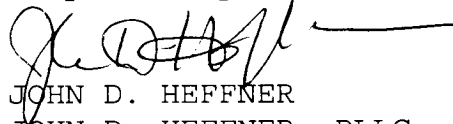
Regarding rehabilitation, WMS' owner Gerald Altizer personally owns or has access to various pieces of track maintenance equipment, tools, and other railroad equipment (including locomotives) that would be needed for rehabilitation. It also has arranged with Rhinehart Railroad Construction, Inc., to supply such additional equipment and material as may be needed. A copy of Rhinehart's letter is attached as Exhibit J. Mr. Altizer

and his co-workers will undertake to do most of the rehabilitation work themselves.

CONCLUSION AND REQUESTED RELIEF

WHEREFORE, the Board should find that WMS is financially responsible, that it has explained the difference between the amount of its offer and CSX's value and that its offer is *bona fide* and reasonable for the purpose of initiating negotiations. Based on that finding, the Board should postpone the effectiveness of the exemption for abandonment of the Line pending further proceedings under 49 U.S.C. § 10904.

Respectfully submitted,

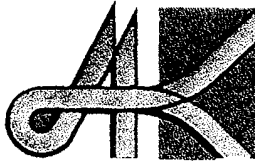


JOHN D. HEFFNER
JOHN D. HEFFNER, PLLC
1920 N St., N.W.
Suite 800
Washington, DC 20036
(202) 263-4180

Attorney for Offeror

Date Filed: October 21, 2005

EXHIBIT A

**A & K Railroad Materials, Inc.**

October 21, 2005

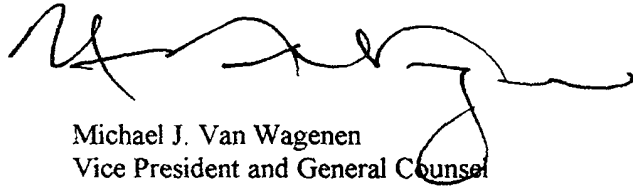
Mr. Gerald Altizer
WMS LLC
P. O. Box 34
Ridgely, WV 26753

**RE: STB Docket No. AB-55 (Sub-No. 659X) CSX Transportation
Abandonment exemption in Allegany County, MD**

Dear Mr. Altizer:

By this letter, I am writing to confirm that A&K Railroad Materials, Inc., is willing to lend WMS LLC the sum of \$200,000 to finance its purchase of a CSX rail line that is the subject of the above-captioned abandonment proceeding at the Surface Transportation Board. I understand that you plan to submit this letter to support an offer of financial assistance WMS will file at the STB on October 21, 2005. A&K looks forward to working with you on the purchase and rehabilitation of this trackage.

Sincerely yours,



Michael J. Van Wagenen
Vice President and General Counsel

EXHIBIT B

Confidential Investor Letter

EXHIBIT C



Stone Consulting & Design, Inc.

October 20, 2005

John D. Heffner, Esq.
John D. Heffner, PLLC
1920 N Street, NW, Suite 800
Washington DC 20036

Subject: Docket AB-55 (Sub-No 659X) CSX Transportation Inc.,
Abandonment Exemption in Allegany County MD

Dear John:

On behalf of our client, WMS LLC ("WMS"), I have reviewed the preliminary OFA offering price as prepared in the September 30, 2005 letter from Louis Gitomer to you for the assets in the Georges Creek abandonment.

Under the Surface Transportation Board's Offer of Financial Assistance process for acquiring lines proposed for abandonment, the Board determines the value of the subject rail line on the basis of its 'net liquidation value'; i.e. price of assets to market less cost of removal of the track and real estate. In this case, CSX Transportation, Inc. ("CSXT") has offered an initial liquidation price of (\$691,000) for a relatively short piece of trackage without the usual full supporting appraisal documentation of abandonment. You have asked Stone Consulting & Design, Inc., to evaluate CSXT's initial offering price and advise WMS as to the correct value for this property along with your rationale for your valuation.

The total purchase price proposed by CSXT is \$691,000, comprising of \$360,645 for the track and OTM, and \$330,000 as a minimum number for the real estate (\$330,355 actual).

Track:

The CSXT evaluation includes a spreadsheet showing the net tons of jointed and welded rails, costs of removal, and a net track salvage value of \$360,609.45.

