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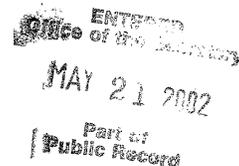
May 20, 2002

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**VIA FACSIMILE AND  
AIRBORNE EXPRESS**

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

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



Dear Mr. Williams:

CSXT opposes the request of the Southeast Local Development Corporation ("SLDC") for an extension of the deadline to request that the Board set terms and conditions in the above captioned matter.

CSXT respectfully requests that the Board deny SLDC's request for the reasons set forth below. First, CSXT has been cooperating and sharing information with SLDC for many months. SLDC has been aware of CSXT's \$1,992,377.00 net liquidation valuation since at least November, 2001. CSXT has provided SLDC with all of the available valuation information pursuant to the Board's requirements. CSXT has even agreed to share additional, current information with SLDC. This information is being sent by overnight mail to SLDC's counsel today, May 20, 2002. As such, CSXT believes that CSXT has complied with the regulations and asks that the Board maintain the June 3, 2002 deadline.

On April 23, 2001, CSXT filed a Petition for Exemption in this proceeding, which the Board granted on April 24, 2002. SLDC filed an offer of financial assistance on May 2, 2002, which was found *bona fide* by the Board on May 9, 2002. On May 17, 2002, CSXT forwarded to SLDC all available information and offered additional information to SLDC. CSXT has fulfilled its obligation under 49 CFR §1152.27(d). CSXT has made the documents in its possession available to SLDC, and has offered additional documents not required by the Board's rules. Contrary to SLDC's suggestion, the Board's rules do not require CSXT to prepare and provide an offeror its potential response in the event the parties are unable to reach an agreement.

The statute provides 30 days to negotiate from the date the offer is made. 49 U.S.C. §10904(e). Instead of arguing over information, the parties should be negotiating the terms and conditions of the sale. SLDC has a full two weeks from receipt of valuation information to

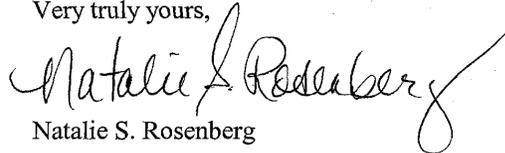
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negotiate with CSXT. CSXT is confident that the parties will be able to reach an agreement. SLDC knows the basis of CSXT's valuation and has been aware of it for quite some time. SLDC certainly must have had some information in order to make its offer of \$1,100,000.00.

CSXT is ready, willing, able, and eager to negotiate the sale of the line with SLDC. CSXT believes it is not productive to litigate concerning informational requirements that it has already met. Moreover, SLDC knew, or should have known, that the time to negotiate was very limited when it began this process. CSXT respectfully requests the Board to deny SLDC's unilateral extension request and require the parties, for now, to negotiate within the statutory time limits. As I mentioned to counsel for SLDC, CSXT would be more than willing to request an extension closer to the June 3, 2002 deadline if it appears that CSXT and SLDC are very close to reaching an agreement but are unable to do so by the deadline for some reason.

I enclose ten copies and the original of this reply. Please feel free to contact my office if you have any questions.

Very truly yours,



Natalie S. Rosenberg

cc: Tom McFarland  
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By fax and U.S. Mail