

STB FD 33388 (Sub 1) 6-23-97 A 180340

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DENVER
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LONDON

June 23, 1997

BY HANDThe Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Finance Docket No. 33388, Sub-No. 1, 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

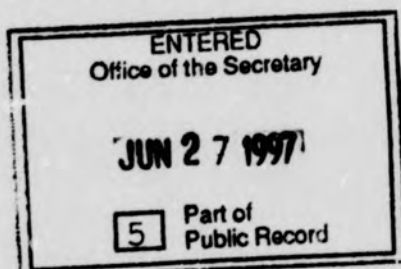
Dear Secretary Williams:

Enclosed please find CSX-5 (Notice of Exemption for Construction) to be filed in Sub-No. 1 of the above referenced docket.

Accompanying this letter are twenty-five copies of the Notice, as well as a formatted diskette in WordPerfect 5.1.

Thank you for your assistance in this matter. Please contact myself (202-942-5858) or Susan Cassidy (202-942-5966) if you have any questions.

Kindly date stamp the enclosed additional copy of this letter at the time of filing and return it to our messenger.



Very truly yours,

Dennis G. Lyons/SBC
Dennis G. Lyons
ARNOLD & PORTER
Counsel for CSX Corporation
and CSX Transportation, Inc.

Enclosures

CSX-5



BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388 (SUB-NO. 1)

CSX TRANSPORTATION, INC. AND CONSOLIDATED RAIL CORPORATION -
CONSTRUCTION OF CONNECTION TRACK AT CRESTLINE, OHIO

VERIFIED NOTICE OF EXEMPTION
FOR CONSTRUCTION

CSX Transportation, Inc. ("CSXT") and Consolidated Rail Corporation ("CRC") file this Notice of Exemption pursuant to the Board's regulations at 49 C.F.R. § 1150.36(c). This Notice of Exemption is for the construction of a connection track at Crestline, Ohio. On May 2, 1997, CSX Corporation ("CSXC"), CSXT,¹ Conrail Inc. ("CRI") and CRC² filed a Petition for Waiver of 49 C.F.R. § 1180.4(c)(2)(vi) as that provision relates to four connections that CSXT and CRC propose to construct prior to Board approval of the Primary Application in Finance Docket No. 33388. In their Petition, CSX and Conrail requested that the Board waive the requirement that all construction projects related to the primary transaction be evaluated as a related application. The Petition

¹ CSXC and CSXT are referred to collectively as "CSX."

² CRI and CRC are referred to collectively as "Conrail."

addressed only the construction of these four connections and not the operating rights that would result if the Board were to grant the Primary Application. One of the four connections involved in the waiver petition was this proposed connection at Crestline, Ohio.

In Decision No. 9, served on June 12, 1997, the Board granted the Petition for Waiver (Finance Docket No. 33388, CSX-1), allowing CSXT and CRC to seek approval for construction of four "first day" connections, including one at Crestline, Ohio. CSXT and CRC hereby submit this Notice of Exemption for the construction of a connection at Crestline, Ohio. Consequently, the Board should consider the related application filed in this Sub-Docket in Volume 5 of the Primary Application only as a request for operating rights over this connection.

In accordance with the aforementioned regulations, CSXT and CRC make the following responses.

1. Names and Addresses of the Railroads Proposing to Construct the Connection Track

The names and addresses of the railroads proposing to construct the connection track are:

CSX Transportation, Inc.
500 Water Street
Jacksonville, Florida 32202

Consolidated Rail Corporation
Two Commerce Square
2001 Market Street
Philadelphia, Pennsylvania 19101

2. Name of the Proposed Operator

The operation of this connection track is related to, and contingent upon, the proposed control of Conrail by CSX and NS,³ approval for which is being sought in Finance Docket No. 33388. If that approval is granted by the Board, CSXT would operate lines between Pittsburgh and Ft. Wayne, and between Greenwich and Indianapolis and would become the operator of the new connection at Crestline, Ohio. This Notice is limited to approval for construction of the connection at Crestline, Ohio.

3. Description of the Proposed Construction

Two main line tracks of CRC cross at Crestline, Ohio. CSXT and CRC propose to construct a connection track between those two CRC main lines in the NW Quadrant. The connection will extend approximately 1,507 feet between approximately Milepost 75.4 on CRC's North-South main line between Greenwich, Ohio, and Indianapolis, and approximately Milepost 188.8 on CRC's East-West main line between Pittsburgh and Ft. Wayne, Indiana. A map showing the proposed connection track is attached as Exhibit A.

4. Use of Class Exemption

The class exemption authorized by the Board in Ex Parte No. 392 (Sub-No. 2) Class Exemption for the Construction of Connecting Track Under 49 U.S.C. 10901, 1 S.T.B. 75 (1996), and published at 49 C.F.R. 1150.36, is being used in this instance because the connection track at Crestline, Ohio will be constructed within existing rail rights-of-way of CRC.

