

STB FD 33388 (Sub 59) 10-21-97 A 182923

OPPENHEIMER WOLFF & DONNELLY

Two Prudential Plaza
45th Floor
180 North Stetson Avenue
Chicago, IL 60601-6710

(312) 616-1800
FAX (312) 616-5800

FILED

OCT 21 1997

**SURFACE
STAT**

October 20, 1997

FEE RECEIVED

**SURFACE
TRANSPORTATION BOARD**

Brussels

Chicago

Detroit

Minneapolis

New York

Paris

Saint Paul

Washington, D.C.

VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 715
Washington, DC 20423-0001

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

Finance Docket No. 33388 (Sub-No. 59) ←
Wisconsin Central Ltd. -- Purchase --
Line of The Baltimore & Ohio Chicago
Terminal Railroad Company

ENTERED
Office of the Secretary

OCT 21 1997

Dear Secretary Williams:

Enclosed for filing with the Board in the above-captioned proceeding are an original and twenty-five copies of the **Responsive Application of Wisconsin Central Ltd. (WC-9)** and the **Comments of Wisconsin Central Ltd. (WC-10)**, both dated October 21, 1997. A computer diskette containing the text of WC-9, WC-10 and the accompanying verified statements in WordPerfect 5.1 format and a check in the amount of \$4700, representing the appropriate fee for this filing, also are enclosed.

Please note that WC-10 has been designated as confidential and is being filed under seal. A redacted version of WC-10 will be filed shortly.

I have also enclosed herewith an extra copy of WC-9, WC-10 and this transmittal letter. I would request that you date-stamp those copies to show receipt of this filing and return them to me in the provided envelope.

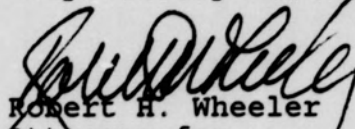
Copies of WC-9 have been served on the various governmental entities and personnel designated in 49 C.F.R. § 1180.4(c)(5). Copies of both WC-9 and WC-10 have been served on all designated parties of record in this proceeding, as shown on the certificate of service.

OPPENHEIMER WOLFF & DONNELLY

Mr. Vernon A. Williams
October 20, 1997
Page 2

Please feel free to contact me should any questions arise regarding this filing. Thank you for your assistance on this matter.

Respectfully submitted,



Robert H. Wheeler
Attorney for
Wisconsin Central Ltd.

RHW:tjl

Enclosures

cc: Parties on Certificates of Service

182923

ORIGINAL

WC-9

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. 59)

WISCONSIN CENTRAL LTD.

-- PURCHASE --

FEE RECEIVED

LINE OF THE BALTIMORE & OHIO
CHICAGO TERMINAL RAILROAD COMPANY

OCT 21 1997

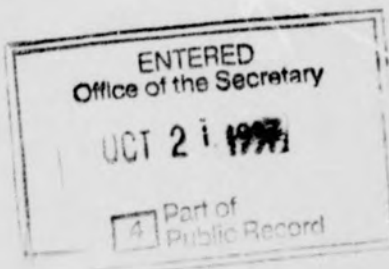
SURFACE
TRANSPORTATION BOARD

RESPONSIVE APPLICATION OF
WISCONSIN CENTRAL LTD.

FILED

OCT 21 1997

SURFACE
STATUTE



Janet H. Gilbert
General Counsel

Wisconsin Central Ltd.
6250 North River Road, Suite 9000
Rosemont, Illinois 60018
(847) 318-4691

Robert H. Wheeler
Thomas J. Healey
Thomas J. Litwiler

Oppenheimer Wolff & Donnelly
Two Prudential Plaza, 45th Floor
180 North Stetson Avenue
Chicago, Illinois 60601
(312) 616-1800

ATTORNEYS FOR
WISCONSIN CENTRAL LTD.

Dated: October 21, 1997

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. 59)

WISCONSIN CENTRAL LTD.
-- PURCHASE --
LINE OF THE BALTIMORE & OHIO
CHICAGO TERMINAL RAILROAD COMPANY

**RESPONSIVE APPLICATION OF
WISCONSIN CENTRAL LTD.**

Wisconsin Central Ltd. ("WCL") hereby submits this Responsive Application pursuant to 49 U.S.C. §§ 11323-11325 and the Railroad Consolidation Procedures, 49 C.F.R. Part 1180, Subpart A, for approval and authorization of WCL's acquisition of a portion of the Altenheim Subdivision presently owned by The Baltimore & Ohio Chicago Terminal Railroad Company ("B&OCT"). The line to be acquired is located within the Chicago Terminal District. This Application is responsive to the Primary Application filed herein by CSX Corporation ("CSXC"), CSX Transportation, Inc. ("CSXT"), Norfolk Southern Corporation ("NSC"), Norfolk Southern Railway Company ("NSR"), Conrail, Inc. ("CRI") and Consolidated Rail Corporation ("CRC")¹ seeking

¹ CSXC and CSXT are referred to collectively herein as "CSX."
NSC and NSR are referred to collectively herein as "NS." CRI
(continued . . .)

authority for common control of Conrail by CSXC and NSC and the division of CRC's assets between CSXT and NSR. WCL hereby requests that the rail line acquisition proposed by WCL herein be imposed as a condition upon any approval of the Primary Application.

STATUTORY FRAMEWORK

The proposed line acquisition is subject to prior review and authorization by the Board pursuant to 49 U.S.C. §§ 11321, 11323, 11324 and 11325. This Responsive Application is governed by the standards of 49 U.S.C. § 11324(c) allowing for the imposition of conditions to ameliorate anticompetitive affects and to prevent harm to essential services. The relief sought herein is necessary as a condition to the proposed control of Conrail by CSX and NS in order to prevent anticompetitive concentration and control by CSX over access by WCL and other regional or shortline carriers to interchange facilities in the Chicago Terminal District.

Pursuant to 49 C.F.R. §§ 1180.2(b)(1) and (c), this Responsive Application is a minor transaction. WCL proposes to acquire a short line of railroad in a single metropolitan area over which WCL already operates pursuant to trackage rights. Indeed, WCL is by far the predominant user of the Altenheim Subdivision, and the only user of the western end of that line.

(continued . . .)

and CRC are referred to collectively herein as "Conrail."
CSX, NS and Conrail are referred to collectively herein as the
"Primary Applicants."

WCL's purchase of the Altenheim Subdivision will clearly have no anticompetitive impacts.

The statutory criteria for regulatory consideration of the proposed transaction are provided in 49 U.S.C. §§ 11323-11325. Section 11324(d) states:

(d) In a proceeding under this section which does not involve the merger or control of at least two Class I railroads, as defined by the Board, the Board shall approve such an application unless it finds that --

- (1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly or restraint of trade in freight surface transportation in any region of the United States; and
- (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

SECTION 1180.6(a)

**IDENTIFICATION OF APPLICANT AND PERSONS
TO WHOM CORRESPONDENCE WITH RESPECT TO
THIS APPLICATION SHOULD BE ADDRESSED**

Responsive Applicant WCL is a Class II railroad that owns and operates approximately 2017 miles of railroad and trackage rights in Wisconsin, Michigan's Upper Peninsula, Minnesota and Illinois. WCL is a wholly-owned subsidiary of Wisconsin Central Transportation Corporation, a non-carrier holding company which also owns and controls Fox Valley & Western Ltd., a Class II rail carrier with rail lines entirely within the State of Wisconsin, and Sault St. Marie Bridge Company, a

Class III rail carrier operating in northern Wisconsin, Michigan's Upper Peninsula and Ontario, Canada.

Applicant's name, business address and telephone number are as follows:

Wisconsin Central Ltd.
6250 North River Road, Suite 9000
Rosemont, IL 60017-5062
(847) 318-4600

Applicant's counsel to whom correspondence with respect to this Application should be addressed is as follows:

Janet H. Gilbert
General Counsel
Wisconsin Central Ltd.
6250 North River Road, Suite 9000
Rosemont, IL 60017-5062
(847) 318-4691

Robert H. Wheeler
Oppenheimer Wolff & Donnelly
Two Prudential Plaza, 45th Floor
180 North Stetson Avenue
Chicago, IL 60601-6710
(312) 616-1800

SECTION 1180.6(a)(1)(i)

SUMMARY OF THE PROPOSED TRANSACTION

WCL proposes to purchase a portion of the B&OCT Altenheim Subdivision for fair market value. CSX presently operates a single local train on the Altenheim Subdivision five days a week to serve on-line industries and occasionally a unit train to WCL. WCL proposes that CSX would retain trackage rights on the Altenheim Subdivision to continue to serve on-line industries to the extent it wishes.

SECTION 1180.6(a)(1)(ii)

**PROPOSED TIME SCHEDULE FOR
CONSUMMATION OF TRANSACTION**

WCL will consummate the proposed transaction promptly upon the effective date of a final order of the Surface Transportation Board ("STB") approving the Primary Application and this Responsive Application and Primary Applicants' consummation of the transaction proposed in the Primary Application.

SECTION 1180.6(a)(1)(iii)

**PURPOSE SOUGHT TO BE
ACCOMPLISHED BY THE PROPOSED TRANSACTION**

The purposes for this Responsive Application are to mitigate the adverse impact of the proposed Conrail transaction on existing competition for provision of switching services in the Chicago Terminal District and to provide for continued and enhanced capacity for the movement of rail traffic through the Chicago Terminal District.

