

STB

FD

33388

6-23-97

A

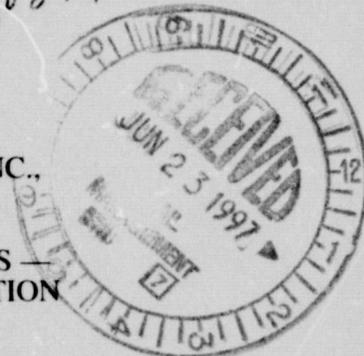
180274V5

1/9

180274

BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388



JUN 23 1997

5 Part of Public Record

ENTERED

Secretary

JUN 23 1997

5 Part of Public Record

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

**RAILROAD CONTROL APPLICATION**

**VOLUME 5 OF 8**

RELATED APPLICATIONS, PETITIONS  
FOR EXEMPTION AND NOTICES OF EXEMPTION

JAMES C. BISHOP, JR.  
WILLIAM C. WOOLDRIDGE  
J. GARY LANE  
JAMES L. HOWE, III  
ROBERT J. COONEY  
A. GAYLE JORDAN  
GEORGE A. ASPATORE  
JAMES R. PASCHALL  
ROGER A. PETERSEN  
GREG E. SUMMY  
JAMES A. SQUIRES  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2838

RICHARD A. ALLEN  
JAMES A. CALDERWOOD  
ANDREW R. PLUMP  
JOHN V. EDWARDS  
Zuckert, Scoutt & Rasenberger, L.L.P.  
888 Seventeenth Street, N.W.  
Suite 600  
Washington, DC 20006-3939  
(202) 298-8660

JOHN M. NANNES  
SCOT B. HUTCHINS  
Skadden, Arps, Slate,  
Meagher & Flom LLP  
1440 New York Avenue, N.W.  
Washington, DC 20005-2111  
(202) 371-7400

*Counsel for Norfolk Southern  
Corporation and Norfolk Southern  
Railway Company*

MARK G. ARON  
PETER J. SHUDTZ  
ELLEN M. FITZSIMMONS  
CSX Corporation  
One James Center  
901 East Cary Street  
Richmond, VA 23129  
(804) 782-1400

P. MICHAEL GIFTOS  
DOUGLAS R. MAXWELL  
PAUL R. HITCHCOCK  
NICHOLAS S. YOVANOVIC  
FRED R. BIRKHOLOZ  
JOHN W. HUMES, JR.  
R. LYLE KEY, JR.  
CHARLES M. ROSENBERGER  
PAMELA E. SAVAGE  
JAMES D. TOMOLA  
CSX Transportation, Inc.  
500 Water Street  
Jacksonville, FL 32202  
(904) 359-3100

DENNIS G. LYONS  
JEFFREY A. BURT  
RICHARD L. ROSEN  
MARY GABRIELLE SPRAGUE  
PAUL T. DENIS  
DREW A. HARKER  
SUSAN T. MORITA  
SUSAN B. CASSIDY  
SHARON L. TAYLOR  
JEFFREY R. DENMAN  
JODI B. DANIS  
CHRIS P. DATZ  
AMANDA J. PARACUELLOS  
Arnold & Porter  
555 12th Street, N.W.  
Washington, DC 20004-1202  
(202) 942-5000

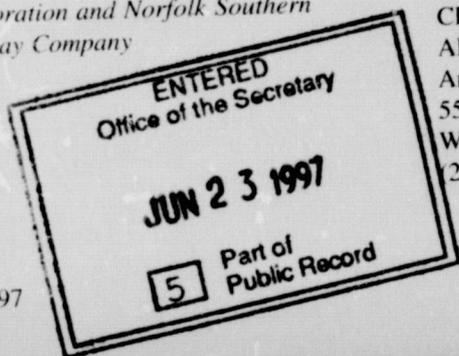
SAMUEL M. SIPE, JR.  
BETTY JO CHRISTIAN  
TIMOTHY M. WALSH  
DAVID H. COBURN  
CAROLYN D. CLAYTON  
Stepoe & Johnson LLP  
1330 Connecticut Avenue, N.W.  
Washington, DC 20036-1795  
(202) 429-3000

*Counsel for CSX Corporation and  
CSX Transportation, Inc.*

TIMOTHY T. O'TOOLE  
CONSTANCE L. ABRAMS  
Consolidated Rail Corporation  
Two Commerce Square  
2001 Market Street  
Philadelphia, PA 19101  
(215) 209-4000

PAUL A. CUNNINGHAM  
Harkins Cunningham  
1300 Nineteenth Street, N.W.  
Suite 600  
Washington, D.C. 20036  
(202) 973-7600

*Counsel for Conrail Inc. and  
Consolidated Rail Corporation*



FILED  
JUN 23 1997  
SURFACE  
TRANSPORTATION BOARD

TABLE OF CONTENTS

**VOLUME 5**

Related Applications, Petitions For Exemption  
and Notices of Exemption

	<u>Page</u>
<b><u>Abandonments</u></b>	
1. CSX No. AB-167 (Sub-No. 1181X), CR No. AB-55 (Sub-No. 551X) Paris, IL - Danville, IL .....	1
2. No. AB-290 (Sub-No. 194X) Dillon Junction, IN - South Bend, IN.....	31
3. No. AB-290 (Sub-No.195X), Dillon Junction, IN - Michigan City, IN .....	42
4. No. AB-290 (Sub-No.196X), Toledo, OH - Maumee, OH.....	64
5. No. AB-290 (Sub-No.197X). Toledo Pivot Bridge, OH .....	84
<b><u>Constructions</u></b>	
1. Crestline, OH (Sub-No. 1).....	94
2. Willow Creek, IN (Sub-No. 2).....	104
3. Greenwich, OH (Sub-No. 3).....	114
4. Sidney Junction, OH (Sub-No. 4) .....	125
5. Sidney, IL (Sub-No. 5) .....	135
6. Alexandria, IN (Sub-No. 6).....	152
7. Bucyrus, OH (Sub-No. 7).....	169
8. Little Ferry, NJ (Sub-No. 8) .....	186
9. 75th Street S.W., Chicago (Sub-No. 9).....	194

	<u>Page</u>
10. Exermont, IL (Sub-No. 10) .....	203
11. Lincoln Ave. (Chicago), IL (Sub-No. 11) .....	212
12. Kankakee, IL (Sub-No. 12) .....	222
13. Tolono, IL (Sub-No. 13) .....	237
14. Butler, IN (Sub-No. 14) .....	245
15. Tolleston, IN (Sub-No. 15).....	260
16. Hagerstown, MD (Sub-No. 16) .....	268
17. Ecorse Junction (Detroit), MI (Sub-No. 17) .....	276
18. Blasdell (Buffalo), NY (Sub-No. 18) .....	284
19. Gardenville Jct. (Buffalo), NY (Sub-No. 19).....	300
20. Columbus, OH (Sub-No. 20) .....	309
21. Oak Harbor, OH (Sub-No. 21) .....	317
22. Vermillion, OH (Sub-No. 22) .....	332

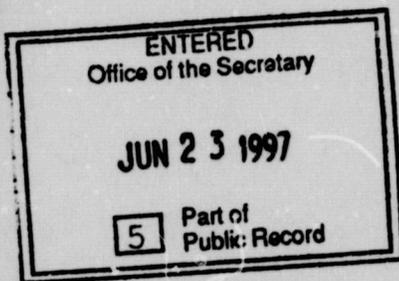
**Relocation Notices**

1. Erie, PA Relocation Notice (Sub-No. 23) .....	347
--	-----

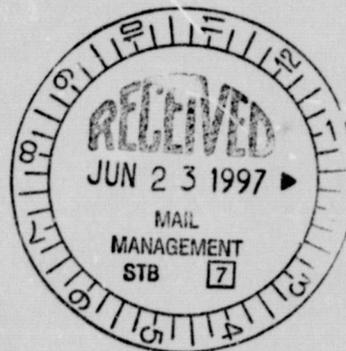
**Trackage Rights**

1. NW on CSXT between Lima and Sidney (Toledo, OH) (Sub-No. 25) .....	361
2. NW on CSXT between Parsons Yard and Scioto (Columbus, OH) (Sub-No. 27) .....	373

	<u>Page</u>
3. CSXT on NW between Bannon and Watkins Yard (Columbus, OH) (Sub-No. 28).....	384
4. CSXT on NW between Del Ray and Ecorse Junction (Detroit, MI) (Sub-No. 29).....	395
5. NW on CSXT at Marion County, Indianapolis (Sub-No. 30).....	407
6. NW on B & OCT between McCook and Franklin Park (IL) (Sub-No. 32).....	419
7. NW on B & OCT between Pine Junction (IN) and Blue Island Junction (IL) (Sub-No. 33).....	432
8. CSXT on NW between Bucyrus and Sandusky (OH) (Sub-No. 34).....	495
 <b><u>Other Related Applications</u></b>	
1. Fort Wayne, IN Line Transfer (Sub-No. 24).....	445
2. Lakefront Dock (Sub-No. 26).....	464
3. Albany Port Railroad (Sub-No. 31).....	488



BEFORE THE  
SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423



STB NO. AB-167 (SUB-NO. 1181X)

CONSOLIDATED RAIL CORPORATION  
-- ABANDONMENT EXEMPTION --  
IN EDGAR AND VERMILION COUNTIES, ILLINOIS

**FILED**

JUN 23 1997

STB NO. AB-55 (SUB-NO. 551X)

SURFACE  
TRANSPORTATION BOARD

CSX TRANSPORTATION, INC.  
-- ABANDONMENT EXEMPTION --  
IN EDGAR AND VERMILION COUNTIES, ILLINOIS

**NOTICE OF EXEMPTION**

1. Consolidated Rail Corporation ("CRC"), and CSX Transportation, Inc. ("CSXT"), hereby file this verified notice of exemption pursuant to 49 C.F.R. 1152.50 to abandon the line of railroad described below. A map showing the location of the line and more specifically describing the portion to be abandoned is attached hereto as Exhibit A.

Name: Danville Secondary Track

Location: Edgar and Vermilion Counties, Illinois, traversing United States Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944.

Description of Track: A portion of the Danville Secondary Track between railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00±, at Danville, Illinois.

Length of Track: 29.00 total miles±

Ownership and Operation of Track: The track is presently owned and operated by CRC and is to be operated by CSXT pursuant to authority presently being sought in 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.*

2. The abandonment of this line of railroad is related to, and contingent upon, the proposed control of CRC and Conrail Inc. ("CRI") (collectively "Conrail") by CSXT and CSX Corporation ("CSXC") (collectively "CSX") and Norfolk Southern Corporation ("NSC") and Norfolk Southern Railway Company ("NSRC") (collectively "NS"), approval for which is being sought in Finance Docket No. 33388, and the subsequent operation of this line of railroad by CSXT.

3. CRC certifies that (a) no local traffic has moved over the line for at least two years, and (b) no formal complaint filed by a user of rail service on the line (or a state or local government entity acting on behalf of such user) regarding cessation of service over the line either is pending before the Board or any United States District Court or has been decided in favor of a complainant within the last two years. CSXT certifies that following the approval by the Board of the control of Conrail by CSX and NS and the operation of the involved railroad line by CSXT, as proposed in Finance Docket No. 33388, overhead traffic currently moving over the line will be rerouted over other rail lines of CSXT.

4. The proposed consummation date of the abandonment will be on or after the effective date of a Board decision in Finance Docket No. 33388 approving the control of Conrail by CSX and NS and the operation of the involved rail line by CSXT.

5. The exact name of the applicants are Consolidated Rail Corporation and CSX Transportation, Inc.

6. CRC and CSXT are common carriers by railroad subject to Subtitle IV, Part A, of Title 49, United States Code, and are not parts of any other railroad systems.

7. The relief CRC and CSXT seek is abandonment of the above-described line, contingent upon the control of Conrail by CSX and NS and the operation of the involved line by CSXT, as sought in Finance Docket No. 33388.

8. Applicant's representatives to whom correspondence relating to this matter should be addressed are as follows:

John J. Paylor  
Associate General Counsel  
Consolidated Rail Corporation  
2001 Market Street - 16A  
Philadelphia, PA 19101-1416  
Telephone (215) 209-5047.

Charles M. Rosenberger  
Senior Counsel  
CSX Transportation, Inc.  
500 Water St., J150  
Jacksonville, FL 32202  
Telephone (904) 359-1250

9. The Property may be suitable for other public purposes, but may be subject to reversionary interests that would affect its use for purposes other than rail service.

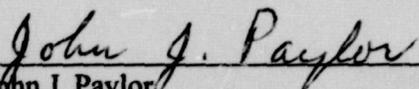
10. CRC and CSXT acknowledge that the Board must require provisions for protection of the interests of employees as a condition of any abandonment and that it may not in the exercise of its exemption authority relieve a rail carrier from an obligation to protect the interests of employees. See 49 U.S.C. 10903(b)(2) and 10502(g), as amended.

CRC and CSXT believe that the appropriate level of labor protection to be imposed is that contained in the conditions set forth in *Oregon Short Line Railroad Company -- Abandonment -- Goshen*, 360 I.C.C. 91 (1979).

11. The required Environmental and Historic Report in conformance with 49 C.F.R. 1105.7 and 1105.8 is contained in the Environmental Report being filed with the Board in Finance Docket No. 33388.

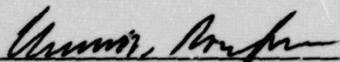
12. The undersigned counsel certify that (a) the notice requirements of 49 C.F.R. 1152.50(d)(1) have been complied with by the sending on May 27, 1997 of letters to the agencies and entities specified in 49 C.F.R. 1152.50(d)(1) (copies of which are attached hereto); and (b) the requirements of 49 C.F.R. 1105.12 have been fulfilled by the publishing of notices on May 29, 1997, in the Paris Beacon News, a newspaper of general circulation in Edgar County, and on May 28, 1997, in the Danville Commercial News, a

newspaper of general circulation in Vermilion County, Illinois. A copy of the text of this notice is attached hereto as Exhibit B.

  
\_\_\_\_\_

John J. Paylor  
Associate General Counsel  
Consolidated Rail Corporation  
2001 Market Street - 16A  
Philadelphia, PA 19101-1416  
(215) 209-5047

Attorney for Consolidated Rail Corporation

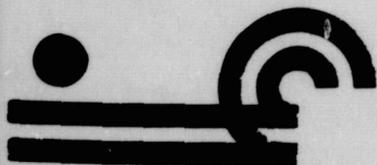
  
\_\_\_\_\_

Charles M. Rosenberger  
Senior Counsel  
CSX Transportation, Inc.  
500 Water St., J150  
Jacksonville, FL 32202  
Telephone (904) 359-1250

Attorney for CSX Transportation, Inc.

DATE: June 8, 1997

**CONRAIL**



May 27, 1997

UPS NEXT DAY

Merrill Travis, Chief  
Illinois Department of Transportation  
Bureau of Railroads  
2300 South Dirksen Parkway  
Springfield, IL 62764

RE: STB No. AB-167 (Sub-No. 1181X)  
Consolidated Rail Corporation -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

RE: STB No. AB-55 (Sub-No. 551X)  
CSX Transportation, Inc. -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

Dear Mr. Travis:

This is to notify you pursuant to 49 C.F.R. 1105.7(b) and 49 C.F.R. 1152.50(d)(1) that Consolidated Rail Corporation ("Conrail") and CSX Transportation, Inc. ("CSX") intend to file a Notice of Exemption with the Surface Transportation Board for abandonment of the rail line shown on the attached map, and more fully described below:

Name: Danville Secondary Track

Location: Edgar and Vermillion Counties, Illinois, traversing United States  
Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944

Description of Track: A portion of the Danville Secondary Track between  
railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00± at Danville,  
Illinois

Length of Track: 29.00 total miles±

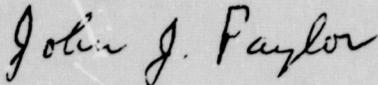
Page 2

The Notice of Exemption will be filed pursuant to the provisions of 49 C.F.R. 1152.50(d)(1). The subject line has no local traffic and overhead traffic will be handled via alternate rail lines. The abandonment will involve salvage and removal of the rail and crossties. Conrail and CSX have no current plans to dispose of any other structure involved. The only alternative considered is no action.

Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in our possession will be made available promptly to those requesting it.

If you have any questions concerning this proceeding, please call me at the number shown below.

Very truly yours,

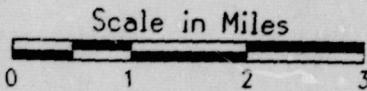


John J. Paylor  
Associate General Counsel  
(215) 209-5047

Enclosure

cc: Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001

C. M. Rosenberger

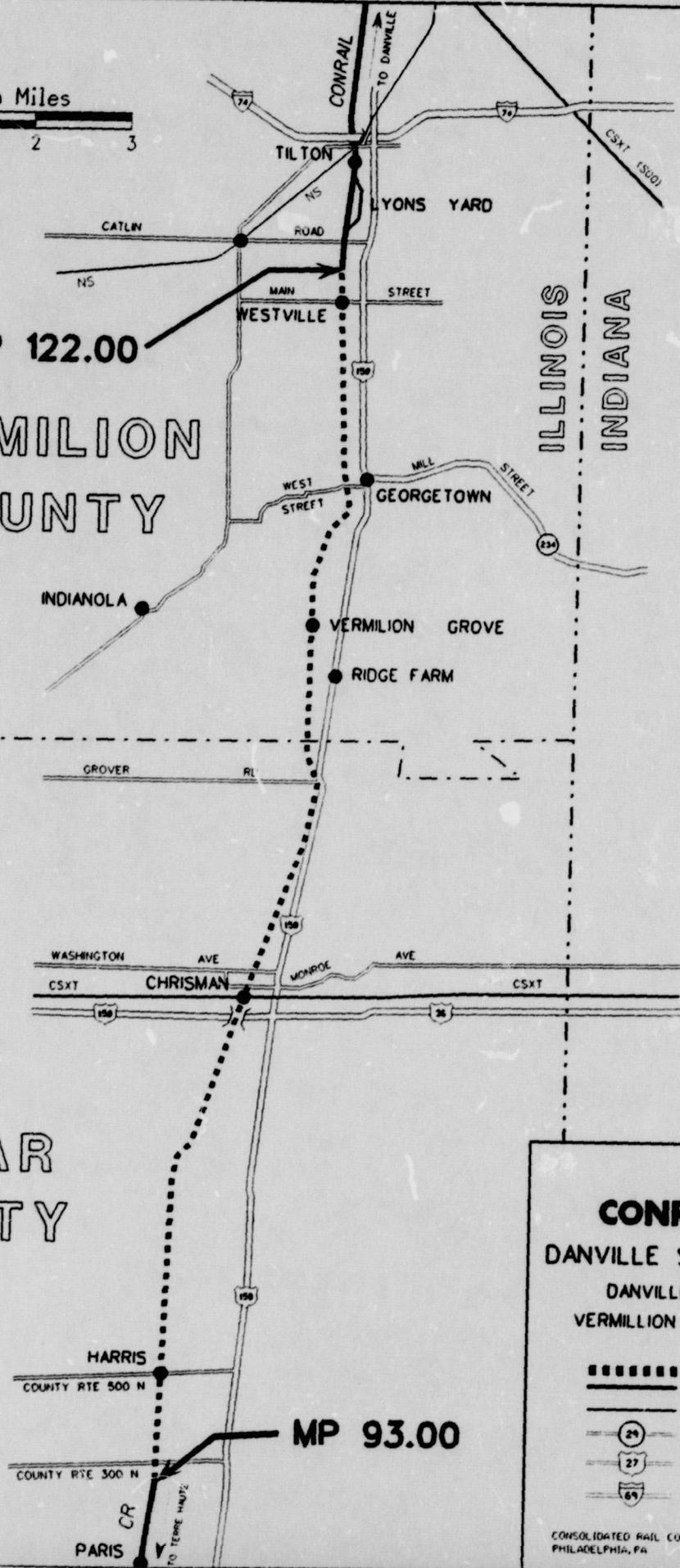


VERMILION  
COUNTY

MP 122.00

EDGAR  
COUNTY

MP 93.00

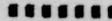
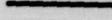
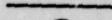
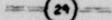
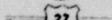
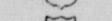


ILLINOIS  
INDIANA

FILE: \danville.abn  
Map 1 of 2

**CONRAIL** 

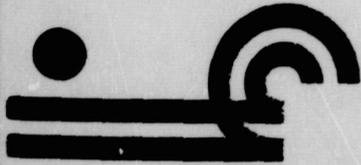
**DANVILLE SECONDARY TRACK**  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLINOIS

-  ANTICIPATED ABANDONMENT
-  OTHER CONRAIL LINES
-  OTHER RAILROADS (AS LABELED)
-  STATE HIGHWAY
-  U.S. HIGHWAY
-  INTERSTATE HIGHWAY

CONSOLIDATED RAIL CORP.  
PHILADELPHIA, PA

FEB. 18, 1997

**CONRAIL®**



May 27, 1997

UPS NEXT DAY

Steve Klokkenga  
State Single Point of Contact  
Office of the Governor, State of Illinois  
107 Stratton  
Springfield, IL 62706

RE: STB No. AB-167 (Sub-No. 1181X)  
Consolidated Rail Corporation -- Abandonment  
Exemption -- in Edgar and Vermillion Counties, Illinois

RE: STB No. AB-55 (Sub-No. 551X)  
CSX Transportation, Inc. -- Abandonment  
Exemption -- in Edgar and Vermillion Counties, Illinois

Dear Mr. Klokkenga:

This is to notify you pursuant to 49 C.F.R. 1105.7(b) that Consolidated Rail Corporation ("Conrail") and CSX Transportation, Inc. ("CSX") intend to file a Notice of Exemption with the Surface Transportation Board for abandonment of the rail line shown on the attached map, and more fully described below:

Name: Danville Secondary Track

Location: Edgar and Vermillion Counties, Illinois, traversing United States  
Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944

Description of Track: A portion of the Danville Secondary Track between  
railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00± at Danville,  
Illinois

Length of Track: 29.00 total miles±

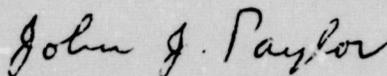
09

Page 2

The Notice of Exemption will be filed pursuant to the provisions of 49 C.F.R. 1152.50(d)(1). The subject line has no local traffic and overhead traffic will be handled via alternate rail lines. The abandonment will involve salvage and removal of the rail and crossties. Conrail and CSX have no current plans to dispose of any other structure involved. The only alternative considered is no action.

If you have any questions concerning this proceeding, please call me at the number shown below.

Very truly yours,

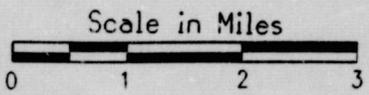


John J. Paylor  
Associate General Counsel  
(215) 209-5047

Enclosure

cc: Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001

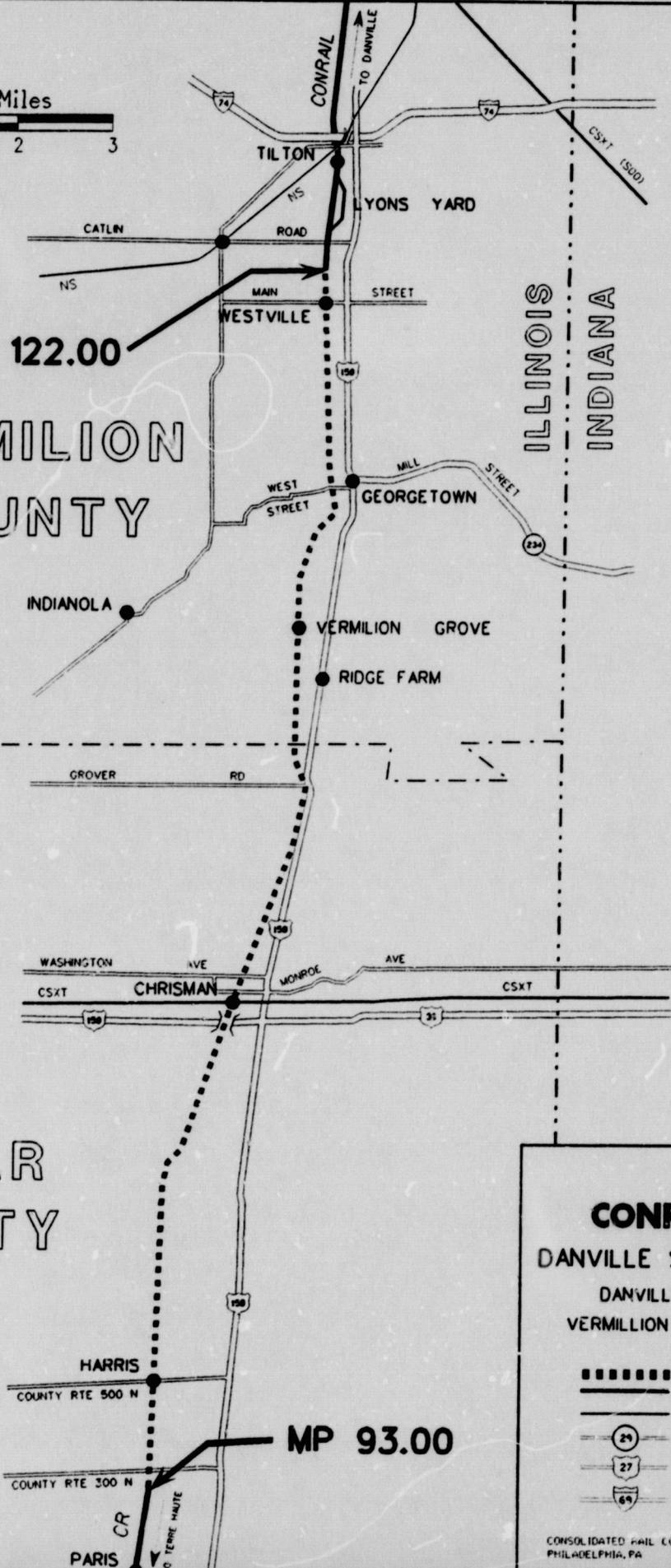
C. M. Rosenberger



VERMILION COUNTY

ILLINOIS INDIANA

EDGAR COUNTY



MP 122.00

MP 93.00

FILE: \danville.obn  
Map 1 of 2

**CONRAIL** 

**DANVILLE SECONDARY TRACK**  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLINOIS

-  ANTICIPATED ABANDONMENT
-  OTHER CONRAIL LINES
-  OTHER RAILROADS (AS LABELED)
-  STATE HIGHWAY
-  U.S. HIGHWAY
-  INTERSTATE HIGHWAY

**CONRAIL<sup>®</sup>**

May 27, 1997

UPS NEXT DAY

Department of Defense  
Military Traffic Management Command  
Transportation Engineering Agency  
Railroads for National Defense Program  
720 Thimble Shoals Boulevard  
Suite 130  
Newport News, VA 23606-2574  
Attn: Bob Kompanty

RE: STB No. AB-167 (Sub-No. 1181X)  
Consolidated Rail Corporation -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

RE: STB No. AB-55 (Sub-No. 551X)  
CSX Transportation, Inc. -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

Dear Mr. Kompanty:

Consolidated Rail Corporation ("Conrail") and CSX Transportation, Inc. ("CSX") intend to file a Notice of Exemption with the Surface Transportation Board for abandonment of the line of railroad described below. The Notice of Exemption will be filed pursuant to the provisions of 49 C.F.R. 1152.50 regarding abandonment of out-of-service lines of railroad. This letter provides advance notice of the filing in compliance with 49 C.F.R. 1152.50(d)(1).

The line of railroad that Conrail and CSX intend to abandon is shown on the attached map and is more fully described below:

Name: Danville Secondary Track

Location: Edgar and Vermillion Counties, Illinois, traversing United States  
Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944

12

Page 2

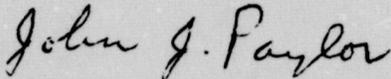
**Description of Track:** A portion of the Danville Secondary Track between railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00± at Danville, Illinois

**Length of Track:** 29.00 total miles±

Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in our possession will be made available promptly to those requesting it.

If you have any questions concerning this proceeding, please call me at the number shown below.

Very truly yours,

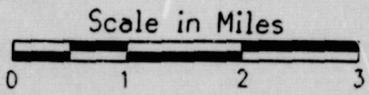


John J. Paylor  
Associate General Counsel  
(215) 209-5047

Enclosure

cc: Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423-0001

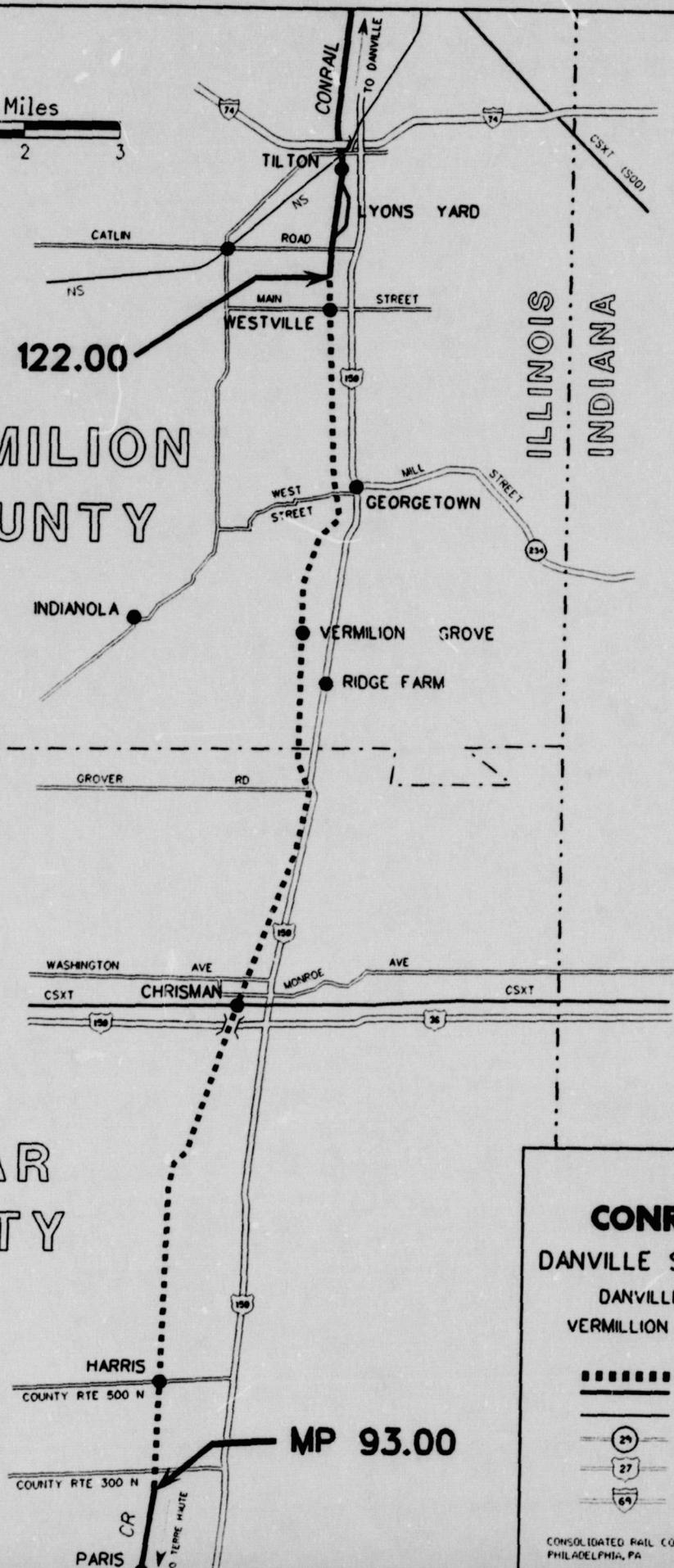
C. M. Rosenberger



VERMILION COUNTY

ILLINOIS INDIANA

EDGAR COUNTY



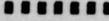
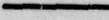
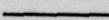
MP 122.00

MP 93.00

FILE: \danville.abn  
Map 1 of 2

**CONRAIL** 

**DANVILLE SECONDARY TRACK**  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLINOIS

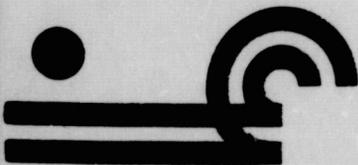
-  ANTICIPATED ABANDONMENT
-  OTHER CONRAIL LINES
-  OTHER RAILROADS (AS LABELED)
-  STATE HIGHWAY
-  U.S. HIGHWAY
-  INTERSTATE HIGHWAY

CONSOLIDATED RAIL CORP.  
PHILADELPHIA, PA

FEB. 16, 1997

014

**CONRAIL®**



May 27, 1997

UPS NEXT DAY

William T. Spitzer  
Chief, Recreation Resources  
Assistance Division  
National Park Service  
Rm. 490  
800 N. Capitol Street, N.W.  
Washington, DC 20013-7127

RE: STB No. AB-167 (Sub-No. 1181X)  
Consolidated Rail Corporation -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

RE: STB No. AB-55 (Sub-No. 551X)  
CSX Transportation, Inc. -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

Dear Mr. Spitzer:

Consolidated Rail Corporation ("Conrail") and CSX Transportation, Inc. ("CSX") intend to file a Notice of Exemption with the Surface Transportation Board for abandonment of the line of railroad described below. The Notice of Exemption will be filed pursuant to the provisions of 49 C.F.R. 1152.50 regarding abandonment of out-of-service lines of railroad. This letter provides advance notice of the filing in compliance with 49 C.F.R. 1152.50(d)(1).

The line of railroad that Conrail and CSX intend to abandon is shown on the attached map and is more fully described below:

Name: Danville Secondary Track

Location: Edgar and Vermilion Counties, Illinois, traversing United States  
Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944

Page 2

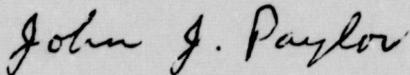
**Description of Track:** A portion of the Danville Secondary Track between railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00± at Danville, Illinois

**Length of Track:** 29.00 total miles±

Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in our possession will be made available promptly to those requesting it.

If you have any questions concerning this proceeding, please call me at the number shown below.