Our own valuation used somewhat different methodology, and current 'mill prices' via the American Metal Markets pricing website as of October 12. We do not contest the rail grading issues, particularly since the lighter-weight welded rail (that is already relay) would have no additional relay value elsewhere and is accurately characterized as scrap. While the per-ton cost

John D. Heffner, Esq. - John D. Heffner, PLLC

Docket AB-55(Sub-No. 659X)CSX Transportation Inc., Abandonment Exemption in Allegany County MD

October 20, 2005 - Page 2

appears inflated in the unit cost, the per-ton valuation apparently included an inclusion for OTM, which is shown as blank. Given this difference in methodology, our own recalculation of the NLV concluded that the CSXT valuation is within current market values for both net tonnage and cost of removal. While significant differences do exist on a line-by-line basis, the overall end result is similar enough not to warrant extraordinary review and effort to contest the result. Accordingly, we agree with CSXT's net salvage value of \$360,609.45.

Real Estate:

CSXT furnishes very little information regarding the possible acreage and description of the subject property. Valuation maps are not provided, and only rough estimates can be made of the actual extent of property and the quality of title. I understand that you have received an email from CSXT attorney Lou Gitomer stating that the right-of-way comprises 66 acres, of which 44 are held in fee and 26 are subject to reversionary easements. CSXT's assessment of the total number of acres owned is consistent with our own conclusion. We believe that a right-of-way of the historic period was a nominal 66 feet wide, though some photographic and incidental information indicates it may vary in areas from 25 feet to as much as 100 feet. 8.54 miles of ROW property would amount to just over 45,000 lineal feet; deducting 725 feet of bridges and 570 feet of public crossings would result in 43,796'; and at a 66' nominal ROW would produce 66.36 acres of actual land. Inasmuch as we have not examined the property deeds, we will assume for the purpose of this offer that CSXT's conclusions as to the percentage of fee and reversionary parcels are correct.

However, our investigation of listed property sales in the region showed a large number of undeveloped rural property sales with asking prices in the \$3,500/acre range with no improvements and limited access. Despite that these are asking prices only on unsold property, the nominal per-acre price of \$3,500/acre appears to be valid enough for basic valuation purposes. Whatever additional value might be generated by corridor assemblage is likely offset by narrow right-of-way and 'behind the fence' access.

44 acres of real estate at \$3,500/acre results in a real estate valuation of \$154,000, and is a more likely market value of the real estate, pending title assurance or escrow approach. Moreover, CSXT has not discounted its value to reflect costs of sale or the fact that we believe sale of the right-of-way would take at least 3 years. 10% selling fees of \$15,400 and a 3-year discount based on current Treasury bills of 4.15% results in a discounted, fee-owned property value. These considerations result in a net liquidation value for the right-of-way of \$122,704.

The washout documented at/near MP 26.0 was recently photographed and subsequently evaluated by our staff. Estimated at a length of 275', the cost to permit and restore this washout back to safe operating condition (also necessary for efficient track removal, and to protect a parallel sewer line on the ROW) would be \$174,288.23. With this imminent need to repair the washout to preserve the line and necessary to prevent imminent sewer line pollution into the adjacent creek, this effectively removes the real estate value to negative; or for STB purposes to zero.

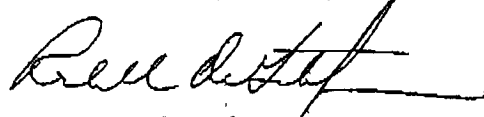
John D. Heffner, Esq. - John D. Heffner, PLLC
Docket AB-55(Sub-No. 659X)CSX Transportation Inc., Abandonment Exemption in Allegany County MD
October 20, 2005 - Page 3

Total:

The CSXT track valuation of \$360,609.45 plus a recalculated real estate basis of \$0 results in a new total of \$360,609.45; rounded to \$360,610. We recommend that this be offered to CSXT in light of this evaluation.

Sincerely,

Stone Consulting & Design, Inc.



