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5 February 2015

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Copy for filing to: Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: Conrail - Abandonment Exemption - in Hudson
County, N.J., AB 167 (Sub-no. 1189X)
and related proceedings AB 55-686X
and AB 290-306X

Dear Mr. Jenkins:

This is in response to Conrail's continued profession of confusion in your January 26 "reply" to City of Jersey City ("City"). The Conrail notice of exemption ("NOE"), as demonstrated in Conrail's NOE exhibit A maps, indicates that Conrail's proposed Harsimus Branch abandonment commences at approximately Chestnut Street and ends on Washington Street. City requests Conrail's valuation information for all Conrail property Conrail claims is encompassed by that abandonment proposal. City assumes that will include all of Conrail's remaining interests in Tax Parcels 92 and 120, and spurs appurtenant to those parcels such as the track parallel to the NJ Transit facility on the south side of Parcel 92. Some of the relevant property has track and other material still useful for short line use. In short, it is not productive to speculate in your STB filings that the City wants less of the Harsimus Branch

than is available. City wants all Conrail's valuation information for all the Branch, consistent with the statements in this paragraph, to the maximum extent permissible under the NOE. Also, it is not productive to speculate on the kind of short line use the City anticipates for the property. The short line will be informed in important part by the valuation information supplied by Conrail, and by what City is able to purchase in response to negotiations or to a request directed to STB to set terms and conditions as provided in 49 USC 10904 and applicable regulations.

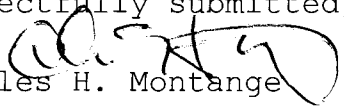
Congress intended the OFA remedy to be available to preserve rail lines wherever possible. Consistent with this intent, local governments in general can use OFA to preserve their rail infrastructure. Where private parties have sought to use OFA to prevent a public project, STB has sometimes required a showing of freight rail need. But City is not attempting to defeat public use -- or rail use -- of this rail line. Instead, it is Conrail that is seeking to defeat not only rail use but also any public use. The burden should be on Conrail to demonstrate why OFA should be disallowed or burdened. So far, Conrail has simply sought to draw benefit from its illegal conduct by claiming in effect that its illegal actions somehow preclude freight use of the Branch. Conrail's position and arguments are all tainted by the railroad's contractual commitment to its chosen developer (d/b/a 212 Marin Boulevard LLC, et al) to take all measures necessary to protect Conrail's purported sale of eight blocks of the Harsimus Branch to that developer in violation of statute, in order apparently to avoid being sued by that developer (or at least to mitigate damages in the event of suit by the developer).

City has received ample evidence of demand for transload services on the Harsimus Branch. This addresses Conrail's erroneous suggestions that there is no freight rail demand. As a way to address Conrail's revised claims that the railroad has so destroyed the elevated infrastructure that the railroad in any event is now somehow exempt from OFA, City is preparing to demonstrate that an interim transload is technically and operationally feasible, and can be implemented within two years, pending infrastructure work on the remainder of the property City seeks to acquire. While City does not think such a demonstration is legally necessary, there is nothing inconsistent with the OFA remedy as applied to the whole Branch

in preparing to make such a demonstration. In any event, City may make other and different showings, to the extent City deems prudent or necessary, and City reserves the right to do so. In the meantime, City requests Conrail to refrain from contesting City's OFA case until we make it, especially since Conrail has yet to supply the information upon which the OFA regulations indicate the showings in our case are to be responsive.

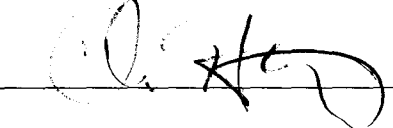
STB directed Conrail in 2009 to supply the City with valuation information. Still we wait. Conrail should consider complying with the law in connection with the Harsimus Branch rather than evading it.

Respectfully submitted,


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Certificate of Service

The undersigned hereby certifies service by posting the foregoing in by deposit with U.S. Mail, postage prepaid first class, on or before the 6th day of February 2015 addressed to the parties or their representatives per the service list below, and by electronic delivery to Andrea Ferster (General Counsel of Rails to Trails Conservancy) and Maureen Crowley (representative of Embankment Preservation Coalition) unless otherwise indicated.



Service List

[AB 167 (Sub-no. 1189X)]

- with address corrections as of August 2014 -

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