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THOMAS F. MCFARLAND

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May 17, 2002

205415

By UPS overnight mail.
guaranteed Monday delivery

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: STB Docket No. AB-55 (Sub-No. 588X), *CSX Transportation, Inc. --
Abandonment Exemption -- in Polk and McMinn Counties, TN*

Dear Mr. Williams:

Pursuant to the Board decision in the above proceeding served May 9, 2002, requests that the Board establish the terms and conditions of purchase of the subject rail line are due on June 3, 2002.

In behalf of offeror, Southeast Local Development Corporation (SLDC), this is to respectfully request a 21-day extension of that due date to Monday, June 24, 2002.

Justification for the requested extension is the failure of CSX Transportation, Inc. (CSXT) to have furnished supporting information for its estimate of the net liquidation value of the rail line. CSXT was requested to furnish that information by letter dated May 3, 2002 (copy attached), faxed to CSXT on that date. CSXT's obligation to furnish that information is contained in 49 U.S.C. § 10904(b) and 49 C.F.R. § 1152.27(a) and (d). In SLDC's view, the intent of that statute and regulation is that an offeror not be required to go forward with evidence in support of its valuation of the rail line until a reasonable period of time after receipt of information from the rail carrier underlying the latter's valuation of the line.

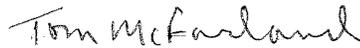
On May 16, 2002, CSXT Counsel Natalie S. Rosenberg declined to agree to the extension hereby requested. Ms. Rosenberg stated that all valuation materials will be furnished to SLDC no later than Tuesday, May 21, 2002. By letter to me dated May 17, 2002, copy attached to this request, Ms. Rosenberg furnished a preliminary estimate of the value of track materials only. While the material furnished by Ms. Rosenberg is helpful, it does not satisfy CSXT's obligation under the statute and regulations to furnish all underlying valuation materials.

THOMAS F. MCFARLAND

Vernon A. Williams
May 17, 2002
Page 2

Ten copies accompany the original of this requested extension. Counsel for CSXT is being served by expeditious means.

Very truly yours,



Thomas F. McFarland
*Attorney for Southeast Local
Development Corporation*

TMcF:kl:enc:wp8.0\878\lstrsb2

cc: Natalie S. Rosenberg, *by fax to 904-359-1248,*
w/confirmation by mail

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THOMAS F. MCFARLAND

3
May 2, 2002

By fax to 904-359-1248

Natalie Rosenberg
CSX Transportation, Inc.
500 Water Street, J-150
Jacksonville, FL 32202

Re: STB Docket No. AB-55 (Sub-No. 588X), *CSX Transportation, Inc. --
Abandonment Exemption -- in Polk and McMinn Counties, TN*

Dear Natalie:

This confirms our telephone conversation on May 3 regarding the offer of financial assistance in the above proceeding.

I appreciate the clarification that the NLV placed on the rail line by CSXT is \$1,992,377, and that any reference to a value of \$2.1 million is the result of a misunderstanding.

You advised that the appraisals in support of the above NLV have not been finalized. You stated that copies of those appraisals would be furnished to me promptly upon finalization.

I requested that to the extent that CSXT's NLV includes valuation of any land, CSXT furnish proof of marketable title to such land, i.e., copies of the deeds or other documents by which such land was conveyed to CSXT's predecessor.

I indicated that a very preliminary estimate of the rail line's NLV was made in behalf of the offeror. Although I agreed to consider furnishing a copy of that estimate to CSXT, upon further consideration I do not intend to do so because the offeror will not rely on that estimate.

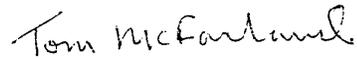
I requested that CSXT agree to an extension of a minimum of 15 days or more likely 30 days of the date for filing requests that the STB fix the terms of acquisition of the rail line (currently due May 31). You took that request under consideration pending evaluation of progress made in furnishing documents and in negotiating terms of acquisition.

THOMAS F. MCFARLAND

Natalie Rosenberg
May 3, ~~March 14~~, 2002
Page 2

I look forward to working with you on this matter.