Randall D. Gustafson
Vice President Operations

RDG/fsc

STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEETSubject WASHOUT REPAIRSPage 2 of
By DAN Swanson
Date 10.20.05
Checked By
Date

BALLAST SHOULDER → 1' x 1' at 2:1 SLOPE

EQUALS 2 CUBIC FEET / FOOT

 $2 \text{ CUBIC FEET / FOOT} \times 275 \text{ FEET} = 550 \text{ CUBIC FEET}$ $550 \text{ CUBIC FEET} = 20.37 \text{ CUBIC YARDS}$ $20.37 \text{ CUBIC YARDS} \times 1.5 \text{ TONS / YARD} = 30.55 \text{ TONS}$ $30.55 \text{ TONS} \times \$31.00 / \text{TON} = \underline{\$947.50}$

CRIB BALLAST → 1.5 CUBIC FEET PER CRIB

 $275 \text{ FEET} \div 2 = 138 \text{ CRIBS}$ $138 \text{ CRIBS} \times 1.5 = 207 \text{ CUBIC FEET}$ $207 \text{ CUBIC FEET} = 7.7 \text{ CUBIC YARDS}$ $7.7 \text{ CUBIC YARDS} \times \$31.00 / \text{TON} = \underline{\$358.05}$

STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEETSubject WASHOUT REPAIRSPage 3 of By DAN SWANSONDate 10.20.05Checked By Date

UNDERCUT TRACK AND REPLACE FAILED BALLAST
275' x \$ 17.30 PER FOOT → \$ 4,757.50

SURFACE ENTIRE 275' PLUS 100' ON EACH END
FOR RUNOUT

$$275' + 100' + 100' = 475'$$

$$475' \times \$ 8.00 \text{ PER FOOT} = \underline{\$ 3,800.00}$$

ENVIRONMENTAL PERMIT

$$\text{FILING FEE} - \underline{\$ 3,000.00}$$

$$\text{ENGINEERING FOR PERMIT} - \underline{\$ 7,000.00}$$

ENGINEERING FOR WASHOUT

$$\$ 135,227.26$$

$$\times \quad \quad \quad 7.5\%$$

$$\underline{\$ 10,142.04}$$

STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEET

Subject _____

Page 5 of 5
By DAN SWANSON
Date 10.20.05
Checked By _____
Date _____

TOTAL -

RIP-RAP	\$ 125,364.21
BALLAST	947.50
	358.05
UNDERCUT	4757.50
SURFACING	3800.00
PERMIT FILING FEE	3000.00
ENGINEERING	
FOR PERMIT	7000.00
ENGINEERING FOR	
WASHOUT	10,142.04
INSPECTION	3200.00
OVERHEAD	1750.00
MILEAGE	446.20
CONTINGENCY	13,522.73
TOTAL -	\$174,288.23

STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEETSubject WASHOUT COMPUTATIONSPage 1 of 5
By DAN SWANSON
Date 10.20.05
Checked By _____
Date _____QUANTITIES BASED ON 275' LONG WASHOUT
AT 12' IN DEPTHRIP-RAP → 2:1 SLOPE AT 12' DEEP X 275' LONG
EQUALS 156 CUBIC FEET/FOOT

156 CUBIC FEET/FOOT X 275' = 42,900 CUBIC FEET

42,900 CUBIC FEET = 1,588.89 CUBIC YARDS

1,588.89 CUBIC YARDS X 1.5 TONS/CUBIC YARD
EQUALS 2,383.35 TONS2,383.35 TONS X \$52.60 PER TON
EQUALS \$ 125,364.21

STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEETSubject WASHOUT REPAIRSPage 2 of
By Dan Swanson
Date 10.20.05
Checked By
Date

