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SERVICE DATE - OCTOBER 1, 1998

SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

Decision No. 94

STB Finance Docket No. 33388 (Sub-No. 75)

NEW ENGLAND CENTRAL RAILROAD, INC.--TRackage RIGHTS--
CSX TRANSPORTATION, INC.

Decided: September 30, 1998

On September 21, 1998, New England Central Railroad, Inc. (NECR) filed a petition (designated as NECR-10) for the Board to set one term of a trackage rights arrangement or to provide clarification with respect to the transaction we authorized in Decision No. 89, served July 23, 1998.¹ In its petition, NECR indicates that, because the parties are close to reaching an agreement on all but one aspect of the trackage rights arrangement, it is presently asking for the Board's assistance only on that one matter. NECR also seeks a waiver of the September 21, 1998 deadline for bringing disputes to the Board in the event the parties are unable to agree on other aspects of the arrangement.

By letter dated September 21, 1998, CSX submitted a status report on its negotiations with NECR pursuant to Ordering Paragraph No. 64 in Decision No. 89, and addressed the issue raised by NECR. Referring to the issue as "extraneous," CSX states that it believes that all necessary trackage rights agreement terms have been or will shortly be agreed upon. According to CSX, the parties are still negotiating two items, which they hope to resolve without Board intervention. CSX therefore requests that the Board extend the Decision No. 89 deadline for concluding these trackage

¹ In Decision No. 89, we approved, subject to conditions, the application by CSX Corporation and CSX Transportation, Inc. (collectively CSX), and Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively NS) under 49 U.S.C. 11321-26 for: (1) the acquisition of control of Conrail Inc., and Consolidated Rail Corporation (collectively Conrail); and (2) the division of Conrail's assets by and between CSX and NS. In that decision, we also approved NECR's responsive application in Sub-No. 75 insofar as it seeks trackage rights between Palmer, MA, and West Springfield, MA. We required CSX and NECR to negotiate the details of such trackage rights and, if negotiations are not fully successful, to submit separate proposals no later than September 21, 1998. See Decision No. 89, slip op. at 105 and 180.

rights negotiations by 30 days to permit the parties to resolve those issues. CSX indicates its understanding that NECR concurs in this request.

We find the requests to extend the Decision No. 89 deadline to allow the parties to complete negotiations to be reasonable. We will grant a 30-day extension of the September 21, 1998 deadline.

It is ordered:

1. The deadline set forth in Decision No. 89, Ordering Paragraph 64, is extended 30 days to October 21, 1998. If any of the terms of the trackage rights arrangement between Palmer, MA, and West Springfield, MA, are not resolved through negotiations between CSX and NECR, the parties must submit separate proposals no later than October 21, 1998.

2. This decision is effective on its service date.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary