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ENTERED
Office of Proceedings
April 15, 2014
Part of
Public Record

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: **Docket No. AB-55 (Sub-No. 718X), CSX Transportation, Inc.—Abandonment Exemption—in Alachua County, FL**
Docket No. 507 (Sub-No. 1X), Florida Northern Railroad Company, Inc.- Discontinuance of Service Exemption—in Alachua County, FL

Dear Ms. Brown:

CSX Transportation, Inc. (“CSXT”) is e-filing this letter in opposition to Seaside Holdings, Inc.’s (“Seaside”) request to extend the time to file its Offer of Financial Assistance (“OFA”). The Florida Railroad Company, Inc. (“FNOR”) concurs in this reply.

CSXT and FNOR filed a Notice of Exemption on November 20, 2013 for (1) CSXT to abandon an approximately 11.62-mile rail line on CSXT’s Southern Region, Jacksonville Division, West Coast Subdivision, between milepost AR 716.88, at High Springs, and milepost AR 726.69, at Newberry, and milepost ARB 717.11, at High Springs, and milepost ARB 718.92, at High Springs, in Alachua County, FL (the “CSXT Line”); and (2) FNOR to discontinue service over an approximately 9.81-mile rail line between milepost AR 716.88, at High Springs, and milepost AR 726.69, at Newberry, in Alachua County, FL. On December 20, 2013, Seaside Holdings, Inc. (“Seaside”) filed a Notice of Intent to File an OFA for the CSXT Line and requested a postponement of the date to file an OFA. CSXT and FNOR replied on December 24, 2014 and proposed March 17, 2014 as the time for Seaside to file an OFA. By decision served January 16, 2014, the Board tolled the time for Seaside to file an OFA until March 17, 2014.

In a decision served on March 31, 2014, at CSXT’s request, the Board tolled the time for Seaside to file its OFA until April 18, 2014. CSXT provided the information requested by Seaside on April 8, 2014, 10 days before the OTA was due to be filed.

By letter dated April 14, 2014, Seaside requests that the Board further extend the deadline for it to file an OFA until May 19, 2014. Seaside states that in providing the information, CSXT “disclosed for the first time that the twelve-mile railroad line sought to b[e] abandoned has a value in excess of \$1.5 million, nearly [t]wice the value of the track, ties and other track materials.” Seaside then states that it “needs to engage a real estate appraiser.” Seaside has not justified a third extension of time to file an OFA.

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As Seaside well knows from filing other OFA's, the value of a railroad line is composed of two factors, the track and materials and the real estate.¹ Seaside was not surprised that the real estate underlying the track has value. Moreover, CSXT first provided the value of the track and materials to Seaside at the same time it provided the valuation for the real estate, which was based on an appraisal by an independent third party appraiser.

The purpose of the OFA process is to "assist shippers who are sincerely interested in improving rail service, while at the same time protecting carriers from protracted legal proceedings which are calculated merely to tediously extend the abandonment process." *H.R. Rep. No. 96-1430* at 125 (Sept. 29, 1980). The Board has stated that its goal is to expedite the OFA process where possible and to that end would not require that the notice of abandonment process be drawn out the full 120-days simply to benefit an offeror. *See Aban. And Discon. Of R. Lines and Transp. Under 49 U.S.C. 10903*, 1 S.T.B. 894, 910-11 (1996). The Board concluded that the new rules would "allow adequate time for parties to consider filing an OFA, and marshal the funds necessary to do so...even if in some cases this results in something less than the full 120-day period to file an OFA." *Id.* at 911.

Seaside has had more than an adequate amount of time to prepare an OFA. Yet Seaside asserts that it needs an additional five weeks to engage a real estate appraiser to undertake appraisal of the property. Seaside has not justified its request for an additional five week extension. Seaside could have engaged a real estate appraiser any time after CSXT filed for abandonment, including the three months since the January 16, 2014 decision tolled the time for Seaside to file an OFA.

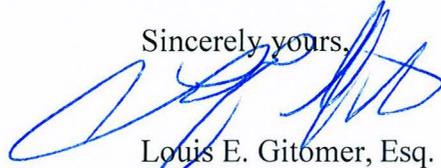
Seaside had 10 days from the date it received from CSXT CONFIDENTIAL versions of the appraisal, salvage value for the track and materials, and subsidy costs, to submit its OFA. The same 10 days that Seaside requested from the Board in Seaside's Notice of Intent to File an OFA. *See* Seaside's Notice of Intent to File an Offer of Financial Assistance dated December 20, 2013 at 2. Seaside has not justified extending the time for it to file an OFA beyond the 10 days in requested in December as enough time. As discussed above, Seaside could have engaged a real estate appraiser at any time during the abandonment process, including December 20, 2013 when it filed the Notice of Intent to file an OFA. Because Seaside has not provided justification for an extension of time and an extension of time would further draw out this abandonment process, CSXT respectfully requests that Seaside's extension request be denied.

¹ *McCloud Railway Company—Abandonment and Discontinuance of Service Exemption—in Siskiyou, Shasta, and Modoc Counties, CA*, STB Docket No. AB-914X (served August 25, 2006)

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Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer, Esq.
Attorney for CSX Transportation, Inc.

Cc: Mr. Kahn
Mr. Litwiler