BALLAST SHOULDER $\rightarrow$ '1'x1' at 2:1 SLOPE
EQUALS 2 CUBIC FEET/FOOT

2 CUBIC FEET/FOOT $\times$ 275 FEET = 550 CUBIC FEET

550 CUBIC FEET = 20.37 CUBIC YARDS

20.37 CUBIC YARDS $\times$ 1.5 TONS/YARD = 30.55 TONS

30.55 TONS $\times$ \$31.⁰⁰/TON = \$947.50

CRIB BALLAST $\rightarrow$ 1.5 CUBIC FEET PER CRIB

275 FEET $\div$ 2 = 138 CRIBS

138 CRIBS $\times$ 1.5 = 207 CUBIC FEET

207 CUBIC FEET = 7.7 CUBIC YARDS

7.7 CUBIC YARDS $\times$ \$31.⁰⁰/TON = \$358.05



STONE CONSULTING & DESIGN, INC. COMPUTATION SHEET

Subject WASHOUT REPAIRS

Page 3 of

By DAN SWANSON

Date 10.20.05

Checked By

Date

UNDERCUT TRACK AND REPLACE FOULED BALLAST
275' x \$17.30 PER FOOT → \$4,757.50

SURFACE ENTIRE 275' PLUS 100' ON EACH END
FOR RUNOUT

$$275' + 100' + 100' = 475'$$

$$475' \times \$8.00 \text{ PER FOOT} = \underline{\$3,800.00}$$

ENVIRONMENTAL PERMIT

$$\text{FILING FEE} - \underline{\$3,000.00}$$

$$\text{ENGINEERING FOR PERMIT} - \underline{\$7,000.00}$$

ENGINEERING FOR WASHOUT

$$\$135,227.26$$

$$\times \quad 7.5\%$$

$$\underline{\$10,142.04}$$



STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEET

Subject WASHOUT REPAIRS

Page 4 of
By DAN SWANSON
Date 10.20.05
Checked By
Date

INSPECTION - 10 DAYS @ 8 HOURS/DAY = 80 HOURS
80 HOURS @ \$40.00/HOUR = \$3,200

OVERHEAD FOR INSPECTION -

\$175.00/DAY x 10 DAYS = \$1,750.00

MILEAGE @ \$.485/MILE x 230 MILES EACH WAY

230 x 2 (ROUND TRIP) = 460 MILES

460 x .485 = 223.10 PER TRIP

223.10 x 2 TRIPS = \$446.20

CONTINGENCY - \$135,227.26

x 10%

\$13,522.73

STONE CONSULTING & DESIGN, INC.
COMPUTATION SHEETSubject _____

_____Page 5 of 5
By DAN SWANSON
Date 10.20.05
Checked By _____
Date _____

TOTAL -

RIP-RAP \$ 125,364.21

BALLAST 947.50

358.05

UNDERCUT 4757.50

SURFACING 3800.00

PERMIT FILING FEE 3000.00

ENGINEERING

FOR PERMIT 7000.00

ENGINEERING FOR

WASHOUT 10,142.04

INSPECTION 3200.00

OVERHEAD 1750.00

MILEAGE 446.20

CONTINGENCY 13,592.73

TOTAL -

\$174,288.23

EXHIBIT D

----- Original Message -----

From: Gitomer, Lou

To: john heffner

Sent: Tuesday, October 18, 2005 1:58 PM

Subject: RE: WMS

John - __ (deleted) __ CSXT estimates that it owns 44 acres in fee and 26 acres are reversionary. CSXT continues to await the offer that WMS proposed in Cumberland.
Lou

Louis E. Gitomer

Ball Janik LLP

1455 F Street, N.W., Suite 225

Washington, D.C. 20005

(202) 466-6532

(202) 783-6947 (fax)

lgitomer@dc.bjllp.com (email)

This email message may contain information that is privileged and/or confidential. The information contained in this email message is intended only for use of the person to whom it is addressed. If the reader of this message is not (1) the intended recipient or (2) the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone (202-638-3307) or email at lgitomer@dc.bjllp.com, and destroy the original message.
Thank you.

