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ARNOLD & PORTER

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555 Twelfth Street, NW
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October 23, 2002

BY HAND

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Office of the Secretary
1925 K Street, NW
Washington, DC 20423-0001



Re: STB Finance Docket No. 34259
Chelsea Property Owners—Petition for Declaratory Order

ENTERED
Office of Proceedings

OCT 23 2002

Dear Secretary Williams:

Part of
Public Record

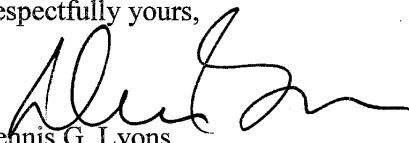
Enclosed are an original and twenty-five (25) copies of the "Reply of CSX Corporation and CSX Transportation, Inc. to Chelsea Property Owners' Petition for Declaratory Order" for filing in the above-referenced docket.

Please note that a 3.5-inch diskette containing a WordPerfect 9 formatted copy of this filing is also enclosed.

Kindly date-stamp the additional copy of this letter and the "Reply" at the time of filing and return them to our messenger.

Thank you for your assistance in this matter. Please contact the undersigned at (202) 942-5858 if you have any questions.

Respectfully yours,



Dennis G. Lyons
Counsel for CSX Corporation and
CSX Transportation, Inc.

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Enclosures

BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 34259

CHELSEA PROPERTY OWNERS – PETITION FOR DECLARATORY ORDER

**REPLY OF CSX CORPORATION AND
CSX TRANSPORTATION, INC.
TO CHELSEA PROPERTY OWNERS'
PETITION FOR DECLARATORY ORDER**

ENTERED
Office of Proceedings
OCT 23 2002
Part of
Public Record

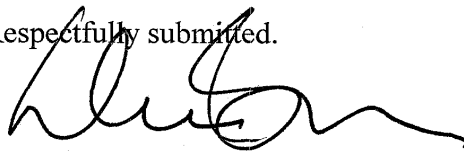
This is the reply of CSX Corporation and CSX Transportation, Inc
(collectively “CSX”) to the Petition for Declaratory Order filed by the Chelsea
Property Owners (“CPO”) on September 30, 2002.

The Petition for Declaratory Order relates to abandonment proceeding
with respect to the “Highline” pending in Docket No. –167 (Sub-No. 1094)A.
CSX’s interest in the matter is fully set forth in filings in that docket.

CSX has stated its views in that docket that the proceedings on CPO’s
Motion, filed August 14, 2002, in that docket, which CSX supports, should be
expedited by the Board to the fullest extent possible, subject to an appropriate
treatment of the issues raised by The Friends of the High Line. CSX believes that
the intent of CPO in filing the Petition for Declaratory Order was to remove
possible impediments to that expedited treatment by having the Board clarify
certain issues.

CSX takes no position as to whether launching a new proceeding would have the desired expediting effect, and accordingly takes no position on whether the Petition should be granted and proceedings upon it be undertaken or whether the Board should proceed with expedition in some other way. CSX, however, has had an opportunity to review the Reply being filed with respect to the Petition for Declaratory Order by Consolidated Rail Corporation ("Conrail"), and CSX commends to the Board the comments on the issues raised by the Petition for Declaratory Order provided by Conrail in that filing.

Respectfully submitted.



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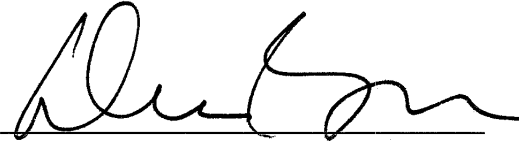
Of Counsel:
Peter J. Shultz
CSX CORPORATION
One James Center
901 East Cary Street
Richmond, VA 23219

Dated: October 23, 2002

*Counsel for CSX Corporation and
CSX Transportation, Inc.*

CERTIFICATE OF SERVICE

The undersigned counsel for CSX Corporation and CSX Transportation, Inc. hereby certifies that on this 23rd day of October, 2002, a copy of the foregoing "Reply of CSX Corporation and CSX Transportation, Inc. to Chelsea Property Owners' Petition for Declaratory Order" were served on all parties of record by first-class mail, postage prepaid, or more expedited method.

A handwritten signature in black ink, appearing to read "D. Lyons", is written over a horizontal line.

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*Counsel for CSX Corporation and
CSX Transportation, Inc.*