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January 16, 2004

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street
Washington, D.C. 20423-0001

209887

Re: FD No. 34442
Maritime Rail, LLC – Lease and Operation Exemption
Meadows Industrial Tracks

Dear Mr. Williams:

This letter is being filed on behalf of Consolidated Rail Corporation ("Conrail") in response to the above referenced exemption filing by Maritime Rail, LLC ("Maritime"), as well as the Verified Statement of William A. Hooton submitted in support of the filing.

In addition to reviewing Petitioner's Statement, Conrail has met with Maritime to learn more about its proposed rail venture and how it might interface with Conrail's operations. Conrail understands that Maritime intends to restore and build new track infrastructure on two parcels of property owned by BASF and Jac-Jon Associates respectively that are located on the South Kearny peninsula in Hudson County, New Jersey. We are advised that both landlords support the filing. We further understand that initially the rail assets and services are being developed in connection with a sediment cleaning demonstration project that will be managed by BioEarth, a tenant of BASF, that could lead to the onsite processing of substantial quantities of port dredge material that would be redistributed by rail.

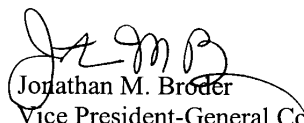
As noted in Mr. Hooton's statement, Maritime's proposed operation will not require any land or track from Conrail nor will it interfere or overlap with the proposed operations of New Jersey Rail Carrier, LLC on the east side of the Peninsula. While Conrail has not yet discussed the details of interchanging cars with Maritime, it believes that it will be able to agree upon the necessary arrangements, which would include the execution of formal interchange agreements between Maritime and CSX-T and Norfolk Southern.

Conrail currently services only one customer (Veckridge Chemical) on the Peninsula and we do not believe that Maritime has any interest in serving said customer. Accordingly, Conrail reserves its rights with respect to such service and any new customers who may locate within the Peninsula.

Honorable Vernon Williams
Page 2
January 16, 2004

In closing, Conrail expects to cooperate with Maritime as it develops its business plan, which, if successful, should result in substantial rail business and benefits to the transportation needs of the Northeast.

Sincerely,


Jonathan M. Broder
Vice President-General Counsel &
Corporate Secretary

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