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(Sub 62)

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September 30, 1997

VIA FEDERAL EXPRESS

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

Sub 62

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. 62)
Illinois Central Railroad Company -- Purchase
and Trackage Rights -- CSX Transportation, Inc.

Dear Secretary Williams:

Enclosed for filing in the above-captioned proceedings are an original and twenty-five copies of a **Verified Statement of No Significant Environmental Impact (IC-4)**, dated September 30, 1997. A computer diskette containing the text of these filings in WordPerfect 5.1 format also is enclosed.

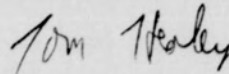
In accordance with the Board's service list issued herein, copies of IC-4 have been served by first class mail, postage prepaid, on all designated parties of record in this proceeding.

OPPENHEIMER WOLFF & DONNELLY

Mr. Vernon A. Williams
September 30, 1997
Page 2

If you have any questions regarding these filings,
please feel free to contact me. Thank you for your assistance on
this matter.

Respectfully submitted,



Thomas J. Healey
Attorney for Illinois Central
Railroad Company

TJH:tl

Enclosures

cc: Parties on Certificate of Service
Ms. Victoria J. Rutson

ORIGINAL

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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. 62)

ILLINOIS CENTRAL RAILROAD COMPANY
-- PURCHASE AND TRACKAGE RIGHTS --
CSX TRANSPORTATION, INC.

**VERIFIED STATEMENT OF
NO SIGNIFICANT ENVIRONMENTAL IMPACT**

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**ATTORNEYS FOR ILLINOIS CENTRAL
RAILROAD COMPANY**

Dated: September 30, 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. 62)

ILLINOIS CENTRAL RAILROAD COMPANY
-- PURCHASE AND TRACKAGE RIGHTS --
CSX TRANSPORTATION, INC.

FINANCE DOCKET NO. 33388 (SUB-NO. 68)

CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION
-- DIVESTITURE OF OWNERSHIP --
INDIANA HARBOR BELT RAILROAD COMPANY

**VERIFIED STATEMENT OF
NO SIGNIFICANT ENVIRONMENTAL IMPACT**

I am Thomas J. Healey, an attorney for the Illinois Central Railroad Company ("IC"). After consulting with my client, I am submitting this Verified Statement to explain why an Environmental Report is not required in connection with IC's anticipated Responsive Application in Finance Docket No. 33388 (Sub-No. 62). IC seeks: 1) conveyance of CSX Transportation, Inc. ("CSXT") trackage extending between Leewood and Aulon in Memphis, Tennessee; and 2) overhead trackage rights over CSXT's line of railroad extending between Odin, Illinois and Cincinnati, Ohio, including the reconstruction of a connection at Odin, interchange rights to all other carriers in the Cincinnati area (and in particular Norfolk Southern Railway Company), and access



via reciprocal switching to all industries in the Cincinnati area. As is explained below, if IC's Responsive Application and the Primary Application are granted, the environmental thresholds established in 49 C.F.R. § 1105.6 will not be exceeded and there will be no significant environmental impact.

IC is a Class I common carrier by rail which operates approximately 2600 route miles of rail line in six midwestern and south central states. IC is a wholly owned subsidiary of IC Corp., a non-carrier holding company. Through CCP Holdings, Inc., another wholly-owned subsidiary, IC Corp. also controls the Chicago, Central & Pacific Railroad Company, a Class II rail carrier which operates approximately 700 miles of rail line in Illinois and Iowa, and the Cedar River Railroad Company, a Class III rail carrier operating approximately 100 miles of rail line in Iowa and Minnesota.

IC's anticipated filing pursuant to 49 C.F.R. § 1180.4(d)(4) would not cause any foreseeable increase in traffic. CSXT's tracks between Leewood and Aulon form a portion of IC's main line between Chicago and New Orleans. IC currently operates trains over these tracks pursuant to trackage rights. Approval of IC's acquisition of CSXT's Leewood-Aulon track pursuant to a Responsive Application would result in a transfer of dispatching and maintenance over this track to IC, and would change the nature of IC's legal right to operate over the track from trackage rights to ownership. IC does not foresee any change in the levels of either trains or traffic resulting from such a transfer of ownership.

Similarly, IC's trackage rights between Odin, Illinois and Cincinnati should not result in an increase in train operations over this CSXT line exceeding the thresholds established in 49 C.F.R. § 1105.7(e)(5). IC does not reasonably foresee more than two or four trains per day (one or two in each direction) operating between these points. In its Operating Plan, CSXT projects that subsequent to approval of the Application, its train densities on this line will decrease, dropping as many as six trains per day in the Cincinnati area.¹ See CSX/NS-20, Vol. 3A, p. 436. Further west of Cincinnati, toward East St. Louis, CSXT projects a decrease of more than three trains a day from this line. Id. Thus, even if IC's operations add a highest-case scenario of four trains a day to this line, the overall effect on the line will be (at most) an increase of less than one train per day, below the environmental thresholds established at 49 C.F.R. § 1105.6(c)(2).

It is thus not reasonably foreseeable that the environmental thresholds established in 49 C.F.R. § 1105.7 will be exceeded for either of these transactions. The conditions sought by IC are not expected to cause the diversion of any rail traffic from any of the involved rail lines to motor carriers. The proposed transactions are not expected to result in: (a) a qualifying increase in rail traffic on any segment of rail line; (b) an qualifying increase in rail yard activity; or (c) an

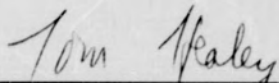
¹ The East St. Louis to Cincinnati rail line does not comprise any portion of CSXT's eleven projected "Service Routes," as more fully described in CSX/NS-20 beginning at page 107. The line does form a portion of CSXT's Intermodal Network (see page 140 of CSX/NS 20).

increase in truck traffic on any road segment. Accordingly, there will be no significant impact on the environment, and submission of an environmental report is not required.

VERIFICATION

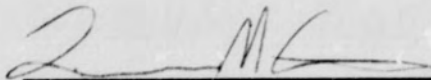
State of Illinois)
) ss.
County of Cook)

Thomas J. Healey, being duly sworn, deposes and says that he is an attorney for Illinois Central Railroad Company, that he has read the foregoing statement and knows the facts asserted therein, and that the same are true as stated to the best of his knowledge, information and belief.



Thomas J. Healey

SUBSCRIBED AND SWORN to
before me this 30th day
of September, 1997.



Notary Public

My Commission expires:



CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of September, 1997, a copy of the foregoing **Verified Statement of No Significant Environmental Impact (IC-4)** was served by first class mail, postage prepaid, upon:

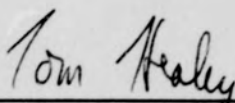
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Hon. Jacob Leventhal
Administrative Law Judge
Federal Energy Regulatory Commission
888 First Street, N.E., Suite 11F
Washington, DC 20426

and upon all parties of record appearing on the Surface Transportation Board's official service list in this proceeding, served August 19, 1997.



Thomas J. Healey