Very truly yours,



Thomas F. McFarland
*Attorney for Southeast Local
Development Corporation*

TMcF:kl.wp8.0878\lrrn1

cc: Beth Jones, *by fax to 423-267-7705*
Gary Hunter, *by fax to 775-825-6578*



Natalie S. Rosenberg
Counsel

For 878

Law Department
500 Water Street (J150)
Jacksonville, FL 32202
Phone: (904) 359-1253
FAX: (904) 359-1248

May 17, 2002

VIA FACSIMILE (312) 201-9695
AND U. S. MAIL

Tom McFarland, Esquire
Suite 1890
208 South LaSalle Street
Chicago, Illinois 60604-1194

Re: **STB Docket No. AB-55 (Sub-No. 588X) -**
CSX Transportation, Inc.- Abandonment Exemption
in Polk County and McMinn County, Tennessee

Dear Tom:

As I mentioned yesterday afternoon, CSXT believes that it can reach a mutually beneficial agreement with your client by the June 3, 2002 deadline set by the Board. As you know, CSXT has asked its appraiser and its consultant for updates and more detailed information supporting the \$1,992,377 net liquidation value that CSXT earlier furnished your client and that you referred to in your OFA. I have tried to expedite my receipt of this information in order to furnish you with the most current information as soon as possible.

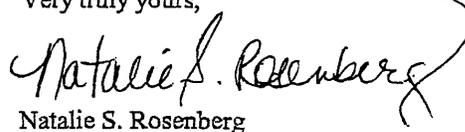
In the interest of time, however, I am enclosing the available August 3, 2001 estimate of the net track salvage value for the line (\$1,755,377.00). Although CSXT is having this number revised to account for changes in the market price, I am hopeful that the available detailed quantity information will be useful in the interim.

As I also mentioned, CSXT just yesterday afternoon received a final land appraisal for the line. Although CSXT is more than willing to share this document with you and your client, CSXT would like the opportunity to review the appraisal prior to forwarding it to your office. The appraisal did confirm that the available net liquidation value of the land is \$237,000.00.

Tom McFarland, Esquire
May 17, 2002
Page 2

I hope this information proves helpful. I look forward to working with you and your client to reach an agreement in this matter. I believe that we can do so by the June 3, 2002 deadline. As such, I will forward the land appraisal as soon as I am permitted to release it. Likewise, I will forward the updated track appraisal as soon as it becomes available and I receive it. I expect that you will have both of these items by the beginning of next week.

Very truly yours,



Natalie S. Rosenberg

NSR/pkw

Enclosure

ESTIMATED NET TRACK SALVAGE VALUE

DESCRIPTION: ETOWAH TO COPPERHILL, TN.
 MILEPOST: OKX 339.00 TO 382.468
 VAL. STA.: 18679+98 TO 20975+35 (STATE LINE)
 VAL. SECT.: VS # 29, MAPS 31B - S31X
 INCLUDES: FORMER LOUISVILLE & NASHVILLE RR. CO.
 37 TURNOUT & 29,881 T.F. OF SIDE TRACK

FILE: AB 55(588X)
 (43.473 MI)
 (5.659 MI)

