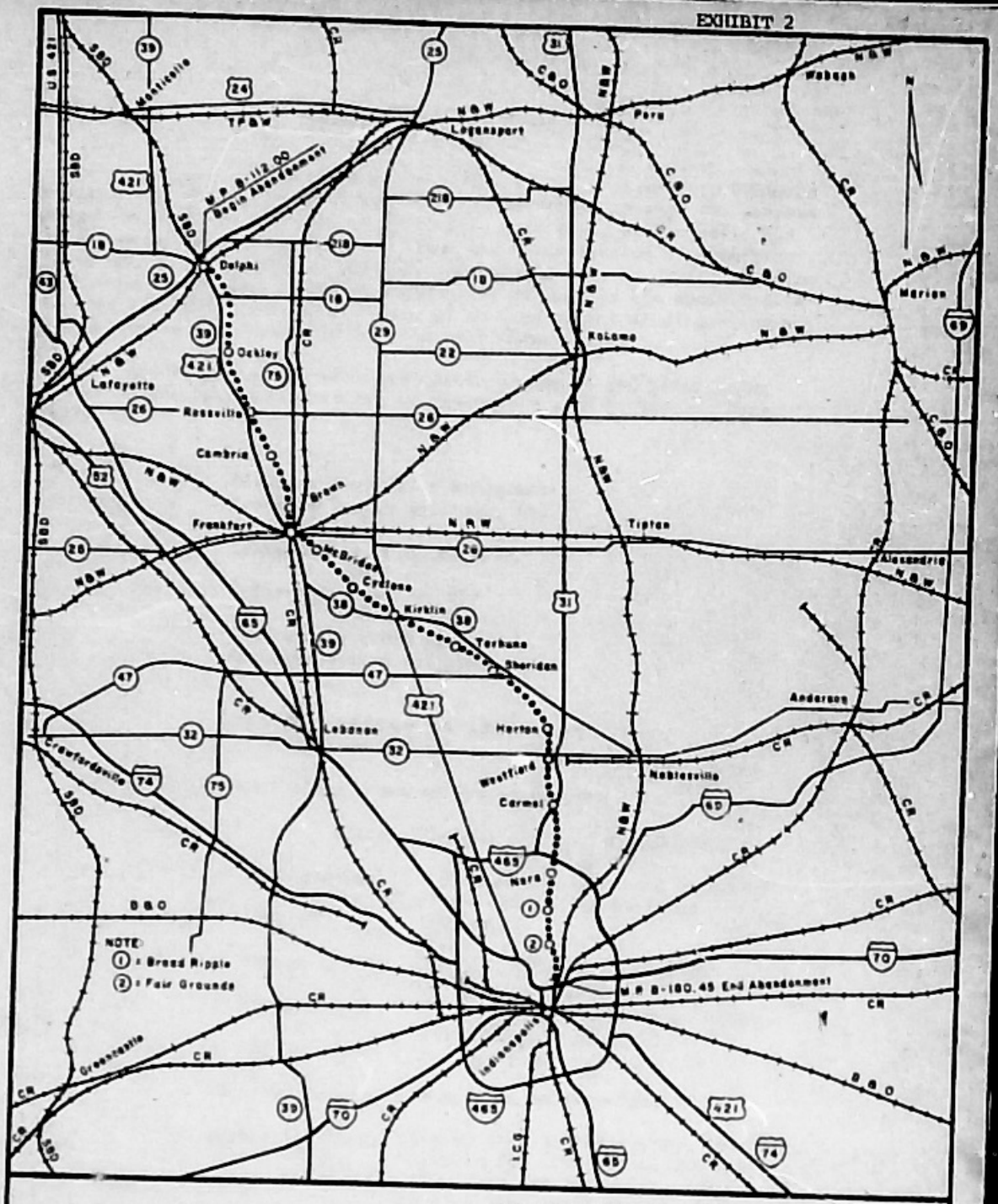
EXHIBIT 2

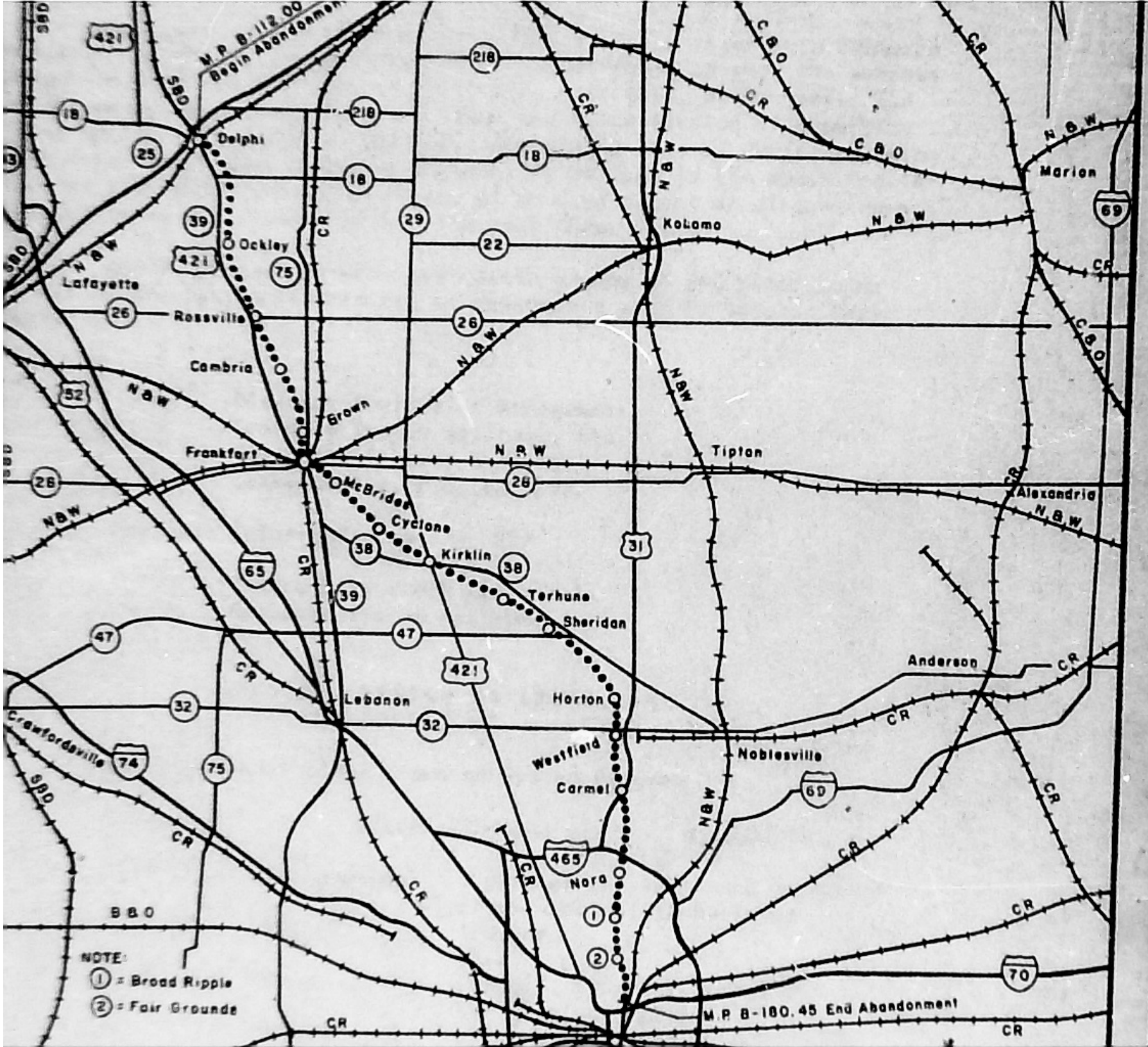


68.45 MILES OF TRACK TO BE ABANDONED

SEABOARD SYSTEM RAILROAD

PORTION OF INDIANA

JAN. 12, 1984


M P B-112.00
Begin Abandonment
Delphi
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Cambria
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Brown
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Sheridan
Lebanon
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Kokomo
Marion
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Alexandria
Anderson
Noblesville
Crawfordsville
M P B-180.45 End Abandonment
NOTE:
(1) = Broad Ripple
(2) = Fair Grounds

3392

INTERSTATE COMMERCE COMMISSION

Docket No. AB-55 (Sub-No. 94)

SERVICE DATE

APR 4 1985

CERTIFICATE AND DECISION

SEABOARD SYSTEM RAILROAD, INC. -- ABANDONMENT -- IN BOONE, CARROLL, CLINTON, HAMILTON AND MARION COUNTIES, IN

Decided: March 19, 1985

By application filed January 27, 1984, the Seaboard System Railroad, Inc. (SBD), sought to abandon, under the provisions of 49 U.S.C. 10903 and the Commission regulations at 49 C.F.R. Part 1152, a 68.5-mile line of railroad known as the Indianapolis Branch. The line extends from milepost B-112 near Delphi, IN to milepost B-180.45 at Indianapolis, IN, in Boone, Carroll, Clinton, Hamilton, and Marion Counties, IN. Protests and comments were filed, and the application was designated for oral hearing. In an initial decision served July 10, 1984, the Administrative Law Judge (ALJ) granted the application in its entirety.