WCL presently moves traffic into and receives traffic from the Chicago Terminal District in interchange with the three eastern carriers. CSX, NS and Conrail. In 1996, the volume of WCL traffic to/from NS was approximately 24,800 cars; traffic to/from CSX was approximately 41,800 cars; and traffic to/from Conrail was approximately 24,700 cars. Primary Applicants essentially propose splitting the Conrail assets between them, traffic formerly interchanged with Conrail in Chicago will now be interchanged with either CSX or NS. Primary Applicants have purported to identify in their application significant public

interest benefits that will arise from their proposed transaction. Unaddressed in the Primary Application, however, is the very real adverse impact of the Primary Application on movement of traffic through the Chicago Terminal District to/from shippers on WCL.

Under the proposed operations set out in the Primary Application, virtually all WCL traffic interchanged with either NS or CSX at Chicago (including former Conrail traffic) will be subject to CSX control as it moves through the Chicago Terminal District. That is not the case today. Today, WCL interchanges cars to NS at Calumet Yard, principally via trackage rights over the Indiana Harbor Belt Railroad Company ("IHB"). CSX has no present control or influence over the IHB. Post-transaction, NS proposes to conduct interchange with WCL at Conrail's Ashland Avenue Yard. WCL's new route to NS at Ashland Avenue will be via the Altenheim Subdivision now owned and controlled by B&OCT, a 100% CSX subsidiary. Even if WCL were to continue to interchange with NS at Calumet, that route too would become subject to CSX's expansive post-merger dispatching and operational control in the Chicago Terminal District. The Primary Application proposes that IHB will remain part of CRC, but only under special governance arrangements whereby it will be dispatched in the Chicago Terminal District by CSX and subject to a General Manager appointed by CSX. Effective day-to-day control of IHB's Chicago Terminal operations will be in CSX's hands. Disputes that CSX and NS may have with respect to IHB governance and operation are resolvable through arbitration with no express criteria for

resolution. WCL already experiences difficulty in operating over the Altenheim Subdivision as a consequence of indifferent and inefficient ownership and operation of that line and poor dispatching. However, today WCL has the alternative of IHB, independent of CSX, as a vehicle to reach NS. Under the Primary Application that independent alternative will vanish.

WCL's proposed ownership of the Altenheim Subdivision, coupled with its acquisition of leasehold rights over the former Conrail Panhandle Line pursuant to agreement with NS, is intended to preserve a competitive alternative for interchange movements through the Chicago Terminal District, independent of CSX control.

CSX presently maintains the Altenheim Subdivision to only FRA Class 2 standards with frequent 10 mph slow orders. Under the CSX Operating Plan, CSX makes no provision for improved maintenance of the Altenheim Subdivision or for any expenditure of funds to improve the line. In the absence of purchase and operation by WCL, the Altenheim Subdivision will continue to deteriorate as a service route for shippers to/from WCL's lines in Wisconsin. WCL's plan is to purchase a portion of the Altenheim Subdivision and to invest in the track, upgrading it to at least FRA Class 3 standards to allow improved transit times and safety.

The portion of the Altenheim Subdivision to be acquired also includes a small yard located at 48th Avenue. Much of its capacity is underutilized and the condition of the tracks reflects significant deferred maintenance. WCL intends to invest

in the yard, upgrading its condition and placing it in expanded service as a facility that could accommodate traffic to/from Wisconsin, relieving congestion and improving the efficiency of operations through the Chicago Terminal District.

WCL's agreement with NS to lease the Panhandle Line, in conjunction with the proposed ownership of a portion of the Altenheim Subdivision, will allow WCL trains to move along a new route paralleling the congested B&OCT route between Western Avenue and Brighton Park. This will mitigate congestion on the B&OCT route, which will only worsen after the Conrail control transaction because of projected increases in traffic volumes on the B&OCT line. With an additional potential line of track to be built by WCL on the Panhandle Line and the availability of the 48th Avenue Yard on the Altenheim Subdivision, there will be holding capacity for WCL trains moving into interchange during periods of congestion. Thus, the overall capacity and efficiency of the Chicago Terminal District will be enhanced by approval of this Responsive Application.

The proposed transaction does not diminish any of the benefits that either Primary Applicant seeks in the Primary Application. In fact, WCL ownership will result in much needed investment in the line and upgrading of its capacity and efficiency to promote the safer, more reliable movement of interchange traffic in the Chicago Terminal District.

CSX's Operating Plan reflects no intention to change its present limited operation over the Altenheim Subdivision and in fact CSX has performed no study or analysis of the Altenheim

Subdivision in connection with its merger planning. It is apparent that, for CSX, the Altenheim Subdivision is unimportant in the post-transaction world. The public benefit of WCL ownership would be that the line would again become an extremely important avenue of rail commerce and would be accordingly developed, operated and maintained.

SECTION 1180.6(a)(1)(iv)

**THE NATURE AND AMOUNT OF NEW
SECURITIES AND OTHER FINANCIAL ARRANGEMENTS**

The line acquisition sought in this transaction will not involve the issuance of any new securities by WCL. WCL has existing credit facilities which are sufficient to purchase the proposed portion of the Altenheim Subdivision at fair market value.

SECTION 1180.6(a)(2)

PUBLIC INTEREST JUSTIFICATIONS

(i) Effect of the Proposed Transaction on Competition.

The proposed transaction is pro-competitive and clearly in the public interest. It will mitigate the adverse impact that the Primary Application will have on competition as a consequence of the concentration of switching capacity in the control of a single carrier -- CSX. The sale of a portion of the Altenheim Subdivision will have no anticompetitive impact. It will not restrict competitive alternatives but instead should serve to actually increase such alternatives.

(ii) **Financial Considerations.**

The financial consideration for the transaction will be cash in the amount of the fair market value of the line being acquired. Additionally, since WCL ownership and operation of the Altenheim Subdivision will result in improved efficiency in the interchange of traffic to and from NS, CSX and the former Conrail lines, there will be substantial but unquantified savings to shippers moving traffic to and from Wisconsin and the Upper Peninsula of Michigan.

(iii) **Effect of Increase in Total Fixed Charges Resulting from the Transaction.**

WCL's acquisition of the Altenheim Subdivision is not expected to result in any material increase in WCL's fixed charges.

(iv) **Effect of Transaction Upon the Adequacy of Transportation Service to the Public.**

The Chicago gateway remains the single largest gateway for rail traffic in the United States. As a gateway, however, it is frequently beset by problems of congestion and actual capacity restraints. These problems are especially true during winter months when congestion and constraint problems are compounded by paralyzing weather conditions.

It is clearly within the public interest of shippers using rail to move traffic through the Chicago gateway that existing capacity and routing alternatives be preserved and, wherever possible, increased and improved. Under 49 U.S.C. § 10101(4), it is national policy to "ensure the development and continuation of a sound rail transportation system with effective

competition among rail carriers and with other modes to meet the needs of the public. . . ." The present Primary Application as it relates to ownership and control of available switching capacity in Chicago -- for the needs of anyone other than CSX -- presents serious problems which this Responsive Application in part will resolve. WCL will invest in a portion of the Altenheim Subdivision and, coupled with its agreed-upon acquisition of a leasehold interest in the former Conrail Panhandle Line, preserve and improve an important alternative means of moving traffic destined to and from Wisconsin and the Upper Peninsula of Michigan through the Chicago Terminal District.

(v) Effect of Transaction on Employees.

WCL does not expect that there will be any adverse impact on employees as a result of the proposed purchase of a portion of the Altenheim Subdivision. CSX will retain the right to operate its present five days/week local train over the line. If anything, the improvement of transit time through the Chicago Terminal District will make WCL's rail service more competitive with trucks operating into and from its service territory and may result in increased levels of rail traffic and increased rail employment.

(vi) Inclusion of Other Railroads in the Territory.

Inclusion is not a relevant consideration in this Responsive Application since the proposed transaction will not result in harm to the essential services provided by any carrier and, therefore, there is no basis for ordering the inclusion of any carrier in the transaction.

SECTION 1180.6(a)(3)

OTHER SUPPORTING INFORMATION

The Verified Statements of Reilly McCarren, Executive Vice President and Chief Operating Officer, William Schauer, Vice President - Marketing of WCL and John Scott, WCL's Superintendent at Schiller Park, Illinois are included in WCL's Comments and Supporting Evidence (WC-10) submitted herewith. Additionally, there are Appendices submitted in WC-10 containing excerpts from depositions of CSX and NS witnesses, interrogatory answers and certain documents produced in discovery. Copies of statements from shippers supporting WCL's proposed acquisition of the Altenheim Subdivision are also submitted with this Responsive Application following the Verified Statements in WC-10.

SECTION 1180.6(a)(4)

OPINION OF COUNSEL

An opinion of counsel is attached to this Responsive Application.

SECTION 1180.6(a)(5)

STATES WHERE APPLICANTS OWN PROPERTY

WCL owns and/or operates railroad property in the states of Illinois, Wisconsin, Michigan and Wisconsin.

SECTION 1180.6(a)(6)

MAPS - EXHIBITS 1A, 1B, 1C and 1D

Maps showing WCL's rail system and the Chicago Terminal District are attached as Exhibits 1A and 1B. Maps showing WCL's

current interchange routings in the Chicago Terminal District and the interchange routings contemplated by this Responsive Application are attached as Exhibit 1C and 1D, respectively.