DETAIL OF ESTIMATE

QUANTITY	UNIT	QUANTITY NET TONS	DESCRIPTION OF ITEM	UNIT PRICE	TOTAL COST
61,975	EA	0.00	CROSS TIES - LANDSCAPE	1.60	99,160
11,318	EA	0.00	CROSS TIES - RELAY (TIMB IN 1998) MILEPOST KX 340.2 TO 349.3	10.60	119,971
13,197	EA	0.00	CROSS TIES - RELAY (TIMB IN 1996) MILEPOST KX 347.5 TO 381.5	8.70	114,814
2,242	EA	0.00	CROSS TIES - RELAY (TIMB IN 1991) MILEPOST KX 362.5 TO 382.0	5.00	11,210
3,744	EA	0.00	CROSS TIES - RELAY (TIMB IN 1984) MILEPOST KX 339.0 TO 345.5	3.00	11,232
164,638	LF	3440.93	132# CW RAIL - RELAY(CL#2/3) GAS WELDS 132 RE CC BSCO STEELTON 1963 CW(GAS) 132/25 RE CC TENN. 1948/49/54 CW(GAS) 131/28 RE CC TENN. 1943/47 CW(GAS)	225.00	774,210
86,752	LF	1813.12	132# CW RAIL - RELAY(CL#2/3) EL. WELDS 132/25 RE CC TENN. 1953/55 CW(EL.) 131 RE OH COLORADO 1939 CW(EL.)	285.00	516,738
8,456	LF	176.73	132# JT(78') RAIL - RELAY(CL#3) (GAS)	100.00	17,673
21,012	LF	439.15	132# JT(39') RAIL - RELAY(CL#3)	155.00	68,068
70,218	LF	1467.56	132# JT & CW RAIL - SCRAP	70.00	102,729
2,280	LF	36.12	100# CW RAIL - RELAY(CL#2) EL. WELDS 100 AREA OH BSCO STEELTON 1946 CW(EL)	155.00	5,598
159,320	LF	2523.63	100# JT RAIL - SCRAP OH TENN 100/25 RE 1923/28 JT(33) OH TENN 100/25 RE 1928/29 JT(39)	70.00	176,654
960	LF	13.68	90# JT RAIL - SCRAP OH TENN 90/30 ARA-B 1917 JT(33)	70.00	958
5,200	LF	65.88	80# JT RAIL - SCRAP	70.00	4,612
2	EA	6.03	#10, 100# RBM, 16-6" PTS. TURNOUT - SCRAP	210.00	420
27	EA	74.39	#8, 100# SG/RBM/B 16-6 PTS TOUT - SCRAP	190.00	5,130
8	EA	34.14	#8, 132# RBM, 16-6 PTS TURNOUT - RELAY	3000.00	24,000
809	PR	46.52	132# 36" 6-HOLE JT BARS - SCRAP DRILL = 6 - 6 - 7	4.00	3,236
565	PR	32.49	132# 36" 6-H. JT BARS = SCRAP(IN CWR TRK)	4.00	2,260

2,040 PR	65.28 100# 24" 4-HOLE JT BARS - SCRAP DRILL = 5 1/2" ALL	2.20	4,488
2,045 PR	65.44 100# 24" 4-HOLE ANGLE BARS - SCRAP DRILL = 5 1/2" ALL	2.20	4,499
29 PR	0.87 90# ANGLE BARS - SCRAP	2.10	61
157 PR	5.12 80# 29" 6-HOLE ANGLE BARS - SCRAP DRILL = 6 - 4 1/2 - 4 1/2	2.25	353
52,921 EA	297.68 TIEPLATES, 7 1/2 X 10" SS, 4-HOLE - SCRAP & 7 1/2 X 11" SS, 5-HOLE ON 100# RAIL	0.40	21,168
2,450 EA	10.54 TIEPLATES, 7 X 9" SS, 4-HOLE - SCRAP	0.30	735
26,066 EA	190.28 TIEPLATES, 7 3/4 X 11 1/2" DS, 6-HOLE - RELAY 5 1/2" BASE	1.10	28,673
36,649 EA	392.14 TIEPLATES, 7 3/4 X 14" DS, 8-HOLE - RELAY 6" BASE FOR 131/2# RAIL	4.50	164,921
146,599 EA	1568.61 TIEPLATES, 7 3/4 X 14" DS, 7+1, HOLE - RELAY 5 1/2" BASE FOR 112/115 & 6" BASE FOR 132#	1.50	219,899
66,288 EA	66.29 100# RAIL ANCHORS, MIXED - SCRAP	0.07	4,640
192,892 EA	192.89 132# RAIL ANCHORS, MIXED - RELAY MOSTLY UNIT TYPE ANCHORS	0.35	67,512
0 PR	0.00 115# 36" 6-HOLE GLUED INSUL. JT'S	125.00	0
8 PR	0.24 RAIL OFFSETS	75.00	600
3,000 EA	45.00 TRACK GAUGE RODS	1.05	3,150
11 EA	0.55 WAYSIDE RAIL LUBRICATORS, 2 SIDED	100.00	1,100
1 LS	349.08 MISC. O.T.M.	70.00	24,436