By letter dated July 13, 1984, SBD informed the Commission that, based upon a commitment from A.E. Staley Company (Staley) to ship significantly increased volumes of traffic to and from its Frankfort, IN facility, it withdrew its application with respect to a 25.5 mile line segment between Delphi and Frankfort, IN.

In response to various requests for reconsideration, further hearing, or dismissal of the application filed by certain protestants[1], and applicant's reply including additional evidence, we reopened the proceeding for further hearing under the modified procedure, accepted the tendered additional evidence, and established dates for the submission of additional statements. See decision served September 27, 1984.[2] Reply statements were filed by UTU, Erbrich, and jointly by MSA and Wickes. Applicant filed a rebuttal statement.

PRELIMINARY MATTERS

UTU moves to strike applicant's rebuttal statement and to either dismiss the application for failure of proof or set it for further oral hearing. Protestant argues that the verified statement of Mr. Vernon Willinger and the attached financial exhibits, appendixes D and E, contain new evidence and constitute improper rebuttal. The request will be denied. Appendix D is a corrected version of Appendix C to applicant's reply to the appeals. The corrections affect only three accounts, and represent a reduction of on-branch costs of approximately five percent. They were made in direct response to criticisms raised in protestant's reply statement. Appendix E is an updated version of Appendix B to applicant's reply to the appeals, covering September 1983 through August 1984. We will not base our decision on the specific calculations in Appendix E since all protestants have not had anopportunity to respond fully. However, consideration of Appendix E would not prejudice UTU since all protestants responded to it at

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1/ Jack O. Black, Indiana Legislative Director for United Transportation Union (UTU), International Minerals & Chemical Corporation (IMC), Erbrich Products Company, Inc. (Erbrich), and jointly, Monon Shippers Association (MSA), and Wickes Lumber Company (Wickes).

2/ In that decision we denied a motion by UTU to reject the tendered additional evidence. On November 16, 1984, Erbrich filed a motion to strike based on identical grounds. It will be denied for the reasons stated in the prior decision.

considerable length in its motion to strike, which we will treat and accept as a reply. Protestant's purpose in seeking further hearing is to examine the underlying work papers, which are not required to be submitted in abandonment proceedings, and which protestant could have obtained by a contemporaneous discovery request.3/

Erbrich requests leave to file a late-tendered affidavit. SBD moves to deny the request, or alternatively, to cross-examine the sponsor. The affidavit will be accepted and SBD's request is denied. In the interests of reaching a decision on a complete record, and in view of protestant's obvious unfamiliarity with our procedures, we will consider it, along with the reply comments contained in protestant's motion.

DISCUSSION AND CONCLUSIONS

The Partial Withdrawal Issue. Although we reopened this proceeding because of the many and difficult issues raised in the appeals, we did not specifically discuss the propriety or effect of applicant's partial withdrawal of its abandonment request. Protestants suggest that the disclosure of applicant's intention to serve the northern portion of the line between Delphi and Frankfort is a "changed circumstance" rendering all evidence previously submitted obsolete. They argue that no conclusion as to the Frankfort-Indianapolis southern segment can be drawn from financial evidence for the entire line. They also argue that costs for the southern segment cannot be determined by simple proration because, in UTU's view, the Staley operation will make service on the southern segment more economical, while in IMC's view, the northern segment was the "high cost" portion and the southern segment, if independently viewed, would demonstrate profitable operations. Additionally, IMC contends that applicant's decision to continue operations on the northern segment discriminates against shippers located on the southern segment in violation of 49 U.S.C. 10741(b).

We disagree. The effect of a request for partial withdrawal of an abandonment application made after the service of a decision granting the abandonment has not been explicitly considered by the Commission.4/ However, the Commission has stated on many occasions that authority granted in an abandonment proceeding is permissive, and the extent to which an abandonment is consummated is a matter solely within the carrier's discretion.5/ Had SBD waited until a certificate was issued in this proceeding, it could have achieved the same result with no basis for complaint from protestants. Absent indications of fraud or abuse of our procedures, the timing of applicant's disclosure of its intentions is immaterial. We conclude that there is no statutory or regulatory impediment to a partial withdrawal request and accept the proposed amendment to the application.

There remains the question of whether our acceptance of applicant's partial withdrawal requires a new evidentiary presentation. As a matter of law, it does not. Applicant's decision to continue operations on the northern portion of the

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3/ Motions for further oral hearing embraced in the reply statements of UTU, MSA, and Wickes will be denied for similar reasons.

4/ A partial withdrawal was accepted without comment after the period for filing offers of financial assistance had expired in Docket No. AB-1 (Sub-No. 96F), Chicago and North Western Transportation Company -- Abandonment -- Between Carroll and Harlan, IA (not printed), served September 9, 1981.