SECTION 1180.6(a)(7)(i)

DESCRIPTION OF THE TRANSACTION

The proposed transaction is an asset acquisition of a rail line, side track, yard trackage and associated right-of-way and appurtenances from B&OCT, a wholly-owned subsidiary of CSX. WCL proposes to purchase that portion of the Altenheim Subdivision which begins at a connection between WCL and B&OCT trackage at B&OCT Milepost 37.4 at Madison Street, Forest Park, Illinois and extends to a point of connection with the Union Pacific Railroad Company and Conrail's Panhandle Line in the vicinity of Rockwell Street, Chicago, Illinois.

The purchase would be at a fair market value under an asset purchase agreement for a rail line containing terms and conditions as are usual and customary in the industry.

SECTION 1180.6(a)(7)(ii)

AGREEMENT - EXHIBIT 2

A proposed Asset Purchase Agreement containing the significant terms of the proposed transaction is submitted with this Responsive Application as Exhibit 2.

SECTION 1180.6(a)(7)(iii)

INFORMATION REGARDING THE CONSOLIDATED ENTITY

This criterion is not applicable to this Responsive Application because neither a consolidation nor a merger is proposed.

SECTION 1180.6(a)(7)(iv)

COURT ORDER

This subsection is not applicable to this Responsive Application, because neither a trustee, receiver, assignee, nor personal representative of WCL is an Applicant herein.

SECTION 1180.6(a)(7)(v)

PROPERTY INVOLVED IN THE PROPOSED TRANSACTION

WCL seeks to acquire that part of the B&OCT's Altenheim Subdivision, including rail line, side track and yard trackage and associated right-of-way and appurtenances, beginning at a connection between WCL and B&OCT trackage at B&OCT Milepost 37.4 at Madison Street, Forest Park, Illinois and extends to a point of connection with the Union Pacific Railroad Company and Conrail's Panhandle Line in the vicinity of Rockwell Street, Chicago, Illinois. This property constitutes only a small portion of overall property and trackage rights of B&OCT. B&OCT is the wholly-owned subsidiary of CSX. This Responsive Application involves none of the property of Conrail or NS.

SECTION 1180.6(a)(7)(vi)

**PRINCIPAL ROUTES, TERMINI, POINTS OF
INTERCHANGE AND MILEAGE OF THE INVOLVED LINES**

WCL owns and operates approximately 2017 miles of track and trackage rights all of which are located in the Upper Midwest. Its principal lines run from Chicago, Illinois north and west to Minneapolis/St. Paul, Minnesota, north to Duluth, Minnesota/Superior, Wisconsin, and east to Sault St. Marie, Ontario. The principal points of interchange on WCL are in:

- a) Chicago, where connections are made with all carriers reaching Chicago, including The Burlington Northern and Santa Fe Railway Company ("BNSF"), Union Pacific Railroad Company ("UP"), CSX, NS, Illinois Central Railroad Company, B&OCT, The Belt Railway Company of Chicago, IHB, Chicago Short Line Railway Company, Chicago SouthShore & South Bend Railroad, Chicago Rail Link, LLC, Soo Line Railroad Company ("Soo"), Grand Trunk Western Railroad, Inc./Canadian National Railway Company, Conrail, Elgin, Joliet & Eastern Railway Company, Iowa Interstate Railroad Ltd., I&M Rail Link, LLC and Manufacturers' Junction Railway, LLC;
- b) Duluth, Minnesota/Superior, Wisconsin with connection to BNSF, Soo, Duluth

Missabe and Iron Range Railway Company
and Duluth, Winnipeg & Pacific Railway;

- c) Green Bay, Wisconsin, with connection to the Escanaba & Lake Superior Railroad Company ("E&LS");
- d) Milwaukee, Wisconsin area with connection to UP, Wisconsin & Calumet Railroad, Wisconsin & Southern Railroad Company and Soo;
- e) Minneapolis/St. Paul, Minnesota with connection to BNSF, Soo, Minnesota Commercial Railway Company, UP, Twin Cities & Western Railroad Company and I&M Rail Link, LLC; and
- f) Sault St. Marie, Ontario with connection to the Huron Central.

WCL is a wholly-owned subsidiary of Wisconsin Central Transportation Corporation, a non-carrier holding company. WCTC also owns FVW, which owns and operates approximately 450 miles of railroad and trackage rights in Wisconsin from Green Bay to just north of Milwaukee and from Green Bay to East Winona, Wisconsin. Its principal points of interchange are in Green Bay with the E&LS, in East Winona, Wisconsin with the BNSF, in Milwaukee with the UP and Soo. WCTC also owns the Sault Ste. Marie Bridge Company ("SSMB"), which operates approximately 220 miles of track and trackage rights in the Upper Peninsula of Michigan and an international railway bridge between Sault St. Marie, Michigan

and Sault St. Marie, Ontario. Its principal connections are near Palmer, Michigan with the Lake Superior & Ishpeming Railroad Company, at Escanaba, Michigan with E&LS and at Green Bay with WCL.

The Altenheim Subdivision which WCL seeks to acquire includes B&OCT's rail line, side track and yard trackage and associated right-of-way and appurtenances from B&OCT Milepost 37.4 at Madison Street, Forest Park, Illinois to the vicinity of Rockwell Street, Chicago, Illinois. The line to be acquired includes one interchange point with BRC at approximately 46th Avenue, east of the 48th Avenue Yard.

B&OCT maintains interchanges with all carriers operating in the Chicago Terminal District. The B&OCT operates around and through the Chicago Terminal District beginning at a point approximately at Pine Junction in Northern Indiana and proceeding easterly and northerly to a point at Madison Street in Forest Park where a connection is made with WCL.

SECTION 1180.6(a)(7)(vii)

GOVERNMENT FINANCIAL ASSISTANCE

No governmental financial assistance is involved in the proposed transaction.

SECTION 1180.6(a)(8)

ENVIRONMENTAL DATA

On October 1, 1997, after consultation with the Board's Section of Environmental Analysis, WC filed a Verified Statement of No Significant Impact (WC-5). As explained therein and

elsewhere in this Responsive Application, WCL currently operates trains over the Altenheim Subdivision pursuant to trackage rights. WCL's acquisition of the Altenheim Subdivision will change the nature of WCL's legal interest from operating rights to ownership, but should not cause any significant change in the trains and traffic that move over that line. The proposed transaction will thus not result in reasonably foreseeable changes in carrier operations that will exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5). See WC-5 at 3-4. Under 49 C.F.R. § 1105.8(b)(1) and (3), the proposed transaction also is exempt from historic preservation reporting requirements. Accordingly, no energy or environmental documentation is necessary with respect to the Responsive Application.

SECTION 1180.8(b)

OPERATIONAL DATA - EXHIBIT 15

Applicant's operational data is set forth in its Operating Plan (Exhibit 15) and in the Verified Statement of Reilly McCarren, which is included in the Comments and Supporting Evidence of WCL (WC-10) submitted herewith.

WHEREFORE, Wisconsin Central Ltd. respectfully requests that the Board accept this Responsive Application for consideration and authorize the line acquisition proposed herein.

Respectfully submitted,

By: 

Janet H. Gilbert
General Counsel
Wisconsin Central Ltd.
6250 North River Road, Suite 9000
Rosemont, Illinois 60018
(847) 318-4691

Robert H. Wheeler
Thomas J. Healey
Thomas J. Litwiler
Oppenheimer Wolff & Donnelly
Two Prudential Plaza, 45th Floor
180 North Stetson Avenue
Chicago, Illinois 60601
(312) 616-1800

**ATTORNEYS FOR
WISCONSIN CENTRAL LTD.**

Dated: October 21, 1997

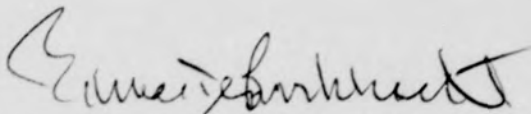
SECTION 1180.4(c)(2)(i)

**SIGNATURES, OATHS, AND CERTIFICATIONS
OF APPLICANT'S EXECUTIVE OFFICERS**

VERIFICATION

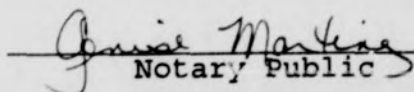
State of Illinois)
) SS:
County of Cook)

Edward A. Burkhardt, being duly sworn, deposes and says that he is Chairman, President and Chief Executive Officer of Wisconsin Central Ltd., an applicant herein; that he has been duly authorized and designated by Wisconsin Central Ltd. to sign, verify and file the foregoing application with the Surface Transportation Board; that he has examined all of the statements contained in said application; that he has knowledge of the matters set forth therein insofar as those matters relate to Wisconsin Central Ltd.; and that all such statements made and matters set forth therein with respect to Wisconsin Central Ltd. are true and correct to the best of his knowledge, information and belief.

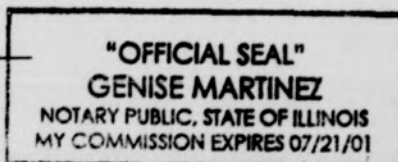


Edward A. Burkhardt

SUBSCRIBED AND SWORN to
before me this 15 day
of October, 1997.


