

MANAGEMENT LETTER

To The Board of Directors
**Chautauqua, Cattaraugus, Allegany & Steuben Southern
Tier Extension Railroad Authority**
Salamanca, New York 14779

In planning and performing my audit of the financial statements of **Chautauqua, Cattaraugus, Allegany & Steuben Southern Tier Extension Railroad Authority (CCASSTERA)** as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, I considered **CCASSTERA's** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, I identified certain deficiencies in internal control that I consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I did not identify any matters that I would consider to be material weaknesses or significant deficiencies in internal control.

This communication is intended solely for the information and use of management; the board of Directors, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

I appreciate the opportunity to conduct your Organization's audit and am excited about the possibility of continuing our professional relationship in the future.

Sincerely,



BYSIEK CPA, PLLC
MARCH 18, 2013