

204821

ORIGINAL**BALL JANIK LLP**

ATTORNEYS

LOUIS E. GITOMER
Of Counsel
(202) 466-6532

1455 F STREET, NW, SUITE 225
WASHINGTON, D.C. 20005

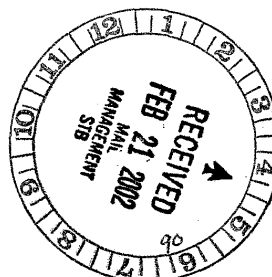
www.balljanik.com

TELEPHONE 202-638-3307

FACSIMILE 202-783-6947

February 21, 2002

lgitomer@bjllp.com

**EXPEDITED HANDLING REQUESTED**

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Room 700
Washington, D. C. 20423

ENTERED
Office of the Secretary

FEB 22 2002

Part of
Public Record

RE: Docket No. AB-565 (Sub-No. 3X), *New York Central Lines, LLC—Abandonment Exemption—Berkshire County, MA* and Docket No. AB-55 (Sub-No. 595X), *CSX Transportation, Inc. Discontinuance of Service in Berkshire County, Massachusetts*

Dear Secretary Williams:

New York Central Lines, LLC and CSX Transportation, Inc. (jointly "CSXT") oppose the Offer of Financial Assistance (the "OFA") dated February 19, 2002 by Housatonic Railroad Company, Inc. ("Housatonic") and request that the Surface Transportation Board (the "Board") reject the OFA.

Housatonic submitted the OFA to acquire the entire 1.91-mile line that CSXT is seeking to abandon and discontinue between milepost QBY-0.59 and milepost QBY-2.50 in Pittsfield, in Berkshire County, MA (the "Line"). CSXT, pursuant to the appropriate regulations, provided Housatonic with its appraisal of the Line. CSXT values the Line at about \$450,000. Housatonic offered \$27,750.

Under 49 U.S.C. §10904(c), if the OFA is less than CSXT's estimate, the OFA shall explain the basis for the disparity and the manner in which the OFA is calculated. Housatonic has not met its burden under the statute. Housatonic has not even addressed the CSXT appraisal. Instead Housatonic elected to use an appraisal that results in a value that is barely six percent of the value that CSXT has determined to be the fair market value required under 49 U.S.C. 10904(f)(1)(B). Indeed, it appears that the valuation obtained by Housatonic, which was not completed until **January 31, 2002**, was prepared solely to justify the \$27,500 offer that Housatonic submitted on **September 17, 2001**.

BALL JANIK LLP

Honorable Vernon A. Williams
February 21, 2002
Page 2

Housatonic has not explained the reasons that the CSXT valuation is invalid. The gulf between the two valuations is so vast and there is no issue raised as to the validity of the CSXT appraisal, that CSXT concludes the OFA is not sufficient to even begin negotiations. Therefore, CSXT respectfully requests the Board to reject Housatonic's OFA.

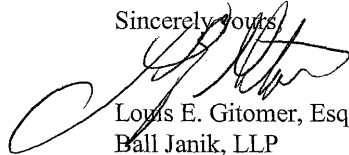
Enclosed are the original and 10 copies of this letter response requesting rejection of the OFA.

Please time and date stamp the additional copy of this letter and return it with our messenger. Thank you for your assistance.

If you have any questions, call or email me.

Natalie S. Rosenberg, Esq.
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1253

Sincerely yours,

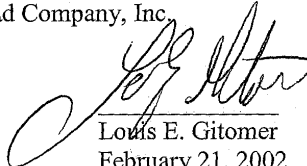


Louis E. Gitomer, Esq.
Ball Janik, LLP
1455 F Street, NW, Suite 225
Washington, DC 20005
(202) 638-3307

Attorneys for: NEW YORK CENTRAL LINES, LLC and
CSX TRANSPORTATION, INC.

CERTIFICATE OF SERVICE

I certify that on this date this letter has been served by hand and overnight delivery on counsel for Housatonic Railroad Company, Inc.



Louis E. Gitomer
February 21, 2002