Notary Public

My Commission expires:



CERTIFICATION

State of Illinois)
)
County of Cook) SS:

I, Cathy D. Aldana, am Assistant Secretary of Wisconsin Central Ltd., and I hereby certify that Edward A. Burkhardt is Chairman, President and Chief Executive Officer of Wisconsin Central Ltd. and is duly authorized and designated to sign, verify and file the foregoing Application on behalf of Wisconsin Central Ltd.

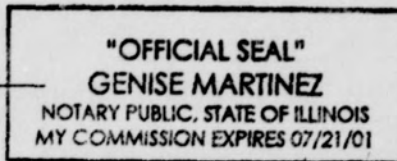
Cathy D. Aldana

SUBSCRIBED AND SWORN to
before me this 15 day
of October, 1997.

Genise Martinez

Notary Public

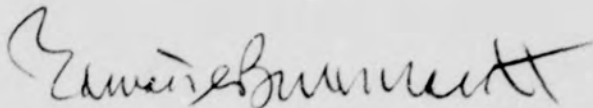
My Commission expires:



VERIFICATION

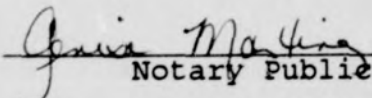
State of Illinois)
) SS:
County of Cook)

Edward A. Burkhardt, being duly sworn, deposes and says that he is Chairman, President and Chief Executive Officer of Wisconsin Central Transportation Corporation, the parent of an applicant herein; that he has been duly authorized and designated by Wisconsin Central Transportation Corporation to sign, verify and file the foregoing application with the Surface Transportation Board; that he has examined all of the statements contained in said application; that he has knowledge of the matters set forth therein insofar as those matters relate to Wisconsin Central Transportation Corporation; and that all such statements made and matters set forth therein with respect to Wisconsin Central Transportation Corporation are true and correct to the best of his knowledge, information and belief.



Edward A. Burkhardt

SUBSCRIBED AND SWORN to
before me this 15 day
of October, 1997.


Notary Public

My Commission expires:



CERTIFICATION

State of Illinois)
)
County of Cook) SS:

I, Cathy D. Aldana, am Assistant Secretary of Wisconsin Central Transportation Corporation, and I hereby certify that Edward A. Burkhardt is Chairman, President and Chief Executive Officer of Wisconsin Central Transportation Corporation and is duly authorized and designated to sign, verify and file the foregoing Application on behalf of Wisconsin Central Transportation Corporation.

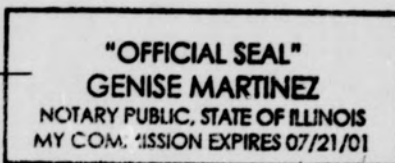
Cathy D. Aldana

SUBSCRIBED AND SWORN to
before me this 15 day
of ~~October~~ October, 1997.

Genise Martinez

Notary Public

My Commission expires:





OFFICE:

One O'Hare Centre
6250 North River Road
Suite 9000
Rosemont, IL 60018
Tel. (847) 318-4600

MAILING ADDRESS:

P.O. Box 5062
Rosemont, IL 60017-5062

October 21, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K St. NW, Room 700
Washington, DC 20423-0001

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

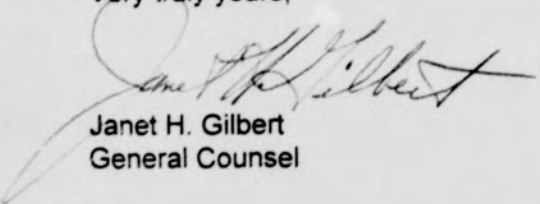
Wisconsin Central Ltd. Responsive Application

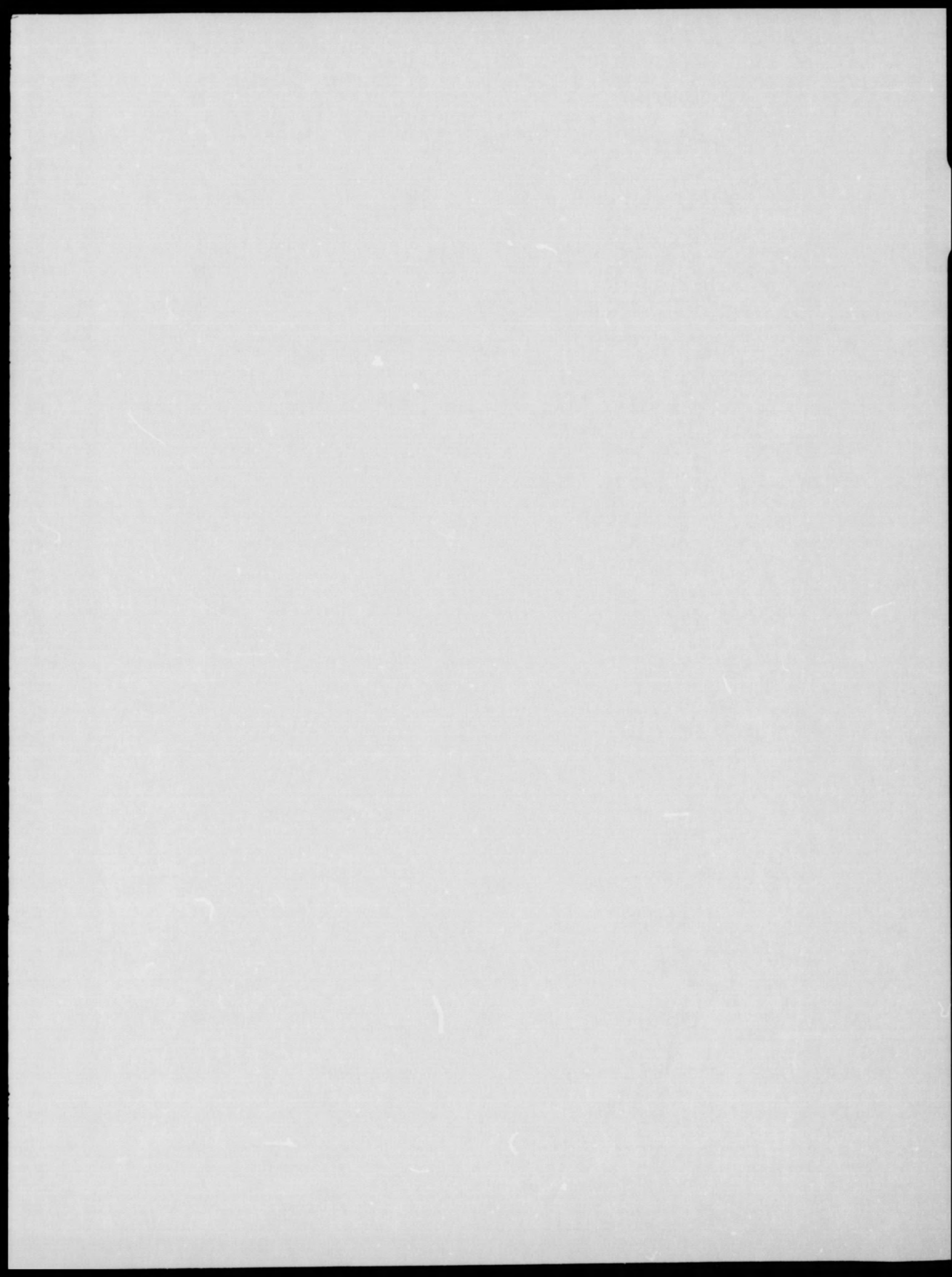
Dear Mr. Williams:

As General Counsel for Wisconsin Central Ltd., I have examined the accompanying Application for authority under 49 U.S.C. § 11323, et seq.

It is my opinion that the transaction described in the Application meets the requirements of law, is within the corporate powers of Applicant and will be legally authorized and valid, if approved by the Surface Transportation Board.

