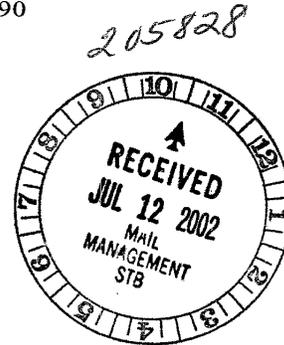


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THOMAS F. MCFARLAND

July 11, 2002

By fax to 202-565-9002.
w/confirmation by UPS overnight mail

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
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:

Offeror Southeast Local Development Corporation (SLDC) hereby withdraws its offer of financial assistance (OFA) in the above proceeding. As a result of that withdrawal, no request will be filed that the Board establish conditions and compensation for financial assistance. Such a request would have been required to have been filed by today, July 11, 2002.

The OFA in this matter is being withdrawn in light of an agreement of the parties for SLDC's acquisition of the rail line outside the OFA process. That agreement was facilitated by the Board's willingness to extend the filing date for requests for establishment of conditions and compensation for financial assistance. SLDC appreciates the Board's cooperation in that respect.

Ten copies accompany the original of this notice of withdrawal. Counsel for CSX Transportation, Inc. is being served in a timely manner.

Very truly yours,

Thomas F. McFarland
Attorney for Southeast Local
Development Corporation

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cc: Natalie S. Rosenberg, by fax to 904-359-1248, w/confirmation by UPS overnight mail
Beth Jones, by fax to 423-267-7705
Gary Hunter, by fax to 755-825-6578