



KAPLAN KIRSCH ROCKWELL



July 17, 2006

217073

Honorable Vernon A. Williams
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: *CSX Transportation, Inc. - Abandonment Exemption - In Allegany County, MD*
STB Docket No. AB-55 (Sub-No. 659X)

Dear Sir:

I am enclosing an original and ten copies of the Public Version of the Reply of Allegany County, MD to Petition to Substitute Purchaser in the above referenced proceeding. An extra copy is enclosed for date stamp and return to our messenger. Please note that a 3.5 inch diskette is enclosed.

Sincerely,

Charles A. Spitulnik

Enclosure

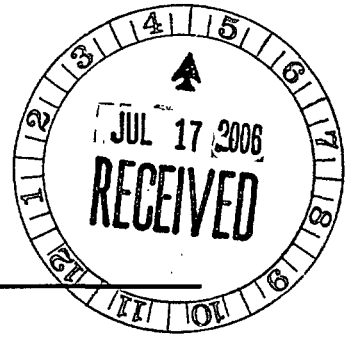
cc: All Parties of Record

ENTERED
Office of Proceedings

JUL 17 2006

Part of
Public Record

Before the
Surface Transportation Board
Washington, D.C.



Docket No. AB-55 (Sub-No. 659X)

**CSX Transportation, Inc. - - Abandonment Exemption - -
In Allegany County, MD**

**REPLY OF ALLEGANY COUNTY, MD TO
PETITION TO SUBSTITUTE PURCHASER**

Communications with respect to this
document should be addressed to:

Charles A. Spitulnik
Kaplan Kirsch & Rockwell LLP
1050 Connecticut Avenue, NW
Tenth Floor
Washington, DC 20036
(202) 955-5600

Dated: July 17, 2006

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PUBLIC VERSION

Before the
Surface Transportation Board
Washington, D.C.

Docket No. AB-55 (Sub-No. 659X)

**CSX Transportation, Inc. - - Abandonment Exemption - -
In Allegany County, MD**

**REPLY OF ALLEGANY COUNTY, MD TO
PETITION TO SUBSTITUTE PURCHASER**

Allegany County, MD, (the “County”) by undersigned counsel, hereby files this Reply to the Petition of W.M.S. LLC (“WMS”) to Substitute Purchaser in this proceeding. The WMS Petition seeks to substitute James Riffin as the purchaser of the line. The information provided by Mr. Riffin does not answer all of the County’s questions about his financial responsibility to acquire and operate the line.

The County faces a quandary. It supports the preservation of rail service on this line, but does not wish to see the line acquired by an individual or an entity that will not have sufficient capital to sustain the operations, to pursue a maintenance program that will allow safe and environmentally sound operations to continue, and to sustain any liabilities that may be incurred

in the normal course of business. The record presented by Mr. Riffin here does not give the County sufficient information to resolve that conundrum.¹

The financial information presented by Mr. Riffin confirms that he has cash or cash equivalents available now in the amount of \$-----, and that he holds other assets that produce a net worth of \$-----. However, this information by itself does not allow this Board or the County to answer the following questions:

1) The County is aware of number of locations along Georges Creek that require substantial rehabilitation to put the line back in service. In the last several years, many sections of the railroad track have been damaged by rain storms and areas under bridges filled with debris requiring maintenance by CSX. The information provided by Mr. Riffin neither addresses the cost of maintenance, repair and rehabilitation of the line, nor does it answer the question whether he has sufficient liquid assets to both undertake the repair and then underwrite the start-up and ongoing cost of operations.

2) What assets will Mr. Riffin use to fund this operation as a going concern? The financial information provided lists -----

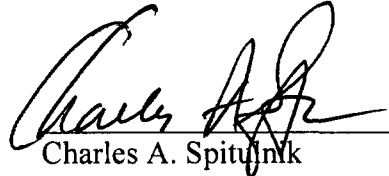
However, Mr. Riffin does not indicate whether he can or will encumber those assets further to fund this operation.

¹ Because the focus here is on the "financial responsibility" of the proposed purchaser, the County is not addressing other issues that are presented by the record developed in other proceedings before this Board that have involved Mr. Riffin. In those other proceedings, he had claimed that he had acquired "rail carrier" status and that, as a result of that acquisition, he therefore need not comply with state environmental and workplace safety laws. *E.g.*, Finance Docket No. 34501, *James Riffin d/b/a The Northern Central Railroad-Acquisition and Operation Exemption-in York County, PA* (Service Date Feb. 23, 2005) (revoking Notice of Exemption and denying Mr. Riffin's Petition for Declaratory Order); Finance Docket No. 34484, *James Riffin d/b/a The Northern Central Railroad-Acquisition and Operation Exemption-in York County, PA and Baltimore County, MD*, (Service Date Apr. 7, 2004) (revoking Notice of Exemption). Even though this is not an appropriate procedural point at which to discuss those issues, the County specifically does not waive and reserves the right to raise them at the appropriate times should they arise.

3) Where and how does Mr. Riffin account for the locomotive and other rolling stock that will be necessary to operate this line?

Without the answers to these questions, Allegany County is not able to support the request to substitute Mr. Riffin as purchaser of the line.

Respectfully submitted,

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

Charles A. Spitulnik
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CERTIFICATE OF SERVICE

I hereby certify that I have this 17th day of July, 2006, caused to be served a copy of the foregoing Reply of Allegany County, MD to Petition to Substitute Purchaser (Public Version) upon the following parties of record by first class mail, with postage prepaid:

Louis E. Gitomer
600 Baltimore Avenue
Suite 301
Towson, MD 21204

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W., Suite 800
Washington, DC 20036

Dated this 17th day of July, 2006.



Charles A. Spitulnik

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