Very truly yours,

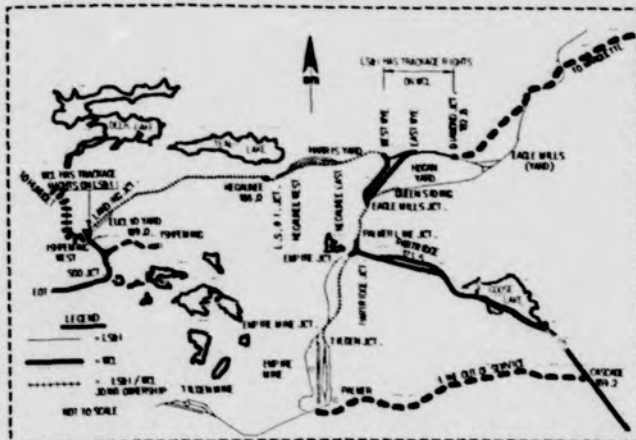

Janet H. Gilbert
General Counsel



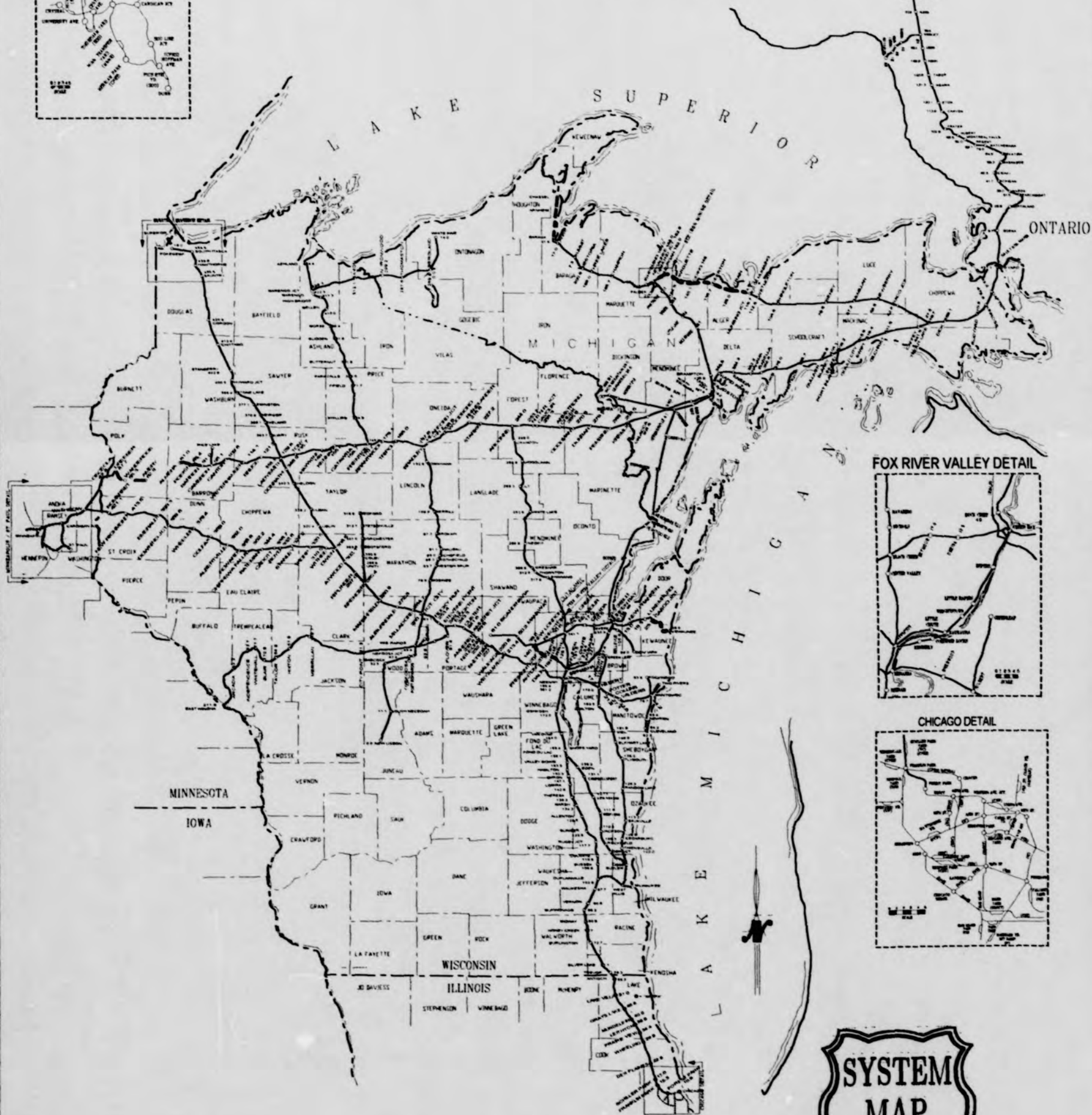
DULUTH / SUPERIOR
DETAIL



MINNEAPOLIS / ST. PAUL
DETAIL



IRON MINING AREA



FOX RIVER VALLEY DETAIL



CHICAGO DETAIL

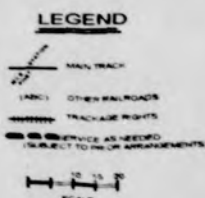


EXHIBIT 1A
FINANCE DOCKET 33388
(SUB - NO. 59)

RAND McNALLY

HANDY RAILROAD MAP

Chicago and vicinity

Copyright by Rand McNally & Company
Made in U.S.A.

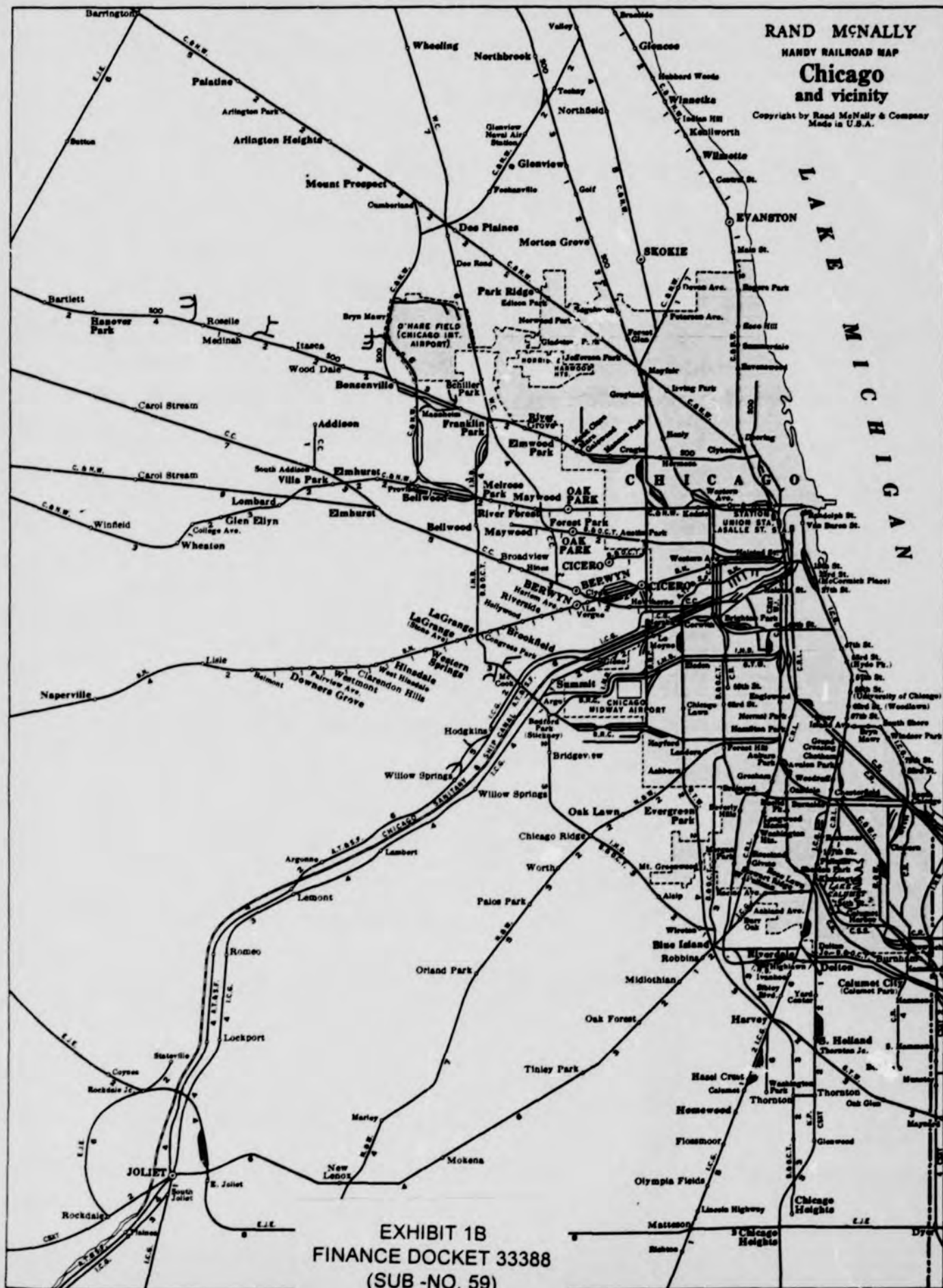


EXHIBIT 1B
FINANCE DOCKET 33388
(SUB -NO. 59)



EXHIBIT 1C
FINANCE DOCKET 33388
(SUB-NO. 59)

