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206/62

September 6, 2002

BY HAND

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
1925 K Street, NW
Washington, DC 20423-0001



Re: Docket No. AB-167 (Sub-No. 1094)^A — Abandonment —
Portion of the Consolidated Rail Corporation's
West 30th Street Secondary Track in New York, N.Y.

Dear Secretary Williams:

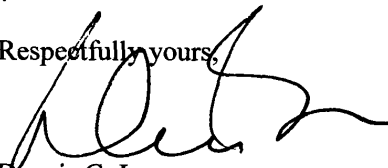
Enclosed are an original and ten (10) copies of the "Response of CSX Corporation and CSX Transportation, Inc., to Motion of Chelsea Property Owners for an Order Finding that the Attached Settlement Agreement Satisfies the Surety Condition in the ICC's September 16, 1992 Order in this Proceeding" for filing in the above-referenced docket.

Please note that a 3.5-inch diskette containing a WordPerfect 5.1 formatted copy of this filing is also enclosed.

Kindly date-stamp the additional copy of this letter and the "Response" at the time of filing and return them to our messenger.

Thank you for your assistance in this matter. Please contact the undersigned at (202) 942-5858 if you have any questions.

Respectfully yours,


Dennis G. Lyons
Counsel for CSX Corporation and
CSX Transportation, Inc.

ENTERED
Office of Proceedings
SEP 6 2002
Part of
Public Record

rjm
Enclosures

Washington, DC New York Los Angeles Century City Denver London Northern Virginia

BEFORE THE
SURFACE TRANSPORTATION BOARD



DOCKET NO. AB-167 (SUB-NO. 1094) *A*

CHELSEA PROPERTY OWNERS — ABANDONMENT —
PORTION OF THE CONSOLIDATED RAIL CORPORATION'S
WEST 30TH STREET SECONDARY TRACK IN NEW YORK, N.Y.

RESPONSE OF CSX CORPORATION AND CSX TRANSPORTATION, INC.,
TO MOTION OF CHELSEA PROPERTY OWNERS
FOR AN ORDER FINDING THAT THE ATTACHED
SETTLEMENT AGREEMENT SATISFIES THE SURETY CONDITION
IN THE ICC'S SEPTEMBER 16, 1992 ORDER IN THIS PROCEEDING

ENTERED
Office of Proceedings

SEP 6 2002

Part of
Public Record

Of Counsel:

Peter J. Shudtz
CSX CORPORATION
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901 East Cary Street
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Dated: September 6, 2002

*Counsel for CSX Corporation and
CSX Transportation, Inc.*

BEFORE THE
SURFACE TRANSPORTATION BOARD



Docket No. AB-167 (Sub-No. 1094)^A

CHELSEA PROPERTY OWNERS — ABANDONMENT —
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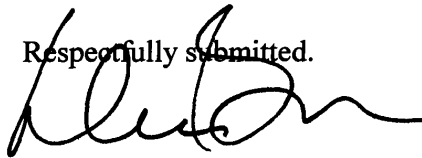
CSX Corporation and CSX Transportation, Inc. (collectively "CSX"),
hereby respond to the "Motion of Chelsea Property Owners for an Order Finding
that the Attached Settlement Agreement Satisfies the Surety Condition in the
ICC'S September 16, 1992 Order in this Proceeding" ("Motion") filed in this
docket on August 15, 2002.

CSX became a part of record in this docket on February 23, 1999, when
it responded to a motion for coercive relief against it filed by Chelsea Property
Owners on February 2, 1999. CSX's interests in this matter are set forth in its
filings in this docket made on February 23, April 19, and May 12, 1999. In short,
CSX Transportation, Inc. ("CSXT") is a party to an Operating Agreement with
New York Central Lines LLC ("NYC"), a wholly owned subsidiary of

Consolidated Rail Corporation ("Conrail"). NYC succeeded on June 1, 1999, to all of the property interests previously owned by Conrail in the "Highline" referred to in the Motion. The Operating Agreement between CSXT and NYC provided for the operation by CSXT of various railroad properties previously operated by Conrail, but CSXT has never operated the Highline.

CSX has reviewed the Motion and its exhibits, and believes that the arrangements provided for in the "Settlement Agreement" exhibited to the Motion, assuming their execution and delivery by the parties contemplated therein, satisfy the surety condition imposed by the Interstate Commerce Commission in its decision of September 16, 1992 in this proceeding.

Respectfully submitted.



Of Counsel:
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Dated: September 6, 2002

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*Counsel for CSX Corporation and
CSX Transportation, Inc.*

CERTIFICATE OF SERVICE

The undersigned counsel for CSX Corporation and CSX Transportation, Inc. hereby certifies that on this 6th day of September, 2002, a copy of the foregoing "Response of CSX Corporation and CSX Transportation, Inc., to Motion of Chelsea Property Owners for an Order Finding that the Attached Settlement Agreement Satisfies the Surety Condition in the ICC's September 16, 1992 Order in this Proceeding" were served on all parties of record by first-class mail, postage prepaid, or more expedited method.



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