5/ See, e.g., Chicago N.S. & M. Ry. Abandonment of Entire Operation, 317 I.C.C. 363, 367 (1962); Delaware & H.R. Corp. Trackage Agreement Modification, 290 I.C.C. 103, 106 (1953); and Southern Pac. Co. Abandonment, 158 I.C.C. 439, 443 (1929).

line is a changed circumstance, but protestants have not demonstrated that it is a changed circumstance that would alter the result reached by the ALJ. In seeking reopening, the burden is clearly on the proponents to submit evidence supporting their request.[6]/Protestants' contentions that costs are unevenly distributed over the line[7]/, and that the Staley traffic will result in economical operations on the southern segment, are similar to those directed against SBD's most recent financial statements and will be considered later in this decision. IMC's "discrimination" argument also is not persuasive. Virtually all abandonments except, perhaps, those involving a carrier's entire operation, result in a loss of service by some and continued service to other proximately located shippers. This is not the type of discrimination addressed by 49 U.S.C. 10741(b). Finally, there is no suggestion that SBD filed a fraudulent application knowing at the time that it would continue service to Staley. Nor is there any other indication that applicant timed its partial withdrawal request to gain a tactical advantage.

Were there no other issues requiring a reopening, we would have decided the appeals on the basis of the record made at the oral hearing. However, since reopening was necessary in view of applicant's failure to submit evidence of the effect of the proposed abandonment on other members of the Chessie System, and since applicant has voluntarily submitted and protestants have replied to additional evidence relative to the financial performance of the southern portion of the line, we will consider this evidence in ruling on the amended application.

The Family System Issue. Applicant is a subsidiary of CSX Corporation, which also controls the Baltimore and Ohio Railroad Company (B&O), and the Chesapeake and Ohio Railway Company (C&O), both known as the Chessie System. Nevertheless, SBD did not include with its application evidence concerning the impact of the abandonment on members of the Chessie System as required by 49 C.F.R. 1152.22(d)(5).[8]/ The ALJ concluded that because SBD and the other subsidiaries of CSX are separate corporations under separate management and keep separate accounts, applicant is not operated as part of a "system under common control and management" and therefore is not required to submit such

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6/ See Illinois v. I.C.C. No. 742 F. 2d 1460 (7th Cir. 1984), which denied a petition for review of the Commission's denial of a request to reopen an abandonment proceeding on petitioners' assertions that the granting of abandonment authority over an adjacent line would have reduced the costs of operating the line under consideration. The court upheld the Commission's findings that the evidence submitted in support of the application was correct and accurate when it was filed; that the burden of proof was on protestants to demonstrate the materiality of intervening circumstances with evidence; and that they had not met it.

7/ If it were true that the northern segment is responsible for the greatest share of costs, protestants could and should have sought a partial abandonment, and born the burden of establishing the viability of the southern segment. See State of Me. Dept. of Transp. v. I.C.C., 587 F. 2d. 541, 543 (1st Cir. 1978).

8/ "If the line to be abandoned...is operated as a part of a system under common control and management, a detailed statement showing the effect of the proposed abandonment...on the net railway operating income of the other individual members of the system..." must be included in the abandonment application.

evidence.9/

We disagree with that conclusion. In Lehigh Valley Railroad Company Abandonment, 338 I.C.C. 793, 800 (1972), the Commission discussed the rule. It found that "Whenever...two railroads exist as part of a railroad 'system' or 'family' the public interest dictates that for purposes the of analyzing financial data pertaining to a proposed abandonment by one, the financial effect on the other must be taken into consideration." It further stated that "In determining whether in fact such a "system" exists, common control and management serves as the primary indicator, and is of itself sufficient to establish the need to require the inclusion of off-branch revenues," Id. See also Abandonment by Brownwood North & South Ry., 105 I.C.C. 729, 736 (1926), in which the Commission stated "Where a subsidiary of a large system seeks to abandon its line it is,...of great importance in considering whether the line is being operated at a loss, especially where most of the traffic is interchanged with other lines of the same system, to know what apportionment is made of system revenues from such traffic."10/

Common management and control was found in Blackshear Mfg. Co. v. A.C.L.R.R. Co., 87 I.C.C. 654, 664 (1924), to refer to "carriers generally controlled through ownership, lease, or otherwise to the extent of controlling traffic policy, even though separate corporate entity may be maintained." This definition has been consistently applied: (i) to determine whether single-line or joint-line rate scales shall be prescribed; (ii) in proceedings concerning discrimination and undue prejudice; and (iii) in questions of short-hauling. See Chicago, M., St. P. & P.R. Co. v. Spokane, P. & S. Ry. Co., 300 I.C.C. 453, 467-469 (1957). The cases following the Blackshear definition are legion.

