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REGIONAL WHIP



**Congress of the United States
House of Representatives
Washington, DC 20515**

August 22, 2003

JERROLD NADLER

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Hon. Roger Nober
Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Re: New York City Economic Development Corporation-Adverse Abandonment-
New York Cross Harbor Railroad In Brooklyn, New York
AB-596

Dear Chairman Nober:

I am writing both as a U.S. Representative from the City of New York and as the co-chairman of the East of Hudson Rail Freight Task Force. The task force was assembled pursuant to the Surface Transportation Board's direction that CSXT and Norfolk Southern (NS) discuss the means of providing improved freight service to the East of Hudson Region with the region's public officials as a condition of the approval of the acquisition of Conrail's assets by those two carriers. All rail carriers serving the area meet with the task force monthly to discuss rail service issues. The task force is made up of State and local officials. My co-chair is Rep. Christopher Shays of Connecticut.

On May 12, 2003, the Surface Transportation Board granted the Petition of the New York City Economic Development Corporation for the adverse abandonment of the New York Cross Harbor Railroad's (NYCH) operations in Brooklyn. As you know, the NYCH operates the last car float service across New York Harbor. The rail freight bridge crossing of the Hudson is 140 miles north of the City. On June 10, 2003, you granted a stay of that order pending reconsideration and judicial review.

One factor in allowing the abandonment of NYCH was the assurance of the major railroads that NYCH service was superfluous, as they could reach Brooklyn and Long Island without it. Since this matter was considered by the Board, however, there have been some serious changes which necessitate reconsideration.

As you know, rail service to New York and Long Island is provided directly by CSXT via the Hudson Line to the Bronx and thence over the Hell Gate Bridge to Fresh Pond Junction in Queens. Service is also provided by the Delaware and Hudson (D&H), which is owned by the Canadian Pacific, also via the Hudson Line and the Hell Gate Bridge, on trackage rights over CSXT and thence over New York Atlantic Railway to Bay Ridge in Brooklyn. The NYCH connects to the New York and Atlantic at Bay Ridge and provides direct service to Conrail in

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New Jersey via the float system, thus connecting via Conrail to both CSXT and NS. NS has a station in Brooklyn, but has no line to that location. It connects to the D&H at Binghamton and uses D&H lines to reach the East of Hudson Region. CSXT and D&H connect to the New York and Atlantic at Fresh Pond, and NYCH connects to the New York and Atlantic at Bay Ridge. The New York and Atlantic serves Long Island on tracks owned by the Long Island Railroad.

Canadian Pacific has announced that it is reconsidering its ownership of the D&H, and is entertaining bids for portions of that line. It intends to remove itself from the D&H, and acquisition of its trackage rights on the Hudson Line by any carrier is highly unlikely. The Task Force has been informed that the freight line across the Hell Gate Bridge is in extremely poor repair and is in danger of being closed at any time. The cumulative effect of these events, combined with the abandonment of NYCH, will be to leave the largest transportation market on earth with, at best, one rail service provider.

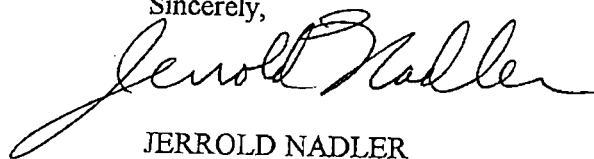
Should the Hell Gate Bridge line be embargoed, a distinct near-term possibility, the closing of the Cross Harbor will end all rail freight service onto Long Island. I point out that all the highways in this region are at, or in excess of, their capacity for long periods each day. Trucking as an alternative to these services is neither readily available nor environmentally acceptable.

In view of these developments, I ask that the New York Cross Harbor proceeding be stayed without regard to the outcome of the Court action. I ask that, prior to any reconsideration by the Board, the Section of Environmental Analysis be asked to consider the full implications of the abandonment within the context of the termination of all direct service to Long Island if the Hell Gate Bridge is embargoed and the further implications of the restriction of service in the entire East of Hudson region to a single carrier caused by the likely surrender of the D&H line by Canadian Pacific.

I suggest that, if NYCH is to be abandoned, its services must be assigned to a designated operator, an operator which is capable of operating effective cross-harbor service until a permanent solution can be found. If the floats are to be this region's only rail connection to the nation due to the crisis on the Hell Gate line, this operation must be placed in the hands of a major carrier, which can provide main line service via the floats. The only apparent candidates are Conrail or Norfolk Southern. As NS has a station listed in Brooklyn, it is the logical choice. A short line operator should not be selected, as it would not have the resources to do the job, and would impose yet another interchange in the route. Further, as NYCH is to be abandoned only in Brooklyn, any designated operator must have trackage rights that enable it to reach from Oak Island Yard in Newark to the float bridges in Greenville Yard, Bayonne, New Jersey. I understand that Conrail retained such rights in its lease of the Greenville property to NYCH. If that is no longer correct, such rights must be imposed on NYCH as part of this proceeding.

Thank you for your consideration of this request.

Sincerely,



JERROLD NADLER
Member of Congress