EXHIBIT E

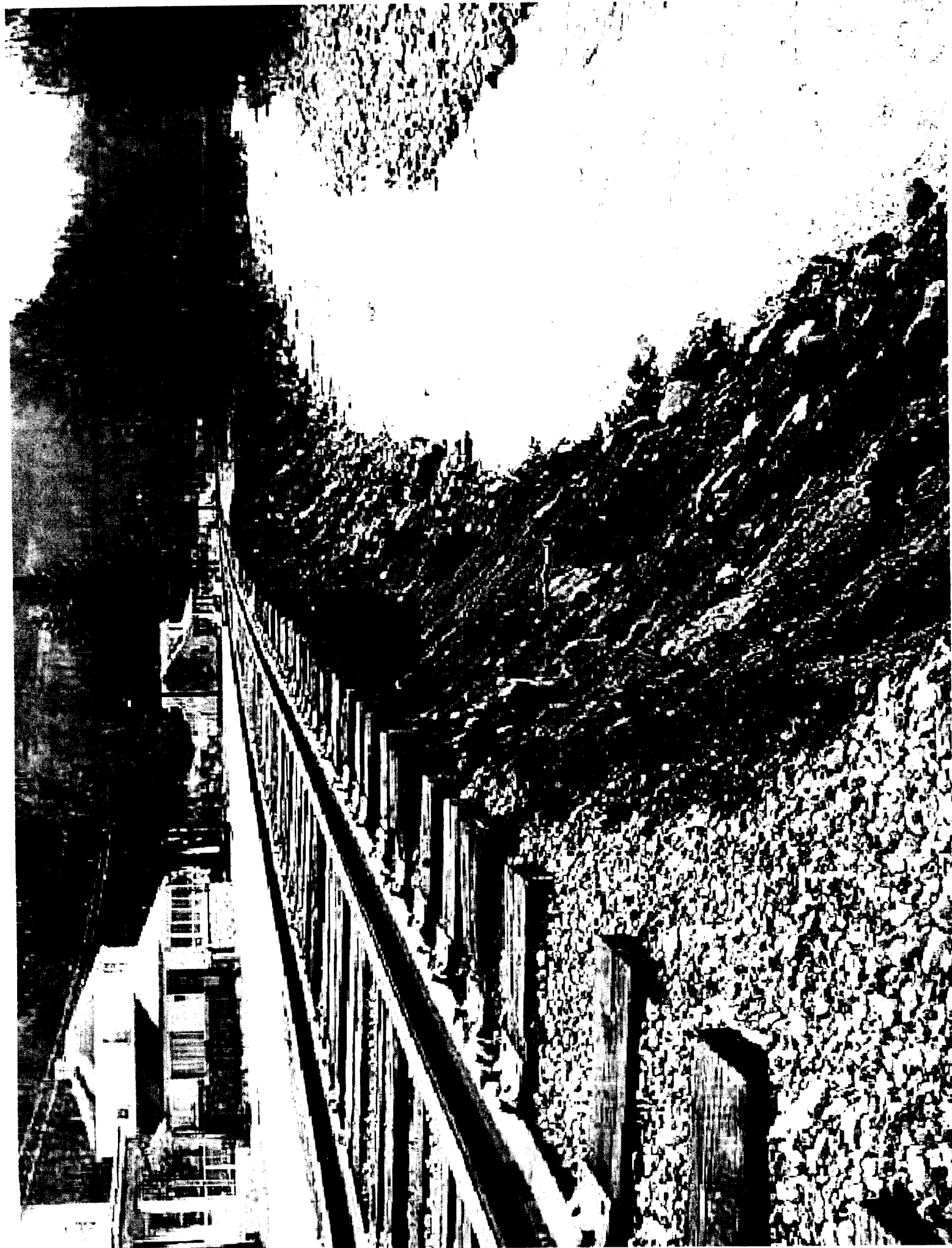
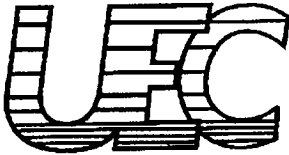


EXHIBIT F



"Quality in Action"

United Energy Coal, Inc.

32 Enterprise Drive, Oakland, Maryland, 21550
Telephone 301-533-0933 • Fax 301-533-0309

October 21, 2005

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

**RE: STB Docket No. AB-55 (Sub-No. 659X)
CSX Transportation, Inc.-Abandonment In
Allegany County, MD
Offer of financial assistance of WMS LLC**

Dear Secretary Williams:

I am writing on behalf of United Energy Coal, Inc. (United), in connection with the above-captioned abandonment proceeding. United supports the offer of financial assistance filed by WMS, LLC (WMS).

United operates coal-related facilities in the area served by the rail line that CSX Transportation proposes to abandon in this proceeding. Coal from those facilities has previously moved by rail over that line. Because United wants to maintain the ability to ship by rail in the future, it supports WMS's efforts to acquire, rehabilitate, and operate the line proposed here for abandonment.

Sincerely yours,

United Energy Coal, Inc.
Gerald Ramsburg
Executive Vice President

EXHIBIT G



Town of Westernport

Post Office Box 266, Westernport, MD 21562

Phone 301-359-3932 • Fax 301-359-3894 • townofwesternport@allconet.org

Donald T. Smith, *Mayor* • Renee Morris, *Clerk*

September 9, 2005

To Whom It May Concern:

Although the Town of Westernport is not directly affected by the proposed abandonment of the majority of the CSX Georges Creek Subdivision, it is but the first step in the inevitable and irreversible process of the loss of rail service to our community.