In CSX Corp.-Control - Chessie and Seaboard C.L.I., 363 I.C.C. 518 (1980), the Commission approved the acquisition by CSX Corporation, a non-carrier holding company, of the rail carrier's subsidiary to Chessie System, Inc., and Seaboard Coast Line Industries, Inc. (SCLI), SBD's predecessor. While former SCLI and Chessie System carriers would, as wholly-owned subsidiaries of CSX, retain their corporate identities, have separate management, and keep separate accounts, based upon CSX representations the decision stresses that they would be operated as a single system with CSX dictating corporate policy and priorities to the end of maximizing system profits. Id. at 553. In fact, coordinated, single system service was cited as the principal benefit of the consolidation, and it was specifically noted that the managers of the individual roads would be expected to subordinate their interests to the benefits of the system. At the hearing, applicant's operating witness testified that SCLI and other Chessie System carriers would cooperate, rather than compete. Additionally, the members of the Chessie System, B&O, and C&O consider themselves part of a "family system" because

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9/ UTU now takes the position that if the application is dismissed with respect to the Delphi-Frankfort segment, the impact on the revenues of other members of the Chessie System will be de minimus and the issue need not be considered further. UTU's characterization of Chessie's impact on the southern segment is correct. The Chessie System's revenues and costs resulted in a net increase of $6,742 in avoidable loss during the October 1982 - September 1983 base year and were stated to be de minimus and not supplied for subsequent periods.

Nevertheless, we will address this question because UTU is not the only protestant to have raised the issue, and discussion will provide needed guidance to SBD in its prosecution of future abandonment applications.

10/ The rule has consistently been upheld by the courts. See the decisions cited in the ALJ's initial decision.

they have consistently supplied the information required by 49 C.F.R. 1152.22(d)(5) in their abandonment applications. While the rail subsidiaries of CSX may have separate corporate identities, separate officers, separate accounts, and may even enjoy a measure of autonomy, there can be no real independence as long as they are all wholly-owned subsidiaries of CSX, and the latter takes an active role in establishing policy. Thus, applicant is a member of a family or system of carriers within the meaning of 49 C.F.R. 1152.22(d)(5), and is required to submit evidence of financial impact of the abandonment on other members of the system.

Financial Performance of the Line. Applicant's financial evidence submitted with the application and corrected at the hearing reflected, for the base year October 1982 through September 1983, attributable revenues of $1,688,007, avoidable loss from operations of $211,312, and opportunity costs of $988,514. In its reply to the appeals and in its rebuttal in the reopened proceedings, applicant has submitted revised data applicable only to the Frankfort-Indianapolis segment for the same period and for the subsequent period September 1983 through August 1984. These exhibits are summarized as follows:

	Oct 82 - Sept 83[11]/		Sept 83 - Aug 84[12]/	
Revenues	$1,033,610		$ 930,777	
Avoidable costs	1,263,214		1,078,246	
on-branch		382,035		413,098
off-branch		881,179		665,148
Avoidable loss	229,604		147,469	

Protestants' objections to the financial data fall into three categories: (i) the accuracy and trustworthiness of the exhibits; (ii) the relevance of the exhibits in light of recent developments; and (iii) the treatment of specific revenue and cost items. A number of the arguments raised in the appeals and in protestants' reply statements are moot because they involve the Delphi-Frankfort segment, or are superseded by more recent evidence. Only those matters still in dispute will be addressed.

Protestants question the accuracy and trustworthiness of the data submitted in the reopened proceedings based on the numerous mistakes discovered in the various financial exhibits at all stages of the proceedings. The original financial exhibits submitted with the application and to a lesser extent the exhibits submitted in applicant's reply to the appeals required corrections. However, these were the result of only a few errors, some of which affected several accounts. The mistakes were promptly acknowledged and corrected by applicant when pointed out. We cannot conclude that the revised exhibits are untrustworthy.[13]/ Further, even after adjustments most favorable to protestants, the financial exhibits show that the southern segment is losing money.

Protestants also argue that two events destroy the relevance

11/ Source: Appendix B, reply to appeals as corrected by Appendix E, rebuttal.

12/ Source: Appendix D, rebuttal. Supersedes Appendix C to reply to appeals, which covered the period April 1983 to March 1984.

13/ UTU's additional contention that the Commission does not have data for the Frankfort - Indianapolis segment "for the preceding 2 calendar years and the current year" is also entitled to little consideration. The 2 year requirement of 49 C.F.R 1152.22(d) specifies the contents of an initial application. It does not apply to reopened proceedings.

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of all of the financial data submitted. As noted in the initial decision, applicant stopped serving an Indianapolis-based shipper, Star/News, in May of 1983 and the traffic cannot be recaptured. Consequently, SBD excluded from its base year data the costs and revenues attributable to this shipper. UTU contends that applicant eliminated only car costs for this traffic, resulting in an overstated avoidable loss for the line. However, applicant points out that in addition to car costs, it also excluded switching charges and off- branch costs. Protestant did not suggest any other accounts that would be specifically affected. We are satisfied that the Star/News traffic costs have been eliminated from SBD's financial statements and that SBD's costs are not overstated.