Very truly yours,

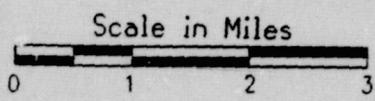


John J. Paylor  
Associate General Counsel  
(215) 209-5047

Enclosure

cc: Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423-0001

C. M. Rosenberger

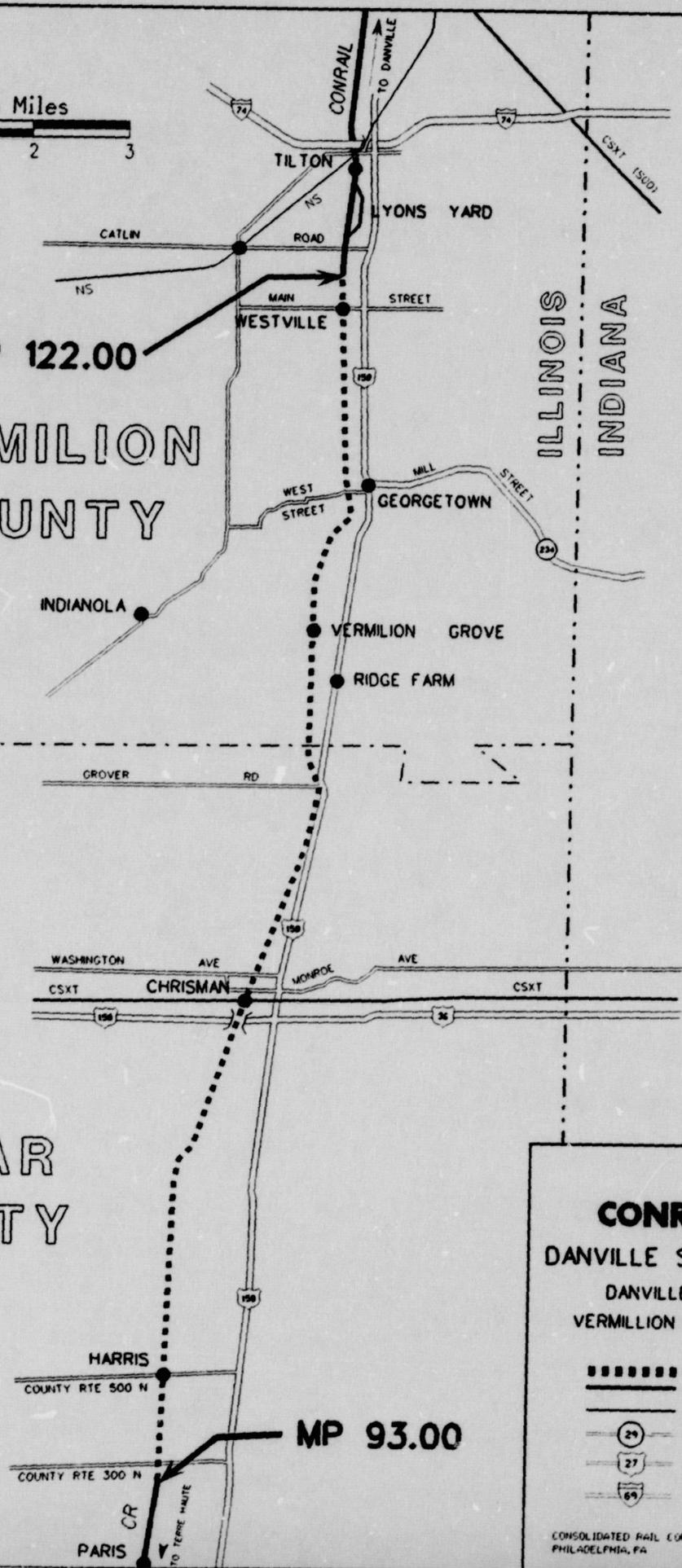


VERMILION  
COUNTY

MP 122.00

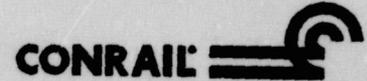
EDGAR  
COUNTY

MP 93.00



ILLINOIS  
INDIANA

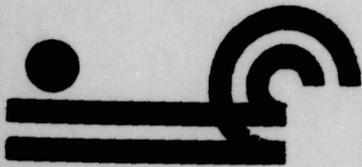
FILE: \danville.abn  
Map 1 of 2



DANVILLE SECONDARY TRACK  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLINOIS

- ANTICIPATED ABANDONMENT
- OTHER CONRAIL LINES
- OTHER RAILROADS (AS LABELED)
- ⊖ STATE HIGHWAY
- ⊖ U.S. HIGHWAY
- ⊖ INTERSTATE HIGHWAY

**CONRAIL**



May 27, 1997

UPS NEXT DAY

U.S. Department of the Interior  
Chief, Land Resource Division  
National Park Service  
Rm. 540  
800 N. Capitol Street, N.W.  
Washington, D.C. 20002-4244

RE: STB No. AB-167 (Sub-No. 1181X)  
Consolidated Rail Corporation -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

RE: STB No. AB-55 (Sub-No. 551X)  
CSX Transportation, Inc. -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

Dear Sir or Madam:

Consolidated Rail Corporation ("Conrail") and CSX Transportation, Inc. ("CSX") intend to file a Notice of Exemption with the Surface Transportation Board for abandonment of the line of railroad described below. The Notice of Exemption will be filed pursuant to the provisions of 49 C.F.R. 1152.50 regarding abandonment of out-of-service lines of railroad. This letter provides advance notice of the filing in compliance with 49 C.F.R. 1152.50(d)(1).

The line of railroad that Conrail and CSX intend to abandon is shown on the attached map and is more fully described below:

Name: Danville Secondary Track

Location: Edgar and Vermillion Counties, Illinois, traversing United States  
Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944

Page 2

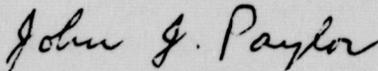
Description of Track: A portion of the Danville Secondary Track between railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00± at Danville, Illinois

Length of Track: 29.00 total miles±

Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in our possession will be made available promptly to those requesting it.

If you have any questions concerning this proceeding, please call me at the number shown below.

Very truly yours,

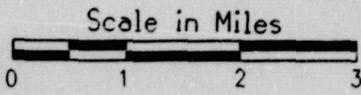


John J. Paylor  
Associate General Counsel  
(215) 209-5047

Enclosure

cc: Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423-0001

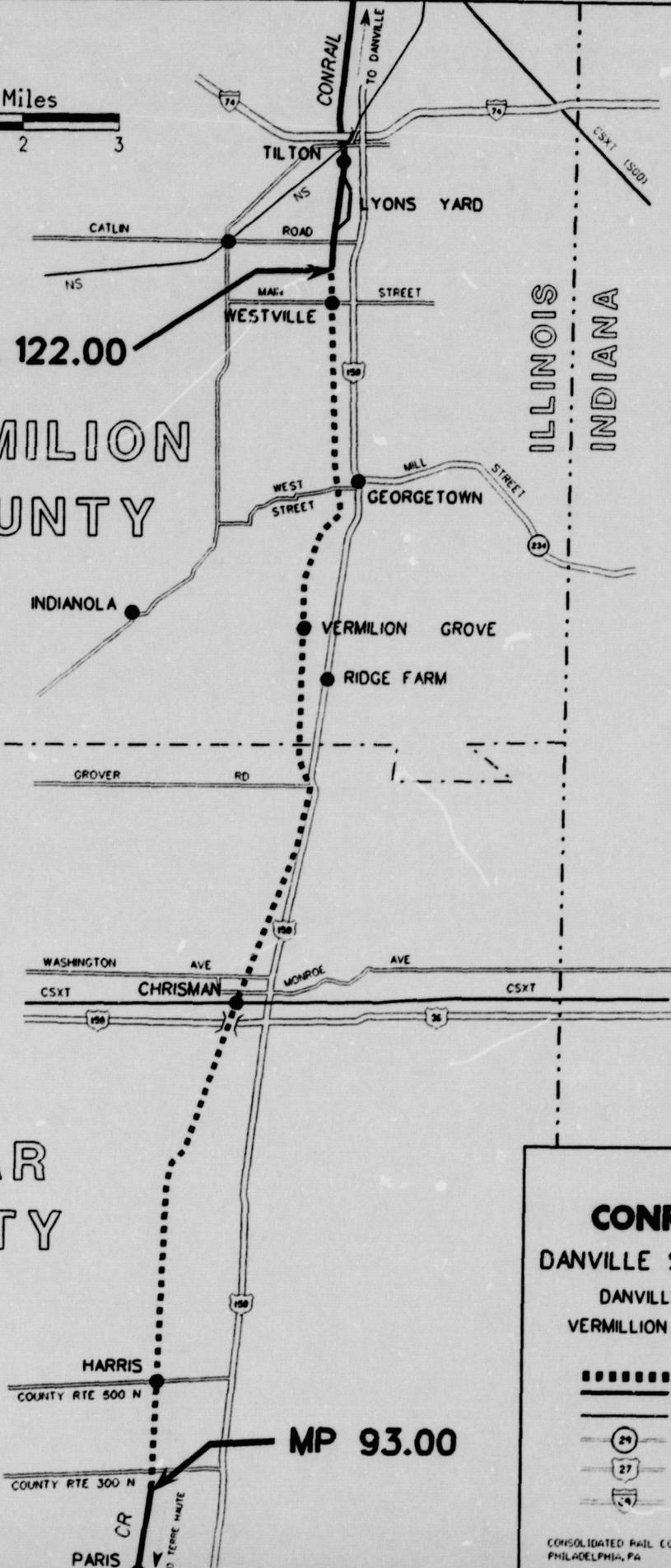
C. M. Rosenberger



VERMILION COUNTY

ILLINOIS  
INDIANA

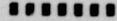
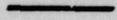
EDGAR COUNTY



FILE: \danville.obn  
Map 1 of 2

**CONRAIL** 

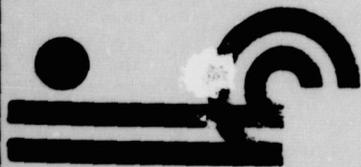
**DANVILLE SECONDARY TRACK**  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLINOIS

-  ANTICIPATED ABANDONMENT
-  OTHER CONRAIL LINES
-  OTHER RAILROADS (AS LABELED)
-  STATE HIGHWAY
-  U.S. HIGHWAY
-  INTERSTATE HIGHWAY

CONSOLIDATED RAIL CORP.  
PHILADELPHIA, PA

FEB. 18, 1997

**CONRAIL**



May 27, 1997

UPS NEXT DAY

F. Dale Robertson  
Chief, Forest Service  
United States Department of Agriculture  
Auditors Building  
201 14th Street, S.W.  
Washington, D.C. 20250

RE: STB No. AB-167 (Sub-No. 1181X)  
Consolidated Rail Corporation -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

RE: STB No. AB-55 (Sub-No. 551X)  
CSX Transportation, Inc. -- Abandonment  
Exemption -- in Edgar and Vermilion Counties, Illinois

Dear Mr. Robertson:

Consolidated Rail Corporation ("Conrail") and CSX Transportation, Inc. ("CSX") intend to file a Notice of Exemption with the Surface Transportation Board for abandonment of the line of railroad described below. The Notice of Exemption will be filed pursuant to the provisions of 49 C.F.R. 1152.50 regarding abandonment of out-of-service lines of railroad. This letter provides advance notice of the filing in compliance with 49 C.F.R. 1152.50(d)(1).

The line of railroad that Conrail and CSX intend to abandon is shown on the attached map and is more fully described below:

Name: Danville Secondary Track

Location: Edgar and Vermillion Counties, Illinois, traversing United States Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944

021

Page 2

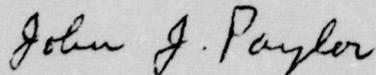
**Description of Track:** A portion of the Danville Secondary Track between railroad milepost 93.00± at Paris, Illinois, and railroad milepost 122.00± at Danville, Illinois

**Length of Track:** 29.00 total miles±

Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in our possession will be made available promptly to those requesting it.

If you have any questions concerning this proceeding, please call me at the number shown below.

Very truly yours,

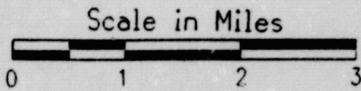


John J. Paylor  
Associate General Counsel  
(215) 209-5047

Enclosure

cc: Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423-0001

C. M. Rosenberger

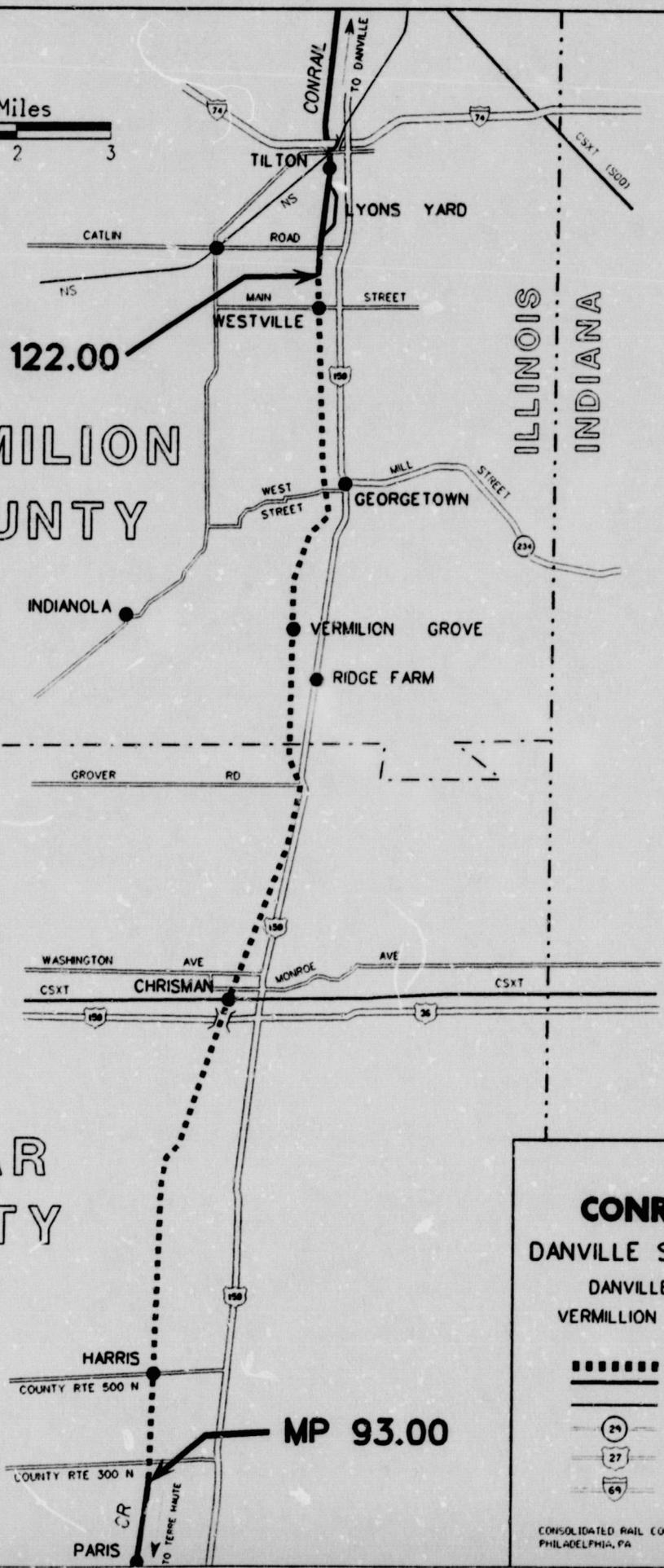


VERMILION  
COUNTY

MP 122.00

EDGAR  
COUNTY

MP 93.00

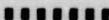


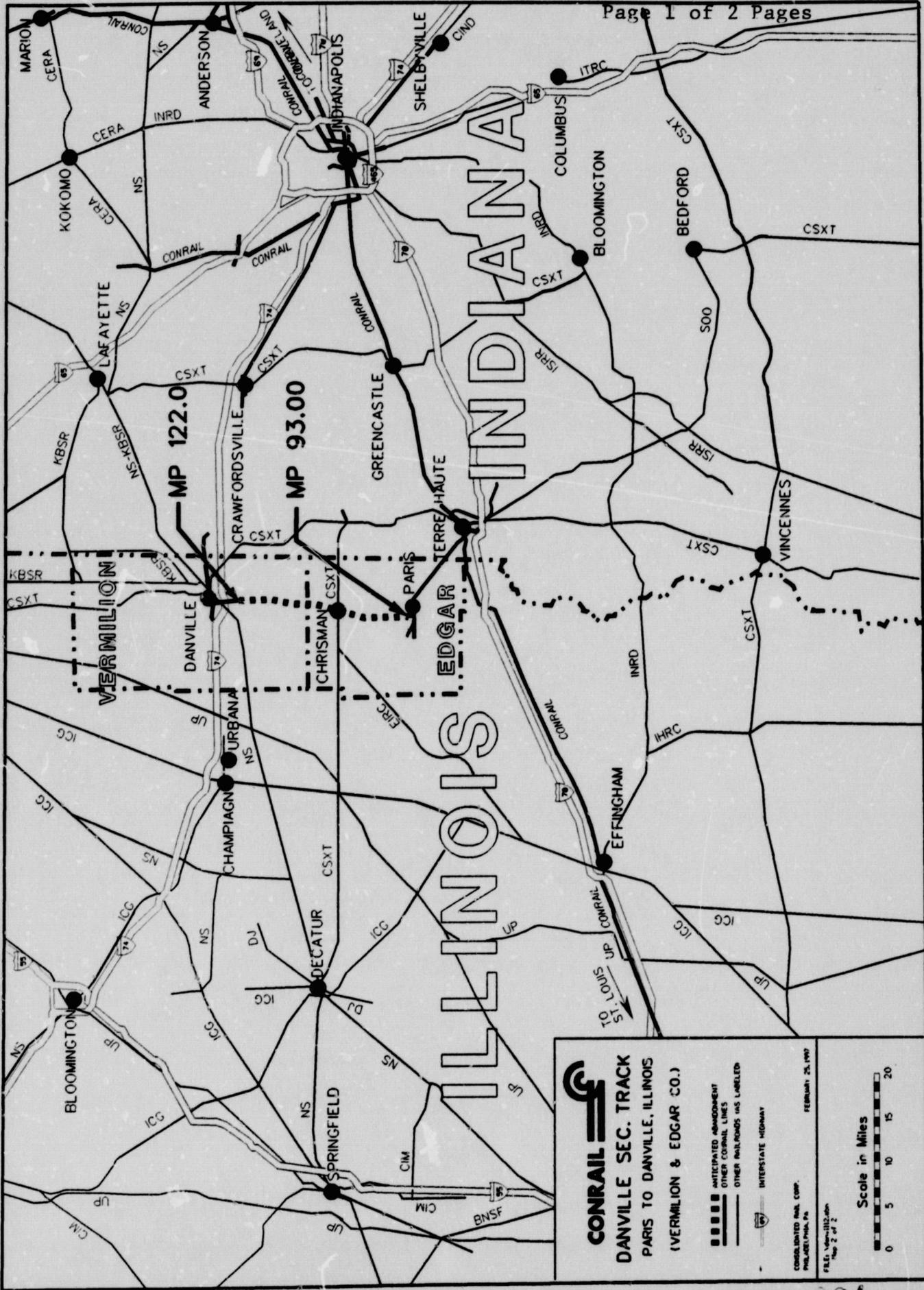
ILLINOIS  
INDIANA

FILE: \danville.abri  
Map 1 of 2

**CONRAIL** 

**DANVILLE SECONDARY TRACK**  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLINOIS

-  ANTICIPATED ABANDONMENT
-  OTHER CONRAIL LINES
-  OTHER RAILROADS (AS LABELED)
-  STATE HIGHWAY
-  U.S. HIGHWAY
-  INTERSTATE HIGHWAY



**CONRAIL**

**DANVILLE SEC. TRACK**  
**PARIS TO DANVILLE, ILLINOIS**  
**(VERMILION & EDGAR CO.)**

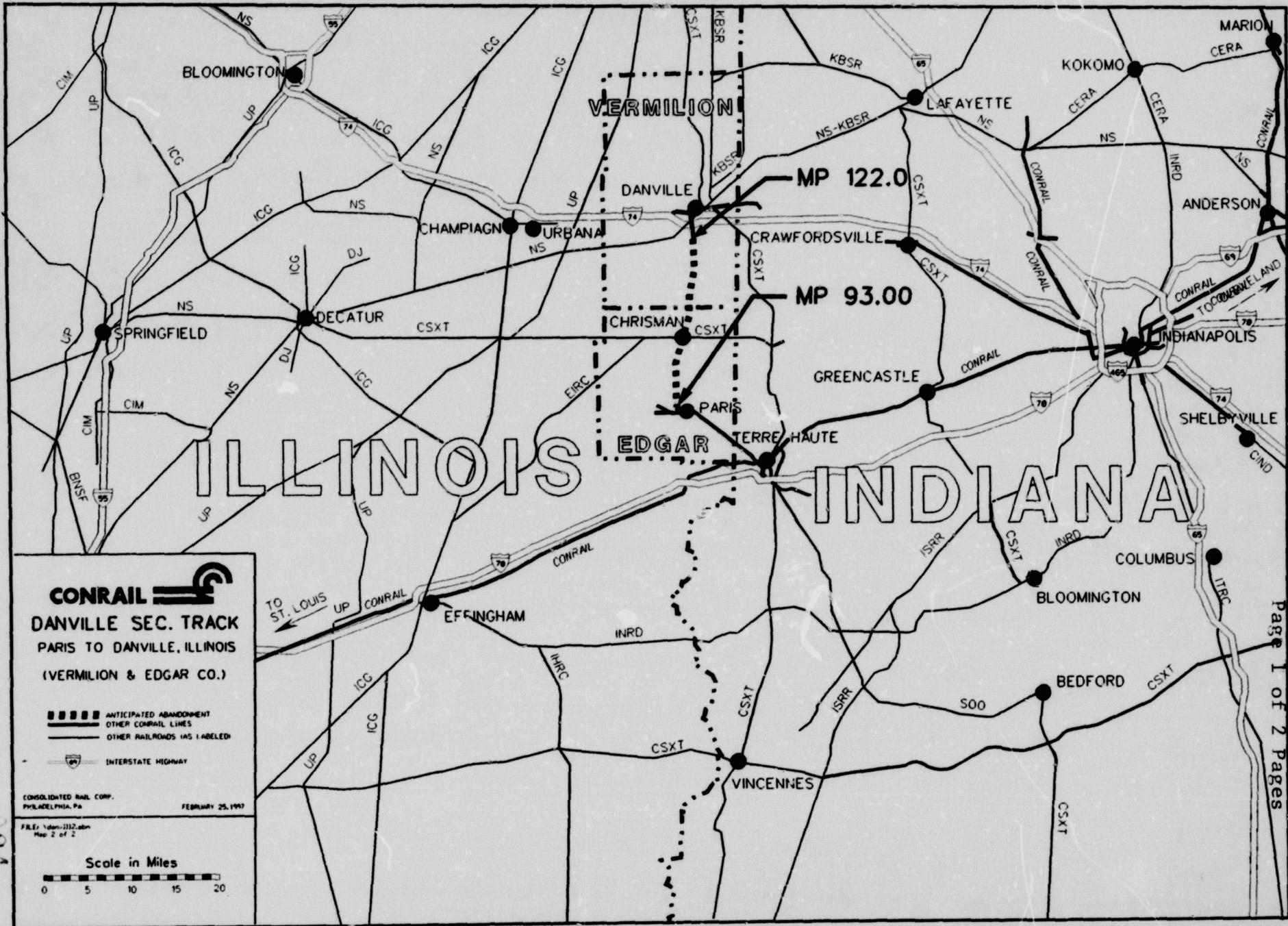
- ..... ANTICIPATED ABANDONMENT
- OTHER CONRAIL LINES
- OTHER RAILROADS (AS LABELED)
- Ⓜ INTERSTATE HIGHWAY

CONRAIL  
 PHILADELPHIA, PA.

FEBRUARY 25, 1987

Scale in Miles  
 0 5 10 15 20

FILE: \adm-1122.doc  
 Page 2 of 2



**CONRAIL** 

**DANVILLE SEC. TRACK**  
 PARIS TO DANVILLE, ILLINOIS  
 (VERMILION & EDGAR CO.)

 ANTICIPATED ABANDONMENT  
 OTHER CONRAIL LINES  
 OTHER RAILROADS (AS LABELED)  
 INTERSTATE HIGHWAY

CONSOLIDATED RAIL CORP.  
 PHILADELPHIA, Pa.      FEBRUARY 25, 1997

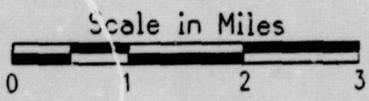
FILE: \den\312.abn  
 Map 2 of 2

Scale in Miles

0 5 10 15 20

EXHIBIT A  
 Page 1 of 2 pages

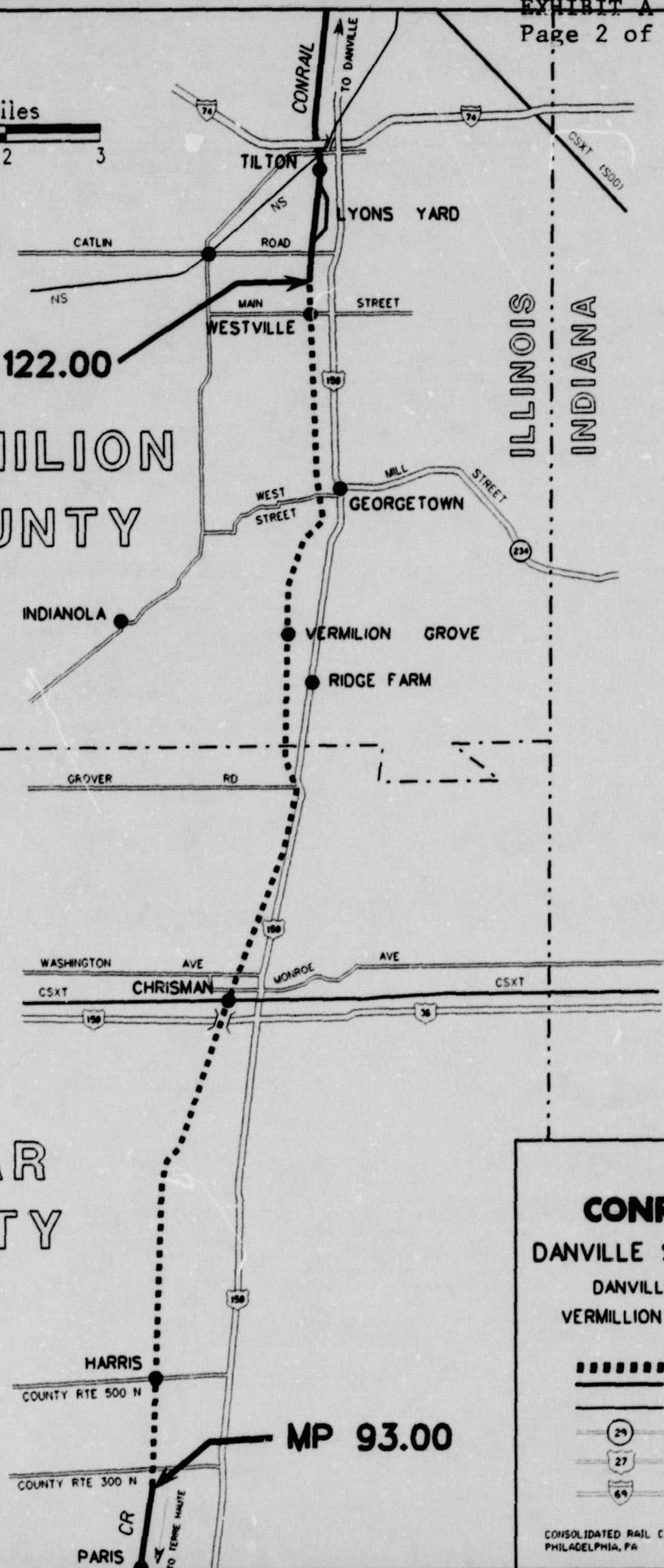
224



VERMILION  
COUNTY

ILLINOIS  
INDIANA

EDGAR  
COUNTY



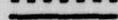
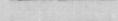
MP 122.00

MP 93.00

FILE: \danville.abn  
Map 1 of 2

**CONRAIL** 

**DANVILLE SECONDARY TRACK**  
DANVILLE TO PARIS, ILLINOIS  
VERMILION & EDGAR CO., ILLIONIS

-  ANTICIPATED ABANDONMENT
-  OTHER CONRAIL LINES
-  OTHER RAILROADS (AS LABELED)
-  STATE HIGHWAY
-  U.S. HIGHWAY
-  INTERSTATE HIGHWAY

CONSOLIDATED RAIL CORP. 025  
PHILADELPHIA, PA. FEB. 18, 1997

**NOTICE**

Consolidated Rail Corporation and CSX Transportation, Inc. give notice that, on or about June 16, 1997, they intend to file with the Surface Transportation Board, Washington, DC 20423, a notice of exemption under 49 CFR 1152 Subpart F - Exempt Abandonments, permitting the abandonment of a 29.00 mile line of railroad, consisting of a portion of Conrail's Danville Secondary between railroad milepost 93.00± and railroad milepost 122.00±, which traverses through United States Postal Service Zip Codes 61846, 61870, 61883, 61924, and 61944, in Edgar and Vermilion Counties, Illinois. The proceeding will be docketed as STB No. AB-167 (Sub-No. 1181X) and STB No. AB-55 (Sub-No. 551X). The Notice will be filed as a related transaction to 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.*

The Board's Section of Energy and Environment (SEE) will generally prepare an Environmental Assessment (EA), which will normally be available 25 days after the filing of the notice of exemption. Comments on environmental and energy matters should be filed no later than 15 days after the EA becomes available to the public and will be addressed in a Board decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Energy and Environment, Surface Transportation Board, Washington, DC 20423 or by calling that office at 202-565-1538.

Appropriate offers of financial assistance to continue railroad service can be filed with the Board. Requests for environmental conditions, public use conditions or railbanking/trails use also can be filed with the Board. An original and 10 copies of any

pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the Board's Office of the Secretary, 1925 K Street, N.W., Washington DC 20423-0001, and one copy must be served on applicant's representatives. Questions regarding offers of financial assistance, public use or trails use may be directed to the Board's Office of Public Services at 202-565-1592. Copies of any comments or requests for conditions should be served on the applicant's representatives: John J. Paylor, Associate General Counsel, Consolidated Rail Corporation, 2001 Market Street - 16A, Philadelphia, Pennsylvania 19101-1416, telephone 215-209-5012, and Charles M. Rosenberger, Senior Counsel, CSX Transportation, Inc., 500 Water St., Jacksonville, FL 32202, telephone (904) 359-1250.

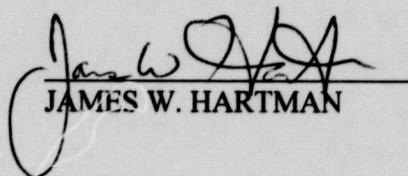
VERIFICATION

COMMONWEALTH OF PENNSYLVANIA :

: ss

COUNTY OF PHILADELPHIA :

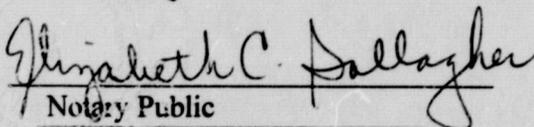
James W. Hartman, being duly sworn, makes oath and says that he is Director, Asset Utilization of Consolidated Rail Corporation; that he has been authorized by proper corporate action of Consolidated Rail Corporation to verify and file with the Surface Transportation Board the foregoing Notice of Exemption in STB Docket No. AB 167 (Sub-No. 1181X); that he has general knowledge of the facts and matters relied upon in such Notice; and that all representations set forth therein are true and correct to the best of his knowledge, information and belief.

  
JAMES W. HARTMAN

Sworn To And Subscribed

Before Me This 28<sup>th</sup> Day

Of May, 1997.

  
Notary Public

NOTARIAL SEAL  
ELIZABETH C. CALLAGHER, Notary Public  
City of Philadelphia, Phila County  
My Commission Expires May 31, 1999

VERIFICATION

STATE OF FLORIDA :

: ss

COUNTY OF DUVAL :

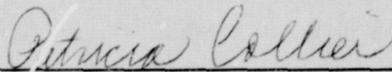
J. T. Derwin, being duly sworn, makes oath and says that he is Assistant Vice President -- Asset Management, of CSX Transportation, Inc.; that he has been authorized by proper corporate action of CSX Transportation, Inc. to verify and file with the Surface Transportation Board the foregoing Notice of Exemption in STB Docket No. AB-55 (Sub-No. 551X); that he has general knowledge of the facts and matters relied upon in such Notice; and that all representations set forth therein are true and correct to the best of his knowledge, information and belief.

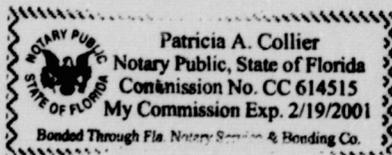
  
\_\_\_\_\_  
J. T. DERWIN

Sworn To And Subscribed

Before Me This 27th Day

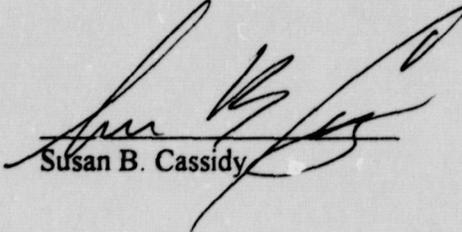
Of May, 1997.

  
\_\_\_\_\_  
Notary Public



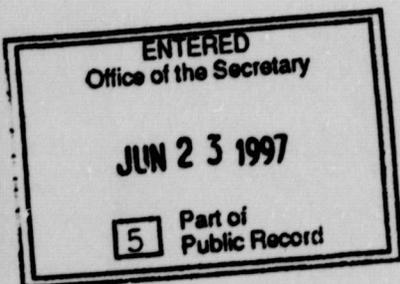
CERTIFICATE OF SERVICE

I, Susan B. Cassidy, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
Susan B. Cassidy

Dated: June 8, 1997

BEFORE THE  
SURFACE TRANSPORTATION BOARD



DOCKET NO. AB-290 (SUB-NO. 194X)

NORFOLK AND WESTERN RAILWAY COMPANY

-- ABANDONMENT --

BETWEEN SOUTH BEND AND DILLON JUNCTION  
IN ST. JOSEPH AND LAPORTE COUNTIES, INDIANA

**FILED**

JUN 23 1997

SURFACE  
TRANSPORTATION BOARD

NOTICE OF EXEMPTION

Norfolk and Western Railway Company (NW), a wholly owned subsidiary of Norfolk Southern Railway Company ("NS") submits this verified Notice of Exemption pursuant to 49 C.F.R. § 1152, Subpart F, *Exempt Abandonments and Discontinuances of Service and Trackage Rights*, for an exempt abandonment of the South Bend to Dillon Junction branchline extending from Milepost SK-2.5 near South Bend to Milepost SK-24.0 near Dillon Junction, a distance of approximately 21.5 miles in St. Joseph and LaPorte Counties, Indiana. The United States Postal Service ZIP codes which this line traverses or adjoins are: 46613, 46614, 46619, 46536, 46554, and 46365.

The abandonment of this line is related to, and contingent upon, the proposed Conrail acquisition, approval for which is being sought in STB Finance Docket No. 33388.

**Proposed Consummation Date: 49 C.F.R. § 1152.50(d)(2)**

The abandonment will be consummated on or after the effective date of a Board decision approving the Conrail acquisition application in STB Finance Docket No. 33388.

**Federally Granted Rights-of-Way**

Based on information in the railroad's possession, the line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

**Certification: 49 C.F.R. § 1152.50(b)**

Currently two trains per day operate on this branch line to serve customers located at the end of the line in South Bend, IN. Following the acquisition of Conrail, NW will serve the South Bend customers from the Conrail line between Elkhart and Porter, IN. The proposed abandonment does not include or affect any South Bend customers. The South Bend abandonment limit begins northwest of the intersection of Edward and Prairie Streets. All South Bend customers are located on the segment retained by NW and served from the CR line.

NW certifies that no local traffic has moved over the line between the abandonment limits for at least two years; no user of rail service on the line, or a state or local governmental entity acting on behalf of such user, has filed formal complaints with this Board regarding cessation of service over the line, and a formal complaint is neither pending with this Board nor any U.S. District Court nor has been decided in favor of the complainant within the two-year period.

Overhead traffic to South Bend will be rerouted over the Conrail Elkhart to Porter, IN line after the Conrail acquisition.

**Additional Information Required:**

**49 C.F.R. § 1152.22(a) (1)-(4), (7)-(8) and (e)(4)**

(a) **General**

(a)(1) The railroad's exact name is Norfolk and Western Railway Company. (NW)

(a)(2) NW is a wholly owned subsidiary of Norfolk Southern Railway Company, a common carrier railroad subject to the Interstate Commerce Commission Termination Act of 1995.

(a)(3) NW intends to abandon the South Bend to Dillon Junction branchline extending from Milepost SK-2.5 near South Bend to Milepost SK-24.0 near Dillon Junction, a distance of approximately 21.5 miles in St. Joseph and LaPorte Counties, Indiana.

(a)(4) A map showing the location of the line in conjunction with other rail lines, highways, and roads in the area is attached as Exhibit 1.

(a)(7) The representative to whom correspondence regarding this abandonment should be sent is:

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia, 23510-9241  
(757) 629-2759

(a)(8) The following list includes all United States Postal Service ZIP Codes that the line proposed for abandonment traverses: 46613, 46614, 46619, 46536, 46554, and 46365.

**(e)(4) Rural and Community Impact**

NW believes the South Bend to Dillon Junction branchline to be abandoned is not suitable for public use. NW believes that repair and maintenance of the bridges on the line would make such use prohibitively costly.

NW's title search is incomplete. At this time, NW is not aware of any reversionary interest which would affect the transfer of title, but must do further work to be certain.

**Labor Protection**

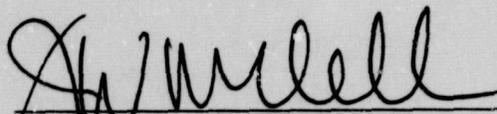
The interests of railroad employees will be protected by the conditions discussed in Oregon Short Line Railroad Co. – Abandonment – Goshen, 360 I.C.C. 91 (1979).

**Environmental / Historic Report**

Required environmental and historic information is contained in the Environmental Report being filed in STB Finance Docket No. 33388.

For the foregoing reasons, NS believes the proposed abandonment is exempt under 49  
C.F.R. § 1152.50.

Respectfully submitted.



J. W. McClellan  
Vice President-Strategic Planning  
Norfolk Southern Railway Company

Of Counsel:

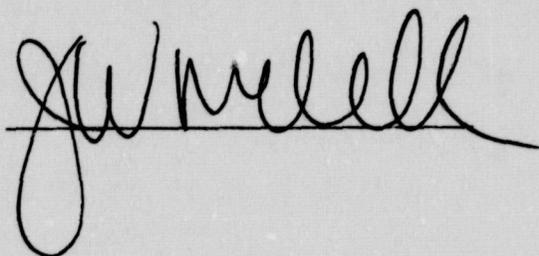
James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-2191  
(757) 629-2759

Dated: June 16, 1997

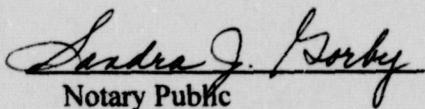
VERIFICATION

COMMONWEALTH OF VIRGINIA :  
:   
CITY OF NORFOLK :

J. W. McClellan, being duly sworn, deposes and says that he is Vice President-Strategic Planning of Norfolk Southern Railway Company; that he is authorized to sign, verify, and file with the Surface Transportation Board the foregoing Notice of Exemption in AB-290 (Sub-No. 194X) on behalf of Norfolk Southern Railway Company; that he has carefully examined all of the statements contained in said Notice of Exemption; that he has knowledge of the matters set forth therein; and that all such statements made and matters set forth are true and correct to the best of his knowledge, information, and belief.



Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.



Notary Public

My commission expires:

**MARCH 31, 1998**

[SEAL]

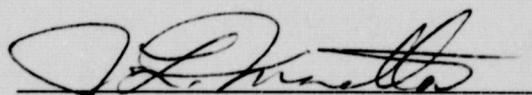
**CERTIFICATION**

COMMONWEALTH OF VIRGINIA :

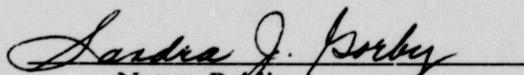
ss:

CITY OF NORFOLK :

J. L. Manetta makes oath and says that he is Vice President-Transportation and Mechanical for Norfolk and Western Railway Company; that the line between Milepost SK-2.5 at South Bend and Milepost SK-24.0 at Dillon Junction, Indiana, over which operations are to be abandoned, is subject to his supervision and direction; that no local traffic has moved over the line for at least two years; that the current overhead traffic at South Bend will be rerouted over the Conrail Elkhart to Porter, IN line after the Conrail acquisition; and that no formal complaint filed by a user of rail service on the line or a state or local government entity acting on behalf of such user regarding cessation of service over the line either is pending before the Surface Transportation Board or any U. S. District Court or has been decided in favor of the complainant within the two-year period.

  
\_\_\_\_\_  
J. L. Manetta

Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.

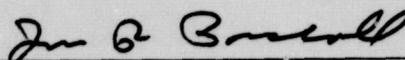
  
\_\_\_\_\_  
Notary Public

My commission expires:  
MARCH 31, 1998



CERTIFICATION

I hereby certify that pursuant to § 1105.12, a notice of intent to abandon rail service was published in The South Bend Tribune, South Bend, Indiana, and the LaPorte Herald-Argus, LaPorte, Indiana, on June 2, 1997; and that the notice required by § 1152.50(d)(1) was given (see Exhibit 2).

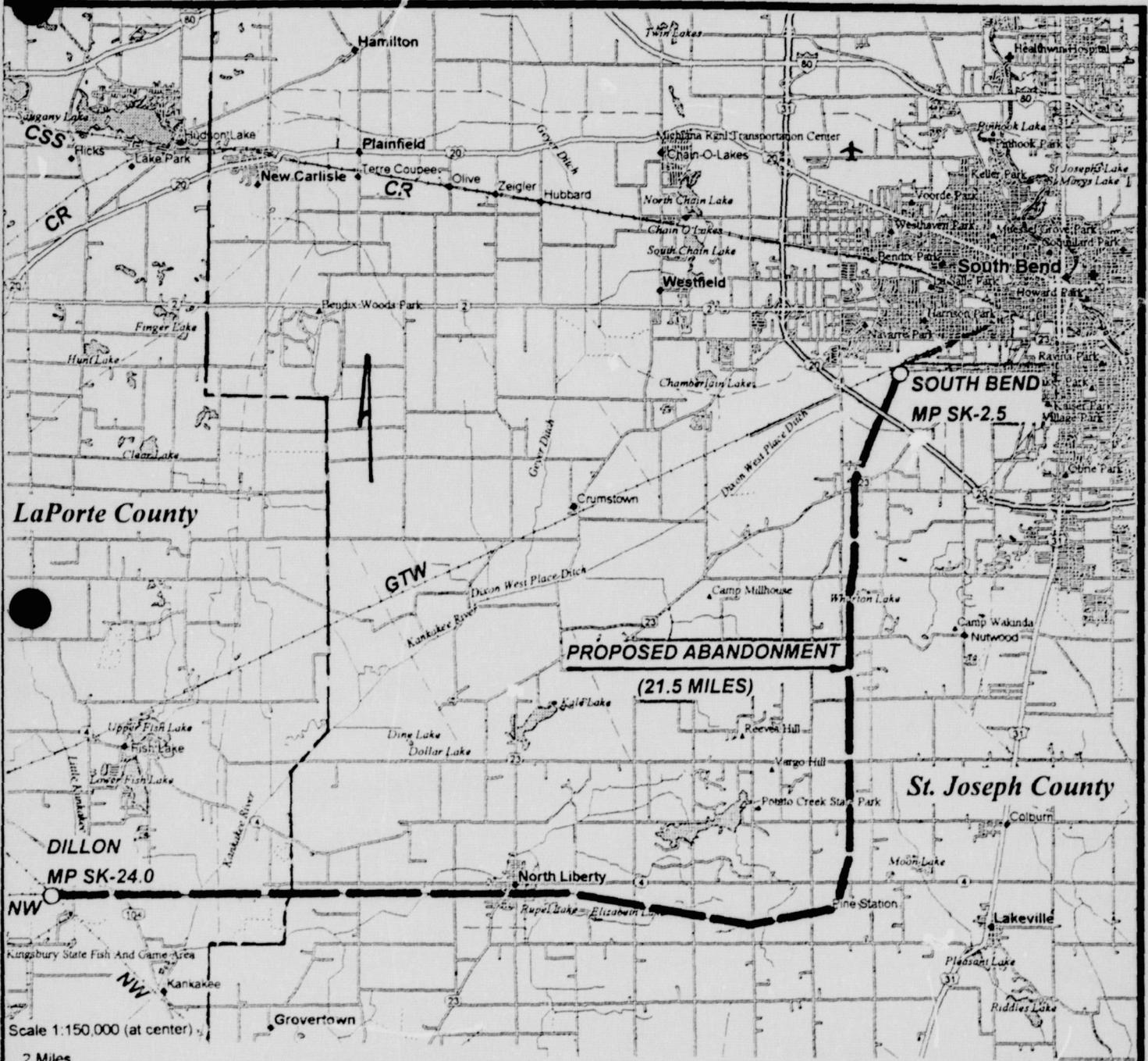


---

James R. Paschall

Dated: June 16, 1997

ALLIED REPROGRAPHICS 330449



Scale 1:150,000 (at center)  
2 Miles

DO NOT SCALE THIS DRAWING FOR DIMENSIONS NOT GIVEN



OFFICE OF CHIEF ENGINEER - DESIGN & CONSTRUCTION ATLANTA, GA.

R-1 MHG		2-12-97	Show County Lines
REV	BY	DATE	DESCRIPTION
LOCATION <b>South Bend to Dillon, Indiana</b>			
TITLE <b>Proposed Main Line Abandonment Between Milepost SK-2.5 and Milepost SK-24.0</b>			
DGN	VAL SEC	MAP	MILE POST SK-2.5 to SK-24.0
DWN MHG	FILE	188-24	DRAWING NUMBER
CHK	DATE	January 31, 1997	<b>TA 97-0037-R1</b>

CADD FILE  
FIELD BOOK

**NORFOLK  
SOUTHERN**

Norfolk Southern Corporation  
Law Department  
Three Commercial Place  
Norfolk, Virginia 23510-9241

James R. Paschall  
General Attorney

Writer's Direct Dial Number

(757) 629-2759

June 4, 1997

Mr. Leslie Duvall, Chairman  
Public Utilities Commission of Indiana  
913 State Office Building  
Indianapolis, IN 46204

MTMCTEA  
Attn: Railroads for National Defense  
720 Thimble Shoals Blvd., Suite 130  
Newport News, VA 23606-2574

National Park Service  
Recreation Resources Assistance Division  
P. O. Box 37127  
Washington, DC 20013-7127

U. S. Department of Agriculture  
Chief of the Forest Service  
South Building  
14th St. & Independence Ave., S.W.  
Washington, DC 20250

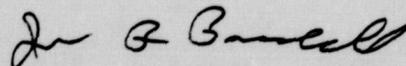
National Park Service  
Land Resources Division-MS800  
800 N. Capitol St., N.W.  
Washington, DC 20001

Re: Surface Transportation Board Docket No. AB-290 (Sub-No. 194X), Norfolk Southern Railway Company -- Abandonment -- Between South Bend and Dillon Junction in St. Joseph and LaPorte Counties, Indiana -- Notice of Exemption

Ladies and Gentlemen:

Pursuant to 49 CFR § 1152.50(d)(1), Norfolk Southern Railway Company (NS) hereby gives notice that on or about June 16, 1997, it will file with the Surface Transportation Board a notice of exemption from regulation in accordance with the exemption regulations set forth at 49 CFR Part 1152, Subpart F. That notice of exemption will permit NS' abandonment of its line of railroad between Milepost SK-2.5 near South Bend and Milepost SK-24.0 near Dillon Junction, IN (see attached map). The line to be abandoned is approximately 21.5 miles long and is located in St. Joseph and LaPorte Counties, IN. No revenue traffic has originated or terminated on the line to be abandoned for more than two years and the overhead traffic will be rerouted. Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

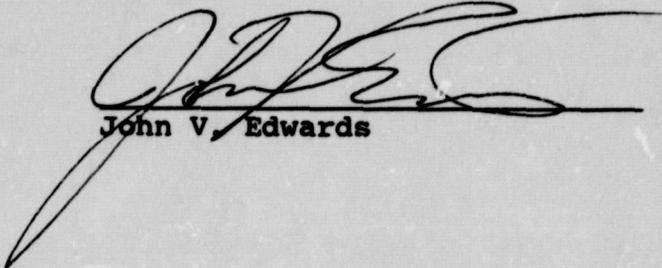
Very truly yours,



James R. Paschall

CERTIFICATE OF SERVICE

I, John V. Edwards, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

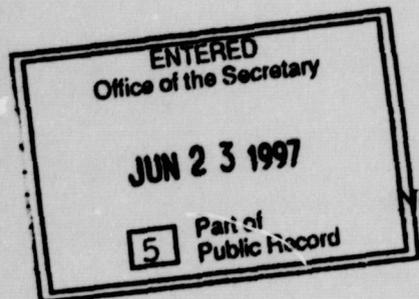
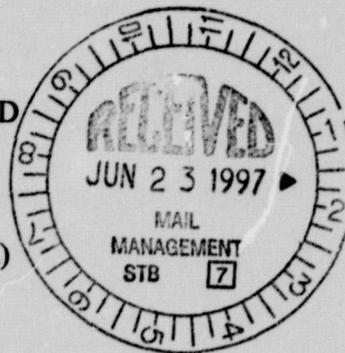


John V. Edwards

Dated: June 8, 1997

BEFORE THE  
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-290 (SUB-NO. 195X)



NORFOLK AND WESTERN RAILWAY COMPANY

-- ABANDONMENT --

BETWEEN DILLON JUNCTION AND MICHIGAN CITY  
IN LAPORTE COUNTY, INDIANA

**FILED**

JUN 23 1997

PETITION FOR EXEMPTION

SURFACE  
TRANSPORTATION BOARD

**I. Introduction**

Norfolk and Western Railway Company ("NW"), a wholly owned subsidiary of Norfolk Southern Railway Company ("NS") submits this Petition for Exemption pursuant to 49 U.S.C. § 10502 to abandon and discontinue operation of the Dillon Junction to Michigan City from Milepost I-137.3 near Dillon Junction to Milepost I-158.8 near Michigan City, a distance of approximately 21.5 miles in LaPorte County, Indiana. The United States Postal Service ZIP codes which this line traverses or adjoins are: 46360 and 46350.

The abandonment of this line is related to, and contingent upon, the proposed acquisition of Conrail, approval for which is being sought in STB Finance Docket No. 33388.

Abandonment of, and discontinuance of service on, rail lines requires authorization and approval of the Board pursuant to 49 U.S.C. § 10903. However, 49 U.S.C. § 10502 requires the Board to exempt a transaction when it finds: (1) continued regulation is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. § 10101; and (2) either the transaction is of limited scope or Board regulation is not necessary to protect shippers from an abuse of market power. The actions proposed herein by NW satisfy these standards for exemption.

## **II. Name and Description of Petitioner**

Norfolk and Western Railway Company is a wholly owned subsidiary of Norfolk Southern Railway Company, a common carrier by railroad which operates a railroad system throughout the Eastern United States. NS is a wholly-owned subsidiary of Norfolk Southern Corporation.

Counsel for Petitioner to whom correspondence may be sent is:

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia, 23510-9241  
(757) 629-2759

## **III. Description of the Line, Maintenance and Service**

NS requests exemption authority for physical abandonment and discontinuance on the Dillon Junction to Michigan City, IN branch line. The line extends from Milepost I-137.3 near Dillon Junction to Milepost I-158.8 near Michigan City, a distance of approximately 21.5 miles

in LaPorte County, Indiana. Dillon is a rail crossing between two NW rail segments. The rail line segment proposed for abandonment begins near Union Street in northeastern Michigan City and ends at Dillon Junction.

Currently approximately one train per week operates on this line. At one time, coal unit trains operated over this line for interchange with CSS, destination Burns Harbor, IN. These coal unit trains were rerouted through Toledo, OH in an NW/CR joint move.

CSS has trackage rights from Michigan City to Stillwell for interchange with GTW. No traffic currently moves via these trackage rights.

One customer, located in Michigan City, moved nineteen carloads of latex in 1996 and will lose rail service as a result of the proposed abandonment. One customer, LaPorte Metals, formerly located at LaPorte, relocated to Walkerton, IN which is between Dillon and Plymouth and will be retained by NW.

Two customers, located in Stillwell, each received one carload in 1996 and will lose rail service as a result of the proposed abandonment. Jim White Lumber received one carload of plywood and Weiss Pre-Staining Inc. received one carload of lumber/timber. This traffic will divert to truck upon approval and completion of the abandonment.

There is no overhead traffic on the line as the NW line ends at Michigan City. A list of the stations on the line proposed for abandonment, with traffic volumes, is provided in Exhibit 2.

#### **IV. Exhibit 1 -- Map**

The Dillon Junction to Michigan City, IN branch line proposed for abandonment and discontinuance is shown on the map identified as Exhibit 1 and attached to this Petition. Other rail lines and major highways in the area are also shown on the map.

#### **V. Shipper Information**

As discussed in Section III of this petition, there are only three active rail customers (Jim White Lumber and Weiss Pre-Staining, Inc.) which will be affected by this abandonment. To retain service to the customers in Stillwell would require retention of approximately 2.5 route miles of the branch line from Dillon Junction. The resulting traffic density of this 2.5 mile segment would be less than 1 annual carload per mile of line, below what Class I carriers typically find economically viable. To retain service to the Michigan City customer would require retaining the 21.5 mile segment (traffic density less than 1 annual carload per mile) or building track to connect to the Conrail line through Michigan City.

Specific traffic data for these customers is shown in Exhibit 2.

#### **V(a) - Alternative Service**

Alternative transportation service is available through the following rail carriers and truck companies in the area:

#### **RAIL CARRIERS:**

**CR** at Michigan City (NW) and LaPorte (NW/CR), Indiana.

**GTW** at Stillwell, Indiana

**CSXT at Michigan City, Indiana**

**CSS at Michigan City, Indiana**

**TRUCK COMPANIES**

**Dillon:** American, Yellow, Roadway Ex, ANR Advance

**Stillwell:** American, CF, Con-Way CE, USF Holiand, Central, Parker Mo, Hyman, Roadway Ex, Overnite, ANR Advance

**LaPorte:** America, A B F, CF, Con-Way CE, USF Holland, Central, Parker Mo, Hyman, Yellow, Roadway Ex, F-F-E Trans, Overnite, ANR Advance

**Michigan City:** American, A B F, CF, Transus, Con-Way CE, USF Holland, Central, Parker Mo, Hyman, Yellow, Roadway Ex, F-F-E Trans, Overnite, ANR Advance

**LOCAL HIGHWAYS:**

There are 42 at-grade crossings along the Dillon Junction to Michigan City rail segment. Two major thoroughfares, State Routes 2 and 4, along with other secondary highway and light-duty roads are in the area. Average Daily Traffic (ADT) data collected between 1989 and 1992 for the two highways is:

- S.R. 2 average 17,150 vehicles per day
- S.R. 4 averaged 3,880 vehicles per day

**VI. The Line is Not Economically Viable**

There is no possibility that this line could viably operate for local traffic once overhead traffic is rerouted because only a small volume of traffic is expected to be generated on the line in the future.

### **VII. Title Information**

NW's title search is incomplete. At this time, NW is not aware of any reversionary interest which would affect the transfer of title, but must do further work to be certain.

### **VIII. The Standards for an Exemption Have Been Met**

Detailed scrutiny of the abandonment and discontinuance by the Board under 49 U.S.C. § 10903 is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. § 10101. An exemption will minimize the administrative expenses of preparation and review associated with a formal abandonment and discontinuance application and proceeding, will expedite regulatory action and will reduce barriers for exit from these lines consistent with 49 U.S.C. § 10101(2) and (7). There is no prospect the line could be operated viably once overhead traffic is rerouted. An exemption will thus "foster sound economic conditions in transportation" consistent with 49 U.S.C. § 10901(5).

The proposed abandonment and discontinuance are clearly transactions of "limited scope" given the 21.5 miles length of the line, the minimal traffic in the past, and the low volume of local traffic in the future. In addition, regulation of the abandonment and discontinuance is not needed to protect shippers from an abuse of market power. There is no conceivable way that the proposed actions can result in any abuse of the market power by NW since most rail shippers on the line will continue to be served via former Conrail lines. There will be no adverse regional impact from the abandonment and discontinuance.

**IX. Environmental and Historic Report**

A required environmental and historic information is included in the Environmental Report submitted in STB Finance Docket No. 33388.

**X. Labor Protection**

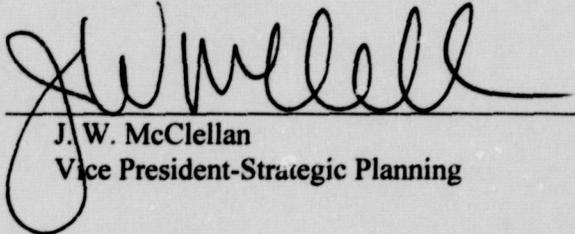
Applicants have addressed the need for labor protection in Volume 3 of the Primary Application.

**CONCLUSION**

WHEREFORE, Norfolk and Western Railway Company respectfully requests that the Surface Transportation Board promptly exempt from further regulation the abandonment of 21.5 miles of NW railroad line between Milepost I-137.3 near Dillon Junction and Milepost I-158.8 near Michigan City, Indiana, permitting prompt abandonment of that Line.

Respectfully submitted,

NORFOLK AND WESTERN RAILWAY COMPANY

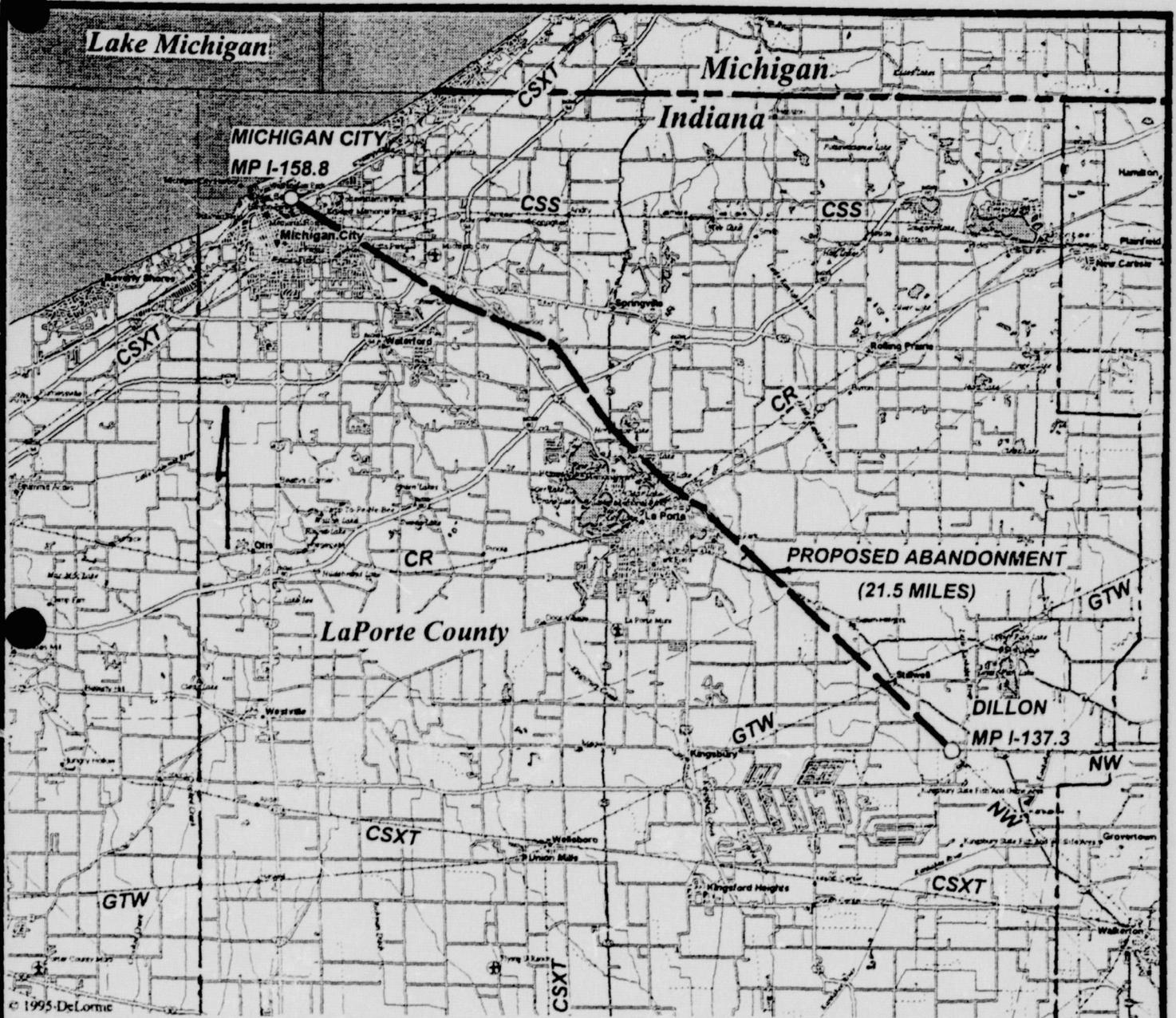
By   
J. W. McClellan  
Vice President-Strategic Planning

Dated: June 16, 1997

**Of Counsel:**

**James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-9241  
(757) 629-2759**

ALLIED REPROGRAPHICS 330449



© 1995 DeLorme  
 Scale 1:225,000 (at center)  
 5 Miles

DO NOT SCALE THIS DRAWING FOR DIMENSIONS NOT GIVEN

R-2 MHG 2-26-97 Revise Endpoint at Michigan City  
 R-1 MHG 2-12-97 Show County Lines

REV	BY	DATE	DESCRIPTION
LOCATION			Dillon to Michigan City, Indiana
TITLE			Proposed Main Line Abandonment Between Milepost I-137.3 and Milepost I-158.8
DGN	VAL SEC	MAP	MILE POST I-137.3 to I-158.8
DWN MHG	FILE	188-24	DRAWING NUMBER
CHK	DATE	January 31, 1997	TA 97-0038-R2



Norfolk and Western Railway Company  
 OWNING COMPANY

OFFICE OF CHIEF ENGINEER - DESIGN & CONSTRUCTION ATLANTA, GA.

CADD FILE  
 DATE P. 0000

**Norfolk Southern Railway Company**  
**Pro Forma Traffic/Revenue Statement**

Dillon, Indiana to Michigan City, Indiana  
From January 1, 1996 to December 31, 1996

Station	CL TR*	STCC	Cars	Tons	NS Revenue
Stillwell, IN	3C	Plywood	1	68	681
Stillwell, IN	3C	Lbr Timber	1	71	500
STATION TOTAL			2	139	1,181
Michigan City, IN	2C	Latex	19	919	32,513
STATION TOTAL			19	919	32,513
STUDY TOTAL			21	1058	\$33,694

\* Class traffic 3C originates on another carrier, is handled off-branch on the NS system, and terminates on the branch (inbound to the branch). Class traffic 2C originates off-branch on the NS system and terminates on the branch (inbound to the branch).

Norfolk Southern Railway Company  
Pro Forma Income Statement

Exhibit 2  
Page 2 of 8

Railway operating revenues and expenses\* on the Dillon to Michigan City line, a distance of approximately 21.5 miles, between Dillon, IN, milepost I-137.3 and Michigan City, IN, milepost I-158.8.

	Base Year 1 /	Forecast Year 2 /
	-----	-----
REVENUES ATTRIBUTABLE FOR:		
1. Freight Orig. and/or Term. on Branch	21 CL \$33,694	21 CL \$34,503
2. Bridge Traffic		
3. All Other Revenue and Income		
4. TOTAL ATTRIBUTABLE REVENUE (Lines 1 through 3) (a)	\$33,694	\$34,503
AVOIDABLE COSTS FOR:		
5. ON-BRANCH COSTS:		
a. Way and Structures (b)	\$403,890	\$413,583
b. Equipment (c)	962	982
c. Transportation (d)	4,283	4,386
d. General and Administrative		
e. Deadheading, Taxi and Hotel		
f. Overhead Movement		
g. Freight Car Costs (Other Than Return) (e)	344	352
h. Return on Value - Locomotives (f)	225	169
i. Return on Value - Freight Cars (e)	702	719
j. Revenue Taxes		
k. Property Taxes		
l. TOTAL (Lines 5a through 5k)	\$410,406	\$420,191
m. Holding Gain (Loss) - Locomotives (f)		18
n. Holding Gain (Loss) - Freight Cars (e)		152
o. NET ON-BRANCH COSTS (Lines 5l - 5m+5n)	\$410,406	\$420,021
6. OFF BRANCH COSTS: (g)		
a. Off-Branch Costs (Other Than Return)	\$ 9,364	\$ 9,589
b. Return on Value - Freight Cars	130	133
c. Holding Gain (Loss) - Freight Cars		28
d. NET OFF-BRANCH COSTS (Lines 6a + 6b - 6c)	\$ 9,494	\$ 9,694
7. TOTAL AVOIDABLE COSTS (Lines 5o + 5d)	\$419,900	\$429,715
SUBSIDIZATION COSTS FOR:		
8. Rehabilitation		
9. Administrative Costs (Subsidy Year Only) (See Note 1)		
10. Casualty Reserve Account (See Note 1)		
11. TOTAL SUBSIDIZATION COST (Lines 8 through 10)		
12. Valuation of Road Properties (See Note 2)		
a. Working Capital	16,809	17,209
b. Income Tax Consequences	(272,851)	(232,290)
c. Net Liquidation Value	737,434	627,812
d. TOTAL (Lines 12a through 12c)	481,392	412,731
13. Nominal Rate of Return (See Note 3)	17.5%	17.5%
14. Nominal Return on Value (Line 12d x 13)	84,244	72,228
15. Holding Gain (Loss) (See Note 4)		(109,622)
16. TOTAL RETURN ON VALUE (Line 14 - 15)	84,244	181,850
17. AVOIDABLE LOSS (PROFIT) FROM OPERATIONS (Lines 7 - 4)	386,206	395,212
18. AVOIDABLE LOSS (PROFIT) INCLUDING RETURN ON VALUE (Lines 7+16-4)	\$470,450	\$577,062

Derived from Norfolk Southern Corporation (NS) combined railroad subsidiaries information.

1\_ / January - December 1996 is the Base Year.

2\_ / January - December 1997 is the Forecast Year.

Norfolk Southern Railway Company  
Pro Forma Income Statement

- (a) Attributable branch traffic and revenues are for twenty-one (21) carloads. All twenty-one (21) cars terminate on the branch. Forecast year revenues are base year revenues indexed by using a GNP inflator of 1.024. The number of carloads is assumed to neither increase or decrease in the forecast year.
- (b) The normalized annual Way and Structures (WS) expenses to operate the branch between Dillon, IN, Milepost I-137.3 and Michigan City, IN, Milepost I-158.8, at the FRA Class II (25 MPH) track and safety standards for the year 1996 are \$403,890. The \$403,890 normalized annual Way and Structure expense is comprised of \$350,290 roadway work and \$53,600 bridge work. WS expenses to operate the branch at Dillon, IN, Milepost I-137.3 through Milepost I-158.8 for the forecast year are \$413,583, derived from the base year expense multiplied by the GNP inflator 1.024.
- (c) Equipment includes repairs and maintenance of locomotives, totaling \$549, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b)(1), fringe benefits, totaling \$73, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b)(3), and depreciation locomotives, totaling \$341 which is calculated in accordance with provisions of 49 C.F.R. §1152.32(o) and §1152.33(b)(2), totaling \$962 for the base year. Base year expenses are indexed by the GNP inflator of 1.024 to produce the forecast year expense of \$982.
- (d) 1996 transportation expenses are based on the operation of a turnaround local train based at Argos, IN and serving industries in the Plymouth, Dillon and Kingsbury, IN area. The three active customers on the Dillon, IN to Michigan City, IN line are served on an as-needed basis. A single Category 5 locomotive based at Argos, IN is used to serve customers from Argos, IN to Dillon, IN and Kingsbury, IN and on to Michigan City, IN. A 3 person crew serves the industries from Argos, IN to Dillon, IN and Kingsbury, IN; this crew also serves the Dillon, IN to Michigan City, IN line. The 3 person crew typically only incurs overtime when serving the Dillon, IN to Michigan City, IN line, so all crew costs are calculated on an overtime basis. Upon abandonment, the local crew will continue to serve Argos, IN to Dillon, IN and Kingsbury, IN. The one and a half hours per trip the crew would have spent serving the Dillon, IN to Michigan City, IN will be spent performing other productive duties from Argos, IN to Dillon, IN and Kingsbury, IN as part of a basic day.
- 1996 transportation expenses include an Engine crew(T&E) labor (3 person crew), totaling \$3,245 (including fringe benefits), which is calculated on an incremental overtime basis, T&E material account 21-31-57, totaling \$1, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c)(1)(i), train inspection and lubrication, totaling \$41, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(i), locomotive fuel, totaling \$807, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(ii), and servicing locomotives, totaling \$189, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(iv), totaling \$4,283 for the base year.
- Forecast year transportation expenses include an Engine crew(T&E) labor (3 person crew), totaling \$3,323 (including fringe benefits), T&E material account 21-31-57, totaling \$1, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c)(1)(i), train inspection and lubrication, totaling \$42, locomotive fuel, totaling \$826, and servicing locomotives, totaling \$194, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(iv), totaling \$4,386 for the forecast year.
- (e) Calculated in accordance with provisions of 49 C.F.R. §1152.32(g).
- (f) Calculated in accordance with provisions of 49 C.F.R. §1152.32(h).
- (g) Off-branch costs are calculated in accordance with 49 C.F.R. §1152.32(n). Forecast year expenses are indexed by using the GNP inflator, 1.024.