³ Norfolk Southern Corporation ("NSC") and Norfolk Southern Railway Company ("NSRC") are referred to collectively as "NS."

5. Date the Construction is Proposed to Begin

CSXT and CRC propose to begin construction on the connection track at Crestline on or about 90 days after the filing of this Notice of Exemption with the Board. However, no construction will begin until the Board has completed its environmental review of the proposed construction and has issued a final decision on this Notice.

6. Environmental Report

CSXT and CRC hereby certify that they have complied with the Board's environmental rules at 49 C.F.R. Part 1105. In that regard, the environmental report covering the proposed construction and operation of the connection at Crestline is contained in the Environmental Report being filed with the Board in Finance Docket No. 33388.

7. Prefiling Notice Requirements of 49 C.F.R.
1150.36(c)(1)

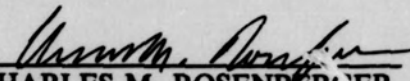
CSXT and CRC hereby certify that they have complied with the prefiling notice requirements of 49 C.F.R. 1150.36(c)(1) by notifying the following parties in writing on May 16, 1997 of its intent to file this related application. The notification included a statement addressing the requirements imposed on the Board by the environmental regulations at 49 C.F.R. Part 1105.

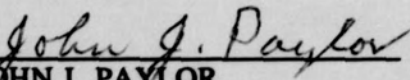
Mr. Robert J. Feddern
Chief Inspector - Railroad Section
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573

Ms. Wanda Large, Senior Planner
Ohio Department of Transportation
Division of Rail Transportation
LeVeque Tower
50 West Broad Street, 15th Floor
Columbus, Ohio 43215

Mr. Larry Weaver
State Single Point of Contact
State/Federal Funds Coordinator
Office of Budget and Management
30 East Broad Street, 34th Floor
Columbus, Ohio 43266-0411

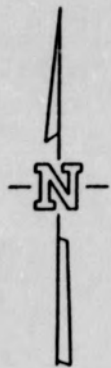
Respectfully submitted,


CHARLES M. ROSENBERGER
Senior Counsel
500 Water Street - J150
Jacksonville, Florida 32202
(904) 359-1250


JOHN J. PAYLOR
Associate General Counsel
Consolidated Rail Corporation
2001 Market Street - 16A
Philadelphia, Pennsylvania 19101
(215) 209-5047

Dated:

June 23rd, 1997



NEW CONNECTION

LENGTH = 1507'

MP 75.4

CONRAIL (NYC)

TO GREENWICH

CONRAIL (PENN)

TO FT. WAYNE

MP 188.8

FORMER MAIN LINE ALIGNMENT

TO PITTSBURGH

L=1909'

PRO. MAIN

LINE ALIGN.

TO INDIANAPOLIS

CRESTLINE, OH

EXHIBIT A

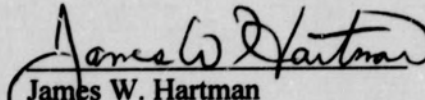
I, Michael J. Ward, declare under penalty of perjury
that the foregoing is true and correct. Further, I certify that
I am qualified and authorized to file this Notice of Exemption.
Executed this 23rd day of June, 1997.

Michael Ward
Executive Vice President
Finance
CSX Transportation, Inc.

VERIFICATION

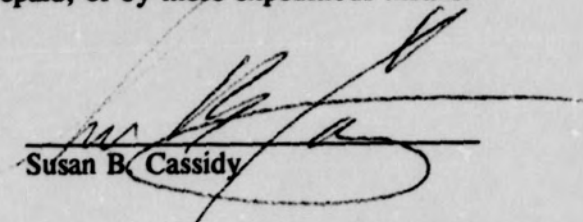
I, James W. Hartman, declare under penalty of perjury that the foregoing Notice of Exemption for Construction in Finance Docket No. 33388 (Sub-No. 1) is true and correct insofar as it pertains to Consolidated Rail Corporation. Further, I certify that I am qualified and authorized to verify and file this Notice of Exemption on behalf of Consolidated Rail Corporation.

Executed this 18th day of June, 1997.


James W. Hartman
Director
Asset Utilization
Consolidated Rail Corporation

CERTIFICATE OF SERVICE

I, Susan B. Cassidy, certify that I have caused to be served this day a true and correct copy of the foregoing Notice of Exemption for Construction (CSX-5) on all parties that have appeared in Finance Docket No. 33388 and on those environmental parties specified by the Board in Decision No. 5, by first class mail, postage prepaid, or by more expeditious means.



Susan B. Cassidy

Dated: June 23, 1997