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(iii) outbound solid municipal waste shipments originating at Harlem River Yard in The Bronx, New York and destined for disposal sites in Ohio, Illinois, Pennsylvania and Virginia;

(iv) inbound plywood products shipments from origins in Canada, Mexico and the Western U.S., for delivery (by rail or truck) to distributors or manufacturers on Long Island; and

(v) inbound wine shipments from origins in California and Washington State for delivery to various distributors located in New York City and adjoining counties.

For further answer, New York states as follows:

See the Verified Statements of Stephen D'Arrigo, Jim Christie and Alan Firestone, attached to New York's Comments, and pages 8-12 of the Verified Statement of Andrew C. Robertson, attached to the Responsive Application.

(b) Workpapers related to the Verified Statement of Andrew C. Robertson have been placed in New York's document depository.

Interrogatory No. 7: Describe in detail all information provided in response to these interrogatories and the following document requests which was not in your possession on October 21, 1997.

Answer: New York objects to this Interrogatory on the grounds that it seeks information that is not relevant to any issue properly before the Board for resolution in this case, and

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
- CONTROL AND OPERATING LEASES/AGREEMENT -
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION

**RESPONSES OF NORTHERN VIRGINIA TRANSPORTATION COMMISSION AND
POTOMAC AND RAPPAHANNOCK TRANSPORTATION COMMISSION TO CSX'S
AND NS'S FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

The Northern Virginia Transportation Commission and Potomac and Rappahannock Transportation Commission (collectively, "VRE") respond as follows to CSX's and NS's First Set of Interrogatories and Requests for Production of Documents (CSX/NS-128) :

GENERAL RESPONSES

The following general responses are made with respect to all of the interrogatories.

1. VRE has conducted a reasonable search for responsive documents and information to respond consistent with the stated objections. Except as objections are noted herein, all responsive documents have been or shortly will be made available for inspection and copying in VRE's document depository, which is located at the offices of Oppenheimer, Wolff & Donnelly in Washington, D.C.

Transportation Board ("SIB"), the Securities and Exchange Commission ("SEC"), or any other government agency or court, or that have appeared in newspapers or other public media.

4. VRE objects to the production of, and is not producing, draft verified statements and documents related thereto, in accordance with CSX's and NS's practice in this Proceeding.

5. VRE objects to the production of, and is not producing, information or documents that are readily obtainable by the requester from its own files.

6. VRE objects to the production of, and is not producing, information or documents that contain confidential or sensitive commercial information, including information subject to disclosure restrictions imposed by law, in other proceedings, or by contractual obligation to third parties, and that is of insufficient materiality to warrant production here even under a protective order.

7. VRE objects to the requests to the extent they seek documents or information in a form not maintained by VRE in the regular course of business or not readily available in the form requested, on the ground that such documents or information could only be developed, if at all, through unduly burdensome and oppressive special studies, which are not ordinarily required and which VRE objects to performing.

INTERROGATORIES

1. On page 8 of VRE-8, VRE states that since mid FY-1996, ridership "has declined significantly as a result of several factors" Apart from actions related to Applicants, identify all factors that have resulted in VRE ridership declines since mid FY-1996, describe in

detail the extent to which such factors have contributed to ridership declines and identify all documents pertaining to ridership declines caused by such factors.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

Other factors that may have contributed to the ridership decline during this time period were the opening of new HOV lines on I-95 and a decline in employment in Crystal City, Virginia. VRE is unable to quantify precisely how such factors may have affected ridership declines, but believes that such factors were substantially outweighed by the freight-related problems discussed at pages 8-9 of VRE-8. Additional documentation relating to delays to VRE trains has been or shortly will be included in the VRE depository.

2. For the most recent period for which such data is available, state the number of commuters traveling daily between Northern Virginia and Washington, D.C. that use (a) VRE, (b) private automobiles, (c) buses and (d) Metrorail. Provide the same information for October 1995 and May 1997.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

Responsive documentation has been or shortly will be included in the VRE depository.

3. State the on-time performance percentage (in the same manner that it is expressed in Attachment 2 to the Roberts Verified Statement) for October 1997 and describe the reasons for any delays experienced by VRE trains in October 1997.

among others. At these meetings, VRE discussed its various concerns as set forth in VRE-8, as well as the proposals outlined in the attachments to VRE-8.

Internally, VRE discussed the identical concerns and proposals.

5. Describe in detail the funding currently available to VRE to cover the estimated cost of each specific improvement and other construction project described at pages 7 and 8 of the Verified Statement of Stephen A. MacIsaac and Richard K. Taube and identify all documents relating to such funding. For each source of funding, identify the precise amount of funds that have been committed to date for each project and the extent to which each project remains unfunded.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

Responsive documentation has been or shortly will be included in the VRE depository.

6. Describe in detail the qualifications of VRE personnel with respect to the operation of rail lines, identifying specifically by name and title those VRE employees that are qualified in the CSX, NS and/or NORAC operating rules and the dates on which such persons passed the qualifying examinations in those rules. Identify all licenses or other evidence of qualifications held by such persons.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

VRE personnel's primary responsibility is to manage contracts for the operation of VRE's commuter rail service. The VRE has contracted with Amtrak for operation and maintenance of its rolling stock, and has operating access agreements with CSX, NS, and Conrail. VRE relies upon its contractors to provide all expertise necessary for proper operation of the commuter rail service. While VRE personnel have varying degrees of experience in railroad operating matters, VRE personnel have not attempted to qualify in CSX, NS and/or NORAC operating rules.

7. Identify all persons or entities which claim an indebtedness of \$100,000 or more from VRE to them, the amount of such claim and the date the claim was made. Trade accounts and other transactions in the ordinary course of business, not more than 30 days in arrears, may be excluded.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

VRE is unaware of any persons or entities claiming an indebtedness to them by VRE of \$100,000.00 or more. All trade accounts and other transactions entered into by VRE in the ordinary course of business are not more than thirty (30) days in arrears to the best of VRE's knowledge.

8. Identify with specificity delays to freight trains caused by interference from VRE or other passenger trains on (a) the NS line segment between Manassas and Alexandria, VA and (b) the CSX line segment between Fredericksburg, VA and Alexandria for each month in 1996 and 1997.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

VRE is without information enabling it to identify delays to freight trains caused by interference from VRE or other passenger trains, and believes that the Applicants possess such information.

9. Identify any studies or analyses performed by or for VRE concerning potential disruptions to (a) passenger and (b) freight trains that would occur as a result of each of the following VRE proposed capital improvements discussed at page 7 of the verified statement of Mr. MacIsaac:

- (i) new bridge over Quantico Creek;
- (ii) installation of second parallel mainline (and possibly third freight track) at Quantico Creek;
- (iii) Woodbridge/Aguia cross-overs;
- (iv) RO to AF Interlocking and related track work.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

VRE has not performed, nor had performed for it, any studies or analyses concerning potential disruptions to (a) passenger trains and (b) freight trains that would occur as a result of the VRE proposed capital improvements identified in interrogatory number 9.

10. For each project identified in interrogatory no. 9, state the estimated timeframe required to complete construction.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

Responsive documentation has been or shortly will be included in the VRE depository.

11. Describe in detail any plans that VRE is proposing or is aware of to eliminate or mitigate interference with passenger/freight service should those construction projects be approved.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

While VRE intends that high quality passenger and freight service be operated within the rail corridor during all construction projects, VRE is not currently proposing any plan, nor is it aware of any plan, to eliminate or mitigate interference with passenger/freight service during construction of the projects identified in interrogatory number 9.

12. Describe in detail how VRE intends to operate its trains during the construction of the above projects, including whether VRE has any plans to adapt its train schedules to accommodate construction activities should the projects identified above be approved.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

VRE intends to operate its commuter rail service in its entirety during construction of the projects identified in interrogatory number 9 to the fullest extent possible. VRE has no current plans to adapt its train schedules to accommodate construction activities. However, VRE recognizes that such adaptation may be necessary and that, in the event such is required, plans to do so would be made well in advance so that VRE customers can be made aware of any changes and accommodated to the fullest extent possible in order to avoid inconvenience from service disruptions and resulting adverse impacts on ridership.

13. Describe the manner in which VRE takes into account the possibility of mechanical problems, equipment failures, or other causes of delay in its scheduling and planning process.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

VRE pays significant sums to Amtrak and to CSX, NS, and Conrail to ensure that its rolling stock is soundly maintained and properly operated, and that the rail corridors are in the highest quality condition, thereby minimizing the possibility of delay in the operation of daily commuter rail service. However, VRE recognizes the possibility of mechanical problems, equipment failures, or other causes of delay and, accordingly, has plans to accommodate its passengers when such instances occur. For example, VRE maintains a snow emergency schedule, and has bus service providers available to offer transportation to its passengers in the event of the inability to operate one or more of VRE's trains.

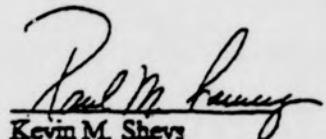
Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

The financial statements for the years 1995, 1996, 1997 and 1998 to date are provided in the monthly reports sent by VRE to NS and CSX.

8. Produce all documents identified in interrogatories 1 through 14.

Response: Without waiving any objections and subject to the General Objections above, VRE responds as follows:

Responsive documentation has been or shortly will be included in the VRE depository.



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Paul M. Laurenza

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

Dated: November 21, 1997

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of November, 1997, a copy of the foregoing
Responses of Northern Virginia Transportation Commission and Potomac and
Rappahannock Transportation Commission to CSX's and NS's First Set of Interrogatories
and Requests for Production of Documents (CSX/NS-128) was served by facsimile upon the
following counsel:

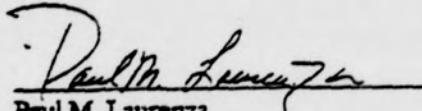
John V. Edwards
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Arnold & Porter
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Suptoe & Johnson
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and by first-class mail, postage prepaid, upon all other parties on the Restricted Service List.


Paul M. Laurenza

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY - CONTROL AND
OPERATING LEASES/AGREEMENTS - CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

DAG - 8

OHIO ATTORNEY GENERAL, OHIO RAIL DEVELOPMENT COMMISSION
AND PUBLIC UTILITIES COMMISSION OF OHIO'S OBJECTIONS AND ANSWERS TO THE FIRST SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS (CSX-70) BY CSX CORPORATION AND
CSX TRANSPORTATION, INC.

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~~Executive Director~~
Ohio Rail Development Commission
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Alan Klodell
Ohio Attorney General
Transportation Section
Counsel of the Ohio
Rail Development Commission

DATED: NOVEMBER 21, 1997

9) Respondents object to the Applicants' failure to define the term "variable costs". This failure results in the interrogatory being vague and ambiguous such that it is impossible to provide precise answers.

10) Respondents object to all the Applicants' discovery requests in CSX-70 as being irrelevant to any issue raised or condition requested by Respondents in their comments filed on October 21, 1997. All the discovery requests in CSX-70 appear to relate to a specific switching fee cap which Respondents never requested.

ANSWERS TO INTERROGATORIES

- (1) (a) State whether you contend that there must be a relationship any switching fee to be imposed by the Board as a condition to approval of the transaction that is the subject of this Proceeding and the variable cost to CSX and NS of providing switching services in the post-transaction system. State in detail all reasons for your response.

ANSWER:

See general objections. Switching fees should be reasonable and should be based on the actual cost to provide the service. The variable cost is one factor which makes up part of the actual cost. Switching fees should be set to allow the low cost rail carrier to utilize the rail line or rail facility to the ultimate benefit of rail shippers. Since variable cost is a part of the actual cost it seems logical that the component "variable cost" must have some relationship to any switching fees which the Board may choose to impose as a condition for their approval of the transaction at issue in this Proceeding.

- (b) Identify all documents that in any way relate to your response or that you consulted or reviewed in preparing your response to Interrogatory 1 (a).

ANSWER:

See general objections, Applicant's filings and the verified statement of Wes Wilson. (Previously produced in Respondents' filing on October 21, 1997, DAG-4 and DAG-5.)

- 2 (a) Is it your contention that the Board may impose a switching fee cap for the post-transaction system even if it is proven by CSX and be less than their variable costs of providing those services at their respective switching points within the post-transaction system? State in detail all reasons for your response.

ANSWER:

See general objections. The Board may impose whatever conditions it believes are reasonable and necessary to maintain, promote or foster rail service in order to insure an efficient, competitive and safe rail transportation system at the lowest possible cost to the public. Respondents do not presume to tell the Board its limits of legal authority or what the Board may or may not impose as conditions. Rather, Respondents have filed comments to the proposed transaction and requested protective conditions which, if adopted by the Board, would insure a competitive, safe, healthy and economical rail transportation system in Ohio. (See DAG-4 and DAG-5 filings incorporated by reference herein.)

Additionally, Respondents have not and did not request that the Board impose a specific switching fee cap for the post-transaction system less than the Applicant's variable costs of providing those services at their respective switching points within a post-transaction system.

(b) Identify all documents that in any way relate to your response or that you consulted or reviewed in preparing your response to Interrogatory 2 (a).

ANSWER:

See general objections, Applicant's filings and the verified statement of Wes Wilson. (Previously produced in Respondents' filing on October 21, 1997, DAG-4 and DAG-5.)

3. (a) Is it your contention that the Board may impose a switching fee cap for the post-transaction system even if it is proven by CSX and NS that they would have to reduce switching services in order to bring the cost of such services down to a level:

(i) below the cap, or

(ii) that would enable them to earn 180% of variable cost each switching point? State in detail all reasons for your responses to both parts (a) (i) and (a) (ii).

ANSWER:

See general objections. The Board may impose whatever conditions it believes are reasonable and necessary to maintain, promote or foster rail service in order to insure an efficient, competitive and safe rail transportation system at the lowest possible cost to the public. Respondents do not presume to tell the Board its limits of legal authority or what the Board may or may not impose as conditions. Rather, Respondents have filed comments to the proposed transaction and requested protective conditions which, if adopted by the Board, would insure a competitive, safe, healthy and economical rail transportation system in Ohio. (See DAG-4 and DAG-5 filings incorporated by reference herein.)

Additionally, Applicants should not reduce switching services in order to bring the cost of such services down to a level: (i) below any Board imposed cap, or (ii) that would enable them to earn 180% of variable cost at each switching point. Switching services should be competitively priced based on actual costs in order to allow the low cost rail carrier at that rail location to serve shippers and the ultimate consumers.

BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX CORPORATION AND CSX
TRANSPORTATION, INC., NORFOLK
SOUTHERN CORPORATION AND NORFOLK
SOUTHERN RAILWAY COMPANY --
CONTROL AND OPERATING LEASES/
AGREEMENTS -- CONRAIL INC. AND
CONSOLIDATED RAIL CORPORATION

Finance Docket No. 33388

POTOMAC ELECTRIC POWER COMPANY'S
RESPONSES TO CSX'S FIRST SET OF
INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS

In accordance with 49 C.F.R. Part 1114, Potomac Electric Power Company ("PEPCO") hereby responds to CSX Corporation and CSX Transportation, Inc.'s (collectively "CSXT") First Set of Interrogatories and Requests for Production of Documents, dated November 4, 1997.

GENERAL RESPONSES

The following general responses are made with respect to all of the interrogatories and requests:

1. PEPCO has conducted a reasonable search for responsive documents and information to respond, consistent with the stated objections.
2. Where objections have been raised as to the scope of the interrogatory or request, PEPCO is willing to discuss

Interrogatory No. 24:

For each of the years 1995, 1996, and 1997 to date, state, separately for each of Pepco's generating stations, the number of tons of coal purchased from Mine 84.

Answer:

Zero.

Interrogatory No. 25:

For each of the years 1995, 1996 and 1997 to date, state, separately for the Morgantown and Chalk Point generating stations, the average net rail freight rate per ton for:

- (a) Single-line movements of coal on Conrail;
- (b) Joint CSX/Conrail movements of coal.

Answer:

In accordance with 49 C.F.R. § 1114.26(b), PEPCO states that it will place responsive, non-privileged documents in its document depository.

Interrogatory No. 26:

Identify all documents discussing or referring to competition between Pepco's Morgantown and/or Chalk Point generating stations and:

- (a) Pepco's (sic) Eddystone station;
- (b) Atlantic City Electric's Deepwater and/or England stations;
- (c) Vineland's Down station

Answer:

No responsive, non-privileged documents exist.

Before the
SURFACE TRANSPORTATION BOARD
Washington, D.C. 20423

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

**RESPONSE OF PHILADELPHIA BELT LINE RAILROAD COMPANY TO CSX
CORPORATION, CSX TRANSPORTATION, INC., NORFOLK SOUTHERN
CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY'S FIRST
SET OF INTERROGATORIES AND FOR PRODUCTION OF DOCUMENTS
(CSX/NS-139)**

Philadelphia Belt Line Railroad Company ("PBL") hereby responds to CSX Corporation and CSX Transportation, Inc.'s (collectively referred to as "CSX") and Norfolk Southern Corporation and Norfolk Southern Railway Company's (collectively referred to as "NS") First Set of Interrogatories and for Production of Documents (CSX/NS-139). By and as its response, PBL states the following:

GENERAL RESPONSES AND OBJECTIONS

The following General Responses and Objections are made with respect to all Interrogatories and Document Requests.

1. PBL has conducted a reasonable search for documents responsive to CSX/NS's requests. Subject to the objections set forth herein and to PBL's specific responses to Interrogatories and Document Requests, responsive documents will be

8. PBL objects to each Interrogatory and Document Request to the extent that they seek information or documents in a form other than that maintained by PBL in the ordinary course, or not readily available in the form requested.

9. PBL objects to CSX/NS's Definitions and Instructions to the extent that they seek to impose burdens or requirements that exceed those specified in the Discovery Guidelines that govern this proceeding.

RESPONSES TO SPECIFIC INTERROGATORIES

1. Describe the "obstructions across and within the right of way that the City has erected" discussed on page 3 of the Verified Statement of Charles E. Mather III in Support of the Philadelphia Belt Line Railroad Company's Comments and Request for Conditions.

Response: Without waiving any objections and subject to the General Objections set forth above, PBL answers as follows:

There are two obstructions to which Mr. Mather refers: (1) the track has been either removed and/or paved over from Race Street north to the former Port Richmond Yard; (2) the Walnut Street pedestrian bridge over Delaware Avenue prevents the movement of high dimension (double stack, jumbo covered hopper) cars on the line on Delaware Avenue.

2. When were the obstructions described in response to Interrogatory No. 1 erected?

Response: Without waiving any objections and subject to the General Objections set forth above, PBL answers as follows:

The track removal and/or paving of the right of way referred to in Obstruction #1 in response to Interrogatory 1 began in the late 1960's and has continued in stages since that time. The through route was disconnected sometime in the 1980's. Upon

information and belief, the Walnut Street pedestrian bridge was constructed in or about 1991-1992.

3. Identify any shipper of the Belt Line North which, during any time from January 1, 1995 through the present, PBL knows has trucked their shipments to points off the Belt Line North either in Philadelphia or outside it in order to access Canadian Pacific ("CP") and CSX directly. For purposes of this Interrogatory, the terms in the Interrogatory have the same meaning as that set forth in the final sentence on page 4, carried over onto page 5, of the Verified Statement of Charles E. Mather III in Support of the Philadelphia Belt Line Railroad Company's Comments and Request for Conditions.

Response: Without waiving any objections and subject to the General Objections set forth above, PBL answers as follows:

To the best of PBL's knowledge and belief, Crowley Marine Terminal, and other users of the Tioga Terminal, have moved shipments from its facility on the Belt Line North via truck to points either in Philadelphia or outside it in order to access CP and CSX directly.

4. For each shipper identified in response to Interrogatory No. 3, identify each of the following: (a) the commodity shipped; (b) the amount of that commodity shipped; and (c) the date. If PBL does not have the information requested, please so state.

Response: Without waiving any objections and subject to the General Objections set forth above, PBL answers as follows:

Crowley Marine Terminal shipped auto parts, shoes and miscellaneous freight. PBL has no information regarding the amount of the commodities or the dates shipped by Crowley Marine Terminal. PBL has none of the requested information regarding other users of the Tioga Terminal.

5. Define what is meant by "other Conrail charges" in the following assertion from page 4 of the Verified Statement of Charles E. Mather III in Support of the Philadelphia Belt Line Railroad Company's Comments and Request for Conditions: "However, Conrail charges rates for intra-terminal switching in Philadelphia that are significantly higher than other Conrail charges in Philadelphia or elsewhere, violating

A. Hagen, President, CSX to Dunstan McNichol dated May 20, 1988, confirming that CSX has succeeded to the interest of the Baltimore and Ohio in all agreements, including the South Philadelphia Agreement. This letter has been placed in the document depository. The March 1, 1987 Lease between PBL and Conrail. This document has been placed in the document depository. PBL staff is searching its files for any other agreements.

10. As to any violations of the Belt Line Principle as contained in the documents referred to in Interrogatory No. 9 which PBL is contending before the Board in this Proceeding has been or is about to be committed by (a) Conrail, (b) CSX, and/or (c) NS identify the same and state who committed or is about to commit it and when the alleged violation commenced.

Response: PBL objects to this Interrogatory to the extent it calls for a legal conclusion. Without waiving the foregoing or any other objections, and subject to the General Objections set forth herein, PBL responds as follows:

Conrail has charged fees to move traffic from shippers on the Belt Line North to interchange with other carriers that are significantly higher than the charges assessed to move traffic for delivery to points outside of Philadelphia on the Conrail system. This is not consistent with the Belt Line Principle, which mandates equal access for all carriers operating in Philadelphia to the lines of the Belt Line. To comply with the Belt Line Principle, the charges Conrail assesses to reach interchange with other carriers in Philadelphia should be the same as the charges it assesses shippers to move from the Belt Line (North or South) to the point of interchange with Conrail.

PBL does not contend that CSX or NS has committed any violation of the Belt Line Principle as of this date. To the extent that CSX and NS plan to continue the commercial practices of Conrail in Philadelphia, at least insofar as they relate to the Belt Line's customers, then CSX and NS are about to commit the same violations that

Conrail has committed to date. To the extent, if any, that the operation of the Shared Assets Operating Area and the rights of CSX and NS to operate within it, narrow any carrier's right to reach PBL, that would constitute a violation of the Belt Line Principle.

11. Identify all steps that PBL has taken, if any, to establish that any such alleged violation (referred to in Interrogatory No. 10) by Conrail, (b) CSX, and/or (c) NS violated the documents referred to in Interrogatory No. 9 and/or to seek redress for the same.

Response: PBL objects to this Interrogatory to the extent it calls for a legal conclusion. Without waiving the foregoing or any other objections, and subject to the General Objections set forth herein, PBL responds as follows:

PBL began a proceeding at the ICC pursuant to (former) 49 U.S.C. §11103 (now recodified at 49 U.S.C. §11102 by the ICC Termination Act of 1995) to establish that such violations have occurred and to seek a remedy for them.

DOCUMENT REQUESTS

1. Produce all amendments or modifications of any date to the Articles of Association of the Philadelphia Belt Line Railroad Company which is set forth in Exhibit A of PBL-10, the Philadelphia Belt Line Railroad Company's Comments and Request for Conditions, whether created before or after January 1, 1995.

Response: Without waiving any objections and subject to the General Objections set forth above, PBL answers as follows:

None.

2. Produce all Documents, whether created before or after January 1, 1995, executed by and signed on behalf of any railroad claimed to be a predecessor of CSX, Conrail or NS, committing such railroad to observe the "Belt Line Principle."

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE REPORT 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**

**RESPONSES OF R.J. CORMAN RAILROAD/WESTERN
OHIO LINE TO
CSX AND NORFOLK SOUTHERN'S
FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS**

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(202) 293-6300**

**ATTORNEYS FOR R.J. CORMAN
RAILROAD/WESTERN OHIO LINE**

Dated: November 21, 1997

RESPONSES TO INTERROGATORIES

1. At any time prior to June 1997, did RJCW or, to its knowledge, any prior owner or operator of RJCW's line, offer, or otherwise propose or seek to acquire ownership of, or trackage or other operating rights over, all or any portion of Conrail line in Lima, Ohio, between milepost 50 and milepost 55? For purposes of the Interrogatory, the time limitation set forth in Instruction 3 does not apply.

RESPONSE: RJCW objects to this Interrogatory on the grounds that the information sought in the Interrogatory is overly broad as to time. Without waiver of these objections, and subject to the General Objections stated above, RJCW states as follows:

Yes.

2. If the answer to Interrogatory No. 1 is anything other than an unqualified "no," describe in detail each such offer, proposal or other request, specifying: (a) the length and location of the lines involved; (b) the nature of the ownership interest or operating rights proposed or sought; (c) the financial terms upon which such ownership or operating rights were proposed or sought; (d) all other terms, including terms governing railroad operation, that were offered, proposed, sought or discussed; and (e) why the ownership or operating rights in question were not acquired pursuant to that offer, proposal or request.

RESPONSE: Without waiver of the objections made and referenced in response to Interrogatory 1, RJCW states as follows:

(a) The length of the lines involved was not determined; the location of the line was not precisely determined, but was believed to be between milepost 54.4 and milepost 52.

(b) RJCW was to acquire the subject line and Conrail was to retain overhead trackage rights.

(c) Financial terms were not determined.

(d) Other terms were not determined.

(e) Negotiations were put on hold by Conrail due to CSX and NS acquisition.

3. Describe in detail the "grain traffic moving from western Ohio to grain markets in the south," referred to on page 5 of the Responsive Application, and identify by milepost the end points of the routes over which such traffic moves.

RESPONSE: RJCW objects to this Interrogatory on the grounds that the use of the word "detail" is undefined and makes the Interrogatory vague, ambiguous, overly broad and burdensome. Without waiver of these objections, and subject to the General Objections stated above, RJCW refers Applicants to the contents of the Responsive Application, RJC-6.

4. Describe in detail the "fertilizer traffic moving from the south to western Ohio," referred to on page 5 of the Responsive Application, and identify by mileposts the end points of the routes over which such traffic moves.

RESPONSE: RJCW objects to this Interrogatory on the grounds that the use of the word "detail" is undefined and makes the Interrogatory vague, ambiguous, overly broad and burdensome. Without waiver of these objections, and subject to the General Objections stated above, RJCW refers Applicants to the contents of the Responsive Application, RJC-6, and in addition states as follows:

Mile Post 72.

5. Does RJCW contend that any prior shipper currently served by RJCW would lose rail service if the Application is approved without the conditions sought by RJCW?

RESPONSE: No.

6. If the answer to the preceding interrogatory is anything other than an unqualified "no," identify all shipper currently served by RJCW that RJCW contends would lose service as a result of the Proposed Transaction.

RESPONSE: Not Applicable, see Response to Interrogatory No. 5.

RESPONSE: RJCW objects to this Request on the grounds that the Request seeks information that is not relevant and the Request is vague, ambiguous, undefined, overly broad and burdensome. Without waiver of these objections, and subject to the General Objections stated above, RJCW responds as follows:

See documents which have been or soon will be placed in RJCW's document depository.

7. Produce the tariff or switching agreement establishing the \$60.00 per carload switching charge referenced on page 6 of the Responsive Application.

RESPONSE: See Conrail tariff CR 8001 on public file.

8. Produce all documents relating to the statement that "CSX will not have the same economic indifference that Conrail has today and consequently will not offer a comparable intermediate switch charge for RJCW's customers to reach NS," as stated on page 4 of the Responsive Application.

RESPONSE: Subject to the General Objections, none.

9. Produce all documents relating to train delays on the Lima-Glenmore lines.

RESPONSE: RJCW objects to this Request on the grounds that the Request is vague, ambiguous, undefined, overly broad and burdensome. Without waiver of these objections, and subject to the General Objections stated above, RJCW refers Applicants to the contents of Responsive Application, RJC-6, and in addition states as follows:

Otherwise, no additional responsive documents.

10. Produce all documents relating to Proposed Transaction's alleged adverse impacts for fertilizer and grain markets over the Lima-Glenmore line.

SUB-OPERATING AGREEMENT

RJC-00-P

This Agreement is made and entered into this 26 day of March, 1996, by and among R. J. CORMAN RAILROAD COMPANY/WESTERN OHIO LINE (hereinafter "SUB-OPERATOR") and the SPENCERVILLE-ELGIN RAILROAD, INC. (hereinafter "SPEG" or "OPERATOR").