Norfolk Southern Railway Company  
Pro Forma Income Statement

- Note 1. Omitted in accordance with provisions of Footnote 2 in 49 C.F.R. §1152.36.
- Note 2. Total valuation of properties is the sum of working capital, income tax consequences and net liquidation value (NLV). Working capital is calculated in accordance with provisions of 49 C.F.R. §1152.34(c)(1)(i). The 1996 estimated income tax consequences are \$272,851; \$737,434 the net liquidation value of the track and structures between Dillon, IN Milepost I-137.3, and Michigan City, IN, Milepost I-158.8, multiplied by 37%, the F.I.T. and state tax rates. The forecast estimated income tax consequences are \$232,290; \$627,812 the forecasted net liquidation value of the track and structures between Dillon, IN and Michigan City, IN, multiplied by the 37% tax rate. The fair market value of right-of-way land held in fee is not available at this time.
- Note 3. The nominal before tax cost of capital rate of 17.5% is based on Railroad Cost of Capital - 1995, Ex Parte No. 523, Service Date June 5, 1996.
- Note 4. Holding gain (loss) on road properties is calculated in accordance with provisions of 49 C.F.R. 1152.34(e). \$627,812, the net liquidation value of the Dillon, IN to Michigan City, IN line used at the end of the forecast year, less \$737,434, the net liquidation value of the line between Dillon, IN and Michigan City, IN for the current year and beginning of the forecast year, totaling \$(109,622).

Norfolk Southern Railway Company  
Opportunity Cost Statement

Dillon, Indiana to Michigan City, Indiana

1.	Current net liquidation value	\$ 737,434 <sup>1</sup>
2.	Cost of capital	x .175 <sup>2</sup>
3.	Nominal opportunity cost (Line 1 times line 2)	\$ 129,051
4.	Holding gain (loss)	<u>(109,622)</u> <sup>1</sup>
5.	Opportunity cost (Line 3 less line 4)	\$ 238,673

---

<sup>1</sup> \$627,812, the net liquidation value for the Dillon to Michigan City, IN line at the end of the forecast year, less \$737,434, the net liquidation value for the Dillon to Michigan City, IN line for the current and beginning of the forecast year, totaling \$(109,622) holding loss.

<sup>2</sup> Based on Railroad Cost of Capital - 1995, Ex Parte No. 523, Service Date June 5, 1996, the nominal before tax cost of capital is 17.5%.

NORMALIZED MAINTENANCE PROJECTION

1998 to 2007

DILLON TO MICHIGAN CITY, INDIANA

(NM)

25 MPH

CLASS II

MILEPOSTS 1- 137.30 158.80 21.50 MILES MAIN TRACK

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ROUTINE WORK										
INSPECTION	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
GENERAL TRACK REPAIR	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
RAIL TESTING	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
VEGETATION CONTROL	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900
BRIDGE REPAIRS	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800
ROUTINE SUBTOTAL	\$81,200	\$81,200	\$81,200	\$81,200	\$81,200	\$81,200	\$81,200	\$81,200	\$81,200	\$81,200
PROGRAM WORK										
RAIL RENEWAL										
TIMBER AND SURFACE	958,200	38,500			185,100	199,200			958,200	
GRADE CROSSING RENEWAL										
BRUSH CUTTING			10,900			10,900			10,900	
DITCHING	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700
BRIDGE RENEWAL	468,000									
PROGRAM SUBTOTAL	\$1,464,900	\$77,200	\$49,600	\$38,700	\$223,800	\$248,800	\$38,700	\$28,700	\$1,007,800	\$38,700
MAINTENANCE TOTAL	\$1,546,100	\$156,400	\$130,800	\$119,900	\$305,000	\$330,000	\$119,900	\$119,900	\$1,089,000	\$119,900

MAINTENANCE SUMMARY:	ROUTINE WORK		PROGRAM WORK		LINE TOTAL	
	ROADWAY	BRIDGE	ROADWAY	BRIDGE		
TEN YEAR PROJECTED TOTAL =	744,000	68,000	2,758,900	468,000	\$4,038,900	
ANNUAL COST FOR LINE =	74,400	6,800	275,890	46,800	\$403,890	ANNUAL NORMALIZED
ANNUAL COST PER MILE =	3,460	316	12,832	2,177	\$18,786	PER MILE NORMALIZED

56

**Current Net Liquidation Value Estimate - April, 1997**  
Norfolk Southern - Dillon to Michigan City, Indiana; MP I-137.3 to I-158.8

**Rail**

Rail Wt.	Track Miles	Net Tons/Mile	Condition	Unit Price Per Net Ton	Gross Tons	Net Tons	Value
112 JTD	6.25	183.3	S&Y	\$320	1,022.90	1,145.64	\$366,606
105 JTD	5.05	166.3	SCRAP	\$129	749.93	839.92	\$108,349
90 JTD	12.00	142.6	SCRAP	\$129	1,527.43	1,710.72	\$220,683
80 JTD	0.90	126.7	SCRAP	\$129	101.83	114.05	\$14,712
<b>Total</b>	<b>24.20</b>				<b>3,402.08</b>	<b>3,810.33</b>	<b>\$710,350</b>

**NOTE: Rail Wear Estimates**  
10% Wear in Scrap Rail  
7% Wear in S&Y Rail  
5% Wear in BLR Rail

**Fit Plates**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
112	39,600	404.84	453.42	22.90	7 3/4"x14" DS	\$3.36	\$293.45	\$133,056
105	31,997	327.11	366.36	22.90	7 3/4"x14" DS	\$3.36	\$293.45	\$107,509
<b>Total</b>	<b>71,597</b>	<b>731.95</b>	<b>819.78</b>					<b>\$240,565</b>

**Scrap Plates**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
90	76,032	400.53	448.59	11 9/16	7"x11"	\$0.80	\$135.00	\$60,559
80	5,702	30.04	33.64	11.80	7"x11"	\$0.80	\$135.00	\$4,542
<b>Total</b>	<b>81,734</b>	<b>430.57</b>	<b>482.23</b>					<b>\$65,101</b>

**Fit Bars**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Unit Price	Unit Price Per Net Ton	Value
112	2,000	75.45	84.50	84.50	\$35.20	\$833.14	\$70,400

**Scrap Bars**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Unit Price	Unit Price Per Net Ton	Value
105	1,616	37.15	41.61	51.50	\$3.48	\$135.00	\$5,618
90	3,840	102.86	115.20	60.00	\$4.05	\$135.00	\$15,552
80	288	6.56	7.34	51.00	\$3.44	\$135.00	\$991
<b>Total</b>	<b>5,744</b>	<b>146.57</b>	<b>164.16</b>				<b>\$22,161</b>

33.00 foot average rail length

**Turnouts**

Weight	Type	Quantity	Unit Price	Condition	Value
112	10	5	\$3,812	Fit	\$19,060
105	10	1	\$870	Scrap	\$870
90	10	11	\$870	Scrap	\$9,570
<b>Total</b>		<b>17</b>			<b>\$29,500</b>

**Miscellaneous OTM**

Gross Tons	Net Tons	Price/Net Ton	Tons/Mile	Value
143.47	160.69	\$135.00	6.64	\$21,693

**Ties & Switch Timber**

Condition	Quantity	Unit Price	Value
Useable	26,833	\$5.00	\$134,165
Nursery	19,166	\$2.00	\$38,332
Scrap	30,667	(\$2.00)	(\$61,333)
<b>Total</b>	<b>76,666</b>		<b>\$111,164</b>

**Ballast - No Value**

**Removal Costs**

**Track**

Track Length	Unit Cost/Mile	Removal Cost
24.2	\$17,600	\$425,920

**Turnouts**

Quantity	Unit Cost	Removal Cost
17	\$3,660	\$62,220

**Road Crossings**

Quantity	Est Cost/TF	Est Avg Width	Removal Cost
45	\$45	22.4	\$45,360

Net Liquidation Value (NLV)		
Item	Material to be Sold	Material to be Reused
Rail	\$343,744	\$366,606
Fit Plates		\$240,565
Scrap Plates	\$65,101	
Fit Bars		\$70,400
Scrap Bars	\$22,161	
Turnouts	\$10,440	\$19,060
Misc. OTM	\$21,693	
Ties	(\$23,001)	\$134,165
Ballast	\$0	\$0
<b>Gross Value =</b>	<b>\$440,138</b>	<b>\$830,796</b>
<b>Removal Cost =</b>	<b>(\$184,757)</b>	<b>(\$348,743)</b>
<b>NLV =</b>	<b>\$255,382</b>	<b>\$482,053</b>
<b>TOTAL NLV =</b>	<b>\$737,434</b>	
	<b>\$30,472 per mile</b>	

**Forecasted Net Liquidation Value Estimate - March, 1998**  
**Norfolk Southern - Dillen to Michigan City, Indiana; MP I-137.3 to I-158.8**

**Rail**

Rail Wt.	Track Miles	Net Tons/Mile	Condition	Unit Price Per Net Ton	Gross Tons	Net Tons	Value
112 JTD	6.25	183.3	S&Y	\$328	1,022.90	1,145.64	\$375,771
105 JTD	5.05	166.3	SCRAP	\$106	749.93	839.92	\$89,031
90 JTD	12.00	142.6	SCRAP	\$106	1,527.43	1,710.72	\$181,336
80 JTD	0.90	126.7	SCRAP	\$106	101.83	114.05	\$12,089
<b>Total</b>	<b>24.20</b>				<b>3,402.08</b>	<b>3,810.33</b>	<b>\$658,228</b>

**NOTE: Rail Wear Estimates**  
10% Wear in Scrap Rail  
7% Wear in S&Y Rail  
5% Wear in BLR Rail

**Fit Plates**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
112	39,600	404.84	453.42	22.90	7 3/4"x14" DS	\$3.36	\$293.45	\$133,056
105	31,997	327.11	366.36	22.90	7 3/4"x14" DS	\$3.36	\$293.45	\$107,509
<b>Total</b>	<b>71,597</b>	<b>731.95</b>	<b>819.78</b>					<b>\$240,565</b>

**Scrap Plates**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
90	76,032	400.53	448.59	11.80	7"x11"	\$0.68	\$116.00	\$52,036
80	5,702	30.04	33.64	11.80	7"x11"	\$0.68	\$116.00	\$3,903
<b>Total</b>	<b>81,734</b>	<b>430.57</b>	<b>482.23</b>					<b>\$55,939</b>

**Fit Bars**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Unit Price	Unit Price Per Net Ton	Value
112	2,000	75.45	84.50	84.50	\$35.20	\$833.14	\$70,400

**Scrap Bars**

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Unit Price	Unit Price Per Net Ton	Value
105	1,616	37.15	41.61	51.50	\$2.99	\$116.00	\$4,827
90	3,840	102.86	115.20	60.00	\$3.48	\$116.00	\$13,363
80	288	6.56	7.34	51.00	\$2.96	\$116.00	\$852
<b>Total</b>	<b>5,744</b>	<b>146.57</b>	<b>164.16</b>				<b>\$19,042</b>

33.00 foot average rail length

**Turnouts**

Weight	Type	Quantity	Unit Price	Condition	Value
112	10	5	\$3,812	Fit	\$19,060
105	10	1	\$870	Scrap	\$870
90	10	11	\$670	Scrap	\$9,570
<b>Total</b>		<b>17</b>			<b>\$29,500</b>

**Miscellaneous OTM**

Gross Tons	Net Tons	Price/Net Ton	Tons/Mile	Value
143.47	160.69	\$116.00	6.64	\$18,640

**Ties & Switch Timber**

Condition	Quantity	Unit Price	Value
Useable	23,000	\$5.00	\$114,998
Nursery	15,333	\$2.00	\$30,666
Scrap	38,333	(\$2.00)	(\$76,666)
<b>Total</b>	<b>76,666</b>		<b>\$68,999</b>

**Ballast - No Value**

**Removal Costs**

**Track**

Track Length	Unit Cost/Mile	Removal Cost
24.2	\$17,600	\$425,920

**Turnouts**

Quantity	Unit Cost	Removal Cost
17	\$3,660	\$62,220

**Road Crossings**

Quantity	Est Cost/TF	Est Avg Width	Removal Cost
45	\$45	22.4	\$45,360

Forecasted Net Liquidation Value (FNLV)	
Item	Gross Value
Rail	\$658,228
Fit Plates	\$240,565
Scrap Plates	\$55,939
Fit Bars	\$70,400
Scrap Bars	\$19,042
Turnouts	\$29,500
Misc. OTM	\$18,640
Ties	\$9,999
Ballast	\$0
<b>Gross Value =</b>	<b>\$1,161,312</b>
<b>Removal Cost =</b>	<b>(\$523,500)</b>
<b>FNLV =</b>	<b>\$627,812</b>
	\$25,943 per mile

STB

FD

33388

6-23-97

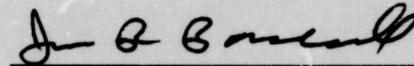
A

180274V5

2/9

**CERTIFICATE OF PUBLICATION**

I hereby certify that the attached Notice of Intent to Abandon was published in the LaPorte Herald-Argus, LaPorte, Indiana, on June 2, 1997, it being the newspaper of general circulation in LaPorte County, Indiana.

  
\_\_\_\_\_  
James R. Paschall

## NOTICE OF INTENT TO ABANDON RAIL SERVICE

Norfolk Southern Railway Company (NS) gives notice that on or about June 16, 1997, it intends to file with the Surface Transportation Board (STB), Washington, DC 20423, a petition for exemption under 49 U.S.C. 10505 from the prior approval requirements of 49 U.S.C. 10903, *et seq.*, permitting the abandonment of a 21.5-mile line of railroad between railroad milepost I-137.3, near Dillon Junction, and railroad milepost I-158.8, near Michigan City, which traverses through United States Postal Service ZIP Codes 46350 and 46360 in LaPorte County, Indiana. The proceeding has been docketed as No. AB-290 (Sub-No. 195X). This proceeding is related to NS' and CSX's application to acquire Conrail in 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.*

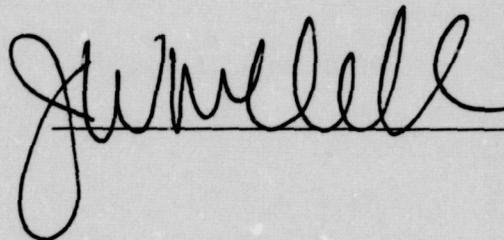
The STB's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in an STB decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis, Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001 or by calling that office at 202-565-1545.

Appropriate offers of financial assistance to continue rail service can be filed with the STB. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the STB. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the STB's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423-0001 [See 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicant's representative [See 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance at 202-927-7597. Copies of any comments or requests for conditions should be served on the applicant's representative: James R. Paschall, General Attorney, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-2191, (757) 629-2759.

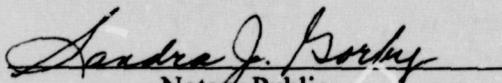
VERIFICATION

COMMONWEALTH OF VIRGINIA    )  
  ) ss:  
CITY OF NORFOLK                    )

J. W. McClellan, being duly sworn, deposes and says that he is Vice President-Strateg' : Planning for Norfolk and Western Railway Company; that he is authorized to sign, verify, and file with the Surface Transportation Board the foregoing Petition for Exemption; that he has carefully examined all of the statements contained in said Petition for Exemption; that he has knowledge of the matters set forth therein are true and correct to the best of his knowledge, information, and belief.



Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.

  
Notary Public

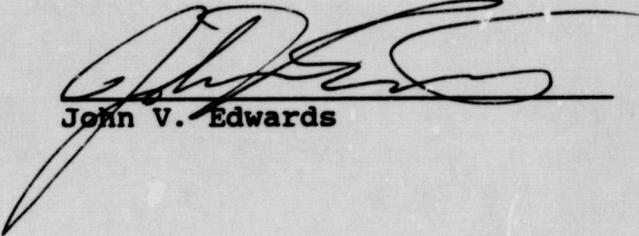
My Commission expires:

MARCH 31, 1998



CERTIFICATE OF SERVICE

I, John V. Edwards, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.



John V. Edwards

Dated: June 8, 1997

BEFORE THE

SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-290 (SUB-NO. 196X)

NORFOLK AND WESTERN RAILWAY COMPANY

-- ABANDONMENT --

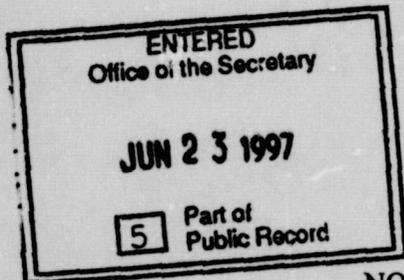
BETWEEN TOLEDO AND MAUMEE  
IN LUCAS COUNTY, OHIO

PETITION FOR EXEMPTION

**I. Introduction**

Norfolk and Western Railway Company ("NW"), a wholly owned subsidiary of Norfolk Southern Railway Company ("NS") submits this Petition for Exemption pursuant to 49 U.S.C. § 10502 to abandon and discontinue operation of the Toledo to Maumee branch line from Milepost TM-5.0 in Toledo to Milepost TM-12.5 near Maumee, a distance of approximately 7.5 miles in Lucas County, Ohio. The United States Postal Service ZIP codes which this line traverses or adjoins are: 43612, 43613, 43606, 43607, 43609, 43614.

The abandonment of this line is related to, and contingent upon, the proposed acquisition of Conrail, approval for which is being sought in STB Finance Docket No. 33388.



**FILED**

JUN 23 1997

SURFACE  
TRANSPORTATION BOARD

Abandonment of, and discontinuance of service on, rail lines requires authorization and approval of the Board pursuant to 49 U.S.C. § 10903. However, 49 U.S.C. § 10502 requires the Board to exempt a transaction when it finds: (1) continued regulation is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. §10101; and (2) either the transaction is of limited scope or Board regulation is not necessary to protect shippers from an abuse of market power. The actions proposed herein by NW satisfy these standards for exemption.

## **II. Name and Description of Petitioner**

Norfolk and Western Railway Company (NW) is a wholly owned subsidiary of Norfolk Southern Railway Company (NS), a common carrier by railroad which operates a railroad system throughout the Eastern United States. NS is a wholly-owned subsidiary of Norfolk Southern Corporation.

Counsel for Petitioner to whom correspondence may be sent is:

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia, 23510-9241  
(757) 629-2759

## **III. Description of the Line, Maintenance and Service**

NW requests exemption authority for physical abandonment and discontinuance on the Toledo to Maumee branch line. The proposed abandonment begins in northern Toledo at Laskey

Road and trends south to near the Maumee city limits. The proposed abandonment ends at an intersection of two NW-owned lines at Gould Junction.

An average of two trains per day currently operate over the Toledo to Maumee rail line. One rail shipper, A&K Railroad Materials, is located on the line. The line was originally purchased from CSXT as a shortcut to improve rail service in the Toledo area. Following the acquisition of Conrail by NS and CSX, this route will not be required. Conrail lines which NS would receive from Conrail are more efficient. Overhead traffic on the line would be rerouted to these more efficient former Conrail lines. A list of the stations on the line proposed for abandonment, with traffic volumes, is provided in Exhibit 2.

#### **IV. Exhibit 1 -- Map**

The Toledo to Maumee branch line proposed for abandonment and discontinuance is shown on the map identified as Exhibit 1 and attached to this Petition. Other rail lines and major highways in the area are also shown on the map.

#### **V. Shipper Information**

As discussed in Section III of this petition, there is only one active rail customer (A&K Rail Materials) which will be affected by this abandonment. In 1996 89 cars originated and 1 car terminated on the branch at A&K Rail Materials. The resulting traffic density of this 7.5 mile segment would be less than 12 annual carloads per mile of line, well below what Class I carriers typically find economically viable.

Specific traffic data for this customer is shown in Exhibit 3.

## V.(a) - Alternative Service

### TRUCK COMPANIES

Alternative transportation service is available through the following truck companies in the area: American, A B F, CF, Watkins, Transus, Con-Way CF, USF Holland, Central, Parker Mo, Hyman, Yellow, Old Dominion, Bryan, Roadway Express, F-F-E Trans, Southwestern M Tr, Overnite, ANH Advance, Kingsway, TNT Overland

### LOCAL HIGHWAYS:

There are 18 at-grade crossings along the Toledo to Maumee rail segment. Three major thoroughfares, State Routes 2, Central Avenue and Dorr Street, along with other secondary highway and light-duty roads are in the area. Average Daily Traffic (ADT) data for the major thoroughfare grade crossings follows:

- S.R. 2 average 24,180 vehicles per day
- Dorr Street averaged 19,770 vehicles per day
- Central Avenue averaged 17,060 vehicles per day

## VI. The Line is Not Economically Viable

There is no possibility that this line could viably operate for local traffic once overhead traffic is rerouted because only a small volume of traffic is expected to be generated on the line in the future.

### **VII. Title Information**

NW's title search is incomplete. At this time, NW is not aware of any reversionary interest which would affect the transfer of title, but must do further work to be certain.

### **VIII. The Standards for an Exemption Have Been Met**

Detailed scrutiny of the abandonment and discontinuance by the Board under 49 U.S.C. § 10903 is not necessary to carry out the Rail Transportation Policy of 49 U.S.C. § 10101. An exemption will minimize the administrative expenses of preparation and review associated with a formal abandonment and discontinuance application and proceeding, will expedite regulatory action and will reduce barriers for exit from these lines consistent with 49 U.S.C. § 10101(2) and (7). There is no prospect the line could be operated viably once overhead traffic is rerouted. An exemption will thus "foster sound economic conditions in transportation" consistent with 49 U.S.C. § 10901(5).

The proposed abandonment and discontinuance are clearly transactions of "limited scope" given the 7.5 miles length of the line and the low volume of local traffic in the future. There will be no adverse regional impact from the abandonment and discontinuance.

### **IX. Environmental and Historic Report**

A required environmental and historic information is included in the Environmental Report submitted in STB Finance Docket No. 33388.

**X. Labor Protection**

Applicants have addressed the need for labor protection in Volume 3 of the Primary Application.

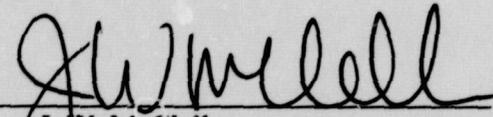
**CONCLUSION**

WHEREFORE, Norfolk and Western Railway Company respectfully requests that the Surface Transportation Board promptly exempt from further regulation the abandonment of 7.5 miles of NW railroad line between Milepost TM-5.0 in Toledo and Milepost TM-12.5 near Maumee, Ohio, permitting prompt abandonment of that Line.

Respectfully submitted,

NORFOLK AND WESTERN RAILWAY COMPANY

By

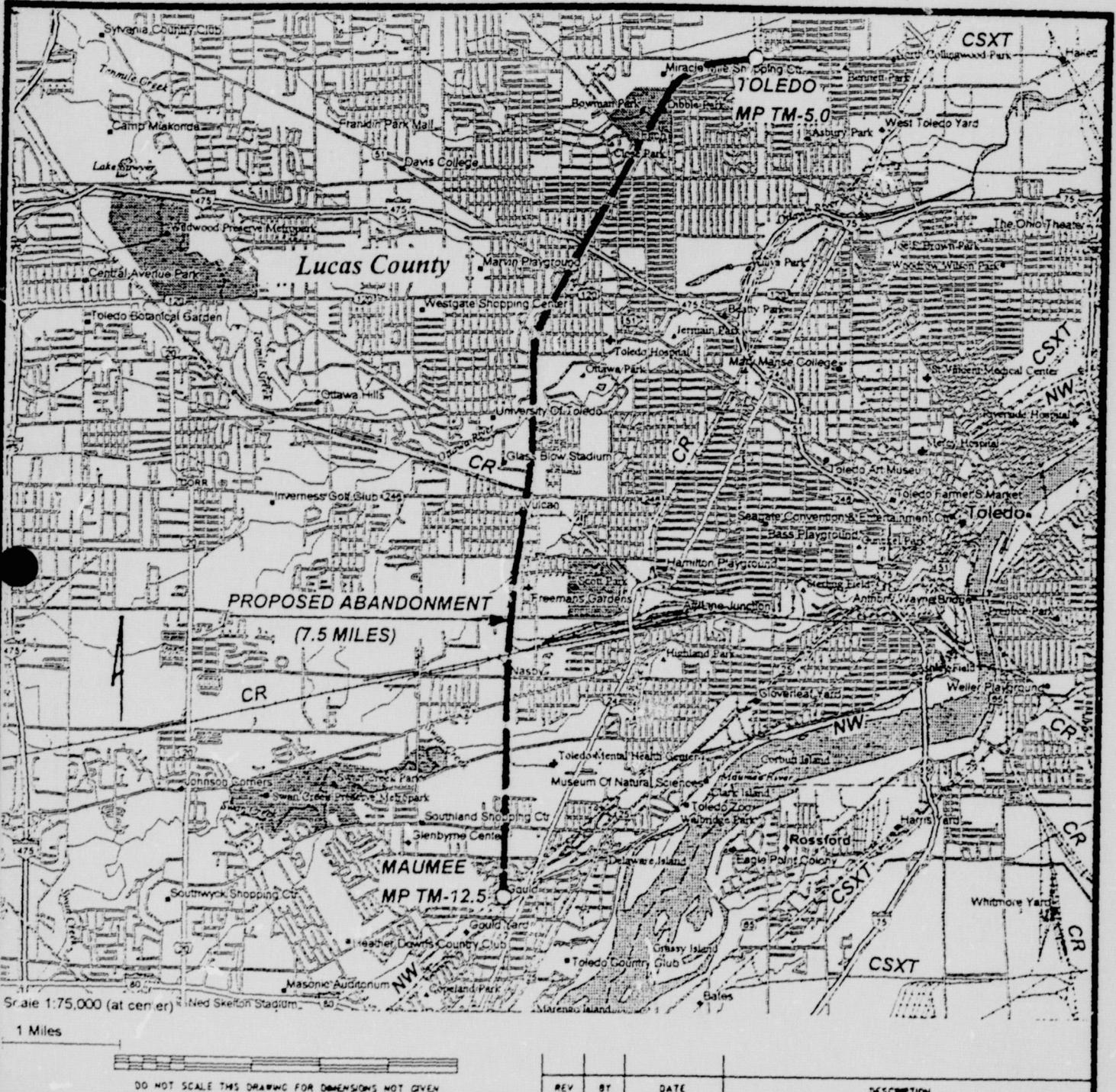
  
\_\_\_\_\_  
J. W. McClellan  
Vice President-Strategic Planning

Dated: June 16, 1997

Of Counsel:

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-9241  
(757) 629-2759

ED REPROGRAPHICS 330449



Scale 1:75,000 (at center)

1 Miles

DO NOT SCALE THIS DRAWING FOR DIMENSIONS NOT GIVEN

REV	BY	DATE	DESCRIPTION
LOCATION			Toledo to Maumee, Ohio
TITLE			Proposed Main Line Abandonment Between Milepost TM-5.0 and Milepost TM-12.5 70
DGN	VAL SEC	MAP	MILE POST TM-5.0 to TM-12.5
DWN MHG	FILE	188-24	DRAWING NUMBER
CHK	DATE	January 31, 1997	TA 97-0036

**NS** NORFOLK SOUTHERN

Norfolk and Western Railway Company

OWNING COMPANY

OFFICE OF CHIEF ENGINEER - DESIGN & CONSTRUCTION ATLANTA, GA.

**Norfolk Southern Railway Company**  
**Pro Forma Traffic/Revenue Statement**

Toledo, Ohio to Maumee, Ohio  
From January 1, 1996 to December 31, 1996

Station	CL TR*	STCC	Cars	Tons	NS Revenue
Toledo, OH	2A	Rails	2	165	3850
Toledo, OH	2A	Rwy Trk Mtl Mxd	17	1433	36905
Toledo, OH	2A	Rail Nec lors	1	82	3551
Toledo, OH	2A	Rail Clamps	1	80	2032
Toledo, OH	2A	RR Ties Wdn Cre	1	95	2542
Toledo, OH	3A	Tie Plates	4	377	4678
Toledo, OH	3A	Rwy Trk Mtl Mxd	17	1490	25131
Toledo, OH	3A	Rails	3	270	5545
Toledo, OH	3A	Angle Plates	1	94	1164
Toledo, OH	3A	Scrap I or S	3	269	2416
Toledo, OH	3A	Ry Track Xings	39	3484	78941
Toledo, OH	3C	Rails	1	95	1785
STATION TOTAL			90	7,934	168,540
STUDY TOTAL			90	7,934	\$168,540

\* Class traffic 2A originates on-branch and terminates off-branch on the NS system (outbound from the branch). Class traffic 3A originates on-branch, is interchanged off-branch on the NS system to another carrier where it terminates (outbound from the branch). Class traffic 3C originates on another carrier, is handled off-branch on the NS system, and terminates on the branch (inbound to the branch).

Norfolk Southern Railway Company  
Pro Forma Income Statement

Railway operating revenues and expenses\* on the Toledo to Maumee line, a distance of approximately 7.5 miles, between Toledo, OH, milepost TM-5.0 and Maumee, OH, milepost TM-12.5.

	Base Year 1_ ----- 90 CL	Forecast Year 2_ ----- 90 CL
<b>REVENUES ATTRIBUTABLE FOR:</b>		
1. Freight Orig. and/or Term. on Branch	\$168,540	\$172,585
2. Bridge Traffic		
3. All Other Revenue and Income		
4. TOTAL ATTRIBUTABLE REVENUE (Lines 1 through 3) (a)	\$168,540	\$172,585
<b>AVOIDABLE COSTS FOR:</b>		
<b>5. ON-BRANCH COSTS:</b>		
a. Way and Structures (b)	\$134,780	\$138,015
b. Equipment (c)	2,829	2,888
c. Transportation (d)	5,113	5,236
d. General and Administrative		
e. Deadheading, Taxi and Hotel		
f. Overhead Movement		
g. Freight Car Costs (Other Than Return) (e)	60	61
h. Return on Value - Locomotives (f)	2,646	2,367
i. Return on Value - Freight Cars (e)	7,059	7,228
j. Revenue Taxes		
k. Property Taxes		
l. TOTAL (Lines 5a through 5k)	\$152,487	\$155,795
m. Holding Gain (Loss) - Locomotives (f)		257
n. Holding Gain (Loss) - Freight Cars (e)		1,532
o. NET ON-BRANCH COSTS (Lines 5l - 5m+5n)	\$152,487	\$154,006
<b>6. OFF BRANCH COSTS: (g)</b>		
a. Off-Branch Costs (Other Than Return)	\$ 74,298	\$ 76,081
b. Return on Value - Freight Cars	30,194	30,919
c. Holding Gain (Loss) - Freight Cars		6,553
d. NET OFF-BRANCH COSTS (Lines 6a + 6b - 6c)	\$104,492	\$ 100,447
7. TOTAL AVOIDABLE COSTS (Lines 5o + 6d)	\$256,979	\$ 254,453
<b>SUBSIDIZATION COSTS FOR:</b>		
8. Rehabilitation		
9. Administrative Costs (Subsidy Year Only) (See Note 1)		
10. Casualty Reserve Account (See Note 1)		
11. TOTAL SUBSIDIZATION COST (Lines 8 through 10)		
12. Valuation of Road Properties (See Note 2)		
a. Working Capital	6,158	6,292
b. Income Tax Consequences	(239,026)	(231,650)
c. Net Liquidation Value	646,017	626,080
d. TOTAL (Lines 12a through 12c)	413,149	400,722
13. Nominal Rate of Return (See Note 3)	17.5%	17.5%
14. Nominal Return on Value (Line 12d x 13)	72,301	70,126
15. Holding Gain (Loss) (See Note 4)		(19,937)
16. TOTAL RETURN ON VALUE (Line 14 - 15)	72,301	90,063
17. AVOIDABLE LOSS (PROFIT) FROM OPERATIONS (Lines 7 - 4)	88,439	81,868
18. AVOIDABLE LOSS (PROFIT) INCLUDING RETURN ON VALUE (Lines 7+16-4)	\$ 160,740	\$ 171,931

\* Derived from Norfolk Southern Corporation (NS) combined railroad subsidiaries information.

1\_/ January - December 1996 is the Base Year.

2\_/ January - December 1997 is the Forecast Year.

