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October 1, 1997

VIA HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20423-0001

SUB 37
**Re: 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 -- Transfer of Railroad Line by Norfolk Southern Railway
Company to CSX Transportation, Inc.**

Dear Secretary Williams:

Enclosed you will find the original and 25 copies of the Responsive Environmental Report of Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission (VRE-6). Also enclosed is a 3.5 inch diskette containing the filing in WordPerfect 5.1.

Please stamp the extra copy of the foregoing and return it with our messenger.

Respectfully submitted,

KMS

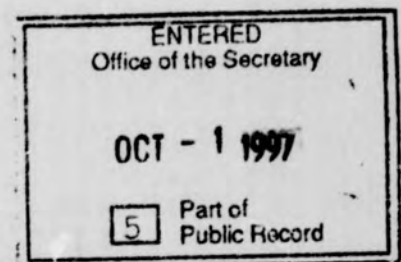
Kevin M. Sheys

Enclosures

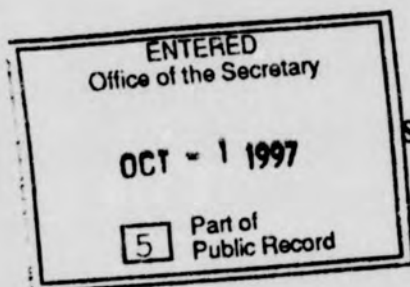
cc: All Parties Referenced in Certificate of Service



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**BEFORE THE
SURFACE TRANSPORTATION BOARD**



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**

Finance Docket No. 33388 (Sub-No. 37)

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION AND POTOMAC
AND RAPPAHANNOCK TRANSPORTATION COMMISSION
-- OPERATING RIGHTS --
LINES OF CSX TRANSPORTATION, INC., NORFOLK SOUTHERN
RAILWAY COMPANY AND CONSOLIDATED RAIL CORPORATION**

**RESPONSIVE ENVIRONMENTAL REPORT OF
NORTHERN VIRGINIA TRANSPORTATION COMMISSION AND
POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION**

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**Counsel for Northern Virginia Transportation
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Transportation Commission**

Dated: October 1, 1997

**BEFORE THE
SURFACE TRANSPORTATION BOARD**



Finance Docket No. 33388

**CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN
CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY
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-- OPERATING RIGHTS --
LINES OF CSX TRANSPORTATION, INC., NORFOLK SOUTHERN
RAILWAY COMPANY AND CONSOLIDATED RAIL CORPORATION**

**RESPONSIVE ENVIRONMENTAL REPORT OF
NORTHERN VIRGINIA TRANSPORTATION COMMISSION AND
POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION**

Pursuant to Decision Nos. 6 and 12 herein, served on May 30, 1997, and July 23, 1997, respectively, Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission (the "Commissions")¹, hereby submit this Environmental Report in advance of the comments and request for conditions to be filed by the Commissions on October 21, 1997.²

¹ The Commissions are political subdivisions of the Commonwealth of Virginia and co-owners of Virginia Railway Express ("VRE").

² In Decision No. 33, the Board granted the Commissions' Petition for Waiver or Clarification, finding that VRE would not be required to submit a responsive application because the Board no longer has jurisdiction over mass transportation provided by local government authorities. However, to facilitate the environmental review process, the Board ordered VRE to file either (1) a verified statement that the proposed operations will have no significant environmental impact or (2) an environmental report containing detailed environmental information regarding the proposed operating rights. Decision No. 33, at 3.

I. INTRODUCTION

VRE is a commuter railroad which operates 26 passenger trains per weekday between Washington, DC and Fredericksburg and Manassas, Virginia over approximately 90 route miles of rail line owned by CSX Transportation, Inc. ("CSXT"), Norfolk Southern Railway Company ("NSR") and Consolidated Rail Corporation ("Conrail"), all Primary Applicants herein. VRE's right to utilize these rail lines is established by Operating Access Agreements entered into by the Commissions and CSXT, NSR and Conrail, respectively. The National Railroad Passenger Corporation ("Amtrak") conducts and manages VRE's commuter rail operations pursuant to a Purchase of Services Agreement with the Commissions. VRE has weekday ridership of approximately 7,000 trips and annual ridership of approximately 1.9 million. VRE commenced operations in 1992.

The Commissions anticipate filing comments and requests for imposition of the following conditions on any Board approval of the Primary Application:³

1. Acquisition of operating rights over CSXT's line of railroad between XR Interlocking in Spotsylvania, Virginia and RO Interlocking in Arlington, Virginia, subject to terms and conditions to be negotiated by the parties or, failing a negotiated agreement, set by the Board.
2. Acquisition of operating rights over NSR's line of railroad between the South Manassas turnout and NSR's connection with CSXT at CSXT's AF Interlocking in Alexandria, Virginia, subject to terms and conditions to be negotiated by the parties or, failing a negotiated agreement, set by the Board.

³ See, VRE-3, Description of Anticipated Responsive Application of Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission, August 22, 1997.

3. Acquisition of operating rights over Conrail's line of railroad between RO Interlocking in Arlington, Virginia (via the Virginia Avenue Interlocking) and Union Station, in Washington, DC, subject to terms and conditions to be negotiated by the parties or, failing a negotiated agreement, set by the Board.