WITNESSETH:

WHEREAS, SPEG has been granted pursuant to contract with the OWNERS, the rights to operate a line of railroad that extends from Lima, Ohio Mile Post 54.4 to Glenmore, Ohio Mile Post 84.2 and covering approximately thirty miles (hereinafter the "Line");

WHEREAS, no freight rail service has been conducted on the Line since November of 1993;

WHEREAS, SPEG desires to facilitate a restoration of freight rail service on the Line in accordance with the terms of this Agreement;

WHEREAS, SUB-OPERATOR is willing to provide freight rail service on the line in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions

When used in this Agreement, the following capitalized terms shall have the

meanings set forth below:

"Freight Rail Service" shall mean a provision of common carrier freight rail service on the Line by the OPERATOR.

"Line" shall mean the line of railroad between Lima, Ohio (M.P. 54.4) and Glenmore, Ohio (M.P. [84.2]), a distance of approximately 29.8 miles, which line shall include without limitation the following: the right-of-way; rail line; buildings; structures; facilities, if any, except engine house at Ohio City that are subject to the Agreement between SPEG and the Van Wert County Port Authority and the Port Authority of Allen County, if any; leads; spurs; turn-outs; tails; sidings; team tracks; signals; crossing protection devices; railroad communication systems; poles and all other operating and non-operating appurtenances owned by OWNERS that are situated on or adjacent to the rail Line.

"OPERATOR" shall mean the Spencerville-Elgin Railroad, Inc.

"SUB-OPERATOR" shall mean R. J. Corman Railroad Company/Western Ohio Line.

"OWNERS" shall mean the Van Wert County Port Authority and the Port Authority of Allen County.

Section 2. Grant of Operating Rights: Use of Line

Subject to the terms and conditions of this Agreement, SPEG hereby grants to SUB-OPERATOR the exclusive right to conduct Freight Rail Service on the Line,

including but not limited to the right to operate trains, locomotives, cars and equipment with its own crews for its account. The OPERATOR also grants to the SUB-OPERATOR the non-exclusive right to use the Line for any other purposes, provided that such other uses shall not conflict with the provision of Freight Rail Service on the Line. The OPERATOR covenants not to operate or grant any type or form of non-freight railroad operating rights to third parties on the Line.

Section 3. Freight Rail Service To Be Provided

Subject to the terms and conditions contained herein, SUB-OPERATOR hereby agrees to provide Freight Rail Service on the Line in accordance with the Description of Service attached hereto as Exhibit 1.

The operation of the Line shall be subject to the exclusive control of SUB-OPERATOR, provided that SUB-OPERATOR shall operate the Line under reasonable rules established in accordance with its practices on the rail lines that it owns and operates.

In addition to the other terms and conditions of the Sub-Agreement, SUB-OPERATOR's obligation to provide service on the Line is contingent upon the OWNERS and the Ohio Rail Development Commission (ORDC) securing authorization in writing for salvage of the secondary main line track material in accordance with this paragraph. SUB-OPERATOR shall designate to OWNERS track and improvements on the secondary main line to be left in place and excluded from the salvage project. SUB-OPERATOR

understands that the salvage project must be placed for bid by the OWNERS and the successful bidder shall be chosen in compliance with law. As part of a proposed upgrade program, provided that the OWNERS receive authorization to salvage the secondary mainline track as described in Section 3., SUB-OPERATOR shall make a Five Hundred Thousand Dollar and no/100 (\$500,000.00) upgrade to the remaining line comprised of labor and materials, and equipment on terms and conditions to be mutually agreed upon by all parties.

Section 4. Maintenance

After upgrading the line with funds from the Federal Railroad Administration, SUB-OPERATOR, at its own expense, shall maintain the Line in such a manner as to keep it in FRA Class 2 condition. In the event SUB-OPERATOR fails to maintain the Line to the prescribed condition, SPEG may, on Thirty (30) Days' notice, terminate this Agreement, or at OPERATOR's option, perform such maintenance at its expense and recover from SUB-OPERATOR the reasonable cost of restoring and maintaining the Line to its upgraded condition; provided that if OPERATOR chooses to maintain the Line at a level higher than its present condition, such maintenance costs shall be borne solely by OPERATOR. SUB-OPERATOR will notify the Federal Railroad Administration that it is responsible for maintenance of the Line pursuant to 49 C.F.R. § 213.5(c).

SUB-OPERATOR shall maintain the lease property to comply with all federal, state or local laws and regulations, and specifically agrees that weed control and crossing

maintenance will avoid all nuisance.

Section 5. Additions or Alterations

With the concurrence of OPERATOR, SUB-OPERATOR may make any changes in and/or additions to the Line which it deems necessary or desirable for the safe, efficient, and economical use of the Line for Freight Rail Service. Any such changes in and/or additions to the Line shall be made by SUB-OPERATOR and payment for such changes and additions shall be agreed upon by the parties. Without limiting the generality of the foregoing, the parties have agreed to the alterations described in Exhibit 2, hereto.

Section 6. Insurance

SUB-OPERATOR shall procure and maintain at full force and effect during the term of this Agreement a policy or policies of insurance covering any and all liability to which SUB-OPERATOR is or may be subject under this Agreement. Such insurance shall provide limits of five million dollars (\$5,000,000.00) per occurrence but may be subject to an annual aggregate limit of five million dollars (\$5,000,000.00) and a per occurrence self-insured retention of not more than one hundred thousand dollars (\$100,000). Within thirty (30) days, SUB-OPERATOR shall provide OWNERS with a certificate of insurance providing proof that the insurance required under this section has been issued and is in full force and effect. OPERATOR shall be notified immediately of any changes in this insurance coverage contained here.

Section 7. Regulatory Approval

OPERATOR shall take all reasonable action necessary to renew or revalidate its modified rail certificate or to obtain a new modified rail certificate. Thereafter, SUB-OPERATOR shall obtain a modified rail certificate from the Surface Transportation Board, pursuant to 49 C.F.R. § 1150.21, et seq. for operation of the Line.

Within ten (10) days of the filing of the Modified Certificate by SUB-OPERATOR, OPERATOR shall, at its sole expense, seek to formally terminate whatever remaining authority Indiana Hi-Rail Corporation (IHRC) may have with respect to operations on the Line.

Section 8. Term: Default Termination

This Agreement shall have a term of two years. In the event of any failure on the part of the SUB-OPERATOR or OPERATOR to comply with any of their obligations contained in this Agreement and the continuation of such failure for a period of thirty (30) days after receipt of notice thereof from the other party, the other party shall have the right, at its option, to declare a default. Upon giving the party in default an additional notice of thirty (30) days and an opportunity to cure the default, party not in default may terminate this Agreement.

The right to terminate shall be in addition to other rights and remedies provided hereunder as well as those available at law or in equity, including claims from money damages and specific performance, which remedies shall be cumulative.

Section 9. Liability

Whenever any loss of, damage to, or destruction of property, or injury to or death of any person or persons resulting from, arising out of, or incidental to, the management, control, use or operations of SUB-OPERATOR solely, and absent any cause of SPEG, or third parties, SUB-OPERATOR shall assume all liability therefrom and shall bear all cost and expense in connection therewith, including all cost, expense (including reasonable attorneys' fees), and liability, and shall forever protect, defend, indemnify, and save harmless SPEG and its officers, agents, employees, lessors, subsidiaries, affiliates, successors, and assigns from and against any such liability, cost and expense.

Whenever any loss of, damage to, or destruction of, property, or injury to or death of any person or persons resulting from, arising out of, or incidental to, the management control, use or operations of SPEG or by any third party business invitees of SPEG, then SPEG assumes all liability therefrom and shall bear all costs and expense in connection therewith, including all costs, expense (including reasonable attorneys' fees), and liability and shall forever protect, defend, indemnify, and save harmless SUB-OPERATOR and its officers, agents, employees, lessors, subsidiaries, affiliates, successors, and assigns from and against any such liability, cost and expense.

Without limiting the generality of the foregoing, it is agreed that such losses arising from the combination of SUB-OPERATOR's operations and track conditions, absent any other cause (except Acts of God), shall be construed as losses resulting from, arising out of, or incidental to, the management, control, use or operations solely of

SUB-OPERATOR.

Section 10. Arbitration

Any claim, dispute, or controversy between SPEG and SUB-OPERATOR arising out of or relating to this Agreement or the breach of this Agreement which cannot be settled by the parties themselves shall be determined by arbitration under the commercial arbitration rules of the American Arbitration Association in effect at the time the demand for arbitration is filed. The location of the arbitration shall be in Cleveland, Ohio. The decision of the arbitrator shall be final and binding. Any award of monetary relief by the arbitrator shall be limited to awarding the prevailing party its actual damages. Judgement to enforce the decision or award of the arbitrator may be entered in any court having jurisdiction, and the parties hereto agree not to object to the jurisdiction of the State of Ohio for such purpose. Service of process in connection with such arbitration shall be made by certified mail. In any judicial proceeding to enforce this Article, the only issues to be determined shall be the existence of an agreement to arbitrate and the failure of one party to comply with such agreement, and those issues shall be determined summarily by the court without a jury. All other issues shall be decided by the arbitrator, whose decision thereon shall be final and binding. There shall be no appeal of an order compelling arbitration except as part of an appeal concerning a confirmation of the decision of the arbitrator. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel arising from the

arbitration. The compensation, costs, and expenses of the arbitrator, if any, shall be borne by SPEG and SUB-OPERATOR, on a per capita basis.

Section 11. Non-Waiver

At any time during the term of this Agreement, either party may waive any default of the other party under this Agreement without affecting or impairing any right arising from any other default under this Agreement.

Section 12. Miscellaneous

a. This Agreement, together with the exhibits hereto, constitute the entire agreement between the parties, which agreement shall supersede all prior agreements and understandings, oral or written, between the parties, hereto concerning the subject matter of this Agreement.

b. No modification, addition or amendments to this Agreement or any of the attached Exhibits, shall be effective unless or until such modification, addition or amendment is in writing and signed by the parties.

c. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each party. This Agreement shall be governed and construed in accordance with the Laws of the State of Ohio.

d. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

e. SUB-OPERATOR shall inspect the Line to the extent it deems necessary and shall accept the Line in "AS IS, WHERE IS" CONDITION AND WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

f. All notices, demand, requests, or other communication which may be or are required to be given, served or sent by either party to the other parties pursuant to this Agreement shall be in writing and shall be deemed to have been properly given or sent by mailing registered or certified mail, return receipt requested, postage prepaid addressed to:

SUB-OPERATOR: R. J. Corman Railroad Company/Western Ohio Line
One Jay Station
P. O. Box 788
Nicholasville, KY 40356
Attention: Tom Hammerstone

OPERATOR: Spencerville-Elgin Railroad, Inc.
c/o Countrymark Cooperative, Inc.
950 North Meridian Street
Indianapolis, IN 46204-3909
Attention: Terry Schlotfeldt

Each notice demand, requests or communication which shall be mailed by registered or certified mail to either party in the manner aforesaid shall be deemed sufficiently given, served or sent for all purposes at the time such notice, demand, request or communication shall either be received by the addressee or refused by the addressee upon presentation.

Either party may change the name of the recipient of any notice, or his or her address, at any time by complying with the foregoing procedure.

g. If any term or provision of this Agreement is illegal, invalid or enforceable under present or future laws, then in that event, it is in the intention of the parties hereto that the remainder of the Agreement shall not be affected thereby shall be valid and shall be enforced to the fullest extent permitted by law.

h. This Agreement is intended for the sole benefit of the parties hereto, and nothing in this Agreement is intended or may be construed to give any person, firm, corporation, or any other entity other than the parties hereto and their respective officers, agents, employees, lessors, parent corporation, subsidiaries, affiliates, successors, and assigns, any right pursuant to any revision or term of this Agreement, and all provisions and terms of this Agreement are and will be for the sole and exclusive benefit of the parties to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

R. J. CORMAN RAILROAD COMPANY/WESTERN OHIO LINE

By: *[Signature]*

Title: *EVP / E M*

SPENCERVILLE-ELGIN RAILROAD, INC.

By: Terry Lott

Title: President

-EXHIBIT 1**DESCRIPTION OF SERVICE****SPENCERVILLE-ELGIN
OPERATING PLAN**

March 6, 1996

The R. J. Corman Railroad office personnel in Celina, Ohio, 419-586-6585, will process customers' requirements and contact train crews for car movements. Celina will be the headquarters for train dispatching, locomotive repairs, car repairs, track repairs, and signal maintenance.

R. J. Corman Railroad has 4 - GP16 locomotives assigned in this area to serve customers' needs and has a total of fifty-five locomotives system-wide. R. J. Corman Railroad can service any customer requirements. Train service schedule will be dictated by customer demand.

- Five and six day schedule - Normal basis
- Sunday and Holidays - Exception basis

The method of operations between Lima, Ohio, and Glenmore, Ohio will be Directed Traffic Control System (DTC) and CSXT operating rules.

R. J. Corman Railroad will interchange with Conrail, Norfolk Southern, and CSXT at Lima. All accounting functions, interchange reports, and weigh billing will be performed at Nicholasville, Kentucky.

R. J. Corman Railroad, in conjunction with the 3 Class 1 Carriers, will promote new business on Spencerville-Elgin.

EXHIBIT 2**ALTERATIONS**

R. J. CORMAN RAILROAD COMPANY
WESTERN OHIO LINE

March 6, 1996

SPENCERVILLE-ELGIN RAIL LINE UPGRADE COSTS

| | <u>Upgrade Costs</u> | <u>Required Start-Up Costs</u> |
|--------------------|----------------------|--------------------------------|
| Tie Installation | \$1,216,270. | \$ 0. |
| Surfacing | 135,537. | 15,000. |
| Brush Cutting | 102,680. | 51,340. |
| Bridge Work | 200,000. | 40,000. |
| Signal Maintenance | <u>36,000.</u> | <u>36,000.</u> |
| TOTAL | \$1,690,487. | \$142,340. |

Costs to be funded are as follows:

- a.) Owners-ORDC: 60% of Take-up Proceeds
- b.) RJCW (Sub-Operator): \$500,000.00

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BEFORE THE

STB 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

RESPONSES OF
READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY
TO CSX AND NORFOLK SOUTHERN'S
FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS

Reading Blue Mountain & Northern Railroad Company ("RBMN") hereby responds to CSX and Norfolk Southern's First Set of Interrogatories and Requests for Production of Documents to RBMN ("CSX/NS-141"). Capitalized terms have the meanings set forth in CSX/NS-141 unless otherwise defined herein.

