

January 9, 2002

Via Hand Delivery
The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of the Secretary
JAN 10 2002
Part of
Public Record



Re: Docket No. AB-290 (Sub-No. 212X), *Norfolk Southern Railway Company – Discontinuance Exemption – in Hudson County, New Jersey, Petition for Exemption and Request for Expedited Action* } 204358

Docket No. AB-55 (Sub-No. 584X), *CSX Transportation, Inc. – Discontinuance Exemption – in Hudson County, New Jersey, Petition for Exemption and Request for Expedited Action* } 204359

Dear Secretary Williams:

By letter dated December 12, 2001, the undersigned counsel for Cognis Corporation (“Cognis”) informed the Board that Cognis and Consolidated Rail Corporation (“Conrail”) had tentatively reached agreement on the terms and conditions of a commercial resolution of their disputes arising out of Docket No. AB-167 (Sub-No. 1067N), *Application of Consolidated Rail Corporation Pursuant to 45 U.S.C. §748 for Abandonment of a Line of Railroad Known as the River Line, in Hudson County, New Jersey*; and Docket No. AB-167 (Sub-No. 766N) *Application of Consolidated Rail Corporation Pursuant to 45 U.S.C. §748 for Abandonment of a Line of Railroad Known as the Weehawken Branch, in Hudson County, New Jersey*. In these dockets, Conrail seeks to abandon its interests in two segments of track located in Hoboken, New Jersey known together as the River Line.

The December 12, 2001 letter further stated that, under the terms of the parties’ agreement, the abandonments contemplated by the above applications would be allowed to take place. The letter further informed the Board that it was the intention of the parties that their agreement would be consummated on or before December 31, 2001, and that Cognis and/or Conrail would notify the Board of such consummation and that Cognis would take whatever formal steps are necessary and required at the Board to enable the abandonments to go forward pursuant to the Board’s rules.

In a footnote to the December 12, 2001 letter, Cognis noted that the settlement of the issues surrounding Conrail’s proposed abandonment would also require the withdrawal of Cognis’ opposition to the petitions for discontinuance exemptions filed in the captioned dockets by Norfolk Southern Railway Company (“NS”) and CSX Transportation, Inc. (“CSXT”). Specifically, NS and CSXT each have operating rights over the River Line pursuant to the North Jersey Shared Access Operating Agreement. These rights, which NS and CSXT have never used, are nevertheless subject to the abandonment jurisdiction of the STB. *See e.g.* Petition for Exemption and Request for Expedited Action filed by NS, at 2. Consequently, an attempt by Conrail to abandon its interest in the River Line must also be accompanied by the abandonment or discontinuance of NS’s and CSXT’s operating rights. *Id.*

Accordingly, on November 14, 2000, NSR and CSXT filed the above referenced Petitions for Exemption to Discontinue Operating Rights and for Expedited Consideration. On December 28, 2000, after the

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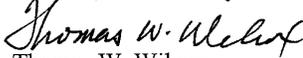
Board initiated two exemption proceedings pursuant to 49 U.S.C. §10502(b) to consider the petitions, Cognis filed a reply in opposition to both petitions. These petitions remain pending before the Board.

The purpose of this letter is to inform the Board that the settlement agreement between Cognis and Conrail was consummated on or around December 20, 2001.¹ Consequently, by letter filed today in the abandonment dockets, Cognis has withdrawn (1) the Offer of Financial Assistance Cognis filed in those dockets on February 12, 2001, and (2) the Request for Establishment of Conditions and Compensation for Subsidy and Purchase, filed in those dockets on April 13, 2001. Cognis has further advised the Board that it no longer opposes the abandonment applications filed by Conrail in these dockets.

Because the terms of the settlement resolve all issues between Cognis and Conrail regarding the abandonment of the River Line, and Cognis no longer opposes the abandonment,² Cognis' opposition to the petitions filed by NS and CSXT is now moot. Accordingly, Cognis hereby withdraws its December 28, 2000 Reply to Petitions for Exemption and Expedited Action, and generally withdraws its opposition to the discontinuance of NS's and CSXT's operating rights over the River Line.

Please do not hesitate to contact the undersigned if you have any questions.

Sincerely,


Thomas W. Wilcox
Counsel for Cognis Corporation

cc: Janetta Walls, Esq.

Jonathan M. Broder, Esq.
Counsel for Consolidated Rail Corporation

James R. Paschall, Esq.
Counsel for Norfolk Southern Railway Company

Natalie S. Rosenberg, Esq.
Counsel for CSX Transportation, Inc.

Kevin M. Sheys, Esq.
Counsel for New Jersey Transit Corporation

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¹ Cognis notes that Conrail also reached a complete settlement with Dykes Lumber Company, the other shipper on the line in question, and that this settlement was consummated on or close to the same date.

² Cognis therefore has no objection to the Board's immediate grant of the abandonment applications, although Cognis and Dykes Lumber Company have been assured by Conrail that rail freight service over the tracks covered by the applications will not actually cease before April 1, 2002.