13420.37

2,604,907

LESS COST TO REMOVE

158,260 TF		WELDED RAIL REMOVAL	2.10	332,346
101,158 TF		JOINTED RAIL REMOVAL	1.65	166,911
6 EA		REMOVE FLASHING LIGHT SIGNAL @ X-INGS	100.00	600
277 TF		RESTORE 11 PRIV/PUB UNPAVED RD X-INGS	10.00	2,770
	DOT	LGH MP. ROAD NAME		
696 TF		RESTORE 21 PUBLIC PAVED RD X-INGS	48.00	33,408
	DOT	LGH MP. ROAD NAME		
	347-946R	20 339.41 GEE CREEK RD.		
	347-949L	15 342.88 HWY. 27 IN STATE PARK		
	347-950F	20 343.57 UNK.		
	347-955P	28 345.41 RT. # 315		
	347-956W	0 345.78 UNDERPASS, BR. # 26		
	347-957D	0 360.69 STATE HWY # 68, BR. # 39		
	347-961T	15 365.56 MILLER RD.		
	347-960L	0 366.00 STATE HWY # 68, OVERHEAD		
	347-963G	26 366.34 UNDERWOOD DR.		
	347-964N	16 368.66 AT TURTLETOWN		
	347-965V	52 368.80 STATE HWY # 68		
	347-967J	44 369.79 CROFT CHAPEL		
	347-962A ?	0 370.19 UNDERPASS, BR # 59		
	347-970S	24 370.45 UNK		
	347-972F	16 372.01 UNK		
	347-973M	18 372.23 COLE DR.		
	347-974U	52 372.53 STATE HWY # 68		
	347-975B	18 373.08 STILES ROAD		
	347-976H	30 373.50 CAMPBELL COVE ROAD		
	347-980X	18 375.50 BRUSH CREEK RD(HOLDER DR)		
	347-981E	48 376.45 AT DUCKTOWN		
	347-983T	0 377.20 STATE RT # 40, OVERHEAD		
	347-984A	0 377.49 US # 74, UNDERPASS, BR # 70		
	347-985G	32 379.75 UNK		
	347-986N ?	80 381.65 ON IND. TRK # 92 (OWNERSHIP)		
	347-989J	98 382.16 OCOEE ST., SR # 68		
	347-990D	26 382.40 GRAND ST.		
1,596 TF		REMOVE 21 STEEL & CONCRETE BRIDGE	115.00	183,540
	BR. NO.	LGH MP. TYPE		
	25	120 343.2 2-SPAN DPG		
	26	426 345.7 6-SPAN DPG		
	28	38 346.0 1-SPAN DPG		
	29	93 346.5 3-SPAN DPG		
	31	56 351.6 1-SPAN REINFORCED CONC.		
	33	46 353.8 1-SPAN DPG		
	38	67 357.2 1-SPAN DPG		
	39	41 360.6 1-SPAN DPG		
	47	22 363.6 1-SPAN DPG, ON THE LOOP		
	50	54 367.2 1-SPAN DPG		
	51	52 368.1 1-SPAN DPG		

	54	65	368.9	1-SPAN DPG		
	56	40	369.5	1-SPAN OPG		
	67	77	374.5	2-SPAN I-BEAM		
	70	46	377.5	1-SPAN DPG		
	72	60	380.2	1-SPAN DPG		
	73	67	381.6	1-SPAN TPG		
	73B	70	381.6	2-SPAN CONCRETE. TRK 94B		
	73B	70	381.6	2-SPAN CONCRETE. TRK 94A		
	73B	70	381.6	2-SPAN CONCRETE. TRK 94		
2,817 TF				REMOVE 23 TIMBER BRIDGES	11.00	30,987
49,484 EA	BR. NO.			LGH MP. TYPE		
				DISPOSE OF SCRAP TIES	2.00	98,968

849,530

ESTIMATED NET TRACK SALVAGE VALUE

1,755,377

WILBUR SMITH ASSOCIATES
 JACKSONVILLE, FL
 JUNE-JULY, 2001 BASED ON FIELD SURVEY
 L&N-OLD-LINE
 SHEET 1
 REV. AUG. 3, 2001

NOTE:
 THE TRACK CHART WOULD INDICATE THAT ALL
 OF THE 132# CWR IS GAS WELDED.
 AFTER CHECKING THREE LOCATIONS, IT
 APPEARS THAT THE ORIGINAL L&N RAIL CHARTS
 ARE GONE. RUST ON THE RAIL MADE A
 DEFINITIVE EVALUATION IMPOSSIBLE.