General Objections

RBMN objects to CSX and Norfolk Southern's First Set of Interrogatories and Document Requests insofar as --

1. On page 8 of his Verified Statement, Andrew Muller states:

RBMN now participates in a move of fly ash that originates in Vermont on the New England Central Railroad, and then moves in single-line service over Conrail to Reading for delivery by RBMN to its destination.

(a) State the scheduled and average actual time for the movement from origin to destination and identify any Documents to [sic.] relating to such times.

(b) State the scheduled and average actual time for the movement along the Conrail single-line portion of the service and identify any Documents relating to such times.

Response:

Upon review of the quoted language, RBMN has discovered an error in Mr. Muller's statement. The shipments in question originate on New England Central Railroad in Connecticut, not Vermont.

(a) Because the movements begin on New England Central Railroad and continue over Conrail, RBMN does not know the scheduled and average actual time for the movement from origin to destination. Such information and documents would be in the possession of New England Central Railroad and Conrail. RBMN generally delivers cars to the customer within 12 hours of receipt, although it can be as long as 48 hours, providing service three days per week.

(b) The scheduled and average actual time for the movement along the Conrail single-line portion would be solely in the possession of the Applicant Conrail.

whether or not the material would be processed at another location; however, the receiver does have two other options.

(b) See response to (a).

(c) See response to (a). Additionally, the traffic currently moves in 70 rail cars owned by the receiver dedicated to this service. Therefore, it may be less likely to move by truck.

(d) None.

3. On page 7 of RBMN-5, RBMN states:

[T]he transaction may have the effect of limiting the public's competitive options by expanding the penalty provisions that Conrail required in RBMN's purchase of the Lehigh Division under the Purchase Agreement. These provisions essentially provide that RBMN must pay a penalty if it interchanges with any carrier other than Conrail any traffic that originates, terminates or otherwise moves over the Lehigh Division and that could "commercially be interchanged" with Conrail.... [I]f the combined NS/Conrail is substituted for Conrail, the scope of what can "commercially be interchanged" could be substantially greater.

(a) Identify all traffic that has originated, terminated or otherwise moved over the Lehigh Division and was not subject to the "penalty provisions" because it could not "commercially be interchanged" with Conrail, but which may in RBMN's view be subject to the "penalty provisions" if a combined NS/Conrail is substituted for Conrail after the transaction.

(b) Identify any Documents, including any reports, studies, and analyses, relating to the effect of an expanded scope of penalties provisions if the combined NS/Conrail is substituted for Conrail.

Response:

RBMN objects to the extent that this Interrogatory seeks a legal interpretation of the language "commercially be interchanged." Without waiving this objection, RBMN responds as follows:

(a) RBMN has not tested the scope of this restriction. All freight traffic that RBMN has originated, terminated or otherwise moved over the Lehigh Division since it acquired the line in August, 1996 has been interchanged with Conrail. By way of further response and without conceding any specific interpretation of the language, the number of locations that NS will be able to serve directly to and from the Lehigh Line (for example, to points in the southeast and southwest) will be larger than the number of locations Conrail can currently serve directly from the Lehigh Line.

(b) None.

4. On pages 7-8 of RBMN-5, RBMN states:

The effects of expansion of the penalties ... serve[] to perpetuate the inefficient routings that Conrail's previous monopoly generated. Thus, there are moves to the Buffalo gateway to Canada from RBMN that could move in DHRC service directly from Taylor Yard (near Scranton) to Canada, that instead are currently being moved by Conrail (and that after the transaction would be moved by NS) south to Allentown, then west to Harrisburg and Pittsburgh before moving north to Ashtabula, Erie and Buffalo -- approximately 250 miles more.

(a) State whether RBMN solicited from DHRC a proposal for the service described above in the quoted statement.

(b) If so, identify any Documents relating to said solicitation and response.

Response:

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D. C.

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

RESPONSE TO CSX CORPORATION AND
CSX TRANSPORTATION, INC., SECOND SET OF
INTERROGATORIES AND REQUESTS FOR PRODUCTION
OF DOCUMENTS BY SHELL OIL COMPANY AND
SHELL CHEMICAL COMPANY

Shell Oil Company and/or Shell Chemical Company "for itself and as agent for Shell Oil Company" (hereinafter jointly referred to as "Shell") hereby respond to CSX Corporation and CSX Transportation, Inc. (collectively referred to as "CSX"), Second Set of Interrogatories and Document Requests to participants, received November 10, 1997. Both Shell companies are corporations, the address of which is One Shell Plaza, Post Office Box 2463, Houston, Texas 77252.

SHELL RESPONSE

9.(a) Shell has made no recommendations, nor provided any testimony in this proceeding regarding switching charges other than those for reciprocal switching between CSX and NS. Shell does not contend that the Board has the legal authority to impose reciprocal switching charges on CSX and NS in the post-transaction system that are lower than 180% of the variable costs of providing those services, but neither does Shell deny that the Board has such authority.

9.(b) Shell response to Interrogatory 9.(a) neither affirms nor denies Board authority.

9. (c) No documents were consulted or reviewed in preparing the responses to Interrogatory 9 (a).

CSX INTERROGATORY

10. (a) Is it your contention that the Board's decision in UP/SP Control, STB Finance Docket No.32760, Decision #44, insofar as it relates to the switching fee cap there imposed, is binding precedent on the Board in the present Proceeding? State in detail all reasons for your response.

(b) If your answer to Interrogatory 10(a) is in any way affirmative, state whether this is the sole precedent upon which you rely to support your position.

(c) If your answer to Interrogatory 10(a) is in any way negative, identify any other precedent upon which you rely to support your position.

(d) Identify all documents that in any way relate to your response or that you consulted or reviewed in preparing your response to Interrogatory 10(a).

SHELL RESPONSE

10.(a) Shell neither claims nor denies binding precedent in the present Proceeding regarding the Board's decision in UP/SP Control, STB Finance Docket No.32760, Decision #44, insofar as it relates to the switching fee cap there imposed.

10.(b) Shell response to Interrogatory 10.(a) neither affirms nor denies precedent.

10.(c) Shell response to Interrogatory 10.(a) neither affirms nor denies precedent.

10. (d) No documents were consulted or reviewed in preparing the responses to Interrogatory 10 (a).

UNITED STATES OF AMERICA
BEFORE THE
SURFACE TRANSPORTATION BOARD

STB 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

SOUTHERN TIER WEST REGIONAL PLANNING
AND DEVELOPMENT BOARD'S
RESPONSE TO FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS
OF CSX AND NORFOLK SOUTHERN (CSX/NS-160)

Paul H. Lamboley
1020 Nineteenth St., N.W.
Washington, D.C. 20036-6105
Telephone: (202) 496-4920
Facsimile: (202) 293-6200

Counsel for Southern Tier
West Regional Planning
and Development Board

RESPONSE TO INTERROGATORIES

Interrogatory No. 1

Identify the basis for all documents relating to the statement on page 3 of STW-2 that "Conrail agreed that the improvements funded by the TCS-Wellsville grant no longer served their intended purpose, and that the depreciated value thereof was \$2.136 million."

Response:

STW objects to Interrogatory No. 1 on the ground that it is overbroad, vague and ambiguous insofar as it refers to "all documents relating to".

Without waiving any objections, and subject to the general objections above, STW responds as follows:

The Conrail Southern Tier Agreement December 1990 Amendment dated December 13, 1990, paragraph 3, states: "It is agreed by virtue of this Agreement the investment made by the State under the TCS-Wellsville Agreement dated December 6, 1989 (Contract D140447) no longer serves its intended purpose. The depreciated value of said investment is \$2.136 million" (page 3).

Interrogatory No. 2

Identify all documents evidencing the current depreciated value of the TCS-Wellsville grant.

Response:

STW objects to Interrogatory No. 2 on the ground that it is overbroad, vague and ambiguous insofar as it refers to "all documents."

Without waiving any objections, and subject to the general objections above, STW responds as follows:

Without waiving any objections, and subject to the general objections above,
STW responds as follows:

Refer to materials contained within the STW depository.

Interrogatory No. 9

State whether STW is the agent and/or representative of New York State Department of Transportation for the enforcement of the Southern Tier Agreement.

Response:

Without waiving any objections, and subject to the general objections above,
STW responds as follows:

STW is neither the agent nor representative of NYSDOT.

Interrogatory No. 10

Identify all communications between STW and the Governor of the State of New York or any state government official, including, but not limited to, officials with the New York State Department of Transportation, with regard to the requested five year extension of the Southern Tier Agreement from June 1, 1988 referenced on page 8 of STW-2.

Response:

STW objects to Interrogatory No. 10 on the ground that it is overbroad, vague, and ambiguous insofar as it refers to "all communications...with regard to," "any state government office" and no time period is specified.

STW objects to Interrogatory No. 10 on the ground that it requests disclosure of communications relating to development of draft settlement agreement or filings, and of communications subject to attorney/client privilege.

Interrogatory No. 11

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 33388

**CSX CORPORATION AND CSX TRANSPORTATION, INC.,
NORFOLK SOUTHERN COOPERATION
AND NORFOLK SOUTHERN RAILWAY COMPANY
—CONTROL AND OPERATING LEASES/AGREEMENTS—
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION**

**THE SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY'S
RESPONSE TO CSX'S FIRST SET OF INTERROGATORIES AND REQUESTS FOR
PRODUCTION OF DOCUMENTS**

The Southeastern Pennsylvania Transportation Authority ("SEPTA") hereby responds to the First Set of Interrogatories and Request for Production of Documents of CSX Corporation and CSX Transportation, Inc. ("CSX") (CSX-78).

GENERAL RESPONSES AND OBJECTIONS

The following General Responses and Objections are made with respect to all Interrogatories and Document Requests.

1. SEPTA has conducted a reasonable search for documents and information responsive to CSX's interrogatories and requests for production of documents. Subject to the objections herein stated, the responsive documents are being forwarded with this Response via Federal Express. Responsive documents which have been previously forwarded to CSX will not be again forwarded with this Response.
2. The production of documents or information shall not constitute an admission by SEPTA that such information or documents are relevant to this proceeding or be construed as a waiver of any stated objection.

ANSWERS TO INTERROGATORIES

Interrogatory No. 1: State whether SEPTA has ever proposed to Conrail to modify the October 1, 1990 Trackage Rights Agreement between SEPTA and Conrail by eliminating the portion of Section 3.02(b) of the October 1, 1990 Trackage Rights Agreement that permits Conrail to assume, upon sixty days notice, "dispatching control of all trains on the Trenton Line (the former New York Short Line) from C.P. Newtown Junction (M.P. 6.2) to Neshaminy (M.P. 21.1), and on the Trenton Line (the former New York Branch) from Neshaminy (M.P. 21.1) to Trent (M.P. 33.0)."

Answer: Subject to the General Objections SEPTA states that it made proposals to Conrail regarding dispatching control of trains as set forth in the May and October letters which are being produced pursuant to Document Request No. 1.

Interrogatory No. 2: If the answer to Interrogatory No. 1 is in the affirmative, identify the date and describe the content of the proposal made by SEPTA and Conrail's response to said proposal.

Answer: See the Answer to Interrogatory No. 1.

Interrogatory No. 3: Apart from the specific provision addressed in Interrogatories Nos. 1 and 2, state whether SEPTA or Conrail has ever proposed amending or superseding the October 1, 1990 Trackage Rights Agreement.

Answer: Subject to the General Objections, SEPTA states that it proposed amending the October 1, 1990 Trackage Rights Agreement as set forth in the response to Document Request No. 3.

Interrogatory No. 4: If the answer to Interrogatory No. 3 is in the affirmative, describe all proposals for such amendment or superseding agreement.

Answer: See the Answer to Interrogatory No. 3.

Interrogatory No. 5: Describe in detail all plans of SEPTA to expand its commuter rail operations and/or light rail operations over the Conrail Harrisburg Line and Morrisville Line

SPTA-6

including (a) a specific description of the line segments over which the expanded service would operate, (b) whether the expanded service would operate on a Conrail track or on a separate track located on a Conrail right-of-way, (c) the type of equipment (heavy rail or light rail) to be used in the provision of the expanded service, (d) whether the proposed expansion of service would limit the use of Conrail, CSX, or NS tracks currently owned by Conrail for freight purposes, (e) the estimated cost of the expanded service, (f) the source (e.g., federal, state, local, or other) and amount of any funding currently authorized and appropriated for the expanded service, (g) the number and schedule of trains per day to be operated over each line segment to be used in the expanded service, and (h) whether the lines over which the expanded service would operate have the capacity to handle the expanded service without interfering with freight rail service.

Answer: Subject to the General Objections, SEPTA states that information regarding SEPTA's plans to expand its operations over the Conrail Harrisburg Line and Morrisville Line are set forth in the reports and studies which are being produced in response to Document Request No. 4.

Interrogatory No. 6: Identify and describe (a) any and all studies or reports relating to SEPTA's plan to expand its commuter rail operations and/or light rail operations over the Conrail Harrisburg Line and Morrisville Line, and (b) any and all communication between SEPTA and Conrail concerning the proposed expanded service.

Answer: See response to Document Request No. 4.

Interrogatory No. 7: Describe the limits of coverage of any insurance policies held by SEPTA with regard to SEPTA's liability for accidents involving SEPTA operated trains resulting in injury, death, or property damage, including on lines currently owned by Conrail.

Answer: Subject to the General Objections, SEPTA states that it is totally self-insured for all liability arising out of the operations of trains on lines currently owned by Conrail. SEPTA maintains a custodian agreement dated December 30, 1986 to provide for settlement of claims that exceed \$5 Million. See response to Document Request No. 6.

Interrogatory No. 8: Describe any limits imposed by law on SEPTA's liability for accidents involving SEPTA operated trains resulting in injury, death, or property damage, including on lines currently owned by Conrail.

Answer: Subject to the General Objections, SEPTA states that it has a liability cap of \$250,000.00 for an individual claimant and a total cap of \$1,000,000.00 for all claimants from a single accident.

Interrogatory No. 9: Describe any protection that SEPTA would be prepared to offer to a freight railroad owning or operating on a line over which SEPTA operates, with respect to insurance and indemnification for liabilities or claims arising from accidents involving SEPTA operated trains resulting in injury, death, or property damage in the event that the conditions that SEPTA seeks were granted by the Board.

