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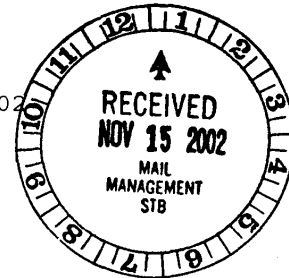
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November 15, 2002



BY HAND

Hon. Vernon A. Williams  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

RE: Docket No. AB-596, New York City Economic Development Corporation - Adverse Abandonment - New York Cross Harbor Railroad, Inc.

Dear Secretary Williams:

I am writing on behalf of the New York Cross Harbor Railroad ("NYCH") to reject the letter "reply" filed by the New York City Economic Development Corporation ("NYCEDC") in the above-captioned proceeding.

The letters to which NYCEDC's counsel is responding were filed by NYCH on November 12 and 13, 2002, in response to a filing originally made by NYCEDC on October 21, 2002. As such NYCEDC's letter is a "reply to a reply," a pleading normally prohibited by the Board's Rules of Practice. 49 CFR 1104.13c.

In its November 12 and 13, letters, NYCH showed that it has moved expeditiously to obtain a written agreement from CP Rail giving it access to 65<sup>th</sup> Street Yard. On Wednesday, CP Rail's counsel Barry McGrath advised the undersigned that he had drafted an agreement for review by his client but that presentation to NYCH of a "signature ready" agreement could take a couple of weeks. NYCH will also need to obtain an interchange agreement with the New York & Atlantic Railway ("NY&A"), operator of the Yard, before it can use the facility. NY&A has advised NYCH that

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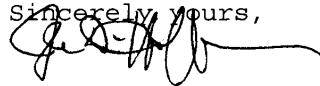
such an agreement will be forthcoming as soon as the CP Rail agreement is ready. Then it will be up to NYCEDC to follow through on its promise to admit NYCH to the 65<sup>th</sup> Street facility.

NYCEDC's last numbered paragraph, paragraph 5, also requires a brief comment. A couple of weeks ago, NYCH asked NYCEDC's counsel for the ability to use the 65<sup>th</sup> Street Yard and float bridge on an emergency basis as NYCH's float pontoon was under water. NYCEDC counsel indicated that securing permission on a temporary emergency basis should not be a problem and that he would get back to NYCH. Neither NYCH nor its counsel received any return call. Subsequently, NYCH succeeded in fixing the problem temporarily. But when the undersigned contacted NYCEDC's counsel to secure temporary permission should it be needed for a future emergency, that counsel advised that he had not followed through because the emergency had passed. Thus, the Board should look with some skepticism on NYCEDC's statements in paragraph 5.

NYCH wants to resolve this matter just as much as NYCEDC. In line with Chairman Morgan's preference for voluntary solutions, it asks the Board to refrain from taking any action for 60 days to allow the parties to resolve their differences through negotiations. Otherwise, NYCH asks the Board to appoint a neutral mediation to assist the parties in resolving their differences.

Please date stamp and return for my files one copy of this letter.

Sincerely yours,



John D. Heffner

Enclosures

cc: David Konschnik, Esq. (FAX)  
All parties  
Barry McGrath, Esq.  
Mr. Ronald Bridges  
Mr. Wayne Eastman