Norfolk Southern Railway Company  
Pro Forma Income Statement

- (a) Attributable branch traffic and revenues are for ninety (90) carloads. Eighty-nine (89) cars originate on the branch while one (1) car terminates on the branch. Forecast year revenues are base year revenues indexed by using a GNP inflator of 1.024. The number of carloads is assumed to neither increase or decrease in the forecast year.
- (b) The normalized annual Way and Structures (WS) expenses to operate the branch between Toledo, OH, Milepost TM-5.0 and Maumee, OH, Milepost TM-12.5, at the FRA Class II (20 MPH) track and safety standards for the year 1996 are \$134,780. The \$134,780 normalized annual Way and Structure expense is comprised of \$124,780 roadway work and \$10,000 bridge work. WS expenses to operate the branch at Toledo, OH, Milepost TM-5.0 through Milepost TM-12.5 for the forecast year are \$138,015, derived from the base year expense multiplied by the GNP inflator 1.024.
- (c) Equipment includes repairs and maintenance of locomotives, totaling \$864, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b)(1), fringe benefits, totaling \$115, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(b)(3), and depreciation locomotives, totaling \$1,850 which is calculated in accordance with provisions of 49 C.F.R. §1152.32(o) and §1152.33(b)(2), totaling \$2,829 for the base year. Base year expenses are indexed by the GNP inflator of 1.024 to produce the forecast year expense of \$2,888.
- (d) 1996 transportation expenses are based on the operation of a turnaround local train based at Maumee, OH and serving industries in the general Maumee, OH area. The only active customer on the Toledo, OH to Maumee, OH line is served on an as-needed basis. A single Category 7 locomotive based at Maumee, OH is used to serve customers in the general Maumee, OH area and on to Toledo, OH. A 3 person crew serves the industries in the general Maumee, OH area; this crew also serves the Toledo, OH to Maumee, OH line. The 3 person crew typically does not incur overtime when serving the Toledo, OH to Maumee, OH line. Upon abandonment, the local crew will continue to serve the general Maumee, OH area. Since this crew will not be eliminated and does not incur overtime, no crew cost savings are calculated. The two hours per trip the crew would have spent serving the Toledo, OH to Maumee, OH will be spent performing other productive duties in the general Maumee, OH area as part of a basic day.
- 1996 transportation expenses include an Engine crew(T&E) labor (3 person crew), totaling \$0 (including fringe benefits), which is calculated for a basic day, T&E material account 21-31-57, totaling \$3, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c)(1)(i), train inspection and lubrication, totaling \$156, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(i), locomotive fuel, totaling \$4,731, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(ii), and servicing locomotives, totaling \$222, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(iv), totaling \$5,113 for the base year.
- Forecast year transportation expenses include an Engine crew(T&E) labor (3 person crew), totaling \$0 (including fringe benefits), T&E material account 21-31-57, totaling \$4, which is calculated in accordance with the provisions of 49 C.F.R. §1152.33(c)(1)(i), train inspection and lubrication, totaling \$160, locomotive fuel, totaling \$4,845, and servicing locomotives, totaling \$227, which is calculated in accordance with provisions of 49 C.F.R. §1152.33(c)(1)(iv), totaling \$5,236 for the forecast year.
- (e) Calculated in accordance with provisions of 49 C.F.R. §1152.32(g).
- (f) Calculated in accordance with provisions of 49 C.F.R. §1152.32(h).
- (g) Off-branch costs are calculated in accordance with 49 C.F.R. §1152.32(n). Forecast year expenses are indexed by using the GNP inflator, 1.024.

Norfolk Southern Railway Company  
Pro Forma Income Statement

- Note 1. Omitted in accordance with provisions of Footnote 2 in 49 C.F.R. §1152.36.
- Note 2. Total valuation of properties is the sum of working capital, income tax consequences and net liquidation value (NLV). Working capital is calculated in accordance with provisions of 49 C.F.R. §1152.34(c)(1)(i). The 1996 estimated income tax consequences are \$239,026; \$646,017 the net liquidation value of the track and structures between Toledo, OH Milepost TM-5.0, and Maumee, OH, Milepost TM-12.5, multiplied by 37%, the F.I.T. and state tax rates. The forecast estimated income tax consequences are \$231,650; \$626,080 the forecasted net liquidation value of the track and structures between Toledo, OH and Maumee, OH, multiplied by the 37% tax rate. The fair market value of right-of-way land held in fee is not available at this time.
- Note 3. The nominal before tax cost of capital rate of 17.5% is based on Railroad Cost of Capital - 1995, Ex Parte No. 523, Service Date June 5, 1996.
- Note 4. Holding gain (loss) on road properties is calculated in accordance with provisions of 49 C.F.R. 1152.34(e). \$626,080, the net liquidation value of the Toledo, OH to Maumee, OH line used at the end of the forecast year, less \$646,017, the net liquidation value of the line between Toledo, OH and Maumee, OH for the current year and beginning of the forecast year, totaling \$(19,937).

Norfolk Southern Railway Company  
Opportunity Cost Statement

Toledo, Ohio to Maumee, Ohio

1.	Current net liquidation value	\$ 646,017 <sup>1</sup>
2.	Cost of capital	x .175 <sup>2</sup>
3.	Nominal opportunity cost (Line 1 times line 2)	\$ 113,053
4.	Holding gain (loss)	(19,937) <sup>1</sup>
5.	Opportunity cost (Line 3 less line 4)	\$(132,990)

<sup>1</sup> \$626,080, the net liquidation value for the Toledo, OH to Maumee, OH line at the end of the forecast year, less \$646,017, the net liquidation value for the Toledo, OH to Maumee, OH line for the current and beginning of the forecast year, totaling \$(19,937) holding loss.

<sup>2</sup> Based on Railroad Cost of Capital - 1995, Ex Parte No. 523, Service Date June 5, 1996, the nominal before tax cost of capital is 17.5%.

NORMALIZED MAINTENANCE PROJECTION

1998 to 2007

TOLEDO TO MAUMEE, OHIO

(NM)

20 MPH

CLASS II

		MILEPOSTS TM-		5.00	12.50	7.50 MILES MAIN TRACK					
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>ROUTINE WORK</b>											
	INSPECTION	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
	GENERAL TRACK REPAIR	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600	17,600
	RAIL TESTING	500	500	500	500	500	500	500	500	500	500
	VEGETATION CONTROL	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
	BRIDGE REPAIRS	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	<b>ROUTINE SUBTOTAL</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>	<b>\$31,600</b>
<b>PROGRAM WORK</b>											
	RAIL RENEWAL										
	TIMBER AND SURFACE	403,700				78,000			403,700		
	BRUSH CUTTING			3,800			3,800			3,800	
	DITCHING	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
	BRIDGE RENEWAL										
	<b>PROGRAM SUBTOTAL</b>	<b>\$417,200</b>	<b>\$13,500</b>	<b>\$17,300</b>	<b>\$13,500</b>	<b>\$91,500</b>	<b>\$17,300</b>	<b>\$13,500</b>	<b>\$417,200</b>	<b>\$17,300</b>	<b>\$13,500</b>
	<b>MAINTENANCE TOTAL</b>	<b>\$448,800</b>	<b>\$45,100</b>	<b>\$48,900</b>	<b>\$45,100</b>	<b>\$123,100</b>	<b>\$48,900</b>	<b>\$45,100</b>	<b>\$448,800</b>	<b>\$48,900</b>	<b>\$45,100</b>

MAINTENANCE SUMMARY:	ROUTINE WORK		PROGRAM WORK		LINE TOTAL
	ROADWAY	BRIDGE	ROADWAY	BRIDGE	
TEN YEAR PROJECTED TOTAL =	216,000	100,000	1,031,800	0	\$1,347,800
ANNUAL COST FOR LINE =	21,600	10,000	103,180	0	\$134,780 ANNUAL NORMALIZED
ANNUAL COST PER MILE =	2,880	1,333	13,757	0	\$17,971 PER MILE NORMALIZED

## Forecasted Net Liquidation Value Estimate - March, 1998

### Norfolk Southern - Toledo to Maumee, Ohio; MP TM-5.0 to TM-12.5

#### Rail

Rail Wt.	Track Miles	Net Tons/Mile	Condition	Unit Price Per Net Ton	Gross Tons	Net Tons	Value
115 CWR	7.50	202.4	MTR	\$384	1,355.36	1,518.00	\$582,912
90 JTD	0.98	142.6	SCRAP	\$106	124.74	139.71	\$14,809
<b>Total</b>	<b>8.48</b>				<b>1,480.10</b>	<b>1,657.71</b>	<b>\$597,721</b>

**NOTE: Rail Wear Estimates**  
 10% Wear in Scrap Rail  
 7% Wear in S&Y Rail  
 5% Wear in BLR Rail

#### Fit Plates

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
115	47,520	485.81	544.10	22.90	7 3/4"x14" DS	\$3.36	\$293.45	\$159,667

#### Scrap Plates

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
90	6,209	32.71	36.63	11.80	7"x11"	\$0.68	\$116.00	\$4,250

#### Fit Bars - None - Main Line Rail is Welded

#### Scrap Bars

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Unit Price	Unit Price Per Net Ton	Value
90	314	8.40	9.41	60.00	\$3.48	\$116.00	\$1,091

33.00 foot average rail length

#### Turnouts

Weight	Type	Quantity	Unit Price	Condition	Value
115	10	6	\$3,812	Fit	\$22,872
90	10	1	\$870	Scrap	\$870
<b>Total</b>		<b>7</b>			<b>\$23,742</b>

#### Miscellaneous OTM

Gross Tons	Net Tons	Price/Net Ton	Tons/Mile	Value
50.27	56.31	\$116.00	6.64	\$6,532

#### Ties & Switch Timber

Condition	Quantity	Unit Price	Value
Useable	5,373	\$5.00	\$26,865
Nursery	8,059	\$2.00	\$16,118
Scrap	13,433	(\$2.00)	(\$26,865)
<b>Total</b>	<b>26,865</b>		<b>\$16,117</b>

#### Ballast - No Value

#### Removal Costs

##### Track

Track Length	Unit Cost/Mile	Removal Cost
8.48	\$17,600	\$149,248

##### Turnouts

Quantity	Unit Cost	Removal Cost
4	\$3,660	\$14,640

##### Road Crossings

Quantity	Est Cost/TF	Est Avg Width	Removal Cost
19	\$45	22.4	\$19,152

Forecasted Net Liquidation Value (FNLV)	
Item	Gross Value
Rail	\$597,721
Fit Plates	\$159,667
Scrap Plates	\$4,250
Fit Bars	\$0
Scrap Bars	\$1,091
Turnouts	\$23,742
Misc. OTM	\$6,532
Ties	\$16,117
Ballast	\$0
<b>Gross Value =</b>	<b>\$809,120</b>
<b>Removal Cost =</b>	<b>(\$183,040)</b>
<b>FNLV =</b>	<b>\$626,080</b>
	<b>\$73,830 per mile</b>

## Current Net Liquidation Value Estimate - April, 1997 Norfolk Southern - Toledo to Maumee, Ohio; MP TM-5.0 to TM-12.5

### Rail

Rail Wt.	Track Miles	Net Tons/Mile	Condition	Unit Price Per Net Ton	Gross Tons	Net Tons	Value
115 CWR	7.50	202.4	MTR	\$384	1,355.36	1,518.00	\$582,912
90 JTD	0.98	142.6	SCRAP	\$129	124.74	139.71	\$18,022
Total	8.48				1,480.10	1,657.71	\$600,934

**NOTE: Rail Wear Estimates**  
10% Wear in Scrap Rail  
7% Wear in S&Y Rail  
5% Wear in BLR Rail

### Fit Plates

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
115	47,520	485.81	544.10	22.90	7 3/4"x14" DS	\$3.36	\$293.45	\$159,667

### Scrap Plates

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Estimated Size	Unit Price	Unit Price Per Net Ton	Value
90	6,209	32.71	36.63	11.80	7"x11"	\$0.80	\$135.00	\$4,946

### Fit Bars - None - Main Line Rail is Welded

### Scrap Bars

Weight	Quantity	Gross Tons	Net Tons	Unit Weight	Unit Price	Unit Price Per Net Ton	Value
90	314	8.40	9.41	60.00	\$4.05	\$135.00	\$1,270

33.00 foot average rail length

### Turnouts

Weight	Type	Quantity	Unit Price	Condition	Value
115	10	6	\$3,812	Fit	\$22,872
90	10	1	\$870	Scrap	\$870
Total		7			\$23,742

### Miscellaneous OTM

Gross Tons	Net Tons	Price/Net Ton	Tons/Mile	Value
50.27	56.31	\$135.00	6.64	\$7,601

### Ties & Switch Timber

Condition	Quantity	Unit Price	Value
Useable	6,716	\$5.00	\$33,581
Nursery	9,403	\$2.00	\$18,806
Scrap	10,745	(\$2.00)	(\$21,491)
Total	26,865		\$30,895

### Ballast - No Value

### Removal Costs

#### Track

Track Length	Unit Cost/Mile	Removal Cost
8.48	\$17,600	\$149,248

#### Turnouts

Quantity	Unit Cost	Removal Cost
4	\$3,660	\$14,640

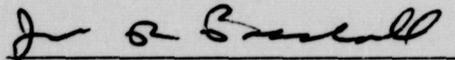
#### Road Crossings

Quantity	Est Cost/TF	Est Avg Width	Removal Cost
19	\$45	22.4	\$19,152

Net Liquidation Value (NLV)		
Item	Material to be Sold	Material to be Reused
Rail	\$18,022	\$582,912
Fit Plates		\$159,667
Scrap Plates	\$4,946	
Fit Bars		\$0
Scrap Bars	\$1,270	
Turnouts	\$870	\$22,872
Misc. OTM	\$7,601	
Ties	(\$2,685)	\$33,581
Ballast	\$0	\$0
<b>Gross Value =</b>	<b>\$30,025</b>	<b>\$799,032</b>
<b>Removal Cost =</b>	<b>(\$6,629)</b>	<b>(\$176,411)</b>
<b>NLV =</b>	<b>\$23,396</b>	<b>\$622,621</b>
<b>TOTAL NLV =</b>	<b>\$646,017</b>	<b>\$76,181 per mile</b>

**CERTIFICATE OF PUBLICATION**

I hereby certify that the attached Notice of Intent to Abandon was published in the Toledo Blade, Toledo, Ohio, on June 2, 1997, it being the newspaper of general circulation in Lucas County, Ohio.

  
James R. Paschall

## NOTICE OF INTENT TO ABANDON RAIL SERVICE

Norfolk Southern Railway Company (NS) gives notice that on or about June 16, 1997, it intends to file with the Surface Transportation Board (STB), Washington, DC 20423, a petition for exemption under 49 U.S.C. 10505 from the prior approval requirements of 49 U.S.C. 10903, *et seq.*, permitting the abandonment of a 7.5-mile line of railroad between railroad milepost TM-5.0, near Toledo, and railroad milepost TM-12.5, near Maumee, which traverses through United States Postal Service ZIP Codes 43537, 43606 and 43613 in Lucas County, Ohio. The proceeding has been docketed as No. AB-290 (Sub-No. 196X). This proceeding is related to NS' and CSX's application to acquire Conrail in 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.*

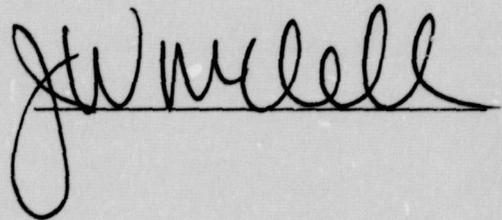
The STB's Section of Environmental Analysis (SEA) will generally prepare an Environmental Assessment (EA), which will normally be available 60 days after the filing of the petition for abandonment exemption. Comments on environmental and energy matters should be filed no later than 30 days after the EA becomes available to the public and will be addressed in an STB decision. Interested persons may obtain a copy of the EA or make inquiries regarding environmental matters by writing to the Section of Environmental Analysis, Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001 or by calling that office at 202-565-1545.

Appropriate offers of financial assistance to continue rail service can be filed with the STB. Requests for environmental conditions, public use conditions, or rail banking/trails use also can be filed with the STB. An original and 10 copies of any pleading that raises matters other than environmental issues (such as trails use, public use, and offers of financial assistance) must be filed directly with the STB's Office of the Secretary, 1925 K Street, N.W., Washington, DC 20423-0001 [See 49 CFR 1104.1(a) and 1104.3(a)], and one copy must be served on applicant's representative [See 49 CFR 1104.12(a)]. Questions regarding offers of financial assistance, public use or trails use may be directed to the STB's Office of Public Assistance at 202-927-7597. Copies of any comments or requests for conditions should be served on the applicant's representative: James R. Paschall, General Attorney, Norfolk Southern Corporation, Three Commercial Place, Norfolk, VA 23510-2191, (757) 629-2759.

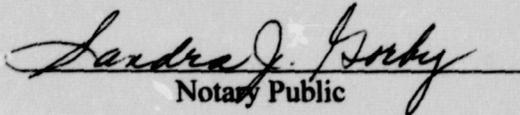
VERIFICATION

COMMONWEALTH OF VIRGINIA    )  
  )  ss:  
CITY OF NORFOLK                )

J. W. McClellan, being duly sworn, deposes and says that he is Vice President-Strategic Planning for Norfolk and Western Railway Company; that he is authorized to sign, verify, and file with the Surface Transportation Board the foregoing Petition for Exemption; that he has carefully examined all of the statements contained in said Petition for Exemption; that he has knowledge of the matters set forth therein are true and correct to the best of his knowledge, information, and belief.



Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.



Notary Public

My Commission expires:

MARCH 31, 1998



CERTIFICATE OF SERVICE

I, John V. Edwards, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

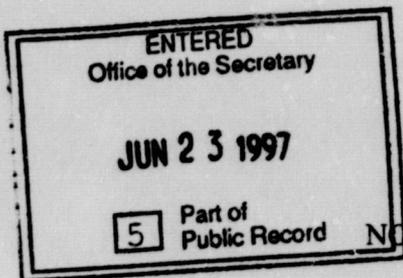
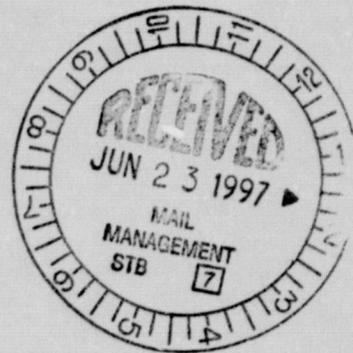


John V. Edwards

Dated: June 8, 1997

BEFORE THE  
SURFACE TRANSPORTATION BOARD

DOCKET NO. AB-290 (SUB-NO. 197X)



NORFOLK AND WESTERN RAILWAY COMPANY

-- ABANDONMENT --

**FILED**

TOLEDO PIVOT BRIDGE  
IN LUCAS COUNTY, OHIO

JUN 23 1997

SURFACE  
TRANSPORTATION BOARD

NOTICE OF EXEMPTION

Norfolk and Western Railway Company (NW), a wholly owned subsidiary of Norfolk Southern Railway Company (NS) submits this verified Notice of Exemption pursuant to 49 C.F.R. § 1152, Subpart F, *Exempt Abandonments and Discontinuances of Service and Trackage Rights*, for an exempt abandonment of the Toledo Pivot Bridge extending from Milepost CS-2.8 to Milepost CS-3.0 near Toledo, a distance of approximately 0.2 miles in Lucas County, Ohio. The United States Postal Service ZIP code which this line traverses or adjoins is 42611.

The abandonment of this line is related to, and contingent upon, the proposed Conrail acquisition, approval for which is being sought in STB Finance Docket No. 33388.

**Proposed Consummation Date: 49 C.F.R. § 1152.50(d)(2)**

The abandonment will be consummated on or after the effective date of a Board decision approving the Conrail acquisition in STB Finance Docket No. 33388.

**Federally Granted Rights-of-Way**

Based on information in the railroad's possession, the line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

**Certification: 49 C.F.R. § 1152.50(b)**

NW certifies that no local traffic has moved over the line for at least two years; no user of rail service on the line, or a state or local governmental entity acting on behalf of such user, has filed formal complaints with this Board regarding cessation of service over the line; and a formal complaint is neither pending with this Board nor any U.S. District Court nor has been decided in favor of the complainant within the two-year period. After the acquisition, overhead traffic will be rerouted over NW and CR lines to the CR Maumee River bridge 4 miles to the south.

**Additional Information Required:**

**49 C.F.R. § 1152.22(a) (1)-(4), (7)-(8) and (e)(4)**

(a) General

(a)(1) The railroad's exact name is Norfolk and Western Railway Company.

(a)(2) NW is a wholly owned subsidiary of Norfolk Southern Railway Company, a common carrier railroad subject to the Interstate Commerce Commission Termination Act of 1995.

(a)(3) NW intends to abandon the Toledo Pivot Bridge extending from Milepost CS-2.8 to Milepost CS-3.0 near Toledo, a distance of approximately 0.2 miles in Lucas County, Ohio.

(a)(4) A map showing the location of the line in conjunction with other rail lines, highways, and roads in the area is attached as Exhibit 1.

(a)(7) The representatives to whom correspondence regarding this abandonment should be sent are:

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia, 23510-9241  
(757) 629-2759

(a)(8) The following list includes all United States Postal Service ZIP Codes that the line proposed for abandonment traverses: 43611.

**(e)(4) Rural and Community Impact**

NW's title search is incomplete. At this time, NW is not aware of any reversionary interest which would affect the transfer of title, but must do further work to be certain. The bridge is not suitable for public use and repairs and maintenance would make such use prohibitively costly.

**Labor Protection**

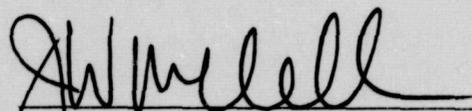
The interests of railroad employees will be protected by the conditions discussed in Oregon Short Line Railroad Co. – Abandonment – Goshen, 360 I.C.C. 91 (1979)

**Environmental / Historic Report**

Required environmental and historic information is contained in the Environmental Report being filed in STB Finance Docket No. 33388.

For the foregoing reasons, NW believes the proposed abandonment is exempt under 49 C.F.R. § 1152.50.

Respectfully submitted.

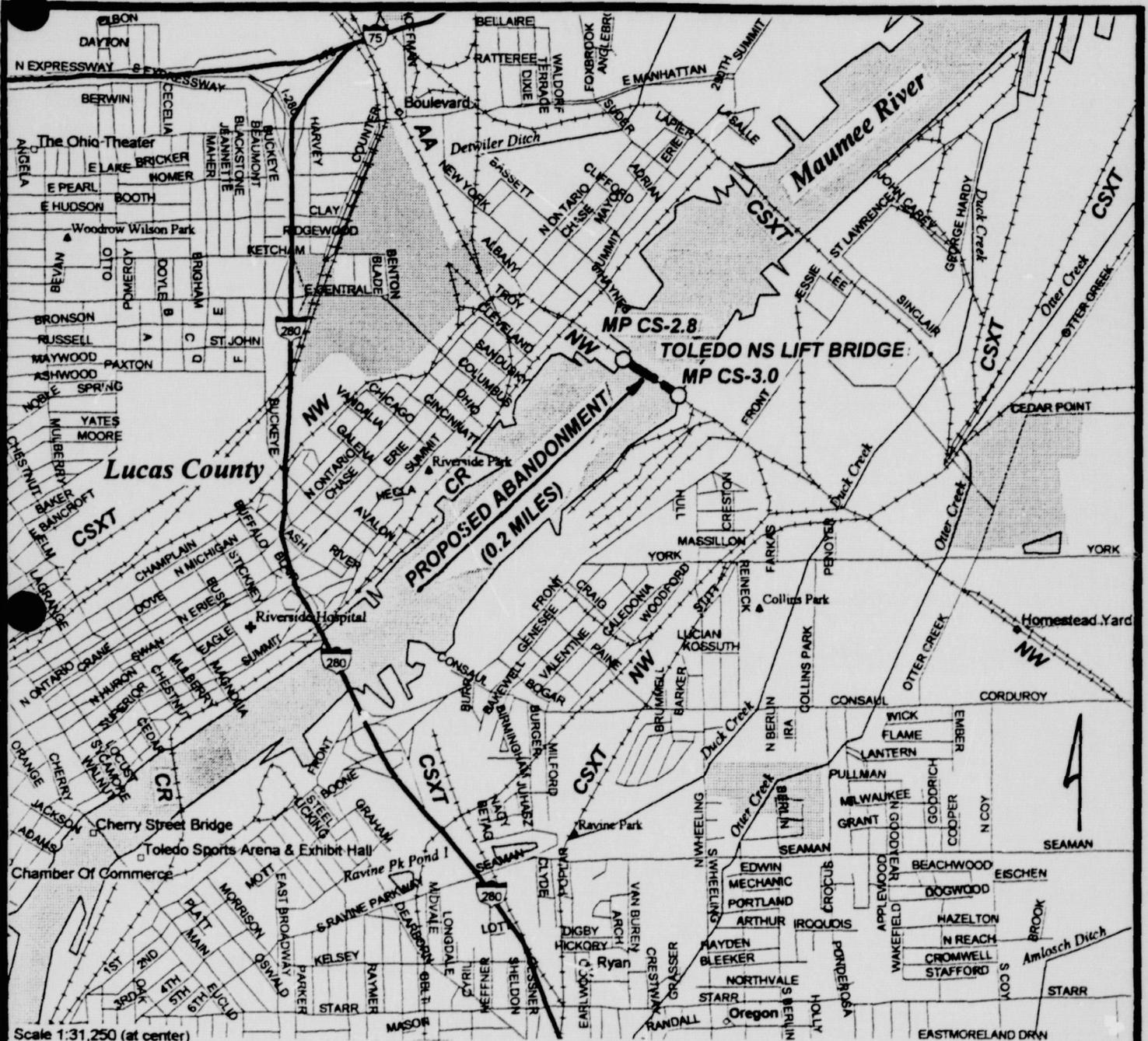
  
\_\_\_\_\_  
J. W. McClellan  
Vice President-Strategic Planning  
Norfolk Southern Railway Company

Of Counsel:

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-9241  
(757) 629-2759

Dated: June 16, 1997

ALLIED REPROGRAPHICS 573576



Scale 1:31,250 (at center)

2000 Feet

DO NOT SCALE THIS DRAWING FOR DIMENSIONS NOT GIVEN



Norfolk and Western Railway Company

OWNING COMPANY

OFFICE OF CHIEF ENGINEER - DESIGN & CONSTRUCTION ATLANTA, GA.

REV	BY	DATE	DESCRIPTION
LOCATION <b>Toledo, Ohio</b>			
TITLE <b>Proposed Main Line Abandonment Between Milepost CS-2.8 and Milepost CS-3.0</b> 88			
DGN	VAL SEC	MAP	MILE POST CS-2.8 to CS-3.0
DWN MHG	FILE	188-24	DRAWING NUMBER
CHK	DATE	February 7, 1997	<b>TA 97-0054</b>

**NORFOLK  
SOUTHERN**

Norfolk Southern Corporation  
Law Department  
Three Commercial Place  
Norfolk, Virginia 23510-9241

James R. Paschall  
General Attorney

Writer's Direct Dial Number

(757) 629-2759

June 4, 1997

Mr. Mark D. Ross, Chief  
Railroad Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215-3739

MTMCTEA  
Attn: Railroads for National Defense  
720 Thimble Shoals Blvd., Suite 130  
Newport News, VA 23606-2574

National Park Service  
Recreation Resources Assistance Division  
P. O. Box 37127  
Washington, DC 20013-7127

U. S. Department of Agriculture  
Chief of the Forest Service  
South Building  
14th St. & Independence Ave., S.W.  
Washington, DC 20250

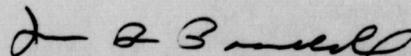
National Park Service  
Land Resources Division-MS800  
800 N. Capitol St., N.W.  
Washington, DC 20001

Re: Surface Transportation Board Docket No. AB-290 (Sub-No. 197X), Norfolk Southern Railway Company -- Abandonment -- Toledo Pivot Bridge in Lucas County, Ohio -- Notice of Exemption

Ladies and Gentlemen:

Pursuant to 49 CFR § 1152.50(d)(1), Norfolk Southern Railway Company (NS) hereby gives notice that on or about June 16, 1997, it will file with the Surface Transportation Board a notice of exemption from regulation in accordance with the exemption regulations set forth at 49 CFR Part 1152, Subpart F. That notice of exemption will permit NS' abandonment of its bridge between Mileposts CS-2.8 and CS-3.0 near Toledo, OH (see attached map). The bridge to be abandoned is approximately .2 mile long and is located in Lucas County, OH. No revenue traffic has originated or terminated on the bridge to be abandoned for more than two years and the overhead traffic will be rerouted over Conrail's Maumee River bridge four miles to the south. Based on information in our possession, the line does not contain federally granted rights-of-way. Any documentation in the railroad's possession will be made available promptly to those requesting it.

Very truly yours,



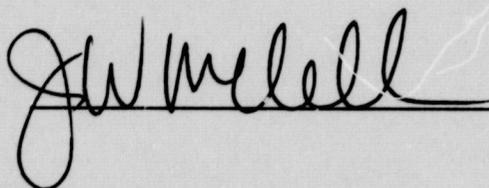
James R. Paschall



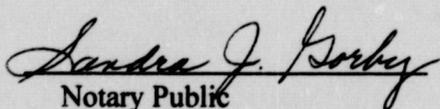
VERIFICATION

COMMONWEALTH OF VIRGINIA :  
:   
CITY OF NORFOLK :

J. W. McClellan, being duly sworn, deposes and says that he is Vice President-Strategic Planning of Norfolk Southern Railway Company; that he is authorized to sign, verify, and file with the Surface Transportation Board the foregoing Notice of Exemption in AB-290 (Sub-No. 197X) on behalf of Norfolk Southern Railway Company; that he has carefully examined all of the statements contained in said Notice of Exemption; that he has knowledge of the matters set forth therein; and that all such statements made and matters set forth are true and correct to the best of his knowledge, information, and belief.



Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.



Notary Public

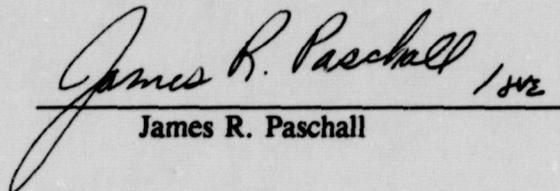
My commission expires:

**MARCH 31, 1998**

[SEAL]

CERTIFICATION

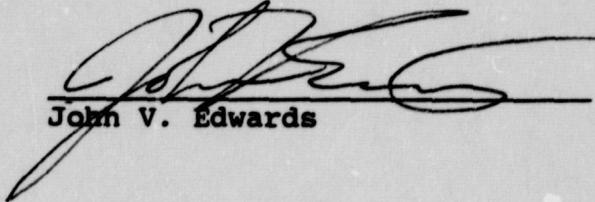
I hereby certify that pursuant to § 1105.12, a notice of intent to abandon rail service was published in The Toledo Blade, Toledo, Ohio, on June 2, 1997; and that the notice required by § 1152.50(d)(1) was given (see Exhibit 2).

  
James R. Paschall

Dated: June 8, 1997

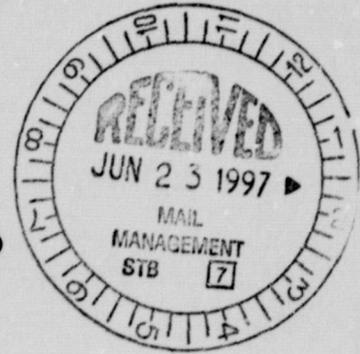
CERTIFICATE OF SERVICE

I, John V. Edwards, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
John V. Edwards

Dated: June 8, 1997

ENTERED  
Office of the Secretary  
  
JUN 23 1997  
  
5 Part of  
Public Record



BEFORE THE  
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388 (SUB-NC 1)

CSX TRANSPORTATION, INC. -  
CONSTRUCTION AND OPERATION OF CONNECTION  
TRACK AT CRESTLINE, OHIO

**FILED**

JUN 23 1997

SURFACE  
TRANSPORTATION BOARD

VERIFIED NOTICE OF EXEMPTION

CSX Transportation, Inc. ("CSXT") files this Notice of Exemption pursuant to the Board's regulations at 49 C.F.R. § 1150.36(c). This Notice of Exemption is for construction and operation of a connection track at Crestline, Ohio. On May 2, 1997, CSX Corporation ("CSXC"), CSXT,<sup>1</sup> and Conrail, Inc. ("CRI") and Consolidated Rail Corporation ("CRC")<sup>2</sup> 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

<sup>1</sup> CSXC and CSXT are referred to collectively as "CSX."

<sup>2</sup> CRI and CRC are referred to collectively as "Conrail."

related to the primary transaction be evaluated as a related application. The Petition 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.

If the Petition for Waiver is granted by the Board, CSX and Conrail will immediately file another Notice of Exemption in this Sub-Docket for authority to construct the connection track at Crestline. In that event, this related application should only be considered as a request for operating rights over the connection. If the Petition for Waiver is denied by the Board, this related application requests both construction and operating rights authority for the connection.

In accordance with the aforementioned regulations, CSXT makes the following responses.

1. Name and Address of the Railroad Proposing to Construct and Operate the Connection Track

The name and address of the railroad proposing to construct and operate the connection track is:

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

2. Name of the Proposed Operator

The construction and operation of this connection track is related to, and contingent upon, the proposed control of Conrail by CSX and NS,<sup>3</sup> 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.

3. Description of the Proposed Construction and Operation

Two main line tracks of CRC cross at Crestline, Ohio. CSXT proposes 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.

If the Board approves the primary application, one of CSXT's most important service lanes will be its Northeastern Gateway extending from Chicago to Albany, New York, with branches eastward to Boston and southward to Newark, New Jersey. This service lane combines CSXT's current main line route from Chicago to Greenwich, Ohio, and CRC's line between Greenwich and Albany.

---

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

The lines comprising this service lane currently contain some of the most heavily traveled track on the proposed CSXT combined system. It is anticipated that traffic on this corridor will be as high as 50 trains per day within the next three years.

In order to accommodate some of this traffic, CSXT proposes to use an auxiliary service route between Chicago and Cleveland via Fort Wayne, Indiana and Crestline, Ohio, and via Crestline and Greenwich, Ohio. CSXT proposes to construct a connection at Greenwich, which is the subject matter of another related application, as well as this connection at Crestline.

The auxiliary service lane will be used primarily for bulk traffic such as grain and coal. By using the auxiliary service lane through Crestline for bulk commodities, CSXT will be able to accommodate increased flows of time-sensitive traffic on CSXT's other line into Chicago. It is anticipated that an average of five trains per day will be operated over the connection at Crestline.

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 or on land owned by the connecting railroads.

5. Date the Construction is Proposed to Begin

CSXT proposes to begin construction on the connection track at Crestline only after the effective date of a Board decision approving the primary application and this related

application in Finance Docket No. 33388.