Answer: Subject to the General Objections, SEPTA states that any protection as described in Interrogatory No. 9 would be the same as provided by the existing Trackage Rights Agreement with Conrail, dated October 10, 1990.

Interrogatory No. 10: Describe SEPTA's current policies, rules, and instructions for the dispatching of trains.

Answer: See response to Document Request No. 9.

Interrogatory No. 11: Identify the most knowledgeable director, officer, employee, agent or other representative of SEPTA with respect to the subject matter of each of these interrogatories.

Answer: Subject to the General Objections, SEPTA states that the appropriate individuals are Michael T. Burns, Assistant General Manager - Operations; Bernard Cohen, Assistant General Manager Strategic Business and Ridership Development; W. Benjamin Dwinnell, Chief Officer Railroad Division; Harrison Garforth, Manager Rail Planning; Eugene Cipriani, Assistant

through 11 and Responses to Document Requests Nos. 1 through 10.

OBERMAYER REBMANN MAXWELL & HIPPEL LLP

BY: Thomas J. Hanson, Jr.
JOHN J. EHLINGER, JR., ESQUIRE
THOMAS E. HANSON, JR., ESQUIRE

Attorney I.D. Nos. 19281/78929
1617 John F. Kennedy Boulevard
One Penn Center, 19th Floor
Philadelphia, PA 19103

Attorneys for Southeastern Pennsylvania
Transportation Authority

Date: 12/3/97

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388 (Sub-#79)

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

STARK DEVELOPMENT BOARD, INC.'S
RESPONSES TO CSX'S FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

I. INTERROGATORY RESPONSES:

A. RESPONSE TO INTERROGATORY #1

No CSX, CSXI, Norfolk Southern Railway Company ("NS") or Conrail officials were present at any Stark Development Board ("SDB") meetings prior to November 1994 with respect to the decision to build the Neomodal Terminal ("Terminal"). SDB consciously did not involve any of the three Class I carriers that connected with the Wheeling & Lake Erie Railway Company System ("W&LE") prior to requesting and obtaining funds under the Intermodal Surface Transportation Efficiency Act /Congestion Mitigation and Air Quality Act ("ISTEA/CMAQ") to build the Terminal on November 22, 1994. In SDB's opinion, it would have been inappropriate and premature to meet with the Class I carriers until SDB had the funding commitment. ODOT's original request for funds, dated April 22, 1993 (Exhibit A), was based on using a 53 acre site owned by the Stark County Commissioners on the W&LE system, the regional railroad connected to the three Class I carriers, CSX, NS and Conrail.

The State of Ohio submitted two innovative financing proposals under Federal Highway Administration's ("FHWA") Test and Evaluation project 0-45 initiative along with twenty-five (25) other states, who submitted over sixty (60) proposals as part of this Federal initiative.

ODOT was advised on September 12, 1994 of the award of the funds for the Terminal (Exhibit B).

Contacts and discussions with CSXI, NS and Conrail personnel began in early 1995 and continued through the execution of line haul agreements with CSXI and NS and, in fact, are continuing through this date. Conrail always refused to participate. NS and CSXI advertised and promoted the Terminal and attended numerous meetings concerning the Terminal including the July 7, 1995 dedication. (Exhibit C.)

There is no significance to before or after the November 22, 1994 award of CMAQ funds. Although engineering for the Terminal commenced in December of 1994, if at any time thereafter had CSXI and NS stated that they would not use the Terminal, SDB would have stopped the project with minimal cancellation fees. Consistent therewith, the SDB contract with ODOT was not executed until May 18, 1995, and construction did not begin until late June of 1995.

By locating the Terminal on the W&LE system, federal, state and local officials, as well as SDB representing the private sector, could provide an intermodal terminal that could be utilized by all three (3) of the Class I railroads, thereby preserving competitive intermodal rail service for Northeast Ohio ("NEO").

At no time did anyone from NS or CSXI state that their company would not use the Terminal. To the contrary, both companies were and are promoting the Terminal. (Exhibit D)

B. RESPONSE TO INTERROGATORY #2:

There were no specific commitments requested from or given by any of the Class I carriers with respect to future service to be provided to the Terminal.

The Class I carriers provide competitive service to customers of their railroads and the W&LE, a regional Class 2 railroad is connected to the three (3) Class I carriers at traditional hand-off points for general freight and intermodal traffic.

SDB was not and is not aware of any requirement to obtain the Class I carriers' approval prior to the decision to build the Terminal.

C. RESPONSE TO INTERROGATORY #3:

The "marketing, financial and operational" aspects of the Neomodal are interrelated. The Exhibits in the Verified Statement of Joseph Stadelman and the Exhibits attached hereto, clearly indicate that NS and CSXI intended and do intend to market the Terminal nationwide. NS and CSXI knew the W&LE and Terminal rates and said railroads surely wouldn't have gone out into the U.S. marketplace with such promotions if they didn't intend to be competitive and provide reliable, timely service.

In the early stages of the Terminal operations, NS was the largest user (Exhibit E). The NS strategic plan was to operate two (2) intermodal trains from Detroit to Virginia. When other alternative routes became available (Conrail) this train service was terminated and NS's use of the Terminal has since been nil. Obviously, this loss of potential business has adversely affected the Terminal's financial bottom line.

Operational failures with CSX (Exhibit F) have also adversely affected the marketing, sales and therefore, the financial bottom line of the Terminal.

It should be noted that CSXI is aggressively marketing and selling the Terminal and its volume has been about 400 lifts per month.

D. RESPONSE TO INTERROGATORY #4A:

The strategy that W&LE switches and Terminal service would be marketed and sold by the Class I carriers through line haul agreements is the strategy of the W&LE (Exhibit G and Exhibit D). SDB, as well as the W&LE, had every reason to believe that NS and CSX fully intended to create reliable service design routes, schedules and rates that were competitive with trucking export and import cargos into and out of NEO.

E. RESPONSE TO INTERROGATORY #4B:

Again, there were no agreements with CSX, CSXI, NS or Conrail prior to November 22, 1994 on this strategy. All the agreements with CSXI and NS were willingly negotiated and executed after November 22, 1994, which clearly indicated their respective intentions to market and utilize the Terminal. Had CSXI and NS taken the same position as Conrail, then the Terminal's engineering and construction would have been stopped at that time.

F. RESPONSE TO INTERROGATORY #5:

Larry Parsons and Steve Wait of W&LE discussed with representatives of NS and CSX the possibility of locating their respective future intermodal facilities at a new site in Northeast Ohio.

G. RESPONSE TO INTERROGATORY #6

OBJECTION:

This interrogatory requires a legal conclusion/opinion and shall be addressed in our brief.

II. RESPONSES TO REQUESTS FOR PRODUCTION OF DOCUMENTS

A. RESPONSE TO REQUEST #1:

There were no formal marketing studies performed by third party experts prior to or after the decision to build the Terminal. Prior to November 1994, the SDB did contact approximately sixty (60) local companies, the limited results of which are outlined in Exhibit H. Based on this limited contact and SDB's knowledge of NEO industry, a market of about 14,000 lifts per year was conservatively projected. (Exhibit I)

In September of 1997, SDB commissioned Reebie Associates to provide raw data from their Transearch Database on inbound and outbound truck shipments from NEO to major U.S. cities. This 1995 data on truck shipments documents a very sizable market for intermodal service. Had SDB performed this review in 1994 the Reebie data would have been consistent and would have supported SDB's determination that a significant market for intermodal service existed prior to the funding of the Terminal and still exists. Exhibit C

B. RESPONSE TO REQUEST #2: None

C. **RESPONSE TO REQUEST #3:** None

D. **RESPONSE TO REQUEST #4:** None

E. **RESPONSE TO REQUEST #5:** None

F. **RESPONSE TO REQUEST #6:**

OBJECTION:

This request is ambiguous and SDB cannot answer this request, after exercising due diligence, without further clarification.

G. **RESPONSE TO REQUESTS #7 & #8:**

The financial projections of Stadelman in 1994 include market projections, see Exhibit K.

H. **RESPONSE TO REQUEST #9:**

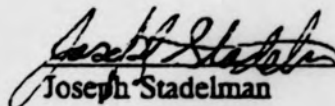
See attached financial statements of Intermodal Operators, Inc. as marked Exhibits L.

I. **RESPONSE TO REQUEST #10:** The SDB does not have these files. Phase I, the W&LE track relocation was managed by the Fleming Companies.

J. **RESPONSE TO REQUEST #11:** SDB has no submissions or copies of submissions. All submissions to FHWA were made by ODOT.

K. **RESPONSE TO REQUEST #12:** All documents were included as Exhibits to the respective responses.

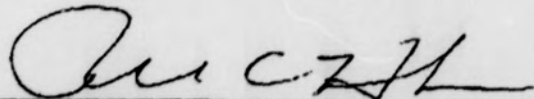
I, Joseph Stadelman, having first been duly sworn and cautioned, state that the foregoing Answers to Interrogatories and Requests for Production of Documents are true to the best of my knowledge and belief.



Joseph Stadelman

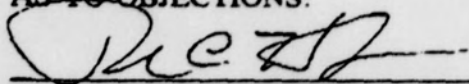
STATE OF OHIO, STARK COUNTY, SS:

Before me, a Notary Public in and for said County and State, personally appeared the above-named Joseph Stadelman, on November 25, 1997; and he did swear and/or affirm that the responses given herein are true to the best of his knowledge and belief.



Notary Public

AS TO OBJECTIONS:



Randall C. Hunt, 0016865, of
KRUGLIAK, WILKINS, GRIFFITHS
& DOUGHERTY CO., L.P.A.
4775 Munson Street, N.W.
P.O. Box 36963
Canton, Ohio 44735-6963
Phone: (330) 497-0700/Fax: (330) 497-4020
ATTORNEYS FOR
STARK DEVELOPMENT BOARD

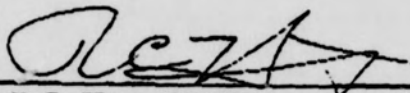
RANDALL C. HUNT, Attorney at Law
Notary Public, State of Ohio.
My commission has no expiration date.
Section 147.03 R.C.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was sent by ordinary U.S. mail this
21st day of November, 1997, to the following counsel and/or parties of record:

Dennis G. Lyons, Esq.
Drew A. Harker, Esq.
Arnold & Porter
555 - 12th Street, N.W.
Washington, D.C. 20004-1202

Samuel M. Sipe, Jr., Esq.
Timothy M. Walsh, Esq.
David H. Coburn, Esq.
Steptoe & Johnson, LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036-1795



Randall C. Hunt (0016865), of
KRUGLIAK, WILKINS, GRIFFITHS
& DOUGHERTY CO., L.P.A.
ATTORNEYS FOR STARK DEVELOPMENT
BOARD



Stark, Ohio Intermodal Terminal

4940 Erie Ave. SW, Navarre, OH 44662

330 879-1473 (extension 104)



CSX Intermodal's gateway in and out of Northeast Ohio and Western Pennsylvania

Open 6 days per week (closed Sunday) to service shipper needs between this market and the West Coast.

The Gate Cut-Off for westbound departing loads is 1500 hours

Availability for eastbound arriving loads is 1300 hours

Major CSXI Direct Destinations:

| <u>Region</u> | <u>Major Cities</u> |
|---------------------|--|
| Southern California | Los Angeles and San Diego |
| Northern California | San Francisco, Modesto, Oakland and Sacramento |
| Pacific Northwest | Seattle, Tacoma and Vancouver |
| Wisconsin Points | Green Bay, Neenah and Stevens Point |
| Florida Points | Jacksonville, Miami, Orlando and Tampa |

Major Destinations through Interline Connections:

All Western states, Western Canada and Mexico



Specific schedules vary with destination:

| | |
|---------------------|-------------|
| Southern California | 4 days |
| Northern California | 5 days |
| Pacific Northwest | 5 days |
| Wisconsin Points | 3 days |
| Florida Points | 3 to 4 days |

Equipment reservations can be made by calling 800 542-2754 (Canada 800 336-2754)

Contact our CSX Intermodal sales office at 630 571-4822 for pricing and transit schedule information.



Stark, Ohio Intermodal Terminal

4940 Erie Ave. SW, Navarre, OH 44662

330 879-1473 (extension 104)



CSX Intermodal's gateway in and out of Northeast Ohio and Western Pennsylvania

Open 6 days per week (closed Sunday) to service shipper needs between this market and the West Coast.

The Gate Cut-Off for westbound departing loads is 1500 hours

Availability for eastbound arriving loads is 1300 hours

Serving Businesses in Ohio:

| Major Cities | Zip Codes | Miles to Stark |
|----------------------|-----------|----------------|
| Akron | 442, 443 | 25 |
| Canton and Massillon | 446, 447 | < 10 |
| Cleveland | 441 | 60 |
| Lorain | 440 | 72 |
| Steubenville | 439 | 69 |
| Warren | 444 | 61 |
| Wooster | 446 | 27 |
| Youngstown | 445 | 60 |

Pennsylvania:

| | | |
|------------|---------------|-----|
| Aliquippa | 150 | 82 |
| Erie | 164, 165 | 144 |
| Meadville | 163 | 116 |
| New Castle | 161 | 72 |
| Pittsburgh | 150, 151, 152 | 100 |
| Washington | 153 | 105 |

and West Virginia:

| | | |
|----------|-----|----|
| Wheeling | 260 | 74 |
|----------|-----|----|



Equipment reservations can be made by calling 800 542-2754 (Canada 800 336-2754)

Contact your CSX Intermodal sales representative for pricing and transit schedule information.

1/1/91

CSX INTERMODAL ADDS RAIL TRAILERS AND NEW DESTINATIONS AT STARK, OHIO

CSX Intermodal is now offering 45 and 48-foot rail trailers at its Stark, Ohio, intermodal terminal. Along with this new trailer offering, come 66 new destinations. Now, we not only serve CSX's western cities with 48-foot domestic containers but also offer trailer destinations to almost every western state, Florida, western Canada and Mexican gateway cities. Here is a list of the new trailer destinations.