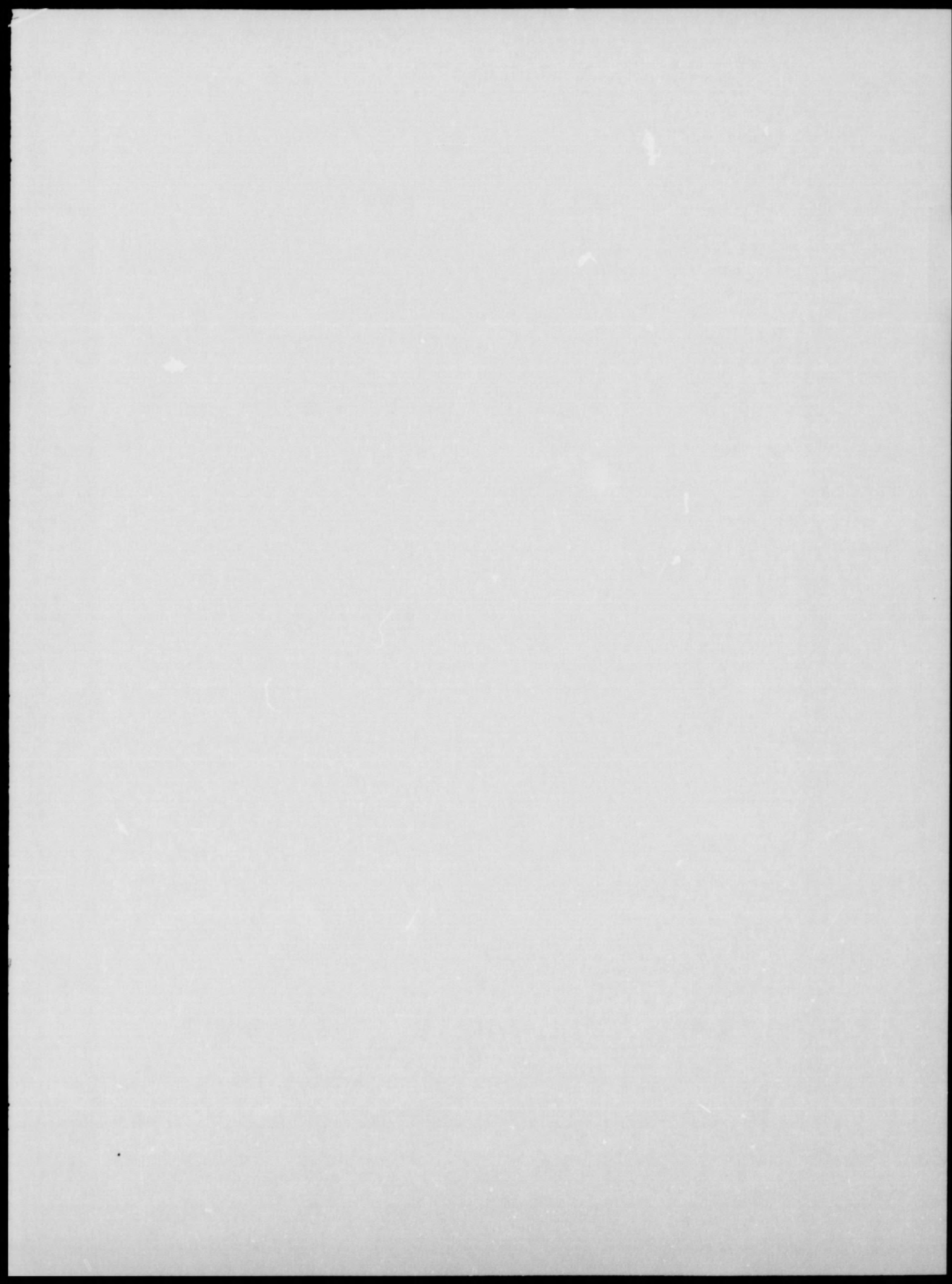


Exhibit 2

DRAFT

**CERTAIN
PRINCIPAL TERMS OF PROPOSED
ASSET PURCHASE AGREEMENT**

Between

THE BALTIMORE & OHIO CHICAGO TERMINAL RAILROAD COMPANY

and

WISCONSIN CENTRAL LTD.

Dated

Exhibit 2
DRAFT
ASSET PURCHASE AGREEMENT
CONTAINING CERTAIN PRINCIPAL TERMS

Wisconsin Central Ltd. ("WCL" or "Purchaser"), an Illinois corporation, and The Baltimore & Ohio Chicago Terminal Railroad Company ("BOCT" or "Seller"), an Illinois corporation, agree as follows:

SECTION 1. PURCHASE AND SALE OF ASSETS

§ 1.1 General. Under the terms and subject to the conditions contained in this Agreement, Seller agrees to sell and transfer to Purchaser, and Purchaser agrees to purchase on an "as is, where is" basis, on the Closing Date all of the Seller's rights, title and interest in and to the line of railroad located on Seller's Altenheim Subdivision beginning at Milepost 37.4 at Madison Street, Forest Park, Illinois and proceeding to a point of connection with the Union Pacific Railroad Company and the Panhandle Line of Consolidated Rail Corporation in the vicinity of Rockwell Street, Chicago, Illinois, including all right-of-way, side track, industry track, yard track and all related fixtures, signals and appurtenances (the "Assets").

SECTION 2. EXCLUSION OF ASSETS

§ 2.1 Contracts. The Assets do not include any rights under contracts not assumed by Purchaser under this Agreement and all records of Seller relating to such contracts.

§ 2.2 Claims and litigation. The Assets do not include rights under claims and litigation or settlements of such claims and litigation by or against Seller.

SECTION 3. PURCHASE PRICE

§ 3.1 Amount of Cash Purchase Price. The purchase price ("Purchase Price") for the Assets is \$_____ in cash ("Cash Purchase Price").

§ 3.2 Payment of Cash Purchase Price. The Cash Purchase Price, as adjusted, shall be paid at the Closing by wire transfer of immediately available funds to one or more bank accounts designated by Seller prior to the Closing or, at the Seller's sole election, by one or more cashier's checks.

SECTION 4. TAX ALLOCATION AND LEASE INCOME

§ 4.1 Proration of taxes. The Cash Purchase Price shall be adjusted for current real and personal property taxes affecting the Assets, which shall be prorated over the applicable period by Seller and Purchaser. If the tax bill for the year in which the Closing occurs or any prior year has not been received at the Closing Date and the tax amount cannot otherwise be definitely ascertained, allocations shall be made on the basis of the prior year's taxes. Any refund of such taxes applicable to the period prior to Closing shall be the property of and sent to Seller, and any refunds applicable to the period after Closing shall be the property of and sent to Purchaser.

§ 4.2 Lease rentals and license income. Lease rentals and license income (which is not already by its terms calculated on a per diem basis) shall be prorated to the Closing Date and the amount due Purchaser, if any, paid within 30 days after Closing.

SECTION 5. ASSUMPTION OF LIABILITIES AND OBLIGATIONS

§ 5.1 Liabilities to be assumed. As of the Closing, Purchaser agrees to assume, discharge and pay in accordance with their respective terms and to become responsible for the liabilities and obligations of the Seller under all executory contracts relating to the Assets expressly assumed by Purchaser as listed on Exhibit 1, to the extent those liabilities and obligations accrue after the Closing.

SECTION 6. REPRESENTATIONS AND WARRANTIES

§ 6.1 Disclaimer of representations and warranties. THE SALE AND PURCHASE AND THE OTHER TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND BY THE SELLER, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF THE SELLER SET FORTH IN SECTIONS 6.2 AND 6.3 BELOW. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE, THE SELLER DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE ASSETS, AND AVERS THAT SUCH ASSETS ARE BEING SOLD "AS IS, WHERE IS." All instruments of transfer may, but shall not be required to, negate all express or implied representations or warranties (except those contained in this Agreement).

§ 6.2 General representations and warranties of Seller. Seller represents and warrants to Purchaser as follows:

(a) Seller is a validly organized and existing corporation, in good standing under the laws of the State of Illinois. Seller has the necessary authority to own property and conduct its business as now conducted in the State of Illinois.

(b) All necessary corporate action of Seller required in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement has been authorized and obtained. Subject to the effectiveness of the approval by the Surface Transportation Board, (i) Seller has obtained all necessary governmental authorizations and approvals (or waivers of such authorizations or approvals) required in connection with this Agreement, and (ii) this Agreement constitutes the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting rights of creditors generally and general principles of equity.

(c) Except as set forth on Exhibit 3, the sale of the Assets and the consummation of the other transactions contemplated by this Agreement will not result in any breach of or default under, violate the conditions of, or accelerate any obligation under, any material agreement, mortgage, lease, deed, order, law, judgment or rule to which Seller is a party or by which it is bound.

(d) No agent, broker or other person acting pursuant to the authority or direction of Seller is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement for which Purchaser is or may become liable.

(e) Except as set forth on Exhibit 2, there are no actions, suits, or proceedings pending or, to the knowledge of Seller, threatened against Seller or its properties in any court or before any federal, state, local or other governmental agency which, if decided adversely to the Seller, would prohibit the execution, delivery and performance of this Agreement by the Seller or would materially adversely affect the Assets or the business currently conducted with the Assets.

(f) Seller will remove prior to Closing all liens, security interests or other encumbrances, except for permitted encumbrances, if placed or caused to be placed on the Assets.

(g) Seller is not a party to any indenture, security, contract or other agreement or subject to any judgment, order, writ or decree which would (A) impose any materially adverse condition upon Purchaser, the Assets or the operation of the Assets or result in the loss of any material rights currently possessed or used by Seller or otherwise materially adversely affect or materially restrict the Assets or the operation of the Assets as a result of the sale of the Assets to Purchaser as contemplated by this Agreement or (B) materially adversely affect Purchaser's ability to conduct the operations of the Assets following Closing as currently conducted.

§ 6.3 Environmental representations and warranties of Seller. Seller represents and warrants as follows, except as set forth on Exhibit 3:

(a) There are no actions, suits or proceedings pending or, to the knowledge of Seller, threatened against Seller with respect to the Assets in any court or before any federal, state, local or other governmental agency under any environmental law.

(b) To the knowledge of Seller, Seller is in material compliance with all applicable environmental laws with respect to the Assets.

(c) Seller has received no written notice from any governmental agency having authority (including, without limitation, any federal, state or local governmental agency) (A) that it has been identified by the United States Environmental Protection Agency as a potentially responsible party under CERCLA with respect to a site included within the Assets listed on the National Priorities List (40 CFR Part 300 Appendix B (1990)); (B) that any hazardous substance has been discovered on a site included within the Assets; or (C) that any site included within the Assets is the subject of any ongoing or ordered remedial investigation, removal or other response action pursuant to any environmental law.

