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September 15, 2006

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

RE: Finance Docket No. 34473, *CSX Transportation, Inc., Norfolk Southern Railway Company, and Consolidated Rail Corporation—Modified Certificate of Public Convenience and Necessity—Operation of Line and Facilities in Staten Island, NY and New Jersey*

Finance Docket No. 34908, *CSX Transportation, Inc., Norfolk Southern Railway Company, and Consolidated Rail Corporation—Modified Certificate of Public Convenience and Necessity—Staten Island, NY and New Jersey*

Finance Docket No. 34909, *CSX Transportation, Inc., Norfolk Southern Railway Company, and Consolidated Rail Corporation—Joint Use and Operation Exemption*

Dear Secretary Williams:

CSX Transportation, Inc. (“CSXT”), Norfolk Southern Railway Company (“NSR”), and Consolidated Rail Corporation (“Conrail”) (collectively “Petitioners”) on August 8, 2006 filed with the Surface Transportation Board (the “Board”) the following: (1) in Finance Docket No 34909, a petition under 49 U.S.C. § 10502 and 49 CFR Part 1121, for an exemption from 49 U.S.C. §§ 11323-11325 for CSXT, NSR, and Conrail to provide for the joint use and joint rail freight operations over 7.69 miles of abandoned rail line generally between the Conrail Chemical Coast Line and points on Staten Island (the “Line”), which was acquired by the New York City Economic Development Corporation (“NYCEDC”) and the Port Authority of New York and New Jersey (the “Port Authority”); (2) in Finance Docket No. 34908, a Notice of Modified Certificate of Public Convenience and Necessity (the “Modified Certificate”) pursuant to 49 C.F.R. §1150.23(a) to provide rail freight operations jointly and severally as specified in an Operating Agreement with NYCEDC over the Line; and (3) in Finance Docket No. 34473, a 60-day Notice of Termination of Modified Certificate of Public Convenience and Necessity for the Line that had been granted in *CSX Transportation, Inc., Norfolk Southern Railway Company, and Consolidated Rail Corporation—Modified Rail*

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*Certificate*, STB Finance Docket No. 34473 (STB served March 19, 2004). Petitioners also requested the Board to expedite the handling of this proceeding so that operation over the Line could commence on October 1, 2006.

NYCEDC filed a Response on August 17, 2006, in support of the Petition, the Modified Certificate and the Notice. NYCEDC enthusiastically supported the Petition and the request for expedited handling.

The Board served a Notice in Finance Docket No. 34909, the Petition proceeding, on August 25, 2006 that established a procedural schedule through which interested parties could participate. Comments were due on September 14, 2006. The Port Authority filed a comment in support of the Petition. No other comments have been filed.

Also on August 25, 2006, the Board served a Decision in Finance Docket No. 34908, the Modified Certificate proceeding. The Board did not establish a procedural schedule, as comments normally are not anticipated in such a proceeding. Indeed, no comments other than a statement of support from the Port Authority have been filed in the Modified Certificate proceeding. Similarly, no comments were anticipated, nor filed, in Finance Docket No. 34473, the proceeding involving the termination of the prior Modified Certificate.

Petitioners respectfully request the Board to consider the comment phase of the Petition proceeding established in the August 25 decision to be completed upon the filing of this letter and to grant Petitioners' request for expedited action.

In the Petition, Petitioners have demonstrated that the joint use of the Line should be exempted under 49 U.S.C. § 10502 from 49 U.S.C. §§11323-11325 because: (1) the application of 49 U.S.C. §11323(a)(6) is not necessary to carry out the rail transportation policy; (2) the proposed transaction will not result in an abuse of market power; and (3) the proposed transaction is of limited scope. NYCEDC fully supports the Petition.

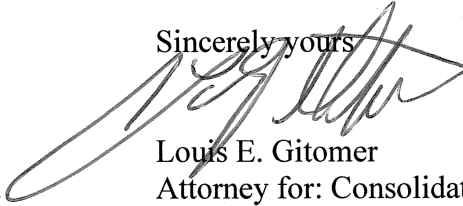
Petitioners contend that the Petition meets the requirements of 49 U.S.C. § 10502, that there is no opposition to the Petition, and that the comment period should be concluded with the filing of this letter. Petitioners respectfully request the Board to serve a decision in the Petition proceeding to be effective on October 1, 2006. Petitioners also respectfully request the Board to grant the Petition as filed subject to the labor protective conditions proposed in the Petition.

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This letter has been efiled with the Board and served on all parties of record.

If you have any questions please call or email me.

Sincerely yours

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over the typed name and title.

Louis E. Gitomer  
Attorney for: Consolidated Rail Corporation

cc: Mr. Spitulnik  
Mr. Menendez  
Mr. Donovan