II. ENVIRONMENTAL REPORT

VRE intends to seek operating rights on the lines over which it presently operates. VRE intends to seek a Board order requiring CSXT, NSR and Conrail to negotiate with VRE regarding the terms and conditions of such operating rights or, failing a negotiated agreement, the imposition of conditions by the Board. It is the conclusion of this Environmental Report that the operating rights VRE intends to seek will not significantly affect the quality of the human environment or the conservation of energy resources. In fact, for environmental review purposes, the operating rights VRE intends to seek are analogous to trackage rights, for which the Board has a blanket environmental reporting exclusion. 49 C.F.R. 1105.7(c)(4).

A schematic diagram showing the lines operated by VRE (the same lines on which VRE intends to seek operating rights) is contained in the Environmental Report accompanying the Primary Application. Application, Vol. 6A at 180.

1. Proposed Action and Alternatives

The proposed action is described in Section I. No alternatives to the proposed operating rights have been considered.

2. Transportation System

VRE does not anticipate that existing regional or local transportation systems or patterns will be adversely affected by the proposed operating rights. There will be no increase or disruption of freight traffic on the involved rail lines, nor would any increased frequency of VRE

passenger trains resulting from the proposed operating rights have any adverse impact on existing regional or local transportation systems.

3. Land Use

- (i) The proposed operating rights would not be inconsistent with regional and/or local land use plans, since there will be no change in traffic patterns.
- (ii) The proposed operating rights would have no adverse impact on prime agricultural land.
- (iii) VRE does not believe that any of the lines used for the proposed operating rights are located within a Coastal Zone Management Area.
- (iv) The proposed operating rights do not involve an abandonment.

4. Energy

- (i) The proposed operating rights will not have any impact on the transportation of energy resources.
- (ii) The proposed operating rights would have no impact on the movement of recyclable commodities on the involved rail lines.
- (iii) The proposed operating rights will not result in a decrease in overall energy efficiency.
- (iv) The proposed operating rights will not cause a diversion from rail to motor carriage of more than 1,000 rail carloads per year or an average of 50 rail

carloads per mile per year on any segment. There will be no impact on freight traffic.

5. Air

The lines relevant to the operating rights are in an ozone nonattainment area. A grant of the operating rights would not necessarily result in any increases in passenger trains. Any reasonably foreseeable passenger train increases would not have an appreciable adverse impact on air quality, because they would be offset by lower automobile emissions on area highways. VRE trains have the benefit of significant emissions reductions. Attachment I, hereto, shows the emissions reductions provided by VRE on (i) its 1998 base ridership, (ii) the total emissions reductions for an additional train on the Fredericksburg Line and (iii) the incremental emissions reductions attributable to that additional train.

- (i) The proposed operating rights are in an ozone nonattainment area. The proposed operating rights will not result in (A) a minimum increased rail traffic of 50 percent (measured in gross ton miles annually) or three trains per day on any segment, (B) an increase in railyard activity of at least 20 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles per day on any road segment.
- (ii) The proposed operating rights do not involve transportation of ozone depleting materials.

6. Noise

None of the thresholds identified in 49 C.F.R. § 1105.7(e)(5)(i) will be exceeded as a result of the proposed operating rights.

7. Safety

- (i) There will be no appreciable adverse impact on public health or safety.
- (ii) The proposed operating rights do not involve the transportation of hazardous material.
- (iii) VRE is not aware of any known hazardous waste site on the relevant right-of-way.

8. Biological Resources

- (i) No critical habitat or other fish or wildlife resources will be destroyed, altered or affected as a result of the proposed operating rights.
- (ii) Since the lines relevant to the operating rights are not located in any wildlife sanctuary or refuges, none will be affected.

9. Water

Since the property will remain unaltered, the proposed operating rights will not have an adverse impact on water quality and will be consistent with applicable Federal, State and local water quality standards.

10. Historic Report

A historic report is not required, because the proposed operating rights to not involve the lease, transfer, or sale of a railroad's line.

* * *

In sum, there will be no significant environmental impact associated with the conveyance of the operating rights sought by VRE and the conveyance will be consistent with local land use. VRE will continue to use the track it presently uses. Emissions and air quality will remain the same, and water quality will be unaffected. No other environmental factors will adversely affected by the proposed operating rights.

Respectfully submitted,



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Counsel for Northern Virginia Transportation
Commission and Potomac and Rappahannock
Transportation Commission

Dated: October 1, 1997

ATTACHMENT I**EMISSIONS IMPACTS OF VRE SERVICE****Emissions Reduction (*tons per day*)**

| | 1998 Base Ridership | Adding 1 Train on the Fredericksburg Line | Change |
|-------------------------------|----------------------------|--|---------------|
| Hydrocarbons | 0.0655 | 0.0677 | 0.0022 |
| Carbon Monoxide | 0.4381 | 0.4528 | 0.0147 |
| Nitrogen Oxide | 0.2001 | 0.2070 | 0.0069 |
| Volatile Organic Compounds | 0.0736 | 0.0761 | 0.0025 |

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of October, 1997, a copy of the foregoing
**Environmental Report of Northern Virginia Transportation Commission and Potomac and
Rappahannock Transportation Commission (VRE-6)** was served by first class mail, postage
prepaid, upon the entities listed in 49 C.F.R. § 1105.7(b), Administrative Law Judge Jacob
Leventhal and all Parties of Record on the Service List.

A handwritten signature in black ink, appearing to read 'K. M. Sheys', is written over a horizontal line.

Kevin M. Sheys