(d) Except with respect to matters which would not materially adversely affect the assets, or materially adversely affect Purchaser's ability to operate the Assets as currently operated or impose any material cost upon Purchaser following the Closing, to Seller's knowledge, (A) no portion of the Assets has been used for the handling, storage, disposal or processing of hazardous substances except in material compliance with applicable environmental laws, (B) no underground storage tanks for hazardous substances are located in, on or about the Assets, (C) the Assets do not contain asbestos, urea formaldehyde foam insulation or transformers or other equipment containing polychlorinated biphenyls, and (D) there have been no releases of hazardous substances in, on, under or from the Assets except in material compliance with environmental laws.

§ 6.4 Representations and warranties by Purchaser. Purchaser represents and warrants to Seller as follows:

(a) Purchaser is a validly organized and existing Illinois corporation, in good standing. Purchaser has full corporate power and authority to conduct its business as such business is now being conducted and to own and operate its properties.

(b) All necessary corporate action of Purchaser required in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement has been authorized and obtained. Subject to the effectiveness of the approval by the Surface Transportation Board and any applicable requirements under the HSR Act, (i) Purchaser has obtained all necessary governmental authorizations and approvals (or waivers of such authorizations or approvals) required in connection with this Agreement, and (ii) this Agreement constitutes the valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, moratorium or similar laws affecting rights of creditors generally and general principles of equity.

(c) The purchase of the Assets and the consummation of the transactions contemplated by this Agreement will not result in any breach of or default under, violate the conditions of or accelerate any obligation under Purchaser's certificate of incorporation, bylaws or any material agreement, mortgage, lease, deed, order, law, judgment or rule to which Purchaser is a party or by which it is bound.

(d) No agent, broker or other person acting pursuant to the authority or direction of Purchaser is entitled to any commission or finder's fee in connection with the transactions contemplated by this Agreement for which Seller are or may become liable.

(e) There are no actions, suits or proceedings pending or, to the knowledge of Purchaser, threatened against Purchaser in any court or before any federal, state, local or other governmental agency which, if decided adversely to the Purchaser, would prohibit the execution, delivery and performance of this Agreement by Purchaser.

(f) Purchaser has sufficient funds or committed lines of credit to consummate the transactions contemplated by this Agreement.

§ 6.5 Survival. The representations and warranties contained in this Agreement shall survive the Closing and any termination of this Agreement and shall remain in full force and effect for two years after the Closing.

§ 6.6 Condition of Assets. Except as specifically provided in this Section 6, neither Seller nor Purchaser makes, and each expressly disclaims, any representation or warranty regarding the condition of the Assets, including any hazardous substances or any other conditions, whether or not hazardous, affecting the surface or subsurface (including groundwater) thereof.

SECTION 7. CONDITIONS TO THE CLOSING

§ 7.1 Obligation of Purchaser to close. The obligation of Purchaser to effect the closing of the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing of the following conditions:

- (a) The representations and warranties of Seller contained in Section 6 of this Agreement shall have been true in all material respects when made and at the time of Closing as if those representations and warranties had been made at that time.
- (b) Seller shall have performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing.
- (c) The Surface Transportation Board shall have approved the transactions contemplated by this Agreement under the ICC Termination Act of 1995.
- (d) Between the date of this Agreement and the Closing, no unrepaired physical loss or damage shall have occurred to the Assets resulting in a shut-down of any material portion of the operation of the Assets as of the Closing.
- (e) The transactions contemplated by this Agreement to whatever extent necessary shall have been performed pursuant to proper and requisite action taken by Seller under applicable law.
- (f) There shall not have been instituted or threatened on or before Closing, any action proceeding before any court or governmental agency or body or by a public authority to restrict or prohibit the acquisition by Seller of the Assets.

The satisfaction of any of the conditions set forth in this subsection may be waived by Purchaser in writing delivered at or prior to the Closing.

§ 7.2 Obligation of Seller to close. The obligation of Seller to effect the transactions contemplated by this Agreement is subject to the satisfaction prior to or at the Closing of the following conditions:

- (a) The representations and warranties of Purchaser set forth in Section 6 of this Agreement shall have been true in all material respects when made and at the time of the Closing as if those representations and warranties had been made at that time.
- (b) Purchaser shall have performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by Purchaser prior to or at the Closing.
- (c) The Surface Transportation Board shall have approved the transactions contemplated by this Agreement under the ICC Termination Act of 1995.
- (d) The transactions contemplated by this Agreement to whatever extent necessary shall have been performed pursuant to proper and requisite action taken by Purchaser under applicable law.
- (e) There shall not have been instituted or threatened on or before Closing, any action proceeding before any court or governmental agency or body or by a public authority to restrict or prohibit the acquisition by Purchaser of the Assets.

The satisfaction of any condition set forth in this subsection may be waived by Seller in writing delivered at or prior to the Closing.

SECTION 8. CLOSING

§ 8.1 Place of closing. The closing of the transactions contemplated by this Agreement ("Closing") shall take place at Wisconsin Central Ltd., 6250 North River Road, Suite 9000, Rosemont, Illinois 60018.

§ 8.2 Time of closing. The Closing shall take place not later than the 10th business day following the date on which an order by the Surface Transportation Board approving the acquisition of the Assets by Purchaser has become final or the date on which an exemption from approval by the Surface

Transportation Board becomes effective. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date."

§ 8.3 Deliveries by Seller at closing. Seller shall deliver to Purchaser such quit claim deeds in recordable form for a railroad bill of sale and other transfer documents required to transfer the Assets to Purchaser consistent with this Agreement.

SECTION 9. BOOKS AND RECORDS

§ 9.1 Access to books and records.

(a) Prior to Closing, Seller will permit employees and agents of Purchaser (including consultants), during normal business hours and on reasonable notice, to have access to Seller's properties for the purpose of inspecting the Assets and to inspect and copy contracts, books, agreements, plans, reports and other records reflecting or reasonably relating to the Assets.

SECTION 10. INDEMNIFICATION

§ 10.1 Purchaser's indemnification. Purchaser shall defend, indemnify and hold harmless the Seller from and against all claims, losses, costs and expenses (including attorneys' fees and expenses) which arise out of or are based on (i) the ownership or operation of the Assets after the Closing, (ii) any material misrepresentation or material breach of warranty by Purchaser, (iii) all liabilities of Seller assumed by Purchaser pursuant to this Agreement, and (iv) any breach of an environmental law or the placement of any hazardous substance in, on, about or under the Assets at any time after the Closing.

§ 10.2 Seller's indemnification. Seller shall defend, indemnify and hold harmless Purchaser from and against all claims, losses, costs and expenses (including attorneys' fees and expenses) which arise out of or are based on (i) the ownership or operation of the Assets by Seller prior to the Closing; (ii) any material misrepresentation or material breach of warranty by Seller; (iii) all liabilities of Seller that are not assumed by Purchaser pursuant to this Agreement and (iv) any breach of an environmental law or the existence of any hazardous substance in, on, about or under the Assets at any time prior to the Closing.

All claims, losses, costs, and expenses giving rise to any indemnification hereunder, the underlying facts of which have arisen in part prior to the Closing and in part on or after the Closing, shall be reasonably apportioned between Seller and Purchaser.

SECTION 11. MISCELLANEOUS

§ 11.1 Choice of law. The provisions of this Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois, including for the purposes of choice of law, as though all acts and omissions related to this Agreement occurred in that State.

§ 11.2 Counterparts. This Agreement may be executed in two or more original counterparts, each of which shall for all purposes be considered an original of this Agreement.

§ 11.3 Successors and assigns. This Agreement shall be binding upon, and inure to the benefit of the respective successors and assigns of the parties. Purchaser may assign its rights under this Agreement, in whole or in part, to a wholly-owned subsidiary of Purchaser or any wholly-owned subsidiary of Wisconsin Central Transportation Corporation.

§ 11.4 Notice. All notices given pursuant to this Agreement shall be delivered by hand, sent by United States registered or certified mail, postage prepaid, delivered by recognized express mail or overnight courier service, or delivered by electronic facsimile with a confirmation copy delivered by any of the preceding methods, addressed as follows (or to another address or person as a party may specify on notice to the other):

(a) If to Seller:

with copies to:

(b) If to Purchaser:

Wisconsin Central Ltd.
One O'Hare Centre, Suite 9000
6250 North River Road
Rosemont, Illinois 60017-5062
Attention: Mr. Reilly McCarren, Executive Vice President
and Chief Operating Officer

with copies to:

Oppenheimer Wolff & Donnelly
Two Prudential Plaza, 45th Floor
180 North Stetson Avenue
Chicago, Illinois 60601-6710
Attention: Robert H. Wheeler, Esq.