Railroads have been a major part of our economy and livelihood for over a century. While it is true that there has not been much effort by CSX Transportation, and the Chessie System prior to them, to promote business in this Valley, the loss of the rail infrastructure would remove any hope for economic revitalization.

We support any actions by any corporation or group of citizens to prevent the proposed abandonment. We especially encourage WMS in their efforts to acquire, refurbish, and operate this small but strategic rail line.

Best regards,

Donald T. Smith
Mayor

DTS/rm

EXHIBIT H

TOWN OF BARTON

19018 Legislative Road, SW
P.O. Box 153~Barton, MD 21521

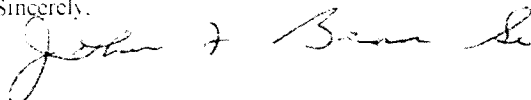
Phone: 301-463-6347
Fax: 301-463-3049

September 26, 2005

Gerald Altizer :

The Town of Barton supports the efforts of WMS to acquire and operate the railroad and help rebuild the economy of this area. We urge your cooperation and consideration in their endeavor.

Sincerely,



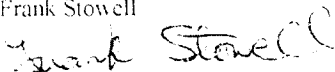
John F. Bean Sr.
Mayor

Councilmen:

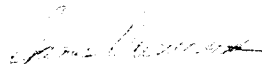


Street Commissioner
Clarence Kimble

Parks and Recreation Commissioner
Frank Stowell



Police Commissioner
James Duncan III



Finances Commissioner
Grant O. Glatfelty

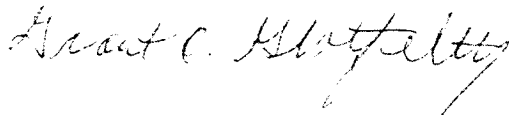


EXHIBIT I

MAYOR AND TOWN COUNCIL

7 Jackson Street, Lonaconing, Maryland 21539

John W. Coburn, Jr., Mayor

Warren E. Foote, Water Commissioner
Richard W. Grandstaff, Finance Commissioner
Charles R. Moran, Jr., Police Commissioner
Sandra K. Wilt, Street Commissioner

John L. Winner, Clerk - Treasurer
Tammy L. Shockey, Secretary
William Rudd, Town Attorney

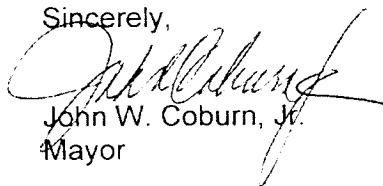
October 20, 2005

Mr. Gerald Altizer
PO Box 34
Ridgeley, West Virginia 26753

Dear Mr. Altizer:

The Town of Lonaconing supports the efforts of WMS to acquire and operate the railroad and help rebuild the economy of this area. We urge your cooperation and consideration in their endeavor.

Sincerely,



John W. Coburn, Jr.
Mayor

JWC:tls

EXHIBIT J

RHINEHART RAILROAD CONSTRUCTION, INC.

October 20, 2005

VIA FACSIMILE

Mr. John D. Heffner
1920 N Street, NW
Suite 800
Washington, DC 20036

Re: *Western Maryland Services*

Dear Mr. Heffner:

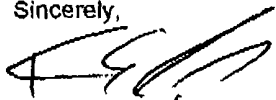
Rhinehart Railroad Construction (RRC) has agreed to work with Western Maryland Services (WMS) as their Prime Contractor in the efforts to restore, operate, and maintain the portion of the Georges Creek subdivision that is subject to the abandonment proceedings. We have agreed to provide the necessary equipment that will be used to rehabilitate the line. In addition we will train their employees on how to operate and maintain the equipment.

Once WMS has an established maintenance of way department we will act as a support group. If something was to come up where they need more equipment and manpower, we would only be a phone call away.

RRC has been in business since 1970; hence we have many years of valuable experience. If you would like more information about us, please visit our web site at www.rhinehartrailroad.com.

Should you have any questions, feel free to contact me at 410-879-1322 ext. 102.

Sincerely,



Richard E. Rhinehart, Jr.

/dmk

1600 ANGLESIDE ROAD, SUITE A, FALLSTON, MD 21047
PHONE: 410-898-1322 [FAX NUMBER] 410-879-1344