6. Environment Report

CSXT hereby certifies that it has 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)

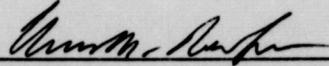
CSXT hereby certifies that it has complied with the prefiling notice requirements of 49 C.F.R. 1150.36(c)(1) by notifying the following parties in writing on May 16, 1997 of its intent to file this related application. The notification included a statement addressing the requirements imposed on the Board 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, 15<sup>th</sup> 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, 34<sup>th</sup> Floor  
Columbus, Ohio 43266-0411**

Respectfully submitted,



**CHARLES M. ROSENBERGER**  
Senior Counsel  
CSX Transportation, Inc.  
500 Water Street - J150  
Jacksonville, Florida 32202

Dated: June 7, 1997

VERIFICATION

STATE OF FLORIDA     )  
                                  )  
COUNTY OF DUVAL     )

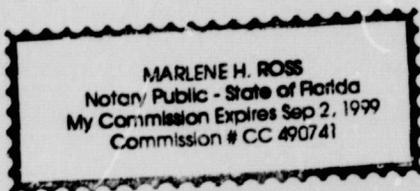
Michael J. Ward, being duly sworn, states that he is Executive Vice President-Finance of CSX Transportation, Inc.; that he is authorized to verify and file with the Surface Transportation Board the foregoing Notice of Exemption in Finance Docket No. 33388 (Sub-No. 1) on behalf of CSX Transportation, Inc.; that he has carefully examined all of the statements in the Notice of Exemption; that he has knowledge of the facts and matters relied upon in the Notice of Exemption; and that all representations set forth therein are true and correct to the best of his knowledge, information and belief.

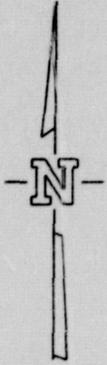
Michael J. Ward  
Michael J. Ward

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named this 4TH day of June, 1997.

Marlene H. Ross  
Notary Public

My Commission Expires:





**NEW CONNECTION**  
LENGTH = 1507'

MP 75.4

**CONRAIL (NYC)**

TO GREENWICH

TO FT. WAYNE

**CONRAIL (PENN)**

MP 188.8

FORMER MAIN LINE ALIGNMENT

TO PITTSBURGH

PRO. MAIN LINE ALIGN.

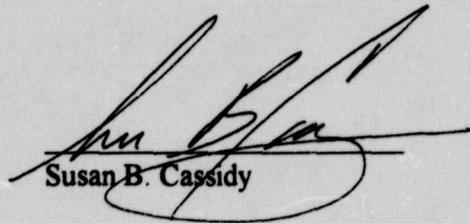
L=1909'

TO INDIANAPOLIS

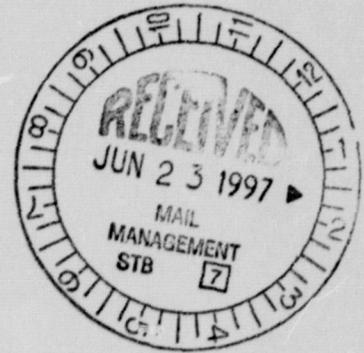
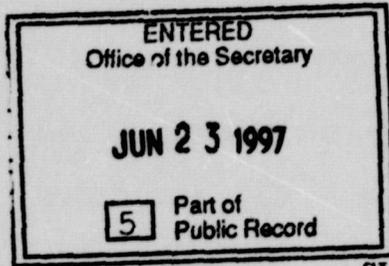
**CRESTLINE, OH**

**CERTIFICATE OF SERVICE**

I, Susan B. Cassidy, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
Susan B. Cassidy

Dated: June 8, 1997



BEFORE THE  
SURFACE TRANSPORTATION BOARD

**FILED**

JUN 23 1997

FINANCE DOCKET NO. 33388 (SUB-NO. 2)

SURFACE  
TRANSPORTATION BOARD

CSX TRANSPORTATION, INC. -  
CONSTRUCTION AND OPERATION OF  
CONNECTION TRACK AT WILLOW CREEK, INDIANA

PETITION FOR EXEMPTION

Pursuant to 49 U.S.C. 10502 and 49 C.F.R. Part 1121, CSX Transportation, Inc. ("CSXT") hereby files this petition for exemption from the prior approval provisions of 49 U.S.C. 10901 to construct and operate a connection track in Willow Creek, Indiana. On May 2, 1997, CSX Corporation ("CSXC"), CSXT,<sup>1</sup> Conrail, Inc. ("CRI") and Consolidated Rail Corporation ("CRC")<sup>2</sup> 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

<sup>1</sup> CSXC and CSXT are referred to collectively as "CSX".

<sup>2</sup> CRI and CRC are referred to collectively as "Conrail."

projects related to the primary transaction be evaluated as a related application. The Petition 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 Willow Creek.

If the Petition for Waiver is granted by the Board, CSX and Conrail will immediately file another Petition for Exemption in this Sub-Docket for authority to construct only the connection track at Willow Creek. In that event, this related application should only be considered as a request for operating rights over the connection. If the Petition for Waiver is denied by the Board, this related application requests both construction and operating rights authority for the connection.

In support of its petition, CSXT states the following:

#### DESCRIPTION OF THE PARTY

The name and address of the railroad proposing to construct and operate the connection track at Willow Creek, Indiana is:

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

#### DESCRIPTION OF THE PROPOSED CONNECTION AND OPERATION

CSXT and CRC cross each other at Willow Creek. CSXT proposes to construct a connection track in the SE Quadrant between CSXT's main line and CRC's main line. The connection will extend approximately 2,800 feet between approximately Milepost BI-236.5 on CSXT's main line between Garrett, Indiana and Chicago, and approximately

Milepost 248.8 on CRC's main line between Porter, Indiana and Gibson Yard, Indiana (outside Chicago). It is anticipated that approximately 0.2 acres of right-of-way must be acquired to construct this connection. A map showing the proposed connection at Willow Creek is attached as Exhibit A.

If the Board approves the primary application, one of CSXT's most important service lanes will be its Northeastern Gateway extending from Chicago to Albany, New York, with branches eastward to Boston and southward to Newark, New Jersey. This service lane combines CSXT's current main line route from Chicago to Greenwich, Ohio, and CRC's line between Greenwich and Albany.

The lines comprising this service lane currently contain some of the most heavily traveled track on the proposed CSXT combined system. It is anticipated that traffic on this corridor will be as high as 50 trains per day within the next three years.

The proposed connection at Willow Creek will provide tremendous support to this large volume of traffic moving into and out of Chicago via CSXT's Northeastern Gateway service lane. Willow Creek is located just southeast of Chicago. The proposed connection at Willow Creek will provide a direct link between CRC and CSXT tracks and the parallel IHB line at Willow Creek. The connection will allow the CRC and CSXT lines to be used interchangeably as traffic conditions warrant. The option to switch to the IHB track at Willow Creek will, in effect, provide a third main track into Chicago in the 20-mile segment between Porter and the Chicago Terminal at Hammond, Indiana. It is anticipated that an average of 11 trains per day will operate over this connection.

The construction and operation of this connection track at Willow Creek, Indiana is related to, and contingent upon, the proposed control of Conrail by CSX and NS,<sup>3</sup> approval for which is being sought in Finance Docket No. 33388. CSXT proposes to begin construction on the connection track at Willow Creek, Indiana only after the effective date of a Board decision approving the primary application and this related application in Finance Docket No. 33388.

### ARGUMENT

Under 49 U.S.C. 10901, a railroad may (1) construct an extension to any of its railroad lines; (2) construct an additional railroad line; or (3) provide transportation over an extended or additional railroad line, only if the Board issues a certificate authorizing such activity.

However, under 49 U.S.C. 10502, the Board shall exempt a rail transaction from regulation when it finds that (1) application of the pertinent statutory provisions is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction is of limited scope, or regulation is not needed to protect shippers from the abuse of market power.

A. Granting The Exemption Would Be Consistent With The Rail Transportation Policy

CSXT believes that the proposed construction and operation of the connection track at Willow Creek, Indiana is appropriate for exemption from the formal procedures of 49 U.S.C. 10901. Exemption of the construction and operation of this connection track is

---

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

exactly the type of minor transaction Congress contemplated when it enacted Section 10502.

Requiring CSXT to comply with the formal filing requirements of Section 10901 is clearly not necessary to carry out the rail transportation policy of Section 10101, which represents Congress' most recent expression of rail transportation policy. As relevant here, the rail transportation policy of Section 10101 requires that in exercising its regulatory authority, the Board will minimize the need for Federal regulatory control over the rail transportation system, will promote a safe and efficient rail transportation system, will ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, will reduce regulatory barriers to entry into and exit from the industry, will encourage honest and efficient management of railroads, and will promote a sound transportation system meeting the needs of the public and the national defense.

Exemption of the proposed construction and operation meets all of these elements of the rail transportation policy. First, by minimizing the regulatory expense and time inherent in a full application under the provisions of Section 10901, exemption will expedite regulatory decisions and reduce regulatory barriers to entry into the industry. Preparation and filing of an application under Section 10901 would not only be expensive, it would also be burdensome in view of the substantial amount of supporting documents required, and unnecessary considering the inconsequential size of the transaction.

Second, exemption will also foster efficient management and promote a safe and efficient rail system. As noted earlier, the connection at Willow Creek is an important link in CSXT's Northeastern Gateway service lane. This connection will allow traffic coming

into Chicago to be moved between CRC's line and CSXT's line. The option to switch to the IHB track at Willow Creek will provide CSXT with a third main line track into Chicago thus making its operations more efficient. Accordingly, this connection will make a substantial contribution in the improvement of CSXT's service in the Chicago area.

Finally, the exemption will promote effective competition among rail carriers and with other modes, and help meet the needs of the shipping public. One of the essential features of the proposed transaction in Finance Docket No. 33388 is the creation of two competitive railroads between the Northeast and Chicago. The creation of these two competitive rail routes is also one of the most important public benefits to be created through the division of Conrail's assets. The connection at Willow Creek will facilitate the competition between CSXT and NSRC. Furthermore, by improving its operation in the Chicago area, CSXT will be able to vigorously compete with other modes of transportation for intermodal and other traffic.

B. The Proposed Connection Is Of Limited Scope

The transaction involved in this proceeding is of limited scope. The proposed construction and operation of a connection track at Willow Creek involves only a 2,800 foot track connecting CSXT and CRC. The connection track will be constructed on existing rail rights of way except for a small portion involving only 0.2 acres to be acquired.

C. Shippers Will Not Be Subject To An Abuse of Market Power

An application is not necessary to protect shippers from an abuse of market power. It is extremely unlikely that the proposed connection would have any effect on a shipper's market power. Indeed, as previously noted, the whole purpose of the connection

track is to create additional alternatives and to improve service in the Chicago area which will in turn improve service to all shippers and receivers whose rail traffic passes through the Chicago Terminal. The proposed connection will assist CSXT in providing competitive transportation service for all traffic moving between Chicago and points in the eastern United States.

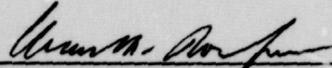
### ENVIRONMENTAL REPORT

The environmental report covering the proposed construction and operation of the connection track at Willow Creek, Indiana is contained in the Environmental Report being filed with the Board in Finance Docket No. 33388. As information, the below listed parties were advised in writing on May 16, 1997 of CSXT's intent to file this related application.

Mr. Frank Sullivan  
Budget Director  
State Budget Agency  
212 State House  
Indianapolis, Indiana 46204

Mr. Matthew G. Brooks  
Railroad Section Manager  
Indiana Department of Transportation  
Intermodal Transportation Division  
100 North Senate Avenue, Room 901  
Indianapolis, Indiana 46204

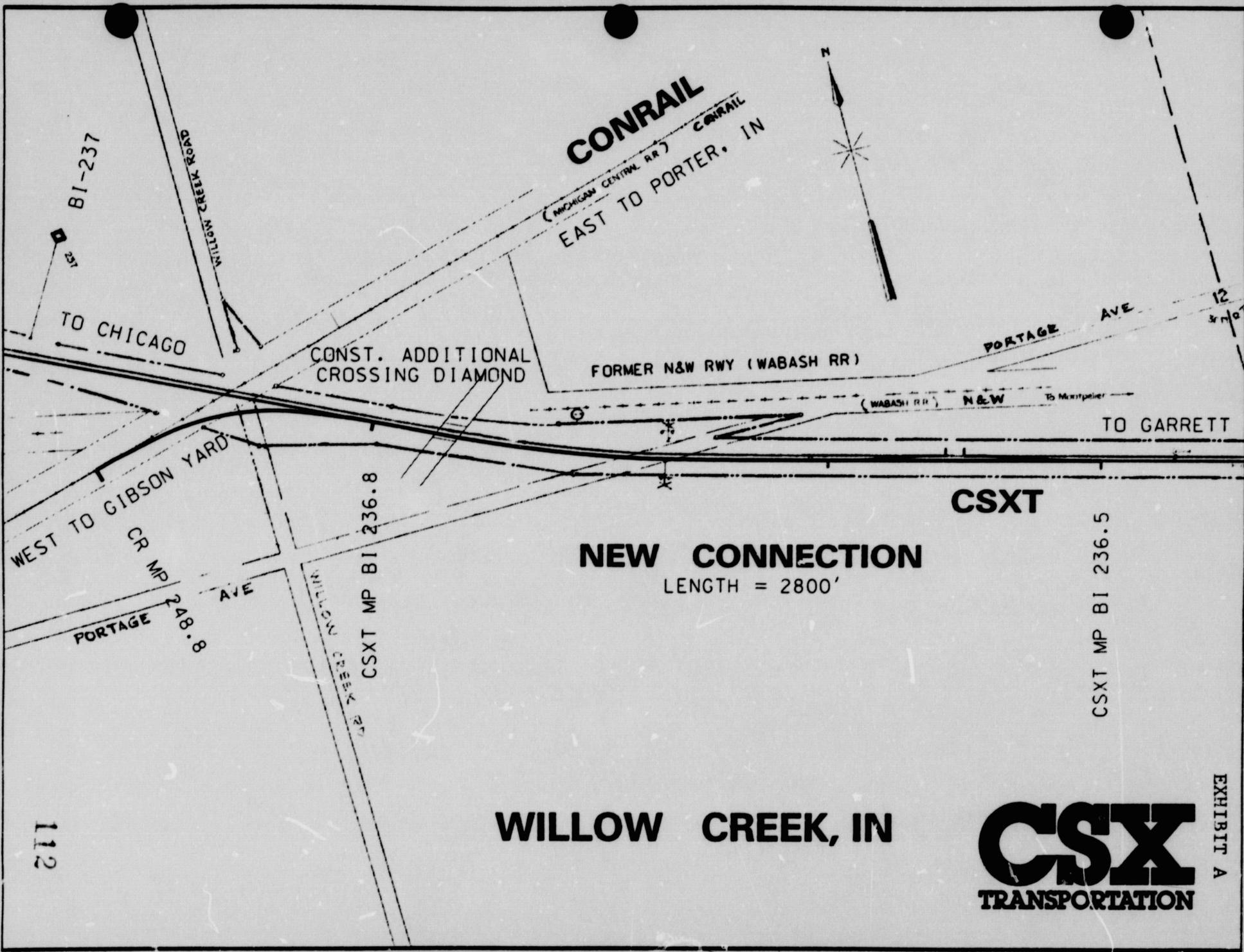
Respectfully submitted,



---

CHARLES M. ROSENBERGER  
Senior Counsel  
CSX Transportation, Inc.  
500 Water Street - J150  
Jacksonville, Florida 32202

Dated: June 7, 1997



112

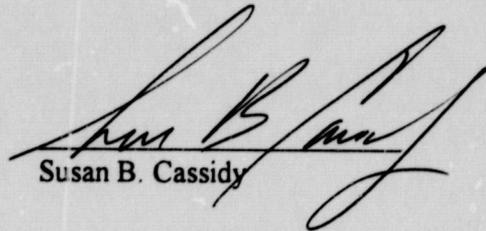
**WILLOW CREEK, IN**



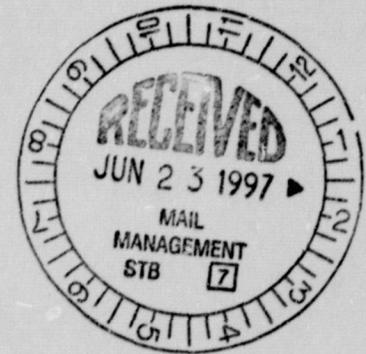
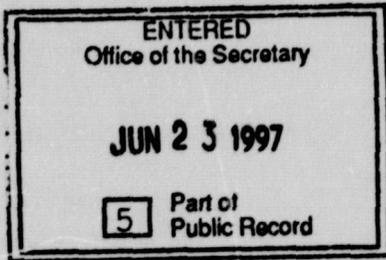
EXHIBIT A

**CERTIFICATE OF SERVICE**

I, Susan B. Cassidy, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
Susan B. Cassidy

Dated: June 8, 1997



BEFORE THE  
SURFACE TRANSPORTATION BOARD

**FILED**

JUN 23 1997

FINANCE DOCKET NO. 33388 (SUB-NO. 3)

SURFACE  
TRANSPORTATION BOARD

CSX TRANSPORTATION, INC. -  
CONSTRUCTION AND OPERATION OF  
CONNECTION TRACKS AT GREENWICH, OHIO

PETITION FOR EXEMPTION

Pursuant to 49 U.S.C. 10502 and 49 C.F.R. Part 1121, CSX Transportation, Inc. ("CSXT") hereby files this petition for exemption from the prior approval provisions of 49 U.S.C. 10901 to construct and operate connection tracks in Greenwich, Ohio. On May 2, 1997, CSX Corporation ("CSXC"), CSXT,<sup>1</sup> Conrail, Inc. ("CRI") and Consolidated Rail Corporation ("CRC")<sup>2</sup> 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

CSXC and CSXT are referred to collectively as "CSX."  
CRI and CRC are referred to collectively as "Conrail."

related to the primary transaction be evaluated as a related application. The Petition 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 Greenwich.

If the Petition for Waiver is granted by the Board, CSX and Conrail will immediately file another Petition for Exemption in this Sub-Docket for authority to construct only the connection tracks at Greenwich. In that event, this related application should only be considered as a request for operating rights over the connection. If the Petition for Waiver is denied by the Board, this related application requests both construction and operating rights authority for the connection.

In support of its petition, CSXT states the following:

#### DESCRIPTION OF THE PARTY

The name and address of the railroad proposing to construct and operate the connection tracks at Greenwich, Ohio is:

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

#### DESCRIPTION OF THE PROPOSED CONNECTION AND OPERATION

CSXT and CRC cross each other at Greenwich. CSXT proposes to construct connection tracks in the NW and SE Quadrants between CSXT's main line and CRC's main line at Greenwich. The connection in the NW Quadrant will extend approximately 4,600 feet between approximately Milepost BG-193.1 on CSXT's main line between Chicago and

Pittsburgh, and approximately Milepost 54.1 on CRC's main line between Cleveland and Cincinnati. A portion of this connection in the NW Quadrant will be constructed utilizing existing trackage and/or right-of-way of the Wheeling & Lake Erie Railway Company. The connection in the SE Quadrant will extend approximately 1,044 feet between approximately Milepost BG-192.5 on CSXT's main line and approximately Milepost 54.6 on CRC's main line. It is anticipated that approximately 0.4 acres of right-of-way must be acquired to construct these connections. A map showing the proposed connections at Greenwich is attached as Exhibit A.

If the Board approves the primary application, one of CSXT's most important service lanes will be its Northeastern Gateway extending from Chicago to Albany, New York, with branches eastward to Boston and southward to Newark, New Jersey. This service lane combines CSXT's current main line route from Chicago to Greenwich, Ohio, and CRC's line between Greenwich and Albany.

The lines comprising this service lane currently contain some of the most heavily traveled track on the proposed CSXT combined system. It is anticipated that traffic on this corridor will be as high as 50 trains per day within the next three years.

The construction and operation of these two connections at Greenwich are of paramount importance if CSXT's Northeastern Gateway service lane is to operate as anticipated. As indicated earlier, this service lane combines CSXT's current main line between Chicago and Greenwich with CRC's current main line between Greenwich and Albany. The connection track to be constructed in the NW Quadrant will connect these two main lines and allow the traffic to flow between Chicago and points in the East. It is

anticipated that an average of 35 trains per day will operate over this essential connection.

In order to compete effectively for traffic moving to and from Chicago and points in the East, CSXT intends to establish a second auxiliary route from the east into Chicago. This service lane will be created from the existing Norfolk Southern Railway Company ("NSRC") line between Chicago and Fort Wayne, which CSXT will operate, and CRC's existing lines between Fort Wayne and Crestline, and between Crestline and Greenwich. This auxiliary route will handle primarily bulk traffic which is less time sensitive. The connection track to be constructed in the SE Quadrant at Greenwich will allow this traffic to be routed through Crestline. It is anticipated that an average of 9 trains per day will operate over this also very essential connection. Without these two connections, CSXT cannot physically handle traffic between its current rail line to Chicago and the CRC lines it will operate.

The construction and operation of these connection tracks at Greenwich, Ohio are related to, and contingent upon, the proposed control of Conrail by CSX and NS,<sup>3</sup> approval for which is being sought in Finance Docket No. 33388. CSXT proposes to begin construction on the connection tracks at Greenwich, Ohio only after the effective date of a Board decision approving the primary application and this related application in Finance Docket No. 33388.

#### ARGUMENT

Under 49 U.S.C. 10901, a railroad may (1) construct an extension to any of its

---

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

railroad lines; (2) construct an additional railroad line; or (3) provide transportation over an extended or additional railroad line, only if the Board issues a certificate authorizing such activity.

However, under 49 U.S.C. 10502, the Board shall exempt a rail transaction from regulation when it finds that (1) application of the pertinent statutory provisions is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction is of limited scope, or regulation is not needed to protect shippers from the abuse of market power.

A. Granting The Exemption Would Be Consistent With  
The Rail Transportation Policy

CSXT believes that the proposed construction and operation of the connection tracks at Greenwich, Ohio is appropriate for exemption from the formal procedures of 49 U.S.C. 10901. Exemption of the construction and operation of these connection tracks is exactly the type of minor transaction Congress contemplated when it enacted Section 10502.

Requiring CSXT to comply with the formal filing requirements of Section 10901 is clearly not necessary to carry out the rail transportation policy of Section 10101, which represents Congress' most recent expression of rail transportation policy. As relevant here, the rail transportation policy of Section 10101 requires that in exercising its regulatory authority, the Board will minimize the need for Federal regulatory control over the rail transportation system, will promote a safe and efficient rail transportation system, will ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, will reduce regulatory barriers to entry into and exit from the industry, will encourage honest and efficient management of

railroads, and will promote a sound transportation system meeting the needs of the public and the national defense.

Exemption of the proposed construction and operation meets all of these elements of the rail transportation policy. First, by minimizing the regulatory expense and time inherent in a full application under the provisions of Section 10901, exemption will expedite regulatory decisions and reduce regulatory barriers to entry into the industry. Preparation and filing of an application under Section 10901 would not only be expensive, it would also be burdensome in view of the substantial amount of supporting documents required, and unnecessary considering the inconsequential size of the transaction.

Second, exemption will also foster efficient management and promote a safe and efficient rail system. As noted earlier, the connection in the NW Quadrant at Greenwich provides the vital link between CSXT's main line into Chicago and CRC's main line to the east. The connection in the SE Quadrant provides the vital link to allow CSXT to use its auxiliary route into Chicago for non-time sensitive shipments. Without these two connections, CSXT's Northeastern Gateway service lane will not be able to operate efficiently and effective competition in the east will be completely thwarted.

Finally, the exemption will promote effective competition among rail carriers and with other modes, and help meet the needs of the shipping public. One of the essential features of the proposed transaction in Finance Docket No. 33388 is the operation by CSXT of CRC's so-called Water Level Route between Albany and Cleveland. The operation of this important corridor along with the construction of the connection tracks at Greenwich will create a more efficient operation for CSXT and thus make it more competitive for traffic to

and from points east of Cleveland/Pittsburgh moving to Chicago. Furthermore, by improving its operations into the Chicago area, CSXT will be able to vigorously compete with other modes of transportation for intermodal and other traffic.

B. The Proposed Connection Is Of Limited Scope

The transaction involved in this proceeding is of limited scope. The proposed construction and operation of connection tracks at Greenwich involve only a 4,600 foot track and a 1,044 foot track connecting CSXT and CRC. The connection tracks will be constructed on existing rail rights of way except for a small portion involving only 0.4 acres to be acquired.

C. Shippers Will Not Be Subject To An Abuse of Market Power

An application is not necessary to protect shippers from an abuse of market power. Indeed, it is extremely unlikely that the proposed connections would have any effect on a shipper's market power. Indeed, as previously noted, the purpose of the connection tracks is to create additional alternatives and to improve service to all shippers and receivers whose rail traffic passes through Chicago. The proposed connections will assist CSXT in providing competitive transportation service for all traffic moving between Chicago and points in the eastern United States.

ENVIRONMENTAL REPORT

The environmental report covering the proposed construction and operation of the connection tracks at Greenwich, Ohio is contained in the Environmental Report being filed with the Board in Finance Docket No. 33388. As information, the below listed parties were advised in writing on May 16, 1997 of CSXT's intent to file this related application.

STB

FD

33388

6-23-97

A

180274V5

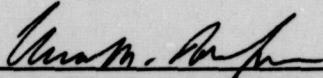
3/9

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

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

Respectfully submitted,



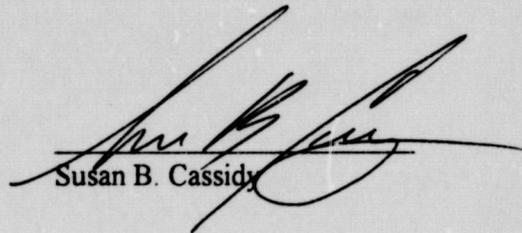
**CHARLES M. ROSENBERGER**  
Senior Counsel  
CSX Transportation, Inc.  
500 Water Street - J150  
Jacksonville, Florida 32202

Dated: June 7, 1997

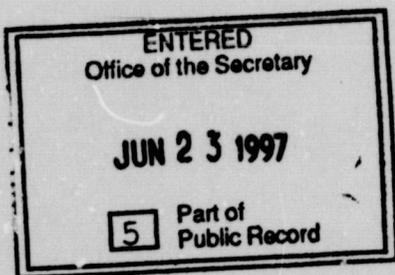


**CERTIFICATE OF SERVICE**

I, Susan B. Cassidy, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
Susan B. Cassidy

Dated: June 8, 1997



BEFORE THE  
SURFACE TRANSPORTATION BOARD

**FILED**

JUN 23 1997

SURFACE  
TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388 (SUB-NO. 4)

CSX TRANSPORTATION, INC. -  
CONSTRUCTION AND OPERATION OF  
CONNECTION TRACK AT SIDNEY JCT., OHIO

PETITION FOR EXEMPTION

Pursuant to 49 U.S.C. 10502 and 49 C.F.R. Part 1121, CSX Transportation, Inc. ("CSXT") hereby files this petition for exemption from the prior approval provisions of 49 U.S.C. 10901 to construct and operate a connection track at Sidney Jct., Ohio. On May 2, 1997, CSX Corporation ("CSXC"), CSXT,<sup>1</sup> Conrail, Inc. ("CRI") and Consolidated Rail Corporation ("CRC")<sup>2</sup> 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

<sup>1</sup> CSXC and CSXT are referred to collectively as "CSX."  
<sup>2</sup> CRI and CRC are referred to collectively as "Conrail."

construction projects related to the primary transaction be evaluated as a related application. The Petition 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 Sidney Jct.

If the Petition for Waiver is granted by the Board, CSX and Conrail will immediately file another Petition for Exemption in this Sub-Docket for authority to construct only the connection track at Sidney Jct. In that event, this related application should only be considered as a request for operating rights over the connection. If the Petition for Waiver is denied by the Board, this related application requests both construction and operating rights authority for the connection.

In support of its petition, CSXT states the following:

#### DESCRIPTION OF THE PARTY

The name and address of the railroad proposing to construct and operate the connection track at Sidney Jct., Ohio is:

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

#### DESCRIPTION OF THE PROPOSED CONNECTION AND OPERATION

CSXT and CRC cross each other at Sidney Jct. CSXT proposes to construct a connection track in the SE Quadrant between CSXT's main line and CRC's main line. The connection will extend approximately 3,263 feet between approximately Milepost BE-96.5 on CSXT's main line between Cincinnati and Toledo, and approximately Milepost 163.5 on

CRC's main line between Cleveland and Indianapolis. This connection is anticipated to require the acquisition of approximately 2.6 acres of right-of-way. A map showing the proposed connection track at Sidney Jct. is attached as Exhibit A.

If the Board approves the primary application, an extremely important service lane for CSXT will be the Memphis Gateway. This service lane will combine CRC's routes in and to the Northeast with CSXT's present route between Cincinnati and Memphis. This service lane will provide efficient single line service between the Memphis Gateway and important markets in the eastern United States.

The Memphis Gateway service lane will use CSXT's existing route between Memphis and Sidney, Ohio, via Cincinnati, and CRC's existing St. Louis line between Sidney and Cleveland, where it will connect with other CSXT service lanes going to the eastern United States. By taking advantage of increased volumes and developing reciprocal overhead blocking strategies with western roads, CSXT can avoid classifying traffic to the Northeast at its Cincinnati and Nashville terminals. Westbound CSXT traffic originating in the east and south will be classified in blocks for movement to western points beyond Memphis.

The connection at Sidney Jct. is crucial to the Memphis Gateway service lane. This connection will connect CSXT's Cincinnati-Toledo line with CRC's Cleveland-Indianapolis line, thus allowing single line service from the Northeast to Memphis. It is anticipated that an average of 9.6 trains per day will be operated over this new connection at Sidney Jct.

The construction and operation of this connection track at Sidney Jct., Ohio is

related to, and contingent upon, the proposed control of Conrail by CSX and NS,<sup>3</sup> approval for which is being sought in Finance Docket No. 33388. CSXT proposes to begin construction on the connection track at Sidney Jct., Ohio only after the effective date of a Board decision approving the primary application and this related application in Finance Docket No. 33388.

### ARGUMENT

Under 49 U.S.C. 10901, a railroad may (1) construct an extension to any of its railroad lines; (2) construct an additional railroad line; or (3) provide transportation over an extended or additional railroad line, only if the Board issues a certificate authorizing such activity.

However, under 49 U.S.C. 10502, the Board shall exempt a rail transaction from regulation when it finds that (1) application of the pertinent statutory provisions is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction is of limited scope, or regulation is not needed to protect shippers from the abuse of market power.

A. Granting The Exemption Would Be Consistent With The Rail Transportation Policy

CSXT believes that the proposed construction and operation of the connection track at Sidney Jct., Ohio is appropriate for exemption from the formal procedures of 49 U.S.C. 10901. Exemption of the construction and operation of this connection track is exactly the type of minor transaction Congress contemplated when it enacted Section 10502.

---

<sup>3</sup> Norfolk Southern Corporation ("NSC") and Norfolk Southern Railway Corporation ("NSRC") are referred to collectively as "NS."

Requiring CSXT to comply with the formal filing requirements of Section 10901 is clearly not necessary to carry out the rail transportation policy of Section 10101, which represents Congress' most recent expression of rail transportation policy. As relevant here, the rail transportation policy of Section 10101 requires that in exercising its regulatory authority, the Board will minimize the need for Federal regulatory control over the rail transportation system, will promote a safe and efficient rail transportation system, will ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, will reduce regulatory barriers to entry into and exit from the industry, will encourage honest and efficient management of railroads, and will promote a sound transportation system meeting the needs of the public and the national defense.

Exemption of the proposed construction and operation meets all of these elements of the rail transportation policy. First, by minimizing the regulatory expense and time inherent in a full application under the provisions of Section 10901, exemption will expedite regulatory decisions and reduce regulatory barriers to entry into the industry. Preparation and filing of an application under Section 10901 would not only be expensive, it would also be burdensome in view of the substantial amount of supporting documents required, and unnecessary considering the inconsequential size of the transaction.

Second, exemption will also foster efficient management and promote a safe and efficient rail system. As noted earlier, this connection is a vital link in CSXT's Memphis Gateway service lane. It is anticipated that CSXT will be able to provide efficient single line service between the Memphis Gateway and important markets in the East. The connection at

Sidney Jct. will connect CSXT's Cincinnati-Toledo line with CRC's Cleveland-Indianapolis line making this single line service into and out of Memphis possible. Accordingly, the connection will clearly make a substantial contribution in the improvement of CSXT's service through the Memphis Gateway.

Finally, the exemption will promote effective competition among rail carriers and with other modes, and help meet the needs of the shipping public. One of the essential features of the proposed transaction in Finance Docket No. 33388 is CSXT's ability to provide single line service through Memphis. This service, which will be made possible only by the construction of the connection at Sidney Jct. will create an extremely efficient operation for CSXT and thus make it more competitive for traffic moving between the Memphis Gateway and markets in the eastern United States. Furthermore, by improving its service route through Memphis, CSXT will be able to vigorously compete with other modes of transportation for intermodal and other traffic.

B. The Proposed Connection Is Of Limited Scope

The transaction involved in this proceeding is of limited scope. The proposed construction and operation of the connection track at Sidney Jct. involves only a 3,263 foot track connecting CSXT and CRC. The connection track will be constructed on existing rail rights of way except for a small portion involving only 2.6 acres to be acquired.

C. Shippers Will Not Be Subject To An Abuse of Market Power

An application is not necessary to protect shippers from an abuse of market power. Indeed, it is extremely unlikely that the proposed connection would have any effect on a shipper's market power. Indeed, as previously noted, the sole purpose of the

connection track is to create additional alternatives and to improve service to all shippers and receivers whose rail traffic passes through the Memphis Gateway. The proposed connection will assist CSXT in providing competitive transportation service for all traffic moving between Memphis and markets in the Eastern United States.

#### ENVIRONMENTAL REPORT

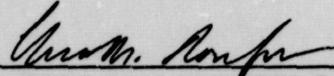
The environmental report covering the proposed construction and operation of the connection track at Sidney Jct., Ohio is contained in the Environmental Report being filed with the Board in Finance Docket No. 33388. As information, the below listed parties were advised in writing on May 16, 1997 of CSXT's intent to file this related application.