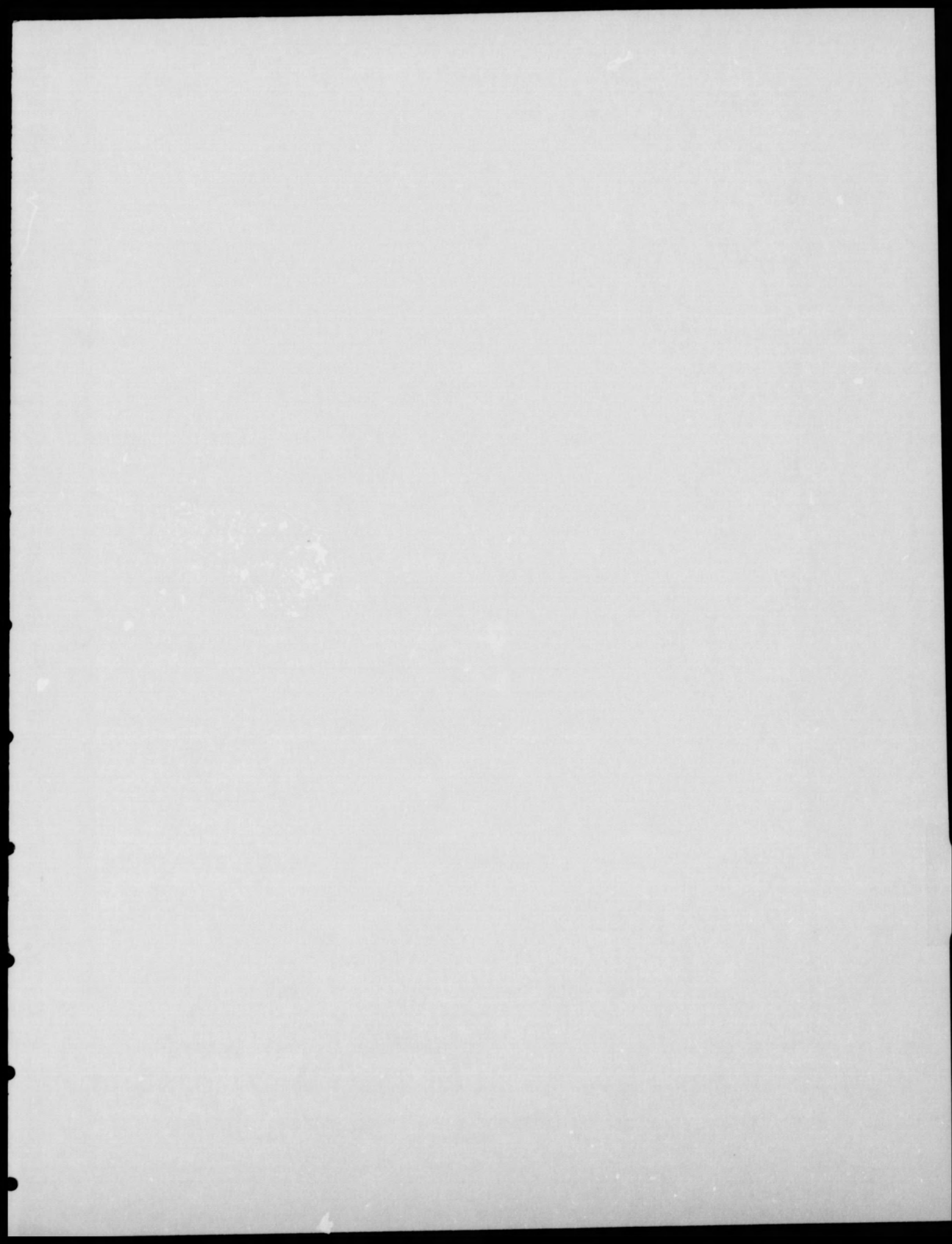
Dated as of _____, 1997.

**The Baltimore & Ohio Chicago
Terminal Railroad Company**

By: _____

Wisconsin Central Ltd.

By: _____



OPERATING PLAN - MINOR

Under 49 C.F.R. § 1180.8(b), Responsive Applicant Wisconsin Central Ltd. ("WCL") must discuss any significant changes in patterns or types of service expected to result from the proposed transaction. As described below, WCL does not expect any significant changes in operations as a result of its acquisition of the Altenheim Subdivision from The Baltimore & Ohio Chicago Terminal Railroad Company ("B&OCT").

1. **Operating Patterns**

WCL is today the predominant user of the Altenheim Subdivision, and the only user of the western end of that line. WCL utilizes its trackage rights on the Altenheim Subdivision to move trains between the end of WCL's line in Forest Park and interchange with other carriers within the Chicago Terminal District. WCL currently operates an average of 8-10 trains a day over the Altenheim Subdivision, including two daily round-trip trains, two round-trip trains that operate over the Altenheim Subdivision several days a week and one round-trip ore train that operates on the Altenheim Subdivision four days a week on average.

B&OCT currently operates a five-day-a-week switch assignment to serve industries on the east end of the segment of the Altenheim Subdivision that WCL seeks to purchase.

None of these operations are anticipated to significantly change upon WCL's acquisition of the Altenheim Subdivision. WCL will allow B&OCT to retain trackage rights on

the line, and presumably B&OCT will continue its existing local service. WCL does not anticipate any current increases in the number of trains which it operates over the Altenheim Subdivision pursuant to its existing trackage rights. Reasonably expected traffic growth may require adding a new daily train at some time in the future.

2. Impacts on Commuter or Passenger Operations

There are currently no commuter or rail passenger trains which operate over the Altenheim Subdivision, and no such operations are anticipated in the future. Thus, commuter and rail passenger service will not be impacted by the proposed acquisition.

3. Operating Economies

WCL anticipates expending significant resources to upgrade the Altenheim Subdivision. The Altenheim Subdivision currently is maintained to FRA Class 2 standards and has a number of 10 mile per hour slow order. WCL would expect to spend between \$4-5 million to install welded rail on the line and improve tie condition, ballast, clearances and signals. WCL's operating plan calls for the Altenheim Subdivision to be maintained to FRA Class 3 standards with all slow orders removed. All of these improvements will lead to faster transit times, greater service reliability and significant operating economies for WCL. WCL has not attempted to quantify these benefits as part of this Responsive Application.

4. Abandonments and Discontinuances

No abandonments of rail lines or discontinuances of rail service are contemplated in connection with WCL's proposed acquisition of the Altenheim Subdivision.

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of October, 1997, a copy of the foregoing **Responsive Application of Wisconsin Central Ltd. (WC-9)** was served by first class mail, postage prepaid, upon the following parties designated in 49 C.F.R. § 1180.4(c)(5):

Honorable James Edgar
Governor
State of Illinois
Capitol Building, Room 207
Springfield, Illinois 62706

Honorable Tommy G. Thompson
Governor
State of Wisconsin
P.O. Box 7863
Madison, WI 53707-7863

Honorable John Engler
Governor
State of Michigan
P.O. Box 30013
Lansing, MI 48909

Honorable Arne H. Carlson
Governor
State of Minnesota
State Capitol, Room 130
Saint Paul, Minnesota 55155

Mr. Dan Miller
Chairman
Illinois Commerce Commission
527 East Capitol Avenue
P.O. Box 19280
Springfield, Illinois 62794-9280

Mr. Rodney W. Kreunen
Office of the Commissioner of Railroads
State of Wisconsin
P.O. Box 8968
Madison, WI 53708-8968

Mr. John G. Strand
Chairman
Michigan Public Service Commission
P.O. Box 30221
Lansing, MI 48909

Mr. Joel Jacobs
Chairman
Minnesota Public Utilities Commission
121 East 7th Place, Suite 350
Saint Paul, Minnesota 55101

Mr. Kirk Brown
Secretary
Illinois Department of Transportation
2300 South Dirksen Parkway, Room 300
Springfield, Illinois 62764

Mr. Charles H. Thompson
Secretary
Wisconsin Department of Transportation
P.O. Box 7910
Madison, WI 53707-7910

Mr. Robert A. Welke
Director
Michigan Department of Transportation
P.O. Box 30050
Lansing, MI 48909

Mr. James M. Denn
Commissioner
Minnesota Department of Transportation
395 John Ireland Boulevard
Saint Paul, Minnesota 55155

Honorable Rodney E. Slater
Secretary of Transportation
c/o Docket Clerk, Office of Chief Counsel
Federal Railroad Administration
400 Seventh Street, S.W., Room 8201
Washington, DC 20590

Mr. Roger W. Fones
Chief, Transportation, Energy and
Agriculture Section
Antitrust Division
U.S. Department of Justice
325 Seventh Street, N.W., Room 500
Washington, DC 20530

Honorable Robert Pitofsky
Chairman
Federal Trade Commission
Sixth Street & Pennsylvania Avenue, N.W.
Washington, DC 20580

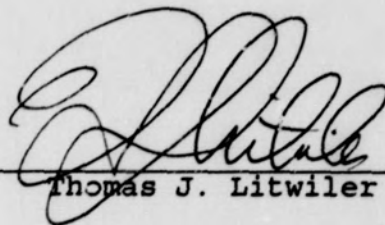
by hand delivery upon the Primary Applicants herein, as follows:

Dennis G. Lyons, Esq.
Arnold & Porter
555 12th Street, N.W.
Washington, DC 20004-1202

Richard A. Allen, Esq.
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, N.W.
Suite 600
Washington, DC 20006-3939

Paul A. Cunningham, Esq.
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, DC 20036

and by first class mail, postage prepaid, upon all designated parties of record appearing on the Surface Transportation Board's official service list in this proceeding, served August 19, 1997 and revised on October 7, 1997.



Thomas J. Litwiler