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September 30, 2006

Ms. Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

VIA ELECTRONIC FILING

Re: Docket No. AB-286 (Sub. No. 5X)

The New York, Susquehanna and Western Railway Corporation  
-- Discontinuance of Service Exemption --  
In Broome and Chenango Counties, NY

Dear Ms. Quinlan,

Please accept Chenango County IDA's accompanying letter  
withdrawing their opposition to this petition.

We thank the Board for its time and consideration.

Respectfully submitted,  
JOHN D. HEFFNER, PLLC

  
James H. M. Savage

JHS/mhd  
Att.

Cc: Eric Hocky (w/att.) **Via E-mail**  
Robert A. Rybak (w/att.) **Via E-mail**

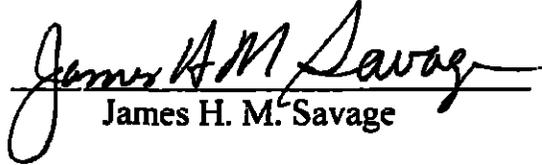
ATTORNEY CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia, hereby Certify under penalty of perjury that I served a copy of the within pleading upon the following person by electronic mail on September 30, 2008:

Eric Hocky, Esq.  
Attorney for NYS&W

Robert A. Rybak, Esq. Dennis A. Gimmestad  
NYS DOT

Dated: September 30, 2008

  
James H. M. Savage

**THE NEW YORK, SUSQUEHANNA AND WESTERN RAILWAY CORPORATION**  
**1 Railroad Avenue**  
**Cooperstown, NY 13326**  
**607-547-2555**  
**607-547-5658 fax**

**Nathan R. Fanzo**  
**President**  
**nrfanzo@nysw.com**

September 25, 2008

**Karen Rae, Deputy Commissioner**  
**New York State Dept of Transportation**  
**50 Wolf Road, 5-4**  
**Albany, NY 12232**

**Maureen Carpenter, EDP**  
**President & CEO**  
**Chenango County Industrial Development Agency**  
**19 Eaton Avenue**  
**Norwich, NY 13815**

RE Utica Line

Dear Ms. Rae and Ms. Carpenter.

Thank you for taking the time to meet to discuss the out-of-service portion of the NYS&W's Utica Line (Chenango Forks to Sherburne)

During the NYS&W's over 25 year involvement in this line, it has consistently sought ways to preserve and enhance rail service, and we have enjoyed NYSDOT's long-term support of those efforts. Since the June, 2006 flooding and resulting significant damage to the line, NYS&W has sought to work with NYSDOT as well as other state and local officials to reach a rational and sustainable resolution that will preserve the option of rail service on the line if and when the need arises in the future. NYS&W remains committed to those efforts and we look forward to working with NYSDOT and Chenango County IDA to explore options for the line, including re-establishment of rail service on part or all of the line.

NYS&W's recent filing of a Notice of Discontinuance with the Surface Transportation Board is consistent with those efforts. Currently, there is no economic justification for operation of the line, much less the investment of scarce resources in track rehabilitation. Filing of the Notice of Discontinuance was necessary to satisfy NYS&W's obligations under Surface Transportation Board regulations and federal law, doing so maintains the status quo on the line while interested parties continue to explore options for the line. In that spirit of cooperation, NYS&W is prepared to commit to forego seeking abandonment authority for at least 12 months, and to give

both NYSDOT and Chenango County IDA not less than 60 days advance notice of any such filing, if NYSDOT and Chenango County IDA withdraw their respective opposition to the current Notice of Discontinuance, and Chenango County IDA foregoes any action to terminate the existing arrangements with NYS&W during such time. The withdrawal of opposition would, of course, be without prejudice to any position NYSDOT or Chenango County IDA may take in the event abandonment is sought; moreover, withdrawal of opposition would maintain the status quo and allow all involved to direct their attentions to cooperative efforts to attract new customers to the line.

Finally, please be assured that NYS&W acknowledges the various provisions of several grant agreements which provide for reimbursement of state moneys in certain circumstances. NYS&W looks forward to addressing any concerns NYSDOT may have in that regard by clarifying, in a mutually acceptable manner, when, how much and under what conditions such reimbursement may become due. We believe that such a resolution should include NYS&W's acknowledgment that the amount that may ultimately be required to be repaid is not depreciating.

Again, thank you for taking the time to discuss this with us

Respectfully,

A handwritten signature in black ink, appearing to read 'NRF', with a long horizontal flourish extending to the right.

Nathan R. Fenno  
President

NRF:ksp



STATE OF NEW YORK  
DEPARTMENT OF TRANSPORTATION  
ALBANY, NY 12232  
[www.nysdot.gov](http://www.nysdot.gov)

ASTRID C. GLYNN  
COMMISSIONER

DAVID A. PATERSON  
GOVERNOR

September 29, 2008

Maureen Carpenter, EDP  
President & CEO  
Chenango County Industrial Development Agency  
19 Eaton Avenue  
Norwich, NY 13815

Dear Ms. Carpenter:

Thank you for participating in last Wednesday's conference call regarding the New York, Susquehanna and Western Railway's (NYS&W) pending discontinuance request before the Surface Transportation Board (STB). We are very appreciative of the Chenango County IDA's participation in the important discussions to ensure the long-term viability of freight rail service on NYS&W's Utica Line.

We have reviewed NYS&W President Nathan Fenno's letter of September 25, 2008, and believe that it addresses the necessary obligations on the part of the Railroad that both you and the Department had requested. Therefore, please convey to the Chenango County IDA Board members that the Department is supportive of the agreed upon conditions as outlined in President Fenno's letter.

As such, we recommend that the Chenango County IDA join us in moving forward in their support of this joint Railroad, State and County IDA effort. Finally, in light of NYS&W's assurances, we are prepared to withdraw our application for a stay tomorrow

Yours truly,

A handwritten signature in black ink that reads "Karen J. Rae". The signature is written in a cursive style.

Karen J. Rae  
Deputy Commissioner,  
Policy and Planning Division

September 30, 2008

Ms. Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

*Filed Electronically*

Re: STB Docket No. AB-286 (Sub. No. 5X)

The New York, Susquehanna & Western Railway Corporation  
— Discontinuance of Service Exemption —  
In Broome and Chenango Counties, NY

Dear Ms. Quinlan:

On September 18, 2008 the County of Chenango Industrial Development Agency (IDA) filed a petition with the Surface Transportation Board to reopen, reject, and/or revoke exemption for the New York Susquehanna and Western (NYS&W) railroad discontinuance of service request.

Since that time the IDA has had discussions with the NYS&W as well as the New York State Department of Transportation, who had filed a petition to stay. As a result of those discussions NYS&W and the IDA were able to come to a compromise as stated in the accompanying letters from NYS&W signed by Nathan R. Fenno, President and from NY State Department of Transportation signed by Karen J. Rae, Deputy Commissioner.

We are confident that we can work in cooperation with the railroad to find a future use for this line that will be of benefit to NYS&W as well as our community.

Therefore, we respectfully request to withdraw our Petition to Reject.

Thank you,

Maureen P. Carpenter, EDP  
Executive Director

**cc: Karen J. Rae  
Nathan Fenno**