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

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

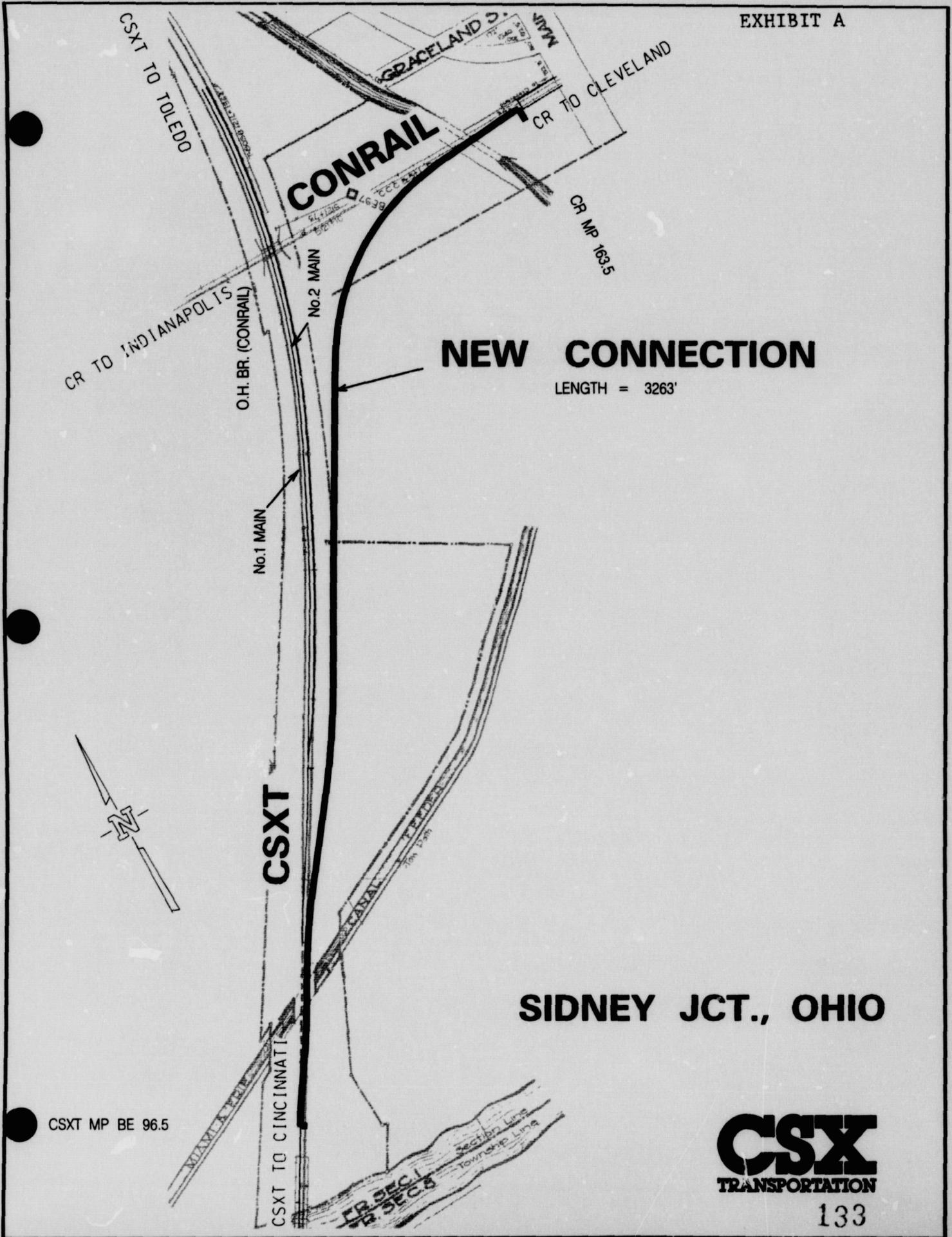
Respectfully submitted,



---

CHARLES M. ROSENBERGER  
Senior Counsel  
CSX Transportation, Inc.  
500 Water Street - J150  
Jacksonville, Florida 32202

Dated: June 7, 1997



# NEW CONNECTION

LENGTH = 3263'

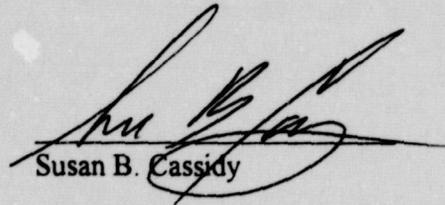
## SIDNEY JCT., OHIO

CSXT MP BE 96.5

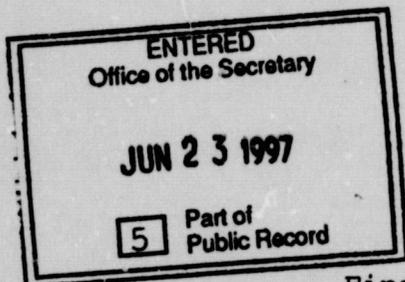
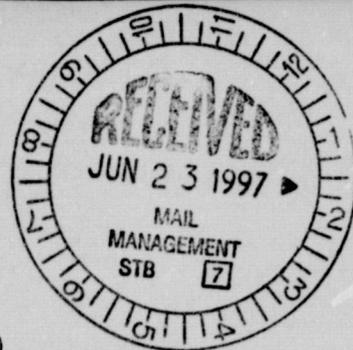


**CERTIFICATE OF SERVICE**

I, Susan B. Cassidy, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
Susan B. Cassidy

Dated: June 8, 1997



BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388 (Sub-No. 5)

**FILED**  
JUN 23 1997

NORFOLK AND WESTERN RAILWAY COMPANY  
-- CONSTRUCTION AND OPERATION EXEMPTION --  
CONNECTING TRACK WITH UNION PACIFIC RAILROAD COMPANY  
AT SIDNEY, IL

**SURFACE  
TRANSPORTATION BOARD**

PETITION FOR EXEMPTION  
EXPEDITED HANDLING OF ACTION ON CONSTRUCTION AUTHORITY REQUESTED

Norfolk and Western Railway Company ("NW"), a wholly-owned subsidiary of Norfolk Southern Railway Company ("NSRC"), hereby petitions the Board under 49 U.S.C. 10502 and 49 CFR 1121.1 and 49 CFR 1150.1(a) for an exemption from the requirements of 49 U.S.C. 10901 to construct and operate connecting track at Sidney, IL between Union Pacific Railroad Company's ("UPR") Chicago, IL-St. Louis, MO line and NW's Decatur, IL-Tilton, IL line. The requested construction and operation exemption authority is related to NSRC's and Norfolk Southern Corporation's ("NSC") primary application in Finance Docket No. 33388 to acquire control and operation, with CSX Corporation and CSX Transportation, Inc. ("CSXT"), of Consolidated Rail Corporation ("CRC") and Conrail Inc. ("the Primary Application").

Petitioner requests expedited handling of the construction authority part of this petition so that construction may begin as soon as possible. It is vitally necessary that this connection be available for the efficient routing of traffic on the day the

authority requested in the primary application becomes effective in order for NSRC/NW/CRC to compete effectively with CSXT/CRC and to provide improved service to the shipping public. Petitioner requests that operation exemption authority be approved in the final decision on the Primary Application and made effective on the same date that decision becomes effective.

Waiver of Environmental Rules: Pre-Filing Notice. In Decision No. 7 concerning the Primary Application in Finance Docket No. 33388, served May 30, 1997, the Board granted the primary applicants, including NSRC and its subsidiaries, such as NW, a waiver of the environmental rule in 49 CFR 1105.10(a) that requires six months advance written notice to the Board's Section of Environmental Analysis ("SEA") before filing a construction application under 49 U.S.C. 10901, if an Environmental Impact Statement ("EIS") is required or contemplated.

The environmental rule also requires an applicant to begin consultation with SEA six months before the filing of a construction application. (The Board said this is applicable to petitions, as well.) The Board stated that the 6-month waiting period is unnecessary because applicants have been engaged for some time in on-going consultations with SEA about the proposed Primary Application and related applications, petitions and notices and the potential associated environmental impacts.

Name and Address of Railroad Proposing to Construct and Operate the Track. Norfolk and Western Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

Narrative Description of the Proposal. Petitioner proposes to construct and operate a new connection track between the UPR north-south line between Chicago, IL and St. Louis, MO, and the NW east-west line between Decatur, IL and Tilton, IL. The track will be approximately 3,256 feet in length, occupy approximately 7.3 acres of land and will be in the southwest quadrant of the intersection of the two lines.

This connecting track will permit efficient movements between Tilton, IL and points to the east on lines to be acquired from CRC, and St. Louis, MO, which will bypass congested areas.

It is projected that ten trains per day would be operated over the proposed track.

Name and Address of Petitioner's Representative to Receive Correspondence Concerning This Matter.

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2759

Common Carrier Status of Petitioner. Petitioner is a common carrier by railroad.

Operation. Petitioner will operate the rail line to be constructed.

Industry Affiliation. The track to be constructed is a short connecting track. Petitioner is not affiliated with any industry currently to be served directly by the track.

Incorporation of and Further Information Concerning Petitioner. Petitioner, Norfolk and Western Railway Company, was

incorporated in the Commonwealth of Virginia for railroad purposes by special act of the Virginia legislature, approved on January 15, 1896. Petitioner's parent company, Norfolk Southern Railway Company, was incorporated in the Commonwealth of Virginia for railroad purposes on June 18, 1894 as Southern Railway Company. The name Southern Railway Company was changed to Norfolk Southern Railway Company, effective December 31, 1990. Norfolk Southern Railway Company is a wholly-owned subsidiary of Norfolk Southern Corporation, a non-carrier holding company.

Officers, Directors, Shareholders, Affiliates. See Exhibit 11 (Volume 1) of the Primary Application.

Board Resolution. Norfolk Southern's Board gave authority to file the Primary Application. This carries with it authority to make the related applications. See Volume 1 of the Primary Application.

Description of Proposed Construction and Operation.

Location. Petitioner proposes to construct and operate a new connection track between the UPR north-south line between Chicago, IL and St. Louis, MO, and the NW east-west line between Decatur, IL and Tilton, IL. The track will be approximately 3,256 feet in length, occupy approximately 7.3 acres of land and will be in the southwest quadrant of the intersection of the two lines.

This connecting track will permit efficient movements between Tilton, IL and points to the east on lines to be acquired from CRC, and St. Louis, MO, which will bypass congested areas.

Relevant Agreements. There are no relevant agreements concerning the proposed track constructions (other than those that pertain generally to the Primary Application).

Traffic. The track will connect a through route that carries all general commodities. Since new territory is not being opened, more specific traffic information would be difficult to compile and would not be relevant. Petitioner incorporates by reference the traffic studies and operating plan in the Primary Application (See Volume 2, Exhibits 12 and 13).

Purpose. The purpose of the proposed construction is to link the NSRC/NW/CRC rail systems, to provide an efficient, less congested route, partially via UPR, between St. Louis and eastern points on the combined system, to improve the efficiency and quality of the rail service offered by the consolidated system, and to add or expand facilities to handle anticipated increased rail traffic.

Map. A map showing the location of the proposed track construction is attached as Exhibit "C." (Even though there are no Exhibits A and B, this Exhibit is labelled "C" to conform to the regulations at 49 CFR 1150.4(d).)

Proposed Start and Completion Dates of Construction. The proposed date the track construction will begin is as soon as possible after the Board approves the construction aspect of this petition. The proposed connecting track construction is related to the Primary Application in Finance Docket No. 33388. A final decision on that Primary Application and on the petition for

authority to operate the track being constructed is expected to be issued 350 days after the filing of this petition as a related application. Operation will begin on the effective date of a final decision, if the application is approved, or as soon thereafter as construction may be completed.

Area to Be Served. The track to be constructed is a connecting track that will improve the handling of through traffic in the vicinity of its construction (Sidney, IL) and between Tilton, IL and eastern points, and St. Louis, MO in general, but will not add additional industries or territory to be served to the combined NSRC/NW/CRC system.

Nature and Type of Industries in Area. Because the track to be constructed is a connecting track that will expedite through traffic, a description of the nature and type of industries in the area of the construction is irrelevant. Petitioner incorporates by reference evidence concerning marketing plans submitted with the Primary Application.

No Crossing of Another Rail Line. No other rail line will be crossed by the track to be constructed.

Operational Data. Ten trains per day would be operated over the proposed track. Because this is a connecting track, there are no other specific operational data. Petitioner incorporates by reference the operating plan in Exhibit 13 to the Primary Application (Volume 1).

Financing. The construction will be financed from income or the funds borrowed to complete the primary transaction.

Petitioner incorporates by reference Exhibit 18 of the Primary Application (Volume 1) and the supporting information in the Primary Application regarding the nature and amount of any new securities or other financial arrangements to be made in connection with the primary and related transactions and the effect of any increase in total fixed charges (Volume 1).

Financial Information. Relevant financial information concerning NSRC/NW and the effect of the overall transaction is in the Primary Application. See Volume 1, Exhibits 16 and 17 for pro forma balance sheets and income statements and Volume 7, Exhibits 20 and 21 for current balance sheets and income statements. Petitioner incorporates these by reference, rather than repeating them.

Costs. The cost of the proposed connecting track construction is estimated to be about \$1,800,000.00.

Net Income. Operating economies and increases in traffic, revenue and earnings are in the Primary Application (Volume 1).

Environmental and Historic Reports. There is no separate environmental and energy exhibit "H" because this will be covered by the Environmental Report in Exhibit 4, which is in Volume 6, Part 5 of the Primary Application.

Class Exemption Apparently Unavailable. This proposed construction requires acquisition of property. Therefore, even though this petition only concerns construction of a short connecting track, use of the class exemption at 49 CFR 1150.36 for this transaction appears not to be available.

Consultations on Environmental and Historic Reports.

Consultations have been made or are being made in connection with required environmental and historic reports that are part of the Environmental Report in the Primary Application in Finance Docket No. 33388.

Compliance With the Board's Environmental Regulations. NW has complied or will comply with the Board's environmental regulations.

Draft Summary. A draft of the proposal to provide notice, in compliance with 49 CFR 1150.9 is attached. However, since this proceeding concerns a related application to Finance Docket No. 33388, and expedited and split handling of the application is requested, the Board may wish to revise the summary or incorporate it into a more general notice.

Legal Standards Met: Proper Subject for Exemption. Due to the length and routine nature of the construction, the environmental review that will take place, and the project's connection as an integral part of the transaction that is the subject of the Primary Application in Finance Docket No. 33388, NW requests that the Board find that prior review by the Board is unnecessary and that the construction and operation of the track is the appropriate subject for an exemption from the prior approval requirements of the Board.

Under 49 U.S.C. 10502, the Board must exempt construction and operation from regulation if the Board finds that (1) application, in whole or in part, of a provision of the rail laws

administered by the Board is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either (a) the transaction or service is of limited scope or (b) regulation is not necessary to protect shippers from the abuse of market power.

Detailed scrutiny of this transaction under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy. The requested exemption will promote that policy by enabling NSRC/NW/CRC to compete more effectively and efficiently with other rail carriers, especially CSXT/CRC. The proposed construction will increase competition [49 U.S.C. 10101a(1) and (4)], and thus will minimize the need for federal regulatory control over rates and services [49 U.S.C. 10101a(2)]. The proposed construction and operation will reduce the possibility of predatory pricing and avoid undue concentrations of market power [49 U.S.C. 10101a(13)]. Other aspects of the rail transportation policy will not be adversely affected.

Regulation of the proposed transaction is not necessary to protect shippers from the abuse of market power. The proposed track connection will increase, rather than reduce, rail competition and thus will tend to reduce market power and increase the welfare of shippers.

The transaction is limited in scope because the length of the track to be constructed is short (approximately 3,256 feet) and although it may shorten routes or expedite traffic and provide additional connections between main line tracks, it will not extend the line into new territories or specific new

industries.

Labor protection. Applicants have addressed the need for labor protection in Volume 3 of the Primary Application.

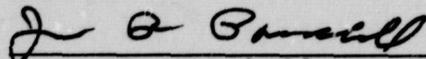
Request for Expedited Handling. Petitioner has requested expedited handling of the construction authority part of this petition. It is vitally necessary that this connection be available for the efficient routing of traffic on the day the authority requested in the primary application becomes effective in order for NSRC/NW/CRC to compete with CSXT/CRC and to provide improved service to the shipping public. Winter weather could delay construction until many months after the effective date of the final decision on the Primary Application. (Petitioner is willing to take the risk of disapproval of the Primary Application or of the operating authority part of this petition in order to have the construction ready to use.) Petitioner requests that the operation exemption authority part of this petition be approved in the final decision on the Primary Application and made effective on the same date that decision becomes effective.

Request for Relief. In addition to the expedited and split handling requested above, NW requests that the Board find that prior review of the proposed construction and operation of this connecting track under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; that continued regulation is not necessary to protect shippers from an abuse of market power; that the construction of the connecting

track will be of limited scope and that the construction and operation of the track is appropriate for an exemption from 49 U.S.C. 10901 under 49 U.S.C. 10502.

NW further requests that the Board publish notice in the *Federal Register*, within 30 days after this petition for exemption is received, that describes the project and invites comments; prepare an environmental assessment (or EIS, if necessary); conclude that the project will result in no serious adverse environmental consequences (or that such consequences can be mitigated); and, issue an expedited decision on the construction authority part of the petition and a decision on the operating authority part of the petition as part of the final decision on the Primary Application, allowing the construction to proceed as soon as possible and the operation of the track to proceed pursuant to exemption authority on the effective date of the final decision on the Primary Application (which is expected to be 350 days after the notice is filed and 320 days after the *Federal Register* notice).

Respectfully submitted,  
NORFOLK AND WESTERN RAILWAY COMPANY



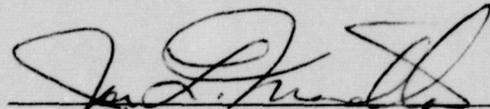
---

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2759

June 4, 1997

**VERIFICATION**

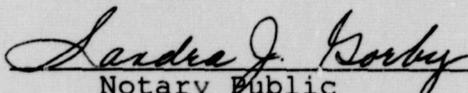
Jon L. Manetta, makes oath and says that he is Vice President-Transportation and Mechanical, Norfolk Southern Corporation, that he has examined all the statements in the foregoing verified notice of exemption in Finance Docket No. 33388 (Sub-No. 5); that he has knowledge of the facts and matters relied upon in the Notice of Exemption; and that all representations set forth therein are true to the best of his knowledge, information and belief.

  
Jon L. Manetta

COMMONWEALTH OF VIRGINIA

CITY OF NORFOLK

Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.

  
Notary Public

My commission expires:  
**MARCH 31, 1998**

**SURFACE TRANSPORTATION BOARD**

**Summary Notice of Petition for Exemption**

**STB FINANCE DOCKET NO. 33388 (Sub-No. 5)**

**NORFOLK AND WESTERN RAILWAY COMPANY  
-- CONSTRUCTION AND OPERATION EXEMPTION --  
CONNECTING TRACK WITH UNION PACIFIC RAILROAD COMPANY  
AT SIDNEY, IL**

Norfolk and Western Railway Company (NW), a wholly-owned subsidiary of Norfolk Southern Railway Company (NSRC), pursuant to the provisions of 49 U.S.C. 10502, 49 U.S.C. 10901(a), (b) and (c), 49 CFR 1121.1 and 49 CFR 1150.1(a) has petitioned the Board for an exemption from the prior review requirements of 49 U.S.C. 10901 for NW's construction and operation of a connecting track, approximately 3,256 feet in length, at Sidney, IL, between the Union Pacific Railroad Company's (UPR) north-south line between Chicago, IL and St. Louis, MO, and the NW east-west line between Decatur, IL and Tilton, IL.

NW states that this connecting track will permit efficient movements between Tilton, IL and points to the east on lines to be acquired from Consolidated Rail Corporation (CRC), and St. Louis, MO, which will bypass congested areas. NW has filed a petition for exemption rather than a notice of exemption because some of the track will be constructed on land not currently owned by either railroad, which therefore must be acquired from one or more third parties.

The proposed connecting track construction is related to the  
Page 1 of 3

primary application of NSRC and its parent, Norfolk Southern Corporation (NSC), a non-carrier holding company (along with CSX Corporation and CSX Transportation, Inc.) in Finance Docket No. 33388 to control CRC and Conrail Inc (Primary Application). The purpose of this connecting track is to link the NSRC/CRC rail systems, to improve the efficiency and quality of the rail service and to provide an efficient, less congested route, partially via UPR, between St. Louis and eastern points on the combined system.

The effective date of the exemption for operation of the track will be the effective date of the Board's decision approving NSRC's/NSC's Primary Application, if it is approved, which is expected to be 320 days after the publication of this notice.

NW has requested expedited handling of the construction authority aspect of the petition, which the Board is granting. This changes the comment period for the construction aspect, as noted below.

Comments are invited concerning the proposed construction project. As a related application to the Primary Application in Finance Docket No. 33388, comments are due 90 days after the publication of this notice on the operation aspect of this matter. Because of the expedited handling of the construction

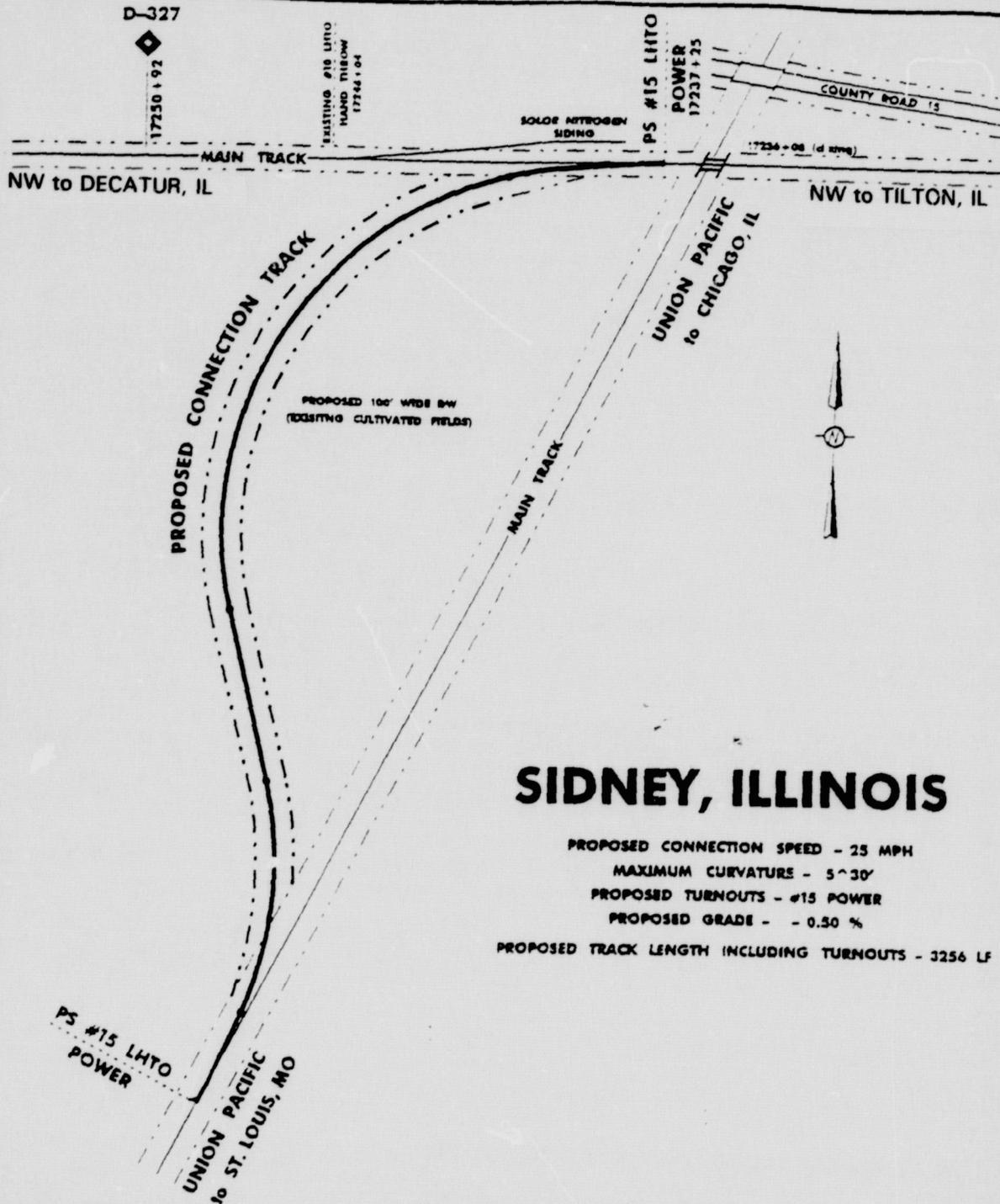
Page 2 of 3

Surface Transportation Board, Notice of Petition for Exemption,  
Finance Docket No. 33388 (Sub-No. 5), Summary, Page 3 of 3

aspect of the petition, comments on that matter will be due \_\_  
days from the Board's Section of Environmental Assessment (SEA)  
service of an environmental assessment on the matter. Parties  
may request a copy from SEA at Surface Transportation Board, 1925  
K Street, Washington, D.C. 20423.

The name, address and telephone number of NSRC's  
representative who should receive correspondence concerning this  
matter is: James R. Paschall, General Attorney, Norfolk Southern  
Corporation, Three Commercial Place, Norfolk, VA 23510-2191.

Page 3 of 3



# SIDNEY, ILLINOIS

PROPOSED CONNECTION SPEED - 25 MPH  
 MAXIMUM CURVATURE - 5°30'  
 PROPOSED TURNOUTS - #15 POWER  
 PROPOSED GRADE - - 0.50 %  
 PROPOSED TRACK LENGTH INCLUDING TURNOUTS - 3256 LF

SCALE: 1" = 400 FT



DO NOT SCALE THIS DRAWING FOR DIMENSIONS NOT GIVEN

NOTE: DRAWING BASED ON AVAILABLE INFORMATION  
 NO FIELD SURVEY MADE - NOT ALL TRACKS SHOWN



**NORFOLK SOUTHERN**

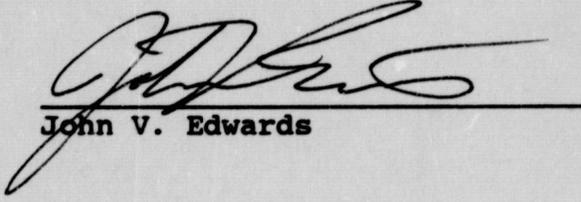
NORFOLK AND WESTERN RAILWAY Co.

ILLINOIS DIVISION

LOCATION	SIDNEY, ILLINOIS		
TITLE	PROPOSED NEW CONNECTION		
DCN	DAB	FILE	DATE
			MARCH 17, 1997
DCN	DAB	FILE	DATE
			MARCH 17, 1997
MILE POST	DRAWING NUMBER		
D-327	TA-97-0063		

CERTIFICATE OF SERVICE

I, John V. Edwards, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.

  
\_\_\_\_\_  
John V. Edwards

Dated: June 8, 1997

ENTERED  
Office of the Secretary  
  
JUN 23 1997  
  
5 Part of  
Public Record



BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388 (Sub-No. 6)

**FILED**

JUN 23 1997

NORFOLK AND WESTERN RAILWAY COMPANY  
-- CONSTRUCTION AND OPERATION EXEMPTION --  
CONNECTING TRACK WITH CONSOLIDATED RAIL CORPORATION  
AT ALEXANDRIA, IN

**SURFACE  
TRANSPORTATION BOARD**

PETITION FOR EXEMPTION  
EXPEDITED HANDLING OF ACTION ON CONSTRUCTION AUTHORITY REQUESTED

Norfolk and Western Railway Company ("NW"), a wholly-owned subsidiary of Norfolk Southern Railway Company ("NSRC"), hereby petitions the Board under 49 U.S.C. 10502 and 49 CFR 1121.1 and 49 CFR 1150.1(a) for an exemption from the requirements of 49 U.S.C. 10901 to construct and operate connecting track at Alexandria, IN between its Muncie, IN-Frankfort, IN line and Consolidated Rail Corporation's ("CRC") Anderson, IN-Goshen, IN line. The requested construction and operation exemption authority is related to NSRC's and Norfolk Southern Corporation's ("NSC") primary application in Finance Docket No. 33388 to acquire control and operation, with CSX Corporation and CSX Transportation, Inc. ("CSXT"), of CRC and Conrail Inc. ("the Primary Application").

Petitioner requests expedited handling of the construction authority part of this petition so that construction may begin as soon as possible. It is vitally necessary that this connection be available for the efficient routing of traffic on the day the

authority requested in the primary application becomes effective in order for NSRC/NW/CRC to compete effectively with CSXT/CRC and to provide improved service to the shipping public. Petitioner requests that operation exemption authority be approved in the final decision on the Primary Application and made effective on the same date that decision becomes effective.

Waiver of Environmental Rules: Pre-Filing Notice. In Decision No. 7 concerning the Primary Application in Finance Docket No. 33388, served May 30, 1997, the Board granted the primary applicants, including NSRC and its subsidiaries, such as NW, a waiver of the environmental rule in 49 CFR 1105.10(a) that requires six months advance written notice to the Board's Section of Environmental Analysis ("SEA") before filing a construction application under 49 U.S.C. 10901, if an Environmental Impact Statement ("EIS") is required or contemplated.

The environmental rule also requires an applicant to begin consultation with SEA six months before the filing of a construction application. (The Board said this is applicable to petitions, as well.) The Board stated that the 6-month waiting period is unnecessary because applicants have been engaged for some time in on-going consultations with SEA about the proposed Primary Application and related applications, petitions and notices and the potential associated environmental impacts.

Name and Address of Railroad Proposing to Construct and Operate the Track. Norfolk and Western Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

Narrative Description of the Proposal. Petitioner proposes to construct and operate a new connection track between the CRC line between Anderson, IN and Goshen, IN and the NW line between Muncie, IN and Frankfort, IN. The track will be approximately 970 feet in length, occupy approximately 2.3 acres of land and will be in the northeast quadrant of the intersection of the two lines.

This connecting track will permit efficient movements between Chicago, IL and Cincinnati, OH and on to Atlanta, GA and points in the Southeast U. S. via Alexandria, IN and Muncie, IN.

It is projected that eight trains per day would be operated over the proposed track.

Name and Address of Petitioner's Representative to Receive Correspondence Concerning This Matter.

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2759

Common Carrier Status of Petitioner. Petitioner is a common carrier by railroad.

Operation. Petitioner will operate the rail line to be constructed.

Industry Affiliation. The track to be constructed is a short connecting track. Petitioner is not affiliated with any industry currently to be served directly by the track.

Incorporation of and Further Information Concerning Petitioner. Petitioner, Norfolk and Western Railway Company, was

incorporated in the Commonwealth of Virginia for railroad purposes by special act of the Virginia legislature, approved on January 15, 1896. Petitioner's parent company, Norfolk Southern Railway Company, was incorporated in the Commonwealth of Virginia for railroad purposes on June 18, 1894 as Southern Railway Company. The name Southern Railway Company was changed to Norfolk Southern Railway Company, effective December 31, 1990. Norfolk Southern Railway Company is a wholly-owned subsidiary of Norfolk Southern Corporation, a non-carrier holding company.

Officers, Directors, Shareholders, Affiliates. See Exhibit 11 (Volume 1) of the Primary Application.

Board Resolution. Norfolk Southern's Board gave authority to file the Primary Application. This carries with it authority to make the related applications. See Volume 1 of the Primary Application.

Description of Proposed Construction and Operation.  
Location. Petitioner proposes to construct and operate a new connection track between the CRC line between Anderson, IN and Goshen, IN and the NW line between Muncie, IN and Frankfort, IN. The track will be approximately 970 feet in length, occupy approximately 2.3 acres of land and will be in the northeast quadrant of the intersection of the two lines.

This connecting track will permit efficient movements between Chicago, IL and Cincinnati, OH and on to Atlanta, GA and points in the Southeast U. S. via Alexandria, IN and Muncie, IN.

Relevant Agreements. There are no relevant agreements

concerning the proposed track constructions (other than those that pertain generally to the Primary Application).

Traffic. The track will connect a through route that carries all general commodities. Since new territory is not being opened, more specific traffic information would be difficult to compile and would not be relevant. Petitioner incorporates by reference the traffic studies and operating plan in the Primary Application (See Volume 2, Exhibits 12 and 13).

Purpose. The purpose of the proposed construction is to link the NSRC/NW/CRC rail systems, to provide an efficient, less route between Chicago, IL and Cincinnati, OH and on to Atlanta, Ga and points in the Southeast U.S., to improve the efficiency and quality of the rail service offered by the consolidated system, and to add or expand facilities to handle anticipated increased rail traffic.

Map. A map showing the location of the proposed track construction is attached as Exhibit "C." (Even though there are no Exhibits A and B, this Exhibit is labelled "C" to conform to the regulations at 49 CFR 1150.4(d).)

Proposed Start and Completion Dates of Construction. The proposed date the track construction will begin is as soon as possible after the Board approves the construction aspect of this petition. The proposed connecting track construction is related to the Primary Application in Finance Docket No. 33388. A final decision on that Primary Application and on the petition for authority to operate the track being constructed is expected to

be 350 days after the filing of this petition as a related application. Operation will begin on the effective date of a final decision, if the application is approved, or as soon thereafter as construction may be completed.

Area to Be Served. The track to be constructed is a connecting track that will improve the handling of through traffic in the vicinity of its construction (Alexandria, IN) and between Chicago, IL and Cincinnati, OH and on to Atlanta, GA and points in the Southeast U. S. via Alexandria, IN and Muncie, IN in general, but will not add additional industries or territory to be served to the combined NSRC/NW/CRC system.

Nature and Type of Industries in Area. Because the track to be constructed is a connecting track that will expedite through traffic, a description of the nature and type of industries in the area of the construction is irrelevant. Petitioner incorporates by reference evidence concerning marketing plans submitted with the Primary Application.

No Crossing of Another Rail Line. No other rail line will be crossed by the track to be constructed.

Operational Data. Eight trains per day would be operated over the proposed track. Because this is a connecting track, there are no other specific operational data. Petitioner incorporates by reference the operating plan in Exhibit 13 to the Primary Application (Volume 1).

Financing. The construction will be financed from income or the funds borrowed to complete the primary transaction.

Petitioner incorporates by reference Exhibit 18 of the Primary Application (Volume 1) and the supporting information in the Primary Application regarding the nature and amount of any new securities or other financial arrangements to be made in connection with the primary and related transactions and the effect of any increase in total fixed charges (Volume 1).

Financial Information. Relevant financial information concerning NSRC/NW and the effect of the overall transaction is in the Primary Application. See Volume 1, Exhibits 16 and 17 for pro forma balance sheets and income statements and Volume 7, Exhibits 20 and 21 for current balance sheets and income statements. Petitioner incorporates these by reference, rather than repeating them.

Costs. The cost of the proposed connecting track construction is estimated to be about \$1,400,000.00.

Net Income. Operating economies and increases in traffic, revenue and earnings are in the Primary Application (Volume 1).

Environmental and Historic Reports. There is no separate environmental and energy exhibit "H" because this will be covered by the Environmental Report in Exhibit 4, which is in Volume 6, Part 5 of the Primary Application.

Class Exemption Apparently Unavailable. This proposed construction requires the acquisition of property. Therefore, even though this petition only concerns construction of a short connecting track, use of the class exemption at 49 CFR 1150.36 for this transaction appears not to be available.

Consultations on Environmental and Historic Reports.

Consultations have been made or are being made in connection with required environmental and historic reports that are part of the Environmental Report in the Primary Application in Finance Docket No. 33388.

Compliance With the Board's Environmental Regulations. NW has complied or will comply with the Board's environmental regulations.

Draft Summary. A draft of the proposal to provide notice, in compliance with 49 CFR 1150.9 is attached. However, since this proceeding concerns a related application to Finance Docket No. 33388, and expedited and split handling of the application is requested, the Board may wish to revise the summary or incorporate it into a more general notice.

Legal Standards Met: Proper Subject for Exemption. Due to the length and routine nature of the construction, the environmental review that will take place, and the project's connection as an integral part of the transaction that is the subject of the Primary Application in Finance Docket No. 33388, NW requests that the Board find that prior review by the Board is unnecessary and that the construction and operation of the track is the appropriate subject for an exemption from the prior approval requirements of the Board.

Under 49 U.S.C. 10502, the Board must exempt construction and operation from regulation if the Board finds that (1) application, in whole or in part, of a provision of the rail laws

administered by the Board is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either (a) the transaction or service is of limited scope or (b) regulation is not necessary to protect shippers from the abuse of market power.

Detailed scrutiny of this transaction under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy. The requested exemption will promote that policy by enabling NSRC/NW/CRC to compete more effectively and efficiently with other rail carriers, especially CSXT/CRC. The proposed construction will increase competition [49 U.S.C. 10101a(1) and (4)], and thus will minimize the need for federal regulatory control over rates and services [49 U.S.C. 10101a(2)]. The proposed construction and operation will reduce the possibility of predatory pricing and avoid undue concentrations of market power [49 U.S.C. 10101a(13)]. Other aspects of the rail transportation policy will not be adversely affected.

Regulation of the proposed transaction is not necessary to protect shippers from the abuse of market power. The proposed track connection will increase, rather than reduce, rail competition and thus will tend to reduce market power and increase the welfare of shippers.

The transaction is limited in scope because the length of the track to be constructed is short (approximately 970 feet) and although it may shorten routes or expedite traffic and provide additional connections between main line tracks, it will not extend the line into new territories or specific new industries.

Labor Protection. Applicants have addressed the need for labor protection in Volume 3 of the Primary Application.

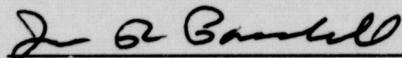
Request for Expedited Handling. Petitioner has requested expedited handling of the construction authority part of this petition. It is vitally necessary that this connection be available for the efficient routing of traffic on the day the authority requested in the primary application becomes effective in order for NSRC/NW/CRC to compete with CSXT/CRC and to provide improved service to the shipping public. Winter weather could delay construction until many months after the effective date of the final decision on the Primary Application. (Petitioner is willing to take the risk of disapproval of the Primary Application or of the operating authority part of this petition in order to have the construction ready to use.) Petitioner requests that the operation exemption authority part of this petition be approved in the final decision on the Primary Application and made effective on the same date that decision becomes effective.

Request for Relief. In addition to the expedited and split handling requested above, NW requests that the Board find that prior review of the proposed construction and operation of this connecting track under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; that continued regulation is not necessary to protect shippers from an abuse of market power; that the construction of the connecting track will be of limited scope and that the construction and

operation of the track is appropriate for an exemption from 49 U.S.C. 10901 under 49 U.S.C. 10502.

NW further requests that the Board publish notice in the *Federal Register*, within 30 days after this petition for exemption is received, that describes the project and invites comments; prepare an environmental assessment (or EIS, if necessary); conclude that the project will result in no serious adverse environmental consequences (or that such consequences can be mitigated); and, issue an expedited decision on the construction authority part of the petition and a decision on the operating authority part of the petition as part of the final decision on the Primary Application, allowing the construction to proceed as soon as possible and the operation of the track to proceed pursuant to exemption authority on the effective date of the final decision on the Primary Application (which is expected to be 350 days after the notice is filed and 320 days after the *Federal Register* notice).

Respectfully submitted,  
NORFOLK AND WESTERN RAILWAY COMPANY



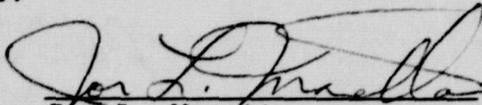
---

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2759

June 4, 1997

VERIFICATION

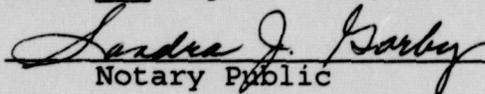
Jon L. Manetta, makes oath and says that he is Vice President, Transportation and Mechanical, Norfolk Southern Corporation, that he has examined all the statements in the foregoing verified notice of exemption in Finance Docket No. 33388 (Sub-No. 6); that he has knowledge of the facts and matters relied upon in the Notice of Exemption; and that all representations set forth therein are true to the best of his knowledge, information and belief.

  
Jon L. Manetta

COMMONWEALTH OF VIRGINIA

CITY OF NORFOLK

Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.

  
Notary Public

My commission expires:

**MARCH 31, 1998**

**SURFACE TRANSPORTATION BOARD**

**Summary Notice of Petition for Exemption**

**STB FINANCE DOCKET NO. 33388 (Sub-No. 6)**

**NORFOLK AND WESTERN RAILWAY COMPANY  
-- CONSTRUCTION AND OPERATION EXEMPTION --  
CONNECTING TRACK WITH CONSOLIDATED RAIL CORPORATION  
AT ALEXANDRIA, IN**

Norfolk and Western Railway Company (NW), a wholly-owned subsidiary of Norfolk Southern Railway Company (NSRC), pursuant to the provisions of 49 U.S.C. 10502, 49 U.S.C. 10901(a), (b) and (c), 49 CFR 1121.1 and 49 CFR 1150.1(a) has petitioned the Board for an exemption from the prior review requirements of 49 U.S.C. 10901 for NW's construction and operation of a connecting track, approximately 970 feet in length between the Consolidated Rail Corporation (CRC) line between Anderson, IN and Goshen, IN, and the NW line between Frankfort, IN and Muncie, IN.

This connecting track will permit efficient movements between Chicago, IL and Cincinnati, OH and on to Atlanta, GA and points in the Southeast U. S. via Alexandria, IN and Muncie, IN.

NW has filed a petition for exemption rather than a notice of exemption because some of the track will be constructed on land not currently owned by either railroad, which therefore must be acquired from one or more third parties.

The proposed connecting track construction is related to the primary application of NSRC and its parent, Norfolk Southern Corporation (NSC), a non-carrier holding company (along with CSX Corporation and CSX Transportation, Inc.) in Finance Docket No.

Surface Transportation Board, Notice of Petition for Exemption,  
Finance Docket No. 33388 (Sub-No. 6), Summary, Page 2 of 3

33388 to control CRC and Conrail Inc (Primary Application). The purpose of this connecting track is to link the NSRC/NW/CRC rail systems, to improve the efficiency and quality of the rail service and to provide an efficient route between Chicago, IL and Cincinnati, OH and on to Atlanta, GA and points in the Southeast U. S. via Alexandria, IN and Muncie, IN.

The effective date of the exemption for operation of the track will be the effective date of the Board's decision approving NSRC's/NSC's Primary Application, if it is approved, which is expected to be 320 days after the publication of this notice.

NW has requested expedited handling of the construction authority aspect of the petition, which the Board is granting. This changes the comment period for the construction aspect, as noted below.

Comments are invited concerning the proposed construction project. As a related application to the Primary Application in Finance Docket No. 33388, comments are due 90 days after the publication of this notice on the operation aspect of this matter. Because of the expedited handling of the construction aspect of the petition, comments on that matter will be due \_\_\_ days from the Board's Section of Environmental Assessment (SEA) service of an environmental assessment on the

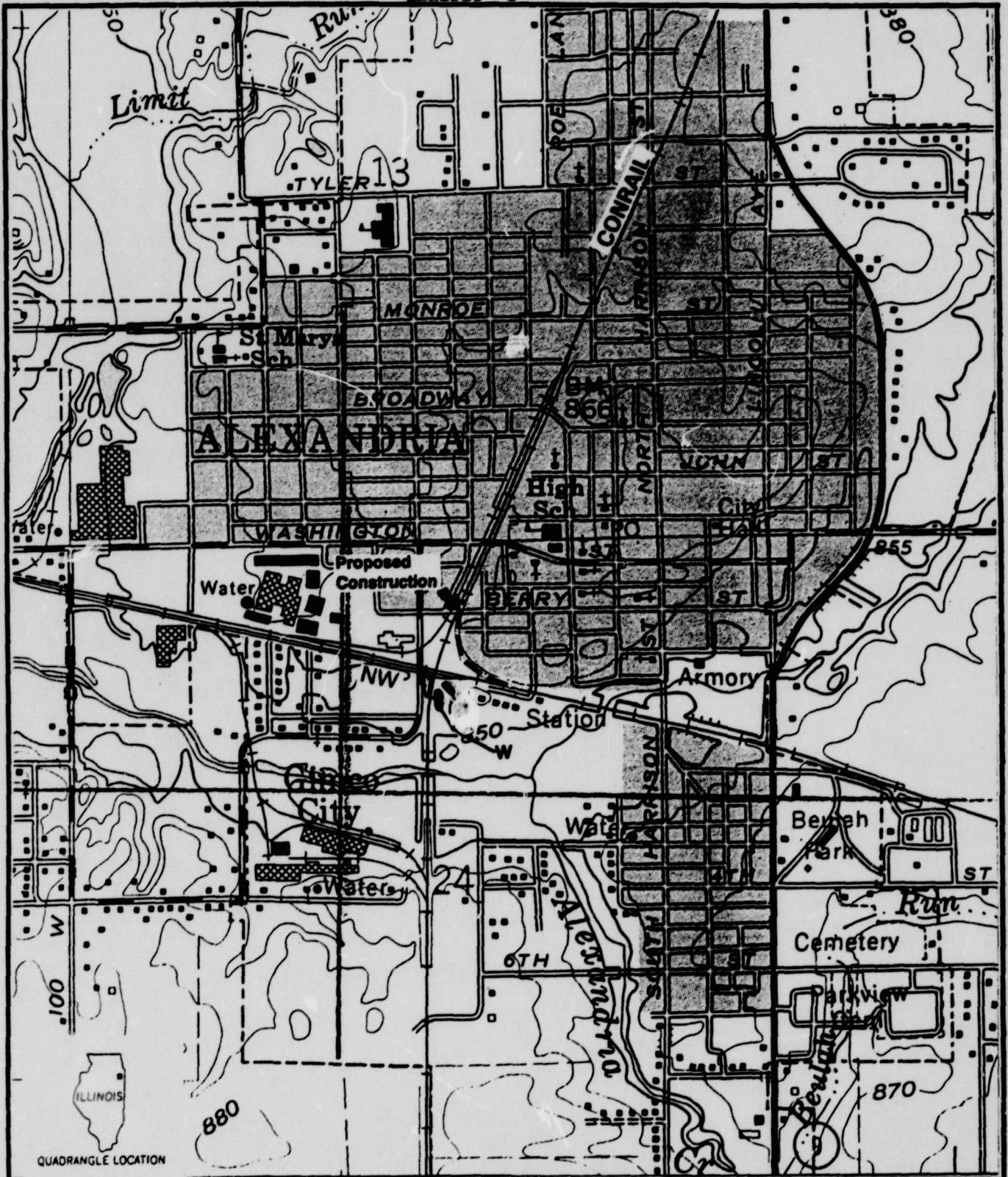
Page 2 of 3

Surface Transportation Board, Notice of Petition for Exemption,  
Finance Docket No. 33388 (Sub-No. 6), Summary, Page 3 of 3

matter. Parties may request a copy from SEA at Surface  
Transportation Board, 1925 K Street, Washington, D.C. 20423.

The name, address and telephone number of NSRC's  
representative who should receive correspondence concerning this  
matter is: James R. Paschall, General Attorney, Norfolk Southern  
Corporation, Three Commercial Place, Norfolk, VA 23510-2191.

Page 3 of 3



**Legend:**

-  W = Wetland Areas
-  Proposed Historical Resource Sites
- MP = Milepost



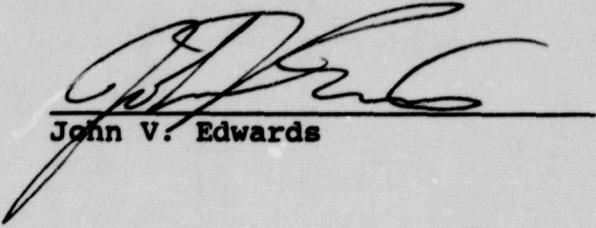
Scale: 1"=1000'

Burns  
&  
McDonnell

Figure  
**PROPOSED CONSTRUCTION  
ALEXANDRIA, INDIANA  
NORFOLK AND WESTERN  
RAILWAY COMPANY**

CERTIFICATE OF SERVICE

I, John V. Edwards, hereby certify that a copy of the foregoing document will be served on the parties required to be served by the applicable regulations, by first class U.S. mail, postage prepaid, or by other more expeditious means, on the date that the Control Application in Finance Docket No. 33388 is filed with the Surface Transportation Board.



John V. Edwards

Dated: June 8, 1997

ENTERED  
Office of the Secretary  
JUN 23 1997  
5 Part of  
Public Record



BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388 (Sub-No. 7)

NORFOLK AND WESTERN RAILWAY COMPANY  
-- CONSTRUCTION AND OPERATION EXEMPTION --  
CONNECTING TRACK WITH CONSOLIDATED RAIL CORPORATION  
AT BUCYRUS, OH

FILED  
JUN 23 1997

SURFACE  
TRANSPORTATION BOARD

PETITION FOR EXEMPTION  
EXPEDITED HANDLING OF ACTION ON CONSTRUCTION AUTHORITY REQUESTED

Norfolk and Western Railway Company ("NW"), a wholly-owned subsidiary of Norfolk Southern Railway Company ("NSRC"), hereby petitions the Board under 49 U.S.C. 10502 and 49 CFR 1121.1 and 49 CFR 1150.1(a) for an exemption from the requirements of 49 U.S.C. 10901 to construct and operate connecting track at Bucyrus, OH between its Bellevue, OH-Columbus, OH line and Consolidated Rail Corporation's ("CRC") Ft. Wayne, IN-Crestline, OH line. The requested construction and operation exemption authority is related to NSRC's and Norfolk Southern Corporation's ("NSC") primary application in Finance Docket No. 33388 to acquire control and operation, with CSX Corporation and CSX Transportation, Inc. ("CSXT"), of CRC and Conrail Inc. ("the Primary Application").

Petitioner requests expedited handling of the construction authority part of this petition so that construction may begin as soon as possible. It is vitally necessary that this connection be available for the efficient routing of traffic on the day the

authority requested in the primary application becomes effective in order for NSRC/NW/CRC to compete effectively with CSXT/CRC and to provide improved service to the shipping public. Petitioner requests that operation exemption authority be approved in the final decision on the Primary Application and made effective on the same date that decision becomes effective.

Waiver of Environmental Rules: Pre-Filing Notice. In Decision No. 7 concerning the Primary Application in Finance Docket No. 33388, served May 30, 1997, the Board granted the primary applicants, including NSRC and its subsidiaries, such as NW, a waiver of the environmental rule in 49 CFR 1105.10(a) that requires six months advance written notice to the Board's Section of Environmental Analysis ("SEA") before filing a construction application under 49 U.S.C. 10901, if an Environmental Impact Statement ("EIS") is required or contemplated.

The environmental rule also requires an applicant to begin consultation with SEA six months before the filing of a construction application. (The Board said this is applicable to petitions, as well.) The Board stated that the 6-month waiting period is unnecessary because applicants have been engaged for some time in on-going consultations with SEA about the proposed Primary Application and related applications, petitions and notices and the potential associated environmental impacts.

Name and Address of Railroad Proposing to Construct and Operate the Track. Norfolk and Western Railway Company  
Three Commercial Place  
Norfolk, VA 23510-2191

Narrative Description of the Proposal. Petitioner proposes to construct and operate a new connection track between the CRC Ft. Wayne, IN-Crestline, OH line and the NW Bellevue, OH-Columbus, OH line. The track will be approximately 2,467 feet in length, occupy approximately 5.5 acres of land and will be in the northeast quadrant of the intersection of the two lines.

This connecting track will permit efficient movements between Crestline, OH and points to the east, and Columbus, OH via Bucyrus, OH.

It is projected that eight trains per day would be operated over the proposed track.

Name and Address of Petitioner's Representative to Receive Correspondence Concerning This Matter.

James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2759

Common Carrier Status of Petitioner. Petitioner is a common carrier by railroad.

Operation. Petitioner will operate the rail line to be constructed.

Industry Affiliation. The track to be constructed is a short connecting track. Petitioner is not affiliated with any industry currently to be served directly by the track.

Incorporation of and Further Information Concerning Petitioner. Petitioner, Norfolk and Western Railway Company, was incorporated in the Commonwealth of Virginia for railroad

purposes by special act of the Virginia legislature, approved on January 15, 1896. Petitioner's parent company, Norfolk Southern Railway Company, was incorporated in the Commonwealth of Virginia for railroad purposes on June 18, 1894 as Southern Railway Company. The name Southern Railway Company was changed to Norfolk Southern Railway Company, effective December 31, 1990. Norfolk Southern Railway Company is a wholly-owned subsidiary of Norfolk Southern Corporation, a non-carrier holding company.

Officers, Directors, Shareholders, Affiliates. See Exhibit 11 (Volume 1) of the Primary Application.

Board Resolution. Norfolk Southern's Board gave authority to file the Primary Application. This carries with it authority to make the related applications. See Volume 1 of the Primary Application.

Description of Proposed Construction and Operation.

Location. Petitioner proposes to construct and operate a new connection track between CRC's Ft. Wayne, IN-Crestline, OH line and NW's Bellevue, OH-Columbus, OH line. The track will be approximately 2,467 feet in length, occupy approximately 5.5 acres of land and will be in the southeast quadrant of the intersection of the two lines.

This connecting track will permit efficient movements between Crestline, OH and points in the east, and Columbus, OH, via Bucyrus, OH.

Relevant Agreements. There are no relevant agreements concerning the proposed track constructions (other than those

that pertain generally to the Primary Application).

Traffic. The track will connect a through route that carries all general commodities. Since new territory is not being opened, more specific traffic information would be difficult to compile and would not be relevant. Petitioner incorporates by reference the traffic studies and operating plan in the Primary Application (See Volume 2, Exhibits 12 and 13).

Purpose. The purpose of the proposed construction is to link the NSRC/NW/CRC rail systems, to provide an efficient, less route between Crestline, OH and eastern points, and Columbus, OH, to improve the efficiency and quality of the rail service offered by the consolidated system, and to add or expand facilities to handle anticipated increased rail traffic.

Map. A map showing the location of the proposed track construction is attached as Exhibit "C." (Even though there are no Exhibits A and B, this Exhibit is labelled "C" to conform to the regulations at 49 CFR 1150.4(d).)

Proposed Start and Completion Dates of Construction. The proposed date the track construction will begin is as soon as possible after the Board approves the construction aspect of this petition. The proposed connecting track construction is related to the Primary Application in Finance Docket No. 33388. A final decision on that Primary Application and on the petition for authority to operate the track being constructed is expected to be 350 days after the filing of this petition as a related application. Operation will begin on the effective date of a

final decision, if the application is approved, or as soon thereafter as construction may be completed.

Area to Be Served. The track to be constructed is a connecting track that will improve the handling of through traffic in the vicinity of its construction (Bucyrus, OH) and between Crestline, OH and points in the east, and Columbus, OH, via Bucyrus, OH in general, but will not add additional industries or territory to be served to the combined NSRC/NW/CRC system.

Nature and Type of Industries in Area. Because the track to be constructed is a connecting track that will expedite through traffic, a description of the nature and type of industries in the area of the construction is irrelevant. Petitioner incorporates by reference evidence concerning marketing plans submitted with the Primary Application.

No Crossing of Another Rail Line. No other rail line will be crossed by the track to be constructed.

Operational Data. Eight trains per day would be operated over the proposed track. Because this is a connecting track, there are no other specific operational data. Petitioner incorporates by reference the operating plan in Exhibit 13 to the Primary Application (Volume 1).

Financing. The construction will be financed from income or the funds borrowed to complete the primary transaction. Petitioner incorporates by reference Exhibit 18 of the Primary Application (Volume 1) and the supporting information in the

Primary Application regarding the nature and amount of any new securities or other financial arrangements to be made in connection with the primary and related transactions and the effect of any increase in total fixed charges (Volume 1).

Financial Information. Relevant financial information concerning NSRC/NW and the effect of the overall transaction is in the Primary Application. See Volume 1, Exhibits 16 and 17 for pro forma balance sheets and income statements and Volume 7, Exhibits 20 and 21 for current balance sheets and income statements. Petitioner incorporates these by reference, rather than repeating them.

Costs. The cost of the proposed connecting track construction is estimated to be about \$2,254,000.00.

Net Income. Operating economies and increases in traffic, revenue and earnings are in the Primary Application (Volume 1).

Environmental and Historic Reports. There is no separate environmental and energy exhibit "H" because this will be covered by the Environmental Report in Exhibit 4, which is in Volume 6, Part 5 of the Primary Application.

Class Exemption Apparently Unavailable. This proposed construction requires acquisition of property. Therefore, even though this petition only concerns construction of a short connecting track, use of the class exemption at 49 CFR 1150.36 for this transaction appears not to be available.

Consultations on Environmental and Historic Reports. Consultations have been made or are being made in connection with

required environmental and historic reports that are part of the Environmental Report in the Primary Application in Finance Docket No. 33388.

Compliance With the Board's Environmental Regulations. NW has complied or will comply with the Board's environmental regulations.

Draft Summary. A draft of the proposal to provide notice, in compliance with 49 CFR 1150.9 is attached. However, since this proceeding concerns a related application to Finance Docket No. 33388, and expedited and split handling of the application is requested, the Board may wish to revise the summary or incorporate it into a more general notice.

Legal Standards Met: Proper Subject for Exemption. Due to the length and routine nature of the construction, the environmental review that will take place, and the project's connection as an integral part of the transaction that is the subject of the Primary Application in Finance Docket No. 33388, NW requests that the Board find that prior review by the Board is unnecessary and that the construction and operation of the track is the appropriate subject for an exemption from the prior approval requirements of the Board.

Under 49 U.S.C. 10502, the Board must exempt construction and operation from regulation if the Board finds that (1) application, in whole or in part, of a provision of the rail laws administered by the Board is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either (a) the

transaction or service is of limited scope or (b) regulation is not necessary to protect shippers from the abuse of market power.

Detailed scrutiny of this transaction under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy. The requested exemption will promote that policy by enabling NSRC/NW/CRC to compete more effectively and efficiently with other rail carriers, especially CSXT/CRC. The proposed construction will increase competition [49 U.S.C. 10101a(1) and (4)], and thus will minimize the need for federal regulatory control over rates and services [49 U.S.C. 10101a(2)]. The proposed construction and operation will reduce the possibility of predatory pricing and avoid undue concentrations of market power [49 U.S.C. 10101a(13)]. Other aspects of the rail transportation policy will not be adversely affected.

Regulation of the proposed transaction is not necessary to protect shippers from the abuse of market power. The proposed track connection will increase, rather than reduce, rail competition and thus will tend to reduce market power and increase the welfare of shippers.

The transaction is limited in scope because the length of the track to be constructed is short (approximately 2,467 feet) and although it may shorten routes or expedite traffic and provide additional connections between main line tracks, it will not extend the line into new territories or specific new industries.

Labor Protection. Applicants have addressed the need for

labor protection in Volume 3 of the Primary Application.

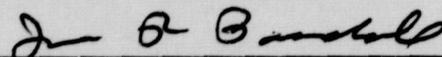
Request for Expedited Handling. Petitioner has requested expedited handling of the construction authority part of this petition. It is vitally necessary that this connection be available for the efficient routing of traffic on the day the authority requested in the primary application becomes effective in order for NSRC/NW/CRC to compete with CSXT/CRC and to provide improved service to the shipping public. Winter weather could delay construction until many months after the effective date of the final decision on the Primary Application. (Petitioner is willing to take the risk of disapproval of the Primary Application or of the operating authority part of this petition in order to have the construction ready to use.) Petitioner requests that the operation exemption authority part of this petition be approved in the final decision on the Primary Application and made effective on the same date that decision becomes effective.

Request for Relief. In addition to the expedited and split handling requested above, NW requests that the Board find that prior review of the proposed construction and operation of this connecting track under 49 U.S.C. 10901 is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; that continued regulation is not necessary to protect shippers from an abuse of market power; that the construction of the connecting track will be of limited scope and that the construction and operation of the track is appropriate for an exemption from 49

U.S.C. 10901 under 49 U.S.C. 10502.

NW further requests that the Board publish notice in the *Federal Register*, within 30 days after this petition for exemption is received, that describes the project and invites comments; prepare an environmental assessment (or EIS, if necessary); conclude that the project will result in no serious adverse environmental consequences (or that such consequences can be mitigated); and, issue an expedited decision on the construction authority part of the petition and a decision on the operating authority part of the petition as part of the final decision on the Primary Application, allowing the construction to proceed as soon as possible and the operation of the track to proceed pursuant to exemption authority on the effective date of the final decision on the Primary Application (which is expected to be 350 days after the notice is filed and 320 days after the *Federal Register* notice).

Respectfully submitted,  
NORFOLK AND WESTERN RAILWAY COMPANY



James R. Paschall  
General Attorney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191  
(757) 629-2759

June 5, 1997

**VERIFICATION**

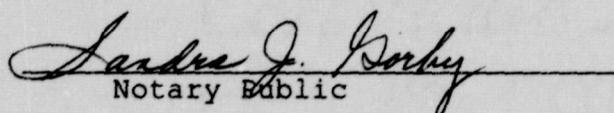
Jon L. Manetta, makes oath and says that he is Vice President-Transportation and Mechanical, Norfolk Southern Corporation, that he has examined all the statements in the foregoing verified notice of exemption in Finance Docket No. 33388 (Sub-No. 7); that he has knowledge of the facts and matters relied upon in the Notice of Exemption; and that all representations set forth therein are true to the best of his knowledge, information and belief.

  
Jon L. Manetta

COMMONWEALTH OF VIRGINIA

CITY OF NORFOLK

Subscribed and sworn to before me  
this 5<sup>th</sup> day of June, 1997.

  
Notary Public

My commission expires:

**MARCH 31, 1998**

**SURFACE TRANSPORTATION BOARD**

**Summary Notice of Petition for Exemption**

**STB FINANCE DOCKET NO. 33388 (Sub-No. 7)**

**NORFOLK AND WESTERN RAILWAY COMPANY  
-- CONSTRUCTION AND OPERATION EXEMPTION --  
CONNECTING TRACK WITH CONSOLIDATED RAIL CORPORATION  
AT BUCYRUS, OH**

Norfolk and Western Railway Company (NW), a wholly-owned subsidiary of Norfolk Southern Railway Company (NSRC), pursuant to the provisions of 49 U.S.C. 10502, 49 U.S.C. 10901(a), (b) and (c), 49 CFR 1121.1 and 49 CFR 1150.1(a) has petitioned the Board for an exemption from the prior review requirements of 49 U.S.C. 10901 for NW's construction and operation of a connecting track, approximately 2,467 feet in length between the Consolidated Rail Corporation (CRC) Ft. Wayne, IN-Crestline, OH and the NW Bellevue, OH-Columbus, OH line.

This connecting track will permit efficient movements between Crestline, OH and points in the east, and Columbus, OH, via Bucyrus, OH.

NW has filed a petition for exemption rather than a notice of exemption because some of the track will be constructed on land not currently owned by either railroad, which therefore must be acquired from one or more third parties.

The proposed connecting track construction is related to the primary application of NSRC and its parent, Norfolk Southern Corporation (NSC), a non-carrier holding company (along with CSX Corporation and CSX Transportation, Inc.) in Finance Docket No.

Surface Transportation Board, Notice of Petition for Exemption,  
Finance Docket No. 33388 (Sub-No. 7), Summary, Page 2 of 3

33388 to control CRC and Conrail Inc (Primary Application). The purpose of this connecting track is to link the NSRC/NW/CRC rail systems, to improve the efficiency and quality of the rail service and to provide an efficient route between Crestline, OH and points to the east and Columbus, OH via Bucyrus, OH.

The effective date of the exemption for operation of the track will be the effective date of the Board's decision approving NSRC's/NSC's Primary Application, if it is approved, which is expected to be 320 days after the publication of this notice.

NW has requested expedited handling of the construction authority aspect of the petition, which the Board is granting. This changes the comment period for the construction aspect, as noted below.

Comments are invited concerning the proposed construction project. As a related application to the Primary Application in Finance Docket No. 33388, comments are due 90 days after the publication of this notice on the operation aspect of this matter. Because of the expedited handling of the construction aspect of the petition, comments on that matter will be due \_\_ days from the Board's Section of Environmental Assessment (SEA)

Page 2 of 3

Surface Transportation Board, Notice of Petition for Exemption,  
Finance Docket No. 33388 (Sub-No. 7), Summary, Page 3 of 3

service of an environmental assessment on the matter. Parties  
may request a copy from SEA at Surface Transportation Board, 1925  
K Street, Washington, D.C. 20423.

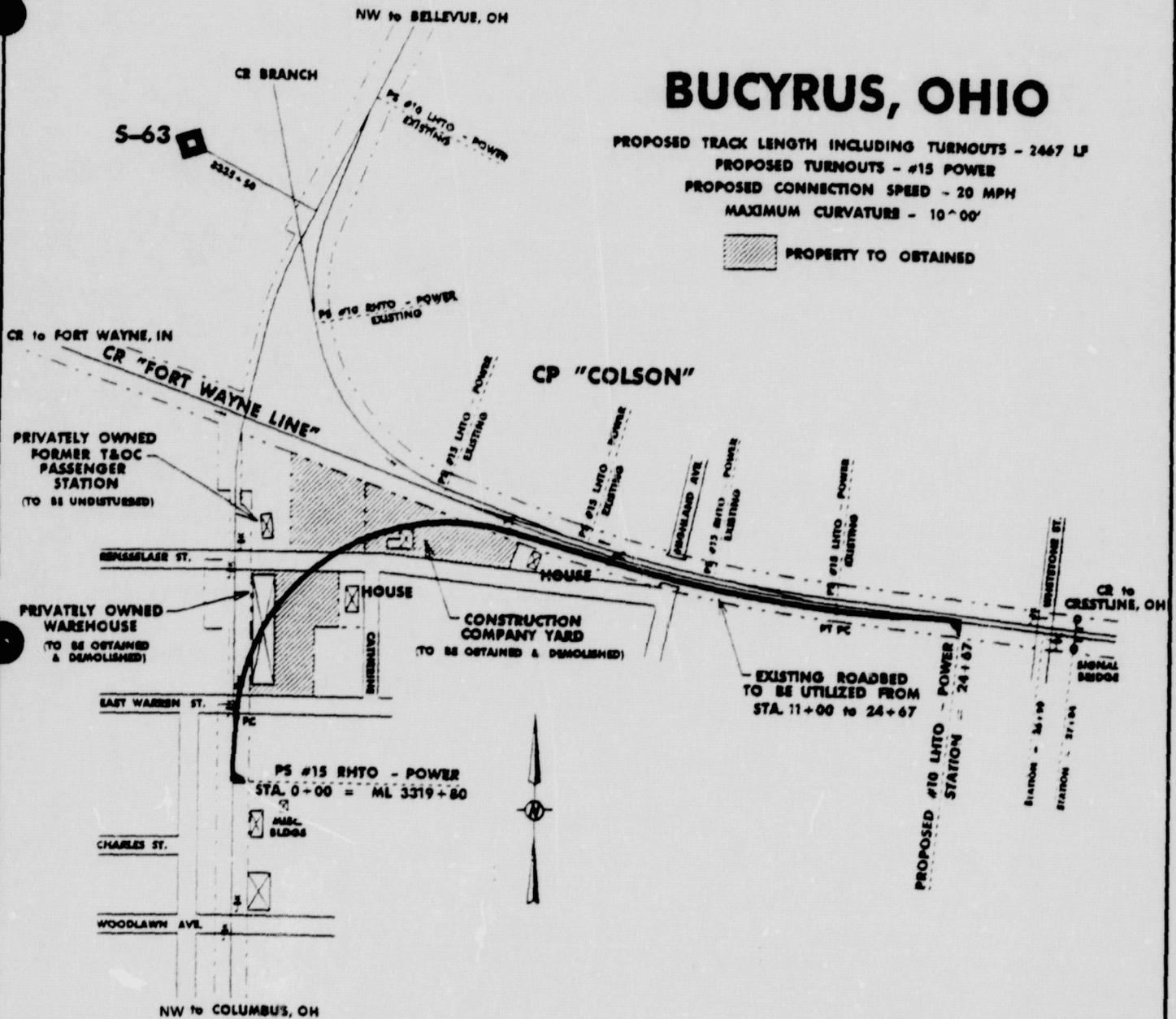
The name, address and telephone number of NSRC's  
representative who should receive correspondence concerning this  
matter is: James R. Paschall, General Attorney, Norfolk Southern  
Corporation, Three Commercial Place, Norfolk, VA 23510-2191.

Page 3 of 3

# BUCYRUS, OHIO

PROPOSED TRACK LENGTH INCLUDING TURNOUTS - 2467 LF  
 PROPOSED TURNOUTS - #15 POWER  
 PROPOSED CONNECTION SPEED - 20 MPH  
 MAXIMUM CURVATURE - 10°00'

 PROPERTY TO OBTAINED



SCALE: 1" = 200'



DO NOT SCALE THIS DRAWING FOR DIMENSIONS NOT GIVEN

NOTE: DRAWING BASED ON AVAILABLE INFORMATION  
 NO FIELD SURVEY MADE - NOT ALL TRACKS SHOWN



NORFOLK AND WESTERN RAILWAY Co.

ENGINEERING COMPANY

ENGINEERING DIVISION

LOCATION	BUCYRUS, OHIO		
TITLE	PROPOSED NEW CONNECTION		
CON'D BY	DAB	DATE	5-63
APP'D BY	DAB	DATE	3-24
DATE	MAY 9, 1937		DRAWING NUMBER TA-97-0074 R1