Calgary, AB
Edmonton, AB
Little Rock, AR
Phoenix, AZ
Tucson, AZ
Penticton, BC
Vancouver, BC
Barstow, CA
Fresno, CA
Lathrop, CA
Los Angeles, CA
Modesto, CA
Oakland, CA
Richmond, CA
Sacramento, CA
San Bernardino, CA
San Diego, CA
Stockton, CA
Denver, CO
Ft Lauderdale, FL
Jacksonville, FL
Miami, FL

Orlando, FL
Tampa, FL
West Palm Beach, FL
Council Bluffs, IA
Davenport, IA
Dubuque, IA
Ft Dodge, IA
Sioux City, IA
Waterloo, IA
Nampa, ID
Chicago, IL
Kansas City, KS
Winnipeg, MB
Dilworth, MN
Minneapolis, MN
St. Paul, MN
Kansas City, MO
Billings, MT
Shelby, MT
Grand Forks, ND
Omaha, NE
Albuquerque, NM

Las Vegas, NV
Reno, NV
Oklahoma City, OK
Hinkle, OR
Portland, OR
Regina, SK
Saskatoon, SK
Alliance, TX
Amarillo, TX
Brownsville, TX
Dallas, TX
El Paso, TX
Harlingen, TX
Houston, TX
Laredo, TX
Marshall, TX
San Antonio, TX
Salt Lake City, UT
Seattle, WA
Spokane, WA
Wenatchee, WA
Green River, WY

STB

FD-

33388

ID-184826

12-15-97

D

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CSX Intermodal National Accounts Program

CSX Intermodal

For the last ten years, CSX Intermodal has provided shippers with a variety of state-of-the-art, reliable transportation services using our nationwide intermodal network. Every week, CSX runs over 300 dedicated trains between our 33 terminals. Our customers now use us for over a million shipments a year.

CSX is unique in offering our intermodal customers an integrated, company-managed trucking operation. Integrating this service into our nationwide rail network allows us door-to-door, customized transportation packages which augment the offerings of your transportation provider.

To use the CSX network, freight is brought to us through shipping agents, steamship lines or

motor carriers. Until recently, CSX provided its domestic transportation services primarily through intermodal marketing companies (IMCs) to move our customers' shipments cost effectively over long distances.

In the last several years, however, motor carriers have also discovered the cost advantages of shifting portions of their highway freight to an intermodal underlying carrier. CSX's continued service enhancements have enabled us to build partnerships with trucking firms allowing them to shift their business off the highway.

Whether customers choose IMCs or motor carriers, CSX provides reliable, cost effective underlying intermodal rail transportation.

National Accounts Background

In 1990, CSX Intermodal began an innovative program focusing on direct customer contact even though most our customers' shipments are generated through an agent relationship.

Understanding our customers' transportation needs allows CSX to more efficiently develop new products and adjust our asset base of rail cars, trailers and containers. Through this program, we continue to demonstrate the value of a CSX brand preference because of the quality of our network and the range of our value-added services.

Relationships That Bring Value

Developing partnerships between our customers, their transportation providers and CSX brings with it a broad range of industry/commodity expertise to solve complex service, equipment and transportation cost issues. An ongoing relationship with CSX enhances the communication process, allowing CSX to effectively understand changes in customer needs and to plan accordingly.

Long Term Benefits

CSX's National Accounts program is dedicated to building a preference for our services by focusing on a continuing, consultative selling process. It is an asset to asset relationship—the customer's products and our equipment and rail infrastructure. One goal is to establish long-term, contractual, tri-party agreements. This allows all parties to plan into the future with rate stability, equipment commitments, and the confidence that the freight is moving reliably and damage-free on the nation's most extensive and dependable intermodal network.

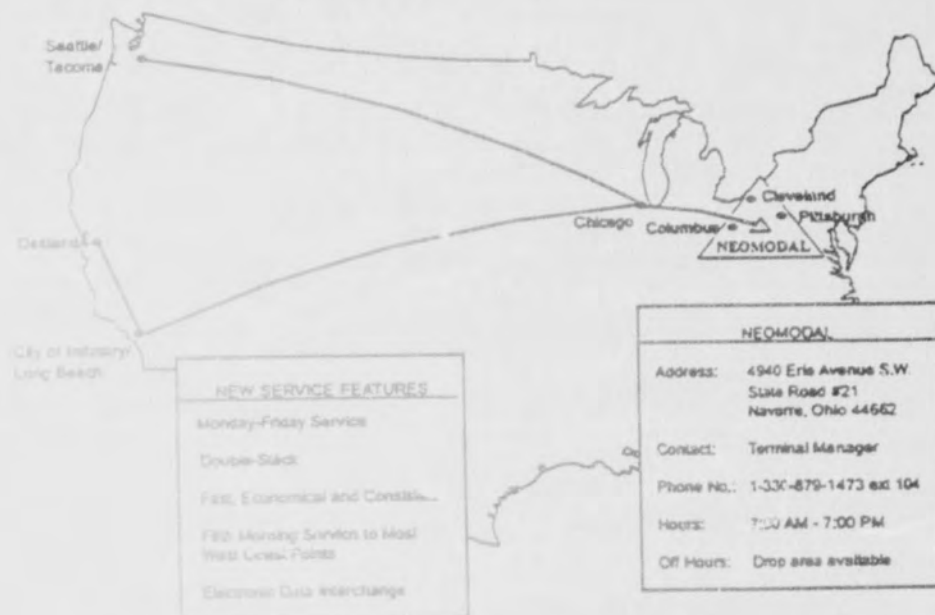
CSX Nationwide Network



CSX Intermodal Announces A New Service Linking Northeast Ohio and Western Pennsylvania with the West Coast

Effective immediately, CSX Intermodal (CSXI) and the Wheeling and Lake Erie (W&LE) Railroad are offering a new intermodal service between Northeast Ohio, Western Pennsylvania and the West Coast.

This *five-day-per-week, double-stack service* will accommodate both domestic 48' containers and international containers. The new service will feature NEOMODAL, a newly designed, state-of-the-art terminal facility located in Navarre, Ohio (Stark County). Service between NEOMODAL and the major West Coast markets will be provided over CSXI's Chicago intermodal facility. CSXI will interchange freight with the W&LE at Willard, Ohio.



CSXI Contacts

| | Telephone Number | FAX Number |
|------------------------|------------------------|----------------|
| Customer Service | 1-800-542-2754 | 1-904-366-5848 |
| Equipment Reservations | 1-800-542-2754 Press 3 | |
| Shipping Instructions | EDI or | 1-800-368-3638 |

To enjoy the benefits of this new service, please call CSXI at 1-800-279-6779 or your local CSXI Sales Representative.

EXHIBIT H

Fleury for 2025 H

TO: Steve Paquette
FROM: Denny Gleason *dy*
SUBJECT: Intermodal freight

Following is an estimate of trucks that would be a good possibility of using the intermodal freight facility. These are taken from movement figures over the last 52 weeks.

| | |
|------------------------|------------|
| West coast fruit | 49 loads |
| DelMonte | 88 loads |
| Mid-America vegetables | 85 loads |
| Flour | 149 trucks |
| General Foods | 150 trucks |
| General Mills | 150 trucks |
| Campbell | 100 trucks |
| Paper | 250 trucks |

Last year we received an overage of 16,762 tons of product per period or a total of 217,906 tons. This is equivalent to approximately 10,376 piggy back trailers. At one time we received close to 45% of our in-bound via rail.

If we went back to rail on 20% of in-bound we would be receiving approximately 2,075 trailers per year based on current movement figures. This should increase to approximately 4,000 trailers by 1998.

These are just estimates and many factors need to be considered, such as loss of backhaul income, freight rates and reliability. However, this does create a whole new ball game when looking at the future.



WHITACRE ENGINEERING CO.

3833 PROGRESS STREET, N.E., P.O. BOX 8444, CANTON, OHIO 44711-8444
TELEPHONE 216-455-8505 FACSIMILE 216-455-4446

September 21, 1993

Stark Development Board, Inc.
800 Savannah Ave. N.E.
Canton, Ohio 44704

ATTN: Mr. Steve Paquette, President

Dear Steve:

In response to your memorandum dated September 20, 1993, we are very interested in the idea of an intermodal freight facility in Stark County. With this type of service we would be able to economically bring "overlength" material from various steel mills east of the Mississippi River.

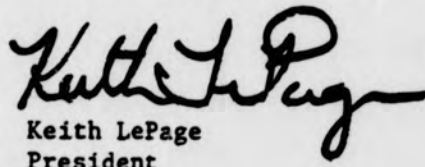
Based on our current volume of work, we could envision inbound rail freight of approximately 4000 tons per year. Assuming a \$4/ton savings over current transportation rates and a reasonable transloading fee, we see a potential savings of at least \$16,000 per year.

Rail access is much more common within our industry. Without rail availability we feel that we will be at a competitive disadvantage and much less able to maintain our current market share. We are very enthusiastic about such a possibility.

Please contact me if you have further questions.

Very truly yours,

WHITACRE ENGINEERING CO.


Keith LePage
President

KDL:jl



Baker Hi-Way Express, Inc.

555 COMMERCIAL PARKWAY

TELEPHONE 343-5553

P. O. BOX 506 • DOVER, OHIO 44622

September 20, 1993

Traffic Manager
Whitacre Engineering Co.
PO Box 8444
Canton OH 44711-8444

RE: Contract carrier contract rates increase
Common carrier tariff rate increase

Dear Sir:

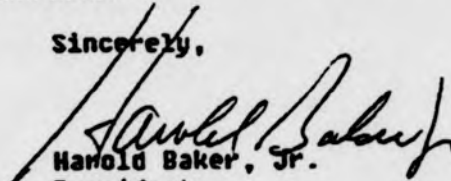
The trucking industry is being told to carry the burden of balancing the budget and the Clean Air Act. These additional costs are more than we can absorb so a rate increase will need to be in effect on October 1, 1993.

The new federal fuel tax will go into effect on October 1, 1993, and increase of 4.3 cents. In addition, the Clean Air Act will impose a 7.0 cents increase in the cost of fuel. These two together will mean a greater than 11.0 cents a gallon increase in our fuel costs.

To cover this additional cost we will need a 8-4 percent increase if we are allowed to use the increase as a fuel surcharge. If the increase is rolled into the current rate structure we will need 5-6 percent to cover the additional driver's wages, payroll taxes, and insurance costs as well as the fuel costs.

Over the past several years we have been able to not pass on the federal & state fuel tax increases we have been forced to pay. The current tax situation is simply more than we can pay without passing the costs on. Your cooperation in this matter is greatly appreciated. Please contact us if you have any questions.

Sincerely,


Harold Baker, Jr.
President

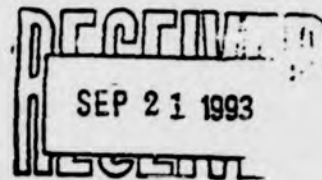
CC PETE

ORIG CHUCK



SPECIALIZED TRANSPORTATION OF CLAY PRODUCTS





Wayne-Dalton Corp. • P.O. Box 67 • Mt. Hope, Ohio 44660 • (216) 674-7015 • FAX (216) 674-1857

September 20, 1993

Stark County Development Board
800 Savannah Avenue N.E.
Canton, OH 44704

Attn: Steve Paquette
President

Dear Mr. Paquette:

In response to your memorandum dated September 20, we are pleased to submit the following information in support of the development of inter-modal facilities in Stark County.

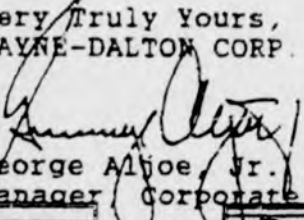
Wayne-Dalton Corp. is a major manufacturer of upward acting garage doors. We operate plants in Mt. Hope and Trail, OH in Holmes County and in Dalton, OH Wayne County. Each of these plants is currently or could be potentially a major user of inter-modal transportation for both inbound and outbound requirements. We distribute our finished products to a network of dealer / distributors throughout North America, and purchase raw materials and semi-finished components from a wide variety of suppliers in the U.S. Canada, and abroad. In addition there is a significant amount of inter-plant movement of components and semi-finished product between the Wayne-Dalton plants in this area and plants in Pensacola, FL; Centralia, WA and Portland, OR

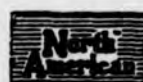
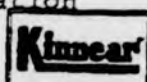
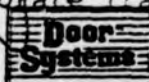
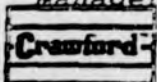
In the past three years we have shipped and received in excess of 350 truckloads annually via inter-modal truck/rail/truck service and over 4,000 loads per year via standard truck.

We would be very interested to have inter-modal service available in the local area. It is difficult to determine the magnitude of savings which might be expected as we have no experience with inter-modal pricing at branch facilities. Currently all of our inter-modal transportation is transferred through the major market gateways in Chicago and Memphis, Tennessee.

Should you require any further information please do not hesitate to contact the undersigned.

Very Truly Yours,
WAYNE-DALTON CORP.


George Aljoe, Jr.
Manager Corporate Transportation



Crawford Door Products
A Division of Wayne Dalton

Door Systems



EMPIRE WHOLESALE LUMBER CO.

P.O. BOX 249 • AKRON, OHIO 44309-0249

TELEPHONE
216-434-4545

FAX
216-376-8741

Direct-Mill Carload & Truckload Wholesalers, Serving 28 States With Forest Products

Mr. Steve Paquette
President
Stark Development Board, Inc.
Canton OH

Dear Mr. Paquette:

Thank you for your fax to our affiliate Brown-Graves Company. I serve as Traffic Manager for both Brown-Graves and Empire Wholesale Lumber Co.

While Stark County might benefit from the establishment of an intermodal facility in the County, neither Brown-Graves nor Empire would realize immediate benefits from the facility. Brown-Graves receives three to four piggyback shipments per year over the Chicago ramps; Empire can use piggyback service into Lodi OH, but the economics of adding two more rail lines beyond Chicago then trucking in the reverse direction just do not look promising.

Neither company can honestly support the establishment of a Stark County intermodal facility at this time. If you intend to pursue the matter, I would suggest you explore the Virginia Inland Port Authority activity at Front Royal VA. That intermodal facility is designed to move ocean containers, in bond, by rail to and from the facility. Combined with Foreign Trade Zone classification, such an approach would essentially give Ohio direct access to foreign ports.

Sincerely,

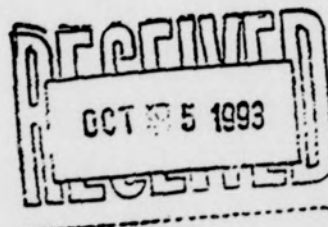
James Johnson
Traffic Manager

cc: H. E. Graves

THE HOOVER COMPANY

NORTH CANTON, OHIO 44720, TEL. 216-499-9200

REPLY TO
EXECUTIVE OFFICES



October 4, 1993

Mr. Steve Paquette, President
Stark Development Board, Inc.
800 Savannah Avenue, N.E.
Canton, OH 44704

Dear Steve:

This will confirm our recent telephone conversation regarding the proposed intermodal freight facility for Stark County.

