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**united transportation union** 

**General Committee of Adjustment  
NORFOLK SOUTHERN RAILWAY**

(Nickel Plate, Wabash, and portions of former Conrail)

817 Kilbourne Street  
Bellevue, Ohio 44811-9407



August 15, 2007

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Surface Transportation Board  
395 E Street SW  
Washington, DC 20423

Re: STB Finance Docket #35063

This is to advise that General Committee GO-687 of United Transportation Union (UTU) hereby formally and for the record file this letter of opposition in connection with the proposed venture between Norfolk Southern Railway and WATCO creating the Michigan Central Railroad as stipulated in their recent filing in FD#35063.

The UTU does not feel that the Michigan Central Railroad will have the required funds or equipment to fulfill rail standards and customer service established by Norfolk Southern Railroad. The UTU also has serious concerns with Michigan Central Railroad not being capable to complete or execute the improvements as stated in their presentations before the STB. A more in-depth breakdown of the improvement plan and time frame for completion needs to be provided.

The UTU does not believe substantial or demonstrable gains will be seen in the area of public or shipper considerations including safety and service.

The UTU feels the benefits claimed by the applicants could have been realized by means other than the proposed venture. For example:

- A. Norfolk Southern could have easily re-invested into the infrastructure as they have done on many other portions of their rail property, or they could have aggressively utilized their marketing department to increase the traffic in this area (such as the one the new venture is claiming it will do), or cease the removal of customer switches and deferring of required maintenance that drove down track speeds, hence slowing the shippers' goods and making it less appealing and thus, captive shippers go to trucks (I-94) creating the "decrease of 19% since 2000."
- B. There are other considerations here and additional options that should have been considered, including; the purchase by Amtrak and or the State of Michigan, the leasing or purchase to Canadian Pacific or Conrail (which both currently operate in Michigan, have operated on these lines and have vested interests). Conrail in particular, as it has access to both CSX and NS and would offer viable captive shipper options, hence lower shipper costs.

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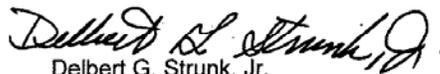
The UTU has not been provided with any documents of employee protection for those affected by this transaction. Neither Norfolk Southern nor WATCO have presented the Operating Craft Unions, including UTU and BLET with any implementing agreements or any fair arrangements for those currently covered under existing collective bargaining agreements. As a matter of fact, Norfolk Southern has not communicated at all with the affected union chairpersons about the impact this transaction will have on the employees. This not only places an undue burden on the union and its members it also becomes a safety concern as they ponder their future with unknown certainty.

The UTU believes that this venture will not strengthen, but undermine the economic growth, service and safety of both essential passenger and freight rail services. The UTU suggests there are other options:

- A. We base this on Norfolk Southern's claim of being the "safest, most customer focused and successful transportation company in the world." Facts show that the Norfolk Southern is indeed the safest rail carrier, having won the prestigious Harriman Gold Award for being the safest railroad in the nation the last 16 years in a row. A change would most certainly be a degradation of current standards.
- B. The UTU doubts the inclusion of an additional rail entity would provide enhanced rail service or economic benefits to the captive shipper. A more detailed breakdown of shippers' fees, including, but not limited to; storage, loss or damage claims, handling and switching fees and service failure claims needs to be presented. We do not believe sufficient evidence has been provided that would lead one to believe that this transaction would strengthen or enhance the rail network as claimed by Norfolk Southern or WATCO.

In closing, the UTU requests the Surface Transportation Board review this formal notice of opposition to this transaction and deny the request as filed in STB FD #35063.

Yours truly,



Delbert G. Strunk, Jr.  
General Chairperson  
United Transportation Union

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