More generally, UTU argues that a greatly reduced level of service on the Frankfort - Indianapolis segment, due to the loss of the Star/News traffic, should result in significantly lower costs than are reflected in applicant's financial exhibits. UTU counters applicant's most recent figure of 128 trips per month on the southern segment with a 78-trip figure based on the union's statistics. The argument is unpersuasive. First, there is no explanation by protestant as to how its figures were derived. Additionaly, we do not consider the level of service relevant unless translated into revenue and cost terms, which UTU has not done.

UTU also contends that the expanded operation for Staley affects the validity of the existing financial data. It points out that applicant derived costs for the southern segment by proration of the cost accounts applicable to the entire Delphi-Indianapolis line, and argues that the "vast" increase in service to Staley renders the apportionment ratios obsolete. Applicant's most recent data for the period September 1983 to August 1984 is based not on proration, but on actual line statistics. Further, the revised base year exhibit, which admittedly employed proration, is not affected by the enhanced Staley operation, which did not commence until after September 1983.[14] Any conclusions regarding the effect of the Staley operation are speculative at best. The existing financial data provides the best evidence of future financial performance of the line.

Protestants, particularly UTU, have raised a number of specific objections to the revenue and cost data. UTU claims that base year revenue figures do not include revenues from TOFC operations, and from the rental to shippers of side tracks. As to the former, applicant indicated that while it closed its Indianapolis ramp in October 1983, it had ceased handling TOFC shipments on the line prior to that time, in favor of trucking them to other ramp locations. Consequently there were no TOFC revenues to include. Rental income from side tracks was admittedly not included in the base year exhibit, and we will assume it was not included in subsequent exhibits, since there is no indication to that effect from applicant. Protestant does not claim that the amounts involved are significant. We conclude that the financial exhibits reflect attributable revenues with substantial accuracy.

As to costs, UTU claims that locomotive and fuel expenses were overstated because SBD employed system average costs for 6-axle units in computing the various relevant cost accounts even though the line south of Frankfort is restricted to smaller 4-axle units. We conclude that locomotive and fuel expenses were properly derived. On-branch locomotive maintenance, depreciation, fuel, and return on investment accounts are

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[14] UTU's additional argument that because of the Staley traffic, the southern segment has unreflected value as a "feeder line" is unsubstantiated. There is no indication in the record as to how much, if any, Staley traffic would move over the Frankfort-Indianapolis segment.

determined (in part) by apportioning system average unit costs to the branch on a time or mileage basis as appropriate. The only breakdown of costs required by our regulations is between diesel and electric units and between yard and road locomotives. See 49 C.F.R. 1152.32(h) and 1152.33(b) and (c). Actual expenses for specific units are required only when "specialized equipment" is "devoted exclusively" to service on the branch, which has not been shown to be the case. 49 C.F.R. 1152.33(b)(1). The locomotive related costs submitted by SBD were computed in accordance with our regulations, and are thus to be considered avoidable unless shown to be not truly avoidable. See Illinois Central Gulf R. Co. - Abandonment, 363 I.C.C. 93, 103 (1980). We have, on occasion, accepted alternative cost computations based on a different methodology than that used in regulations when clearly shown to represent the best evidence of the costs in question. See Docket No. AB-6 (Sub-No. 163), Burlington Northern Railroad Company - Abandonment and Discontinuance of Trackage Rights in Dickey County, ND (not printed), served June 21, 1984. However, the burden is clearly on the proponent of an alternative methodology to provide such evidence. This protestant has not done.

Protestants also argue that costs are overstated because SBD employed two locomotive units on the branch when one would have been sufficient. UTU claims that the use of the second locomotive, which resulted from applicant's decision to combine service on the branch with service at points to the north of Delphi, was solely for SBD's convenience, and that the expenses are not attributable to the line. There is no evidence to support a conclusion that use of the Monon Switcher to serve the line was dictated by a desire to increase costs artificially in contemplation of an abandonment application. In the absence of this evidence, we must agree with applicant that the method it chose to serve the line was a matter within its discretion.

IMC claims that SBD has deliberately diverted carload traffic off the line and on to Chessie System trackage roughly paralleling the line, in a "blatant" effort to show loss of traffic. Since protestant provides no citation to the record, we are not sure to what it refers. If it refers to SBD's practice of handling certain grain traffic destined to points south and east of Indianapolis via Monon for interchange with B&O, that issue was resolved in the initial decision. As the ALJ pointed out, SBD has no direct interchange with any other trunk line in Indianapolis, and any interchange with such carriers in that city would have to be handled through the Indianapolis Union Belt. Moreover, the tariffs in question were governed by shortline mileage, rendering any physical circuity involved irrelevant as far as rates are concerned. There is no evidence that applicant's routing practices were adopted to discourage traffic in preparation for an abandonment. Absent such evidence, they are matters within SBD's business discretion.

Opportunity Costs. UTU in its appeal claims that the ALJ improperly added avoidable loss and opportunity costs to derive a total economic loss figure for the line. Since avoidable loss and opportunity costs were separately stated and separately weighed in the decision to grant the abandonment, there was no harm in combining these figures to derive a total economic loss. Nevertheless, we have in this decision continued our practice of considering avoidable loss and opportunity costs as separate factors in the abandonment equation.

UTU also claims that real estate estimates are overstated because SBD did not estimate the cost of restoring the properties to marketable condition following abandonment. As noted in the initial decision, SBD's valuation estimates in this proceeding were purposely 30 to 40 percent below comparable sales to reflect not only the size and shape of the parcels involved, but the expenses involved in converting the right-of-way to match adjoining property.

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Protestant also challenges the use of $1.33 per foot, or $7,000 per mile, removal costs citing a recent Commission decision in which such costs were found to be $10,000 per mile. However, that decision involved another carrier in an area geographically far removed from Indiana. As noted in the initial decision, applicant's figure was based upon recent SBD track removals, one of which was in Indiana.

UTU also claims that applicant's values for track suitable for relay are unsupported. It argues that because SBD is involved in many abandonments, there should be no deficiency of the higher weights of relay rail (100 - 115 pounds) in the foreseeable future, that this rail will most likely be retained rather than sold and that its value should therefore not be included in net liquidation value (NLV). It also argues that 90 pound relay rail should have been valued as scrap, since its use for relay purposes will depend on "inventory conditions" prevailing at the time of abandonment, and is therefore uncertain. As noted in the initial decision, the price per ton used for each grade of relay rail was the current market price obtained from railroad contractors and brokers. Those market prices may be assumed to reflect any surplus of relay rail due to applicant's, or any other carrier's, abandonment activities. Any speculation as to whether applicant will sell immediately, or retain its rail for use on its own system or for sale at a later date, is irrelevant. Any questions regarding the classification of the 90 pound rail are substantially moot since applicant's revised net salvage value estimates for the Frankfort - Indianapolis segment claim only .6 ton or $81 for that grade (Appendix A, VS Rosamond, reply to appeals).

Finally, UTU argues that the 22.3 percent rate of return used by the ALJ should be revised downward to reflect applicant's effective tax rate of 25.17 percent, rather than the 46 percent statutory tax rate. The rate of return employed by the ALJ (and by applicant in its exhibits in the reopened proceeding) is the figure prescribed by the Commission as an "adequate" rate of return for such purposes in the then current decision in Abandonment of R. Lines - Use of Opportunity Costs, 367 I.C.C. 734 (1983). While a carrier may elect to develop its own rate of return, it is not required to do so. Id at 735.

However, in Ex Parte No. 274 (Sub-No. 3C), Abandonment of Railroad Lines - Use of Opportunity Costs, 1 I.C.C. 2d__, served December 18, 1984, we prescribed an adequate rate of return for abandonment purposes of 18.6 percent. Applying this rate of return to the financial evidence supplied by applicant in the reopened proceedings yields opportunity costs of $623,759, rather than $747,841.

Shipper and Community Interests. Protestants generally argue that insufficient weight was accorded the evidence of adverse impact on shippers and communities that will assertedly result from the abandonment. They incorporate contentions previously made in their briefs. Additionally, MSA has submitted the affidavits of Truss Manufacturing Company, of Westfield, IN,[15]/ and Woods Wire Company, Inc., of Carmel. Both indicate that they are present users of rail service, that they anticipate increased requirements for 1984 and for the future, and that alternative transportation is either unavailable or expensive. In its reply to the appeals and its affidavit, Erbrich disputes the ALJ's finding that a spur track off the Norfolk and Western Railway Company (N&W) would adequately serve this shipper. It claims that N&W is not interested in constructing this facility because N&W cannot guarantee service beyond one year. Erbrich also claims that it has attempted to negotiate service with all motor carriers and found none that can meet its needs. Discontinuance of service will assertedly put Erbrich out of the

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15/ This shipper filed a letter protest to the abandonment, but submitted no testimony.

chlorine bleach business and cause unemployment for "over a dozen minority workers" in an area of high unemployment. Finally, UTU argues that the ALJ gave insufficient consideration to a continuing need for the "Fair Train", a special passenger train operated over an 11 mile segment of the branch during the 11-day period of the 1983 Indiana State Fair. Protestant claims that contrary to the ALJ's finding that no one from the fair organization appeared to testify, the Lieutenant Governor of Indiana, a member of the executive committee of the State Fair Board, did, in fact, testify that the train was needed to reduce automobile congestion, that it carried 30,000 round-trip passengers in substitution for private automobiles, and that the State of Indiana and the Board look forward to permanent operation of the train.

The ALJ gave proper consideration to the shipper and community interests. The additional evidence submitted by Truss, Woods Wire, and Erbrich does not require a different conclusion. Truss and Woods Wire's latest statements reveal less use of the railroad in 1984 than predicted in their earlier statements, and although these shippers argue that alternative transportation would be more expensive, neither has shown that it could not bear the cost. Assuming that Erbrich's assertions as to N&W's lack of interest and future intentions are true, loss of rail service would affect only the bleach portion of its business, which Erbrich has testified is the least profitable. Thus, even if the adverse effects projected by the shipper were to materialize, it would continue in business. We do not suggest that shippers will be unaffected by this abandonment or that we are insensitive to their situation. However, we have often stated that an unfortunate but unavoidable result of terminating uneconomical rail operations is that shippers will suffer financial difficulties. When a carrier must bear a greater burden, these difficulties do not warrant continuation of rail service. See e.g., Illinois Term. R. Co. Abandonment, 312 I.C.C. 607, 613 (1961). The line under consideration has shown consistent substantial losses from 1982 to the present. We conclude that the effects of continued operation of this unprofitable segment outweigh the potential harm to the affected shippers and the community.

As to the "Fair Train" issue, no regularly scheduled passenger service has been conducted over the line during the last 25 years. The "Fair Train", at best a break even proposition, was an "experiment", and there is no suggestion that the operation could be expanded into a permanent year-round operation, such as a commuter service. Even if the service had been shown to be profitable to applicant, as well as convenient to fair goers, we are not required to deny a request to abandon a clearly burdensome line solely to preserve a break-even, limited, specialized, seasonal operation.

Labor Protective Conditions. UTU continues to claim that lifetime labor protection is required for the employees affected by this abandonment. However, as the ALJ noted, there is no evidence to support conditions different from those in Oregon Short Line R. Co.- Abandonment - Goshen, 360 I.C.C. 91 (1979), and we will not do so.

Environmental Consideration

The findings of the ALJ concerning the environmental and energy impacts of the abandonment, as initially proposed, apply to the amended application and are not challenged by protestants. Additionally, we will adopt the ALJ's finding that a public use condition be imposed, since the property found suitable for public use is embraced in the amended application.

We find:

1. Abandonment of the line will not result in a serious adverse impact on the rural and community development of Boone, Carroll, Clinton, Hamilton, and Marion Counties, IN.

2. The property is suitable for other public purposes.

3. This action will not significantly affect either the quality of the human environment or energy conservation.

It is certified:

The present and future public convenience and necessity permit abandonment by Seaboard System Railroad, Inc. of its line between milepost B-137.50 at Frankfort, IN and milepost B-180.45 at Indianapolis, IN, subject to the provisions for the protection of employees set forth in Oregon Short Line R. Co. Abandonment - Goshen, 360 I.C.C. 91 (1979), and subject to the condition that applicant keep intact all right-of-way, including bridges and culverts for a period of 120 days from the effective date of the decision to enable any State or local governmental agency or other interested person to negotiate its acquisition for public use.

It is ordered:

1. The motions to strike and requests for further hearing of applicant, MSA, and Wickes, Erbrich, and UTU are denied.

2. The application is dismissed insofar as authority is sought to abandon applicant's line between milepost B-112.00 at Delphi, IN and milepost B-137.50 at Frankfort, IN.

3. The findings in this decision are being published in the Federal Register concurrently with service of this decision. Offers by any person or government entity for financial assistance to allow service to continue must be tendered to the carrier within 10 days following publication of this notice. The offer must also be filed concurrently with the Commission, and comply with the requirements of 49 C.F.R. 1152.27 and 49 U.S.C. 10905.

4. All correspondence to the Commission containing offers of financial assistance for subsidy or acquisition of the line must contain an appropriate reference to this proceeding. The following notation must be typed in boldface in the lower left-hand corner of envelopes containing such correspondence: Rail Section, AB-OFA.

5. SBD shall not effect abandonment or discontinuance prior to the effective date of the certificate of abandonment.

6. This certificate and decision will be effective 30 days from the service date.

By the Commission, Chairman Taylor, Vice Chairman Gradison, Commissioners Andre, Sterrett, Simmons, Lamboley and Strenio. Commissioners Simmons and Lamboley would have reopened this proceeding. Commissioner Andre dissented.

(SEAL)

James H. Bayne
Secretary