Our distribution and manufacturing people have advised me that they see no special benefit to Hoover, but obviously we see the benefit such a facility would be to the community as a whole.

You can count on our support recognizing the possible benefit to other businesses in Stark County.

Sincerely,

William H. Ray
Vice President - Administration

WHR/mca

cc: G.J. Duplin
K.G. Minton



**Stark
Development
Board, Inc.**

Rec'd 9/21/93

*Republic
Engineering
Steels*

September 20, 1993

MEMORANDUM

TO: Major Customers/Wheeling and Lake Erie Railroad
FROM: Steve Paquette, President
SUBJECT: Preliminary Survey of Interest in location of potential intermodal freight facility in Stark County

Your company has been identified to the Stark Development Board by officials of the Wheeling and Lake Erie Railroad to survey your interest in the development of a "proposed" intermodal freight facility located along the main line of the W/LE Railroad in Stark County. This facility would allow companies to ship goods into Stark County by truck/via piggyback rail.

Based upon your company's response to this request, we believe a substantial amount of funding of this project is possible from the Ohio Department of Transportation. However, it is imperative that we can determine the potential interest and demand for locating this type of facility. It will also be important to attempt to determine the amount of potential savings to your company, per year, as well.

We would like to have a fax reply back to the the Stark Development Board addressing these questions by this THURSDAY, SEPTEMBER 23, 1993.

The fax number of the Stark Development Board is 216/453-1793.

We appreciate your immediate response to this request, and thank you in advance for your response.

Any change in transportation modes must meet customer requirements and be cost competitive.

Until we would be furnished with rates for transportation from this new facility we can not do an analysis. Generally speaking unless the product is traveling over 500 miles Piggy Back cost

cause of handling usually exceeds the truck cost. Based on information we have, any use



Stark
Development
Board, Inc.

2nd Request

SEPTEMBER 24, 1993

~~September 20, 1993~~

MEMORANDUM

TO: Major Customers/Wheeling and Lake Erie Railroad
FROM: Steve Paquette, President
SUBJECT: Preliminary Survey of Interest in location of potential intermodal freight facility in Stark County

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We would like to have a fax reply back to the the Stark Development Board addressing these questions by this THURSDAY, SEPTEMBER 23, 1993.

The fax number of the Stark Development Board is 216/453-1793.

We appreciate your immediate response to this request, and thank you in advance for your response.

*We ship all our inter modal freight via
RAILVAN out of Worthington Ohio. It is P-U by
truck at our plants and transported to Detroit
or Chicago and put on rail to the west
coast. We only average a hand full of them
moments per month.*

800 SAVANNAH AVENUE N.E., CANTON, OHIO 44704

Thank you



Stark
Development
Board, Inc.

* FAX # (216)-453-1793 *

* FACSIMILE TRANSMISSION *

*DATE: 9/20/93
*TO: Craig Selinsky
*FAX NUMBER: 477-6410

*FROM: Stere Paquette

*REMARKS: No interest at this time
Craig Selinsky

*NUMBER OF PAGES TO FOLLOW: 1

Selinsky
OK'd Steel
SLI HERS



**Stark
Development
Board, Inc.**

September 20, 1993

MEMORANDUM

TO: Major Customers/Wheeling and Lake Erie Railroad
FROM: Steve Paquette, President
SUBJECT: Preliminary Survey of Interest in location of potential intermodal freight facility in Stark County

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We would like to have a fax reply back to the the Stark Development Board addressing these questions by this THURSDAY, SEPTEMBER 23, 1993.

The fax number of the Stark Development Board is 216/453-1793.

We appreciate your immediate response to this request, and thank you in advance for your response.

ENVIRITE CORPORATION

TECHNOLOGY FOR THE ENVIRONMENT

September 23, 1993

Stark Development Board, Inc.
Attention: Steve Paquette
800 Savannah Avenue N.E.
Canton, Ohio 44704

VIA FAX: (216) 453-1793

RE: Regarding Your Memo Dated 9/20/93
 Interest in Potential Intermodal Freight Facility in Stark County

Envirite would have an interest in such a facility. Envirite has been doing business in Canton for 13 years with most of its business being generated within an 150-mile radius. Envirite now has an office in Nashville, Tennessee and sees the potential in generating business from the southeastern states for the Canton facility. We expect to realize this business during 1994. At this time we have no numbers that are viable. We do, however, know that to be successful in the southeastern states we will need the ability to offer rail transportation to be competitive.

Sincerely,



William P. Devan
Manager of Special Projects
ENVIRITE CORPORATION

WPD:rb

LTV Steel Company



September 24, 1993

Mr. Steve Paquette - President
Stark Development Board, Inc.
800 Savannah Avenue, NE
Canton, OH 44704

Dear Sir:

We have your inquiry of September 20, 1993, seeking information on LTV Steel's interest in, and potential savings resulting from, a proposed intermodal facility to be located on the Wheeling & Lake Erie Railway in Stark County.

The nature of our products limits our use of intermodal or piggyback service. We do not see a significant interest in, nor a savings to LTV Steel from, the proposed facility.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. H. Cramer".

W. H. Cramer
Manager - Raw Material Movements

cad



HUNTSMAN

FILM PRODUCTS CORPORATION

* THIS IS A TELECOPIER *
* *
* TRANSMISSION *

DATE: September 27, 1993

TO: Steve Paquette (FAX 453-1793)
Stark Development Board, Inc.

FROM: Lyn M. Wood, C.P.M.
(216-627-6225)

RE: Survey of Interest - Stark County Intermodal Freight

Due to the type and packaging of our product, we would not be interested in using an intermodal freight facility should one be developed in the area.

The Whitacre Engineering Company

3833 Progress St. NE, P.O. Box 8444, Canton, OH 44711-8444

Ph:(216)455-8505 Fax:(216)455-4446

MEMORANDUM

Date: 9/25/93 Job #
To: STEVE PAQUETTE Job Name: INTERMODEL FREIGHT FACILITY
 STARK DEVELOPMENT BOARD
From: KEITH LE PAGE Reference:

STEVE,

ATTACHED IS A LETTER FROM A COMMON CARRIER
THAT WE HAVE USED FREQUENTLY THIS YEAR. THEY ARE
PROPOSING A 5 TO 6% RATE INCREASE TO COVER ADDITIONAL
COSTS.

WE SEE THIS AS A CONTINUING PROBLEM WITHIN THE
OVER THE ROAD TRUCKING INDUSTRY AND FEEL THAT IT
WILL INCREASE THE POSSIBLE SAVINGS OF A INTERMODEL
FREIGHT FACILITY WITHIN THE AREA

VERY TRULY YOURS
Keith Le Page



V & S SCHULER ENGINEERING, INC.

2240 ALLEN AVE., S.E. • CANTON, OHIO 44707 • Tel. (216) 452-5200
Fax (216) 452-8717

FACSIMILE COVER SHEET

TO: Stack Development Board

DATE: 9-24-93

Steve Paquette

FROM: Norm Kewler

FAX NO.: 453-1793

NO. OF PAGES: Two

(INCLUDES COVER)

RE: _____



Stark
Development
Board, Inc.

2nd Request

SEPTEMBER 24, 1993

September 20, 1993

MEMORANDUM

TO: Major Customers/Wheeling and Lake Erie Railroad
FROM: Steve Paquette, President
SUBJECT: Preliminary Survey of Interest in location of potential
intermodal freight facility in Stark County

Your company has been identified to the Stark Development Board by officials of the Wheeling and Lake Erie Railroad to survey your interest in the development of a "proposed" intermodal freight facility located along the main line of the W/LE Railroad in Stark County. This facility would allow companies to ship goods into Stark County by truck/via piggyback rail.

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We would like to have a fax reply back to the the Stark Development Board addressing these questions by this THURSDAY, SEPTEMBER 23, 1993.

The fax number of the Stark Development Board is 216/453-1793.

We appreciate your immediate response to this request, and thank you in advance for your response.

*SORRY
Not Interested
At this
TIME*

Still Need to
send survey

10/6/93

Detroit Diesel
515 11th St. S.E.
Canton, Ohio
430-4300

Jim Hagene

Diebold Inc.
818 Mulberry Rd. S.E.
Canton, Ohio
497-5700

Chuck Schuren

Central States Can
346 11 St. S.E.
Massillon, Ohio
832-2902

Camelot Enterprises, Inc.
8000 Freedom Ave.
Canton, Ohio
494-8007

Paul David

Hercules Engines, Inc
101 11th St. S.E.
Canton, Ohio
454-5631

GARY SMITH

Superior Dairy Inc.
4719 Navarre Rd. S.W.
Canton, Ohio
477-4515

Joe S

Massillon Container Co.
49 Ohio St.
Navarre, Ohio
879-5653

The Evening Independent
50 North Ave.
Massillon, Ohio
833-2631

Waco Scaffolding & Equipment
7590 Whipple Ave. N.W.,
Canton, Ohio
497-9090

M.C.A. Sign Co.
681 1st St. S.E.
Massillon, Ohio
833-3165

Rubbermaid, INC.
1147 Akron Rd. West
Wooster, Ohio
264-6464

J.M. Smucker Co.
Strawberry Lane
Orrville, Ohio
682-3000

Brewster Dairy Inc
675 S. Wabash Ave.
Brewster, Ohio
767-3492
Jim Straughn

Skyline Corp.
State Rte 93
Sugarcreek, Ohio
852-2483

Shearer's Foods
592 N. Wabash Ave
Brewster, Ohio
767-3426

X Fleming Companies
Massillon Div.
4676 Erie St. South
P.O. Box 207
Massillon, Ohio 44648
Denny Gleason
879-5681

Food Products

*See typed
response*

FAX # 879-3365 ✓

Schneider Lumber Co.
1312 Fifth St. S.W.
Canton, Ohio 44702
Larry Parks, V.P. Purch.
455-5273

Lumber

FAX # 455-5500 ✓

Stark Truss
109 Miles Ave. S.W.
P.O. Box 80808
Canton, Ohio 44706
Tim Harold
478-6063

Lumber

FAX # 478-6351 ✓

Surbey Feed & Supply
9 Canal St.
Navarre, Ohio
William Baker, Mgr
879-2156

Feed & Seed

FAX # (NO FAX)

X Hoover Company
101 East Maple St.
N. Canton, Ohio 44720
Wade Huthmacher, 497-5817

Steel In
Appliances Out

*Will come
10/5/93*

FAX # 497-5833 ✓

Holmes Lumber
6139 S.R. 39
Millersburg, Ohio 44654
Henry Wengerd, Comm. Buyer
674-9060

Lumber

FAX # 674-9070 ✓

The Beacon Journal
44 Exchange St.
P.O. Box 640
Akron, Ohio 44309
Wayne Preston, Purchasing Dir.
216-996-3155
(996-3774) ✓ *Paulo Vidlak*

Newsprint

*will provide
9/30/93*

(50)
The Repository
500 Market Ave. South
Canton, Ohio 44702
Dan Ferrier, Prod Mgr
454-5611 Ext. 471
454-5610 ✓

Newsprint

Slesnick Structural Steel Ctr
927 Warner Road
Canton, Ohio 44707
Michael Stuffel
453-3475 8475 (489-6685 FAX) ✓

Tubing, small steel
products

tail
General Tire
One Central St.
Akron, Ohio 44329 *Larry (?)*
Joseph D'Amico, Dir Transp
790-2581 798-3000 2581

Tires-Supply for
K-Mart, Wall-Mart

Union Metals
1935 16th St.
P.O. Box 9920
Canton, Ohio 44711
David Neumann, V.P. Op.
456-7653 456-0196 ✓

Tubular Light Posts

Semac Industries
P.O. Box 289
Millersburg, Oh 44654
Larry Shaffer, Dir. Purch.
674-6080 1-216-674-5629 ✓

Outbound Lumber
Hardwoods

X
Envirite
2050 Central Ave. S.E.
Canton, Ohio 44707
Bill Devan, Reg Sales Mgr
456-6238 456-2801 ✓

Outbound Filter
Cake

*typed
response*

Buy-Rite Lumber
1315 S. Cleveland-Massillon Rd
Copley, Ohio 44321
Mike Smead, Op. Mgr.
666-1115 ✓

File #261
Northern Can Systems
2121 Warner Road, S.E.
Canton, Ohio 44707
Bob Perkson, 430-4900 *File = 430-4907* ✓

4017
Timken Co.
1835 Dueber Ave. S.W.
Canton, Ohio 44706
J. Richard Menster, Sr. Purch. Agt.
471-7036 *File = 471-7055* ✓

X
Republic Engineered Stl.
P.O. Box 801
225 Wetmore Ave. S.E.
Massillon, Ohio 44646
James Winterfeldt, Gen Traffic Mgr
837-6101 *File = 837-7008* ✓

X
L.T.V. Steel Corp.
LTV Steel Building
P.O. Box 6778
Cleveland Ohio 44101
William R. Cramer. Traffic
622-5378 ✓

X
Ohio Steel Slitters
Raff Road, S.W.
P.O. Box 80168
Canton, Ohio 44708
Craig Selinsky, V.P.
477-6410 ✓

X
V&S Schuler Engineering, Inc
2240 Allen Ave. S.E.
Canton, Ohio 44707
Norman Kendle, Purch Mgr
452-5200 ✓

Inbound Mulch, Wood
Chips

Tin Plate ✓

Steel, bearings

Steel

Steel

Steel, Tin Plate

Stadium Seats,
Inbound Steel,
Light Posts

*will get
tyres response
10/73*

Winter response

*No interest
Winter
response*

*Winter
response
no
interest*

X Whitacre Engineering
3833 Progress St. N.E.
P.O. Box 8444
Canton, Ohio 44711
Keith LePage, Pres
455-8505

Rhibar

*Written
response*

Gregory Galvanizing
4100 13th St. S.W.
P.O. Box 80508
Canton, Ohio 44708
John Doubledde, Traffic Mgr
452-1347

Tubing, Steel

X Wayne Dalton
P.O. Box 67
Mt. Hope, Ohio
George Aljoe, Transp Mgr
674-7015 - 674-1857

Garage Doors
Steel

*Written
response*

X Davies Can
30301 Carter St.
Solon, Ohio 44139
Pat DeLuca, Dir. Transp
248-8300

Steel In
Cans Out

*Call - No
Need
resin of cars*

Romany Ceramics
30233 Sandyville Rd. S.E.
East Sparta, Ohio 44626
Daniel Spadafora, Purchasing Mgr

Talc In,
Tile Out

Alpha Enterprises
330 South Wood St.
East Canton, Ohio 44730
Steve Shetsly, Purch Mgr
488-0361

Cassette Tape Boxes

Huntsman Film Corp
750 Garfield Ave.
Carrollton, Ohio 44615
Lynn Wood, Mgr Material
627-6225

Film

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION --
TRANSFER OF RAILROAD LINE BY NORFOLK SOUTHERN
RAILWAY COMPANY TO CSX TRANSPORTATION, INC.

TRANSPORTATION COMMUNICATIONS INTERNATIONAL UNION'S
RESPONSES TO CSX AND NS'S FIRST SET OF INTERROGATORIES
AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Pursuant to 49 C.F.R. §§ 1114.26 and 1114.30, and the
Discovery Guidelines entered in this proceeding on June 27, 1997,
as amended, see Decision Nos. 10 and 20, the
Transportation Communications International Union (TCU) hereby
responds to CSX and NS's First Set of Interrogatories and Requests
for Production of Documents as follows:

GENERAL RESPONSES

The following general responses are made with respect to all
of the requests and interrogatories.

1. TCU has conducted a reasonable search for responsive
information to respond consistent with the stated objections.
Except as objections are noted herein, all documents responsive to
Applicants' request for production of documents have been or will
be made available to Applicants. Any response that states that
responsive documents are being produced is subject to the General
Objections, so that, for example, any documents subject to

4. TCU objects to production of, and is not producing, information or documents that are as readily obtainable by the Applicants from their own files.

5. TCU objects to the extent that the interrogatories seek information in a form not maintained by TCU in the regular course of business or not readily available in the form requested.

6. TCU objects to the "Definitions" and "Instructions" contained in the Interrogatories and Requests to the extent they would impose burdens or obligations exceeding those specified in applicable provisions of the Surface Transportation Board's Rules of Practice at 49 C.F.R. Part 114 and the Discovery Guidelines established for this case.

INTERROGATORIES

Interrogatory No. 1

(a) State in detail all reasons for the contention at page 2 of TCU's Comments that Applicants' "claimed efficiencies are unlikely to result in lower costs to the shippers."

Response:

TCU bases this comment on the speculative nature of the claimed future efficiencies; that a merger of this nature involving two acquiring carriers of a Class I carrier is unprecedented, as is the operation of a Shared Asset Area (SAA); that Applicants' description of how the SAA will operate is sketchy at best; and that recent history involving the UP's acquisition of the C&NW and SP indicate that the promise of future efficiencies made before the STB may go unrealized.

(b) Identify any study, report or analysis you have performed, which has been performed for you, or which you have in your

possession that in any way supports your answer to Interrogatory 1(a). If there is no such study, report or analysis, so state.

Response:

TCU has made no such study, report or analysis.

(c) Identify all documents that support or in any way relate to your response or that you consulted or reviewed in preparing your response to Interrogatory 1(a)-(b).

Response:

Application and Supplement for the North Jersey Shared Asset Area, the record before the STB in Ex Parte No. 573 - Rail Service in the Western U.S., and various media articles which outline the deterioration of service as a result of the UP/SP merger.

Interrogatory No. 2

(a) State in detail all reasons for the contention at page 2 of TCU's Comments that "Conrail's unionized employees have made extreme sacrifices in the form of jobs, income and productivity...."

Response:

The statement referred to above appears on page 3 of TCU's Comments. The reasons for this statement are set forth on pages 4-7 of TCU's Comments, the Verified Statement of Thomas Roth and the exhibits thereto. The reasons include massive job abolishments and layoffs, wage deferrals, and the repeal of Title V protections with the passage of NERSA in 1981.

(b) Identify the current Conrail employees who made these "extreme sacrifices" and the dollar amount of each employee's "sacrifice."

Response:

Conrail has the records, including seniority rosters, available to it to identify those employees furloughed as a result

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

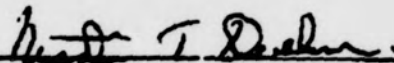
Finance Docket No. 33388

**CSX Corporation and CSX Transportation, Inc., Norfolk
Southern Corporation and Norfolk Southern Railway Company
-- Control and operating Leases/Agreements --
Conrail Inc. And Consolidated Rail Corporation**

**THE VILLAGE OF RIDGEFIELD PARK, NEW JERSEY'S RESPONSES
TO INTERROGATORIES, REQUEST FOR DOCUMENTS AND REQUEST
FOR ADMISSIONS PROPOUNDED BY CSX CORPORATION AND CSX
TRANSPORTATION, INC. (COLLECTIVELY, "CSX") AND NORFOLK
SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY
COMPANY (COLLECTIVELY, "NS")**

The undersigned, counsel for the Village of Ridgefield Park, New Jersey (the "Village") hereby responds to the Interrogatories, Request for Documents and Request for Admissions propounded by CSX and NS.

November 25, 1997



Martin T. Durkin, Esq.

INTERROGATORIES

1. Identify all assumptions and studies relating to the use of the drawbridge over Overpeck Creek by water traffic, including any studies, assumptions or estimates made concerning the types of water traffic (commercial or recreational), the number of vessels, and the times of day and days of the week that vessels would navigate the Overpeck Creek.

Response: Water born traffic, both commercial and recreational, used that portion of the Overpeck Creek east of the two railroad drawbridges prior to some time in the early 1980s. Subsequent to that, Conrail placed welded tracks on it part of the bridge, thereby preventing the bridge from being opened. The drawbridge cannot be opened at the present time because of the welded tracks but it is believed that the United States Coast Guard is pursuing an appropriate action to rectify this situation. (See RPNJ 1-2 provided herewith.)

The drawbridge over the New York Susquehanna and Western Railways ("NYS&W") cannot be opened at the present time because of the placement of a water line temporarily on the bridge for fire fighting purposes until the railroad constructs a more permanent water line from the northern bank of the Overpeck Creek-Hackensack River to the southern side of the Overpeck Creek-Hackensack River. This water line will be underground.

The Village has just completed a rather extensive park known as McGowan Park east of these bridges and is about to design a boat launch at this park. Other parties have expressed an interest in using the Overpeck Creek for recreational boating, which it previously was used for prior to the 1980s.

The Village is also making substantial capital improvements to its existing sewer system so as to upgrade these sewer facilities and make the water in the Overpeck Creek more conducive to recreational activities.

~~HIGHLY CONFIDENTIAL~~ - PUBLIC

W&LE-6

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION
NORFOLK SOUTHERN RAILWAY COMPANY AND
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL, INC AND CONSOLIDATED RAIL CORPORATION

RESPONSES OF THE WHEELING & LAKE ERIE RAILWAY COMPANY
TO THE FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS OF
NORFOLK SOUTHERN RAILWAY COMPANY (NS-53)

Charles H. White, Jr.
GALLAND, KHARASCH & GARFINKLE, P.C.
Canal Square
1054 Thirty-First Street
Washington, D.C. 20007-4492
Tel (202) 342-5200
Fax (202) 342-5219

Counsel for Wheeling & Lake Erie Railway Company

November 28, 1997

4. Explain the basis for your contention that, in the event that W&LE entered bankruptcy, rail service would not be continued on the rail lines (or any part of them) currently operated by W&LE. Identify any studies, analyses or evaluations of this question performed by or on behalf of W&LE and/or supplied to W&LE by any other party.

W&LE objects to this interrogatory in that it is based on a faulty premise. W&LE does not argue that all rail service would close if it entered bankruptcy. Service under directed service order, or by NS if inclusion is ordered, would have different characteristics than that now provided by W&LE which has been endorsed by its supporting shippers in W&LE-4.

5. With respect to each condition being sought by W&LE in its Responsive Application, identify the particular competitive harm to which the condition relates and detail the manner in which the condition is expected to ameliorate such competitive harm.

W&LE objects to this interrogatory insofar as it would require a special study. W&LE's conditions are addressed to the cumulative impact of the expected diversions from W&LE which would render it incapable of providing competitive service to its shippers. The conditions are an attempt to preserve W&LE's viability as a competitive regional carrier.

6. With respect to each condition being sought by W&LE in its Responsive Application, describe the nature of the new or expanded business that W&LE projects for itself associated with such condition, state the projected volume (i.e., cars handled, gross tons handled) of the new or expanded business, and state the annual revenues projected for such new or expanded business for the three years following implementation of each such condition.

Appendix B of Reginald Thompson's verified statement, W&LE-4, Page 107 outlines the conditions' estimated gross revenue offset to the expected diversion losses. Mr. Thompson specifically states that his projection is based only on an ability to compete and, thus, "there are no

guarantees that this will produce a dime of revenue". Id. In that light Mr. Thompson did not project results for three years following implementation. To do so now would necessitate a special study which W&LE respectfully declines to undertake General Objection 6.

7 Identify all studies, analyses or reports prepared by or on behalf of W&LE with respect to the subject matters in Interrogatory No. 6.

No study beyond the preparation of submissions in this case was commissioned by W&LE. Informal materials, however, are in the document depository

8 Identify the projected W&LE traffic losses that would be retained by W&LE in the event that all of the conditions sought by W&LE in its Responsive Application were granted.

In terms of one for one retention of traffic if the conditions are granted, the Huron Dock traffic would be retained

9 Describe any and all communications between W&LE and any other party from 1994 to the present regarding the possible sale or lease to any other party of any of W&LE's rail lines, facilities or other assets. Identify all documents comprising or relating in any way to all such communications

W&LE objects to this interrogatory on the basis of that it is vague, overbroad and burdensome. Nonetheless, W&LE would state

Non-inclusive list of major asset sales or leases

| | |
|-------|-------------------------------------|
| Sales | Welded rail train |
| | Seven SD-45 locomotives |
| | Various branch sales of rail & ties |

Various land sales

Leases Welded rail train
 Various short-term locomotive leases

10. With respect to the Neomodal Terminal in Stark County, Ohio, describe any and all communications between W&LE and any other party (including but not limited to NS and CSX), prior to the construction of that facility, with respect to the development of, siting of, funding for and service to be provided to that facility. Identify all documents comprising or relating in any way to all such communications.

W&LE objects to this interrogatory on the bases that it is vague, overbroad and burdensome.

Notwithstanding this objection no documents were found responsive to the interrogatory.

11 Prior to the construction of the Neomodal Terminal, did W&LE receive any guarantees from NS concerning the use by NS of such terminal? If so, describe such guarantees, including the manner in which such guarantees were communicated, and identify all documents comprising or relating in any way to such guarantees

There was no such guarantee

12 State the date on which the Neomodal Terminal began handling revenue traffic

January 1996

13 State the total freight revenues derived by W&LE from or in connection with the Neomodal Terminal for each W&LE fiscal year since the Neomodal Terminal began operations.

| | |
|-------|-----------|
| FY 96 | \$ 7,380 |
| FY 97 | \$137,415 |

The commodity groups listed in Mr. Thompson's verified statement correspond to the STCC code groupings in his Appendix A W&LE-4, Page 103 et seq

24 With respect to the NS run through intermodal service between Bellevue, OH and Hagerstown, MD, referred to at Page 6 of the Verified Statement of Reginald Thompson (Responsive Application Page 96: (a) state the beginning and ending date of the "six weeks" in which such service operated, (b) state the total revenue received by W&LE for the service, and (c) state the total annual revenue that W&LE projected for the service.

a Intermodal trains began on February 3, 1997 and the last train ran on April 2, 1997, b. total revenue received was approximately \$550,000.00; c. the total revenue for this service was projected to be \$3.6 million.

25 Identify any and all railroad traffic studies performed by Wilbert Pinkerton, Jr. for any party and submitted to the Interstate Commerce Commission or the Surface Transportation Board, other than the study submitted in the W&LE's Responsive Application herein.

Wilbert A. Pinkerton, Jr. led, or was a participant, in the preparation of the following which included submissions to the Interstate Commerce Commission and the Surface Transportation Board:

a Analysis and support for the verified statement submitted by Dr. Colin C. Blaydon on behalf of the Utah Railroad in the Union Pacific-Southern Pacific proceeding

b As Director of Asset Valuation for USRA, Mr. Pinkerton led the development of an extensive array of studies that included traffic projections for multiple scenarios regarding the structure and operation of Conrail. Prior to becoming the Director of Asset Valuation, Mr. Pinkerton served as Consultant to USRA on many of the same issues.

c For the Penn Central Railroad and for the Trustee of the Penn Central, Mr. Pinkerton participated in a number of traffic studies in evaluating alternative operating and reorganization plans.

(FY1999-FY2001) to develop a conservative estimate of revenue losses. W&LE has enjoyed recent rate increases of up to six percent on selected commodities which are not reflected in the revenue losses in Pinkerton's study

31. Using the format of Appendix A to Thompson's Verified Statement, detail the movements and traffic referred to by Mr. Pinkerton at Page 19 of his Verified Statement (Responsive Application Page 128) as "the recent diversion of major coal moves from W&LE to NS and CR" and "the coke move recently diverted from W&LE to CR "

Object to the need to produce a document in particular form. The coal loss was explained in answering interrogatory 19 With respect to the coke move, W&LE handled approximately 400 carloads of coke a month from Clanton, PA and Follensbee, WV to Cleveland, OH

32. Describe in detail the methodology and sources of data used to develop the carloads and revenue for each commodity for each year detailed on the "Projected Traffic Analysis," Appendix B, Page 36 of the Pinkerton Verified Statement (Responsive Application Page 145).

Appendix B of Pinkerton's Verified Statement is a copy of the W&LE Five Year Plan which was prepared October 25, 1996 (See Mokodean Verified Statement for additional reference.)

33 With respect to the connection that would need to be constructed between W&LE and the CR-NS Fort Wayne Line at "CP Orr" as part of W&LE's requested condition for "route congestion relief," as referred to at Page 10 of the Verified Statement of Steven W. Wait (Responsive Applications Page 76), describe in detail the location and configuration of the connection and state the projected cost of constructing the connection.

W&LE objects to interrogatory number 33 insofar that it would necessitate a special study

General Objection number 6. W&LE management did, however, visit the site and engaged in