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SERVICE DATE - MAY 21, 1999

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33724]

CSX Transportation, Inc.--Trackage Rights Exemption--Consolidated Rail Corporation

Consolidated Rail Corporation (Conrail) has agreed to grant overhead trackage rights to CSX Transportation, Inc. (CSXT), over main line trackage of Conrail between the connection of the parties at Town Tower, Hagerstown, MD, at or near milepost CR- 73.7 to the Conrail connection at CP Ship, at or near milepost CR-40.1, including necessary head and tail room, and thence to the connection point between the parties at Lurgan, PA, at or near milepost CR-42.2. These trackage rights include the right for CSXT to enter or exit the trackage at the connection of the parties at Chambers 5 Industrial Park, Chambersburg, PA, at or near milepost CR-53.0, including sufficient operating head room for CSXT trains to access the Industrial Park. The total distance of the trackage rights is 35.7 miles in Washington County, MD, and Franklin County, PA.¹ The purpose of the trackage rights is to allow CSXT to reroute all traffic currently moving over its own line through downtown Chambersburg and, therefore, eliminate a number of at-grade crossings and improve safety

¹ The line in question will be allocated to Pennsylvania Lines, LLC, and operated by Norfolk Southern Railway Company (NSR) upon the division of Conrail's assets between CSXT and NSR pursuant to 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, STB Finance Docket No. 33388 (STB served July 23, 1998). Accordingly, NSR has participated in the negotiations for these trackage rights and has agreed to its terms.

in Chambersburg.² However, before these trackage rights can be implemented by CSXT, Conrail must make over \$8 million in rail and signal improvements on its line that will allow for faster and more efficient operations. Accordingly, consummation will not occur until these improvements are made. The earliest the transaction could have been consummated was May 10, 1999, the effective date of the exemption (7 days after the exemption was filed.)

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.--Lease and Operate, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

² This proceeding is related to CSX Transportation, Inc.--Abandonment Exemption--in Franklin County, PA, STB Docket No. AB-55 (Sub-No. 568X) (STB served Mar. 9, 1999), in which the Board exempted under 49 U.S.C. 10502 from prior approval requirements of 49 U.S.C. 10903 the abandonment by CSXT of its rail line between 4th Street and Commerce Street in Chambersburg, subject to public use, trail use, and standard employee protective conditions. Subsequent to the March 9 decision, an offer of financial assistance was filed by Frederick A. Fox, Kaye A. Fox, Frederick Armstrong Fox and Karla M. Fox (the offerors). CSXT has agreed to sell the line between Main Street and South Street to the offerors once the trackage rights involved in this proceeding have been implemented. By decision served May 7, 1999, the acquisition was authorized.

STB Finance Docket No. 33724

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33724, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Charles M. Rosenberger, CSX Transportation, Inc., 500 Water Street (J150), Jacksonville, FL 32202.

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“WWW.STB.DOT.GOV.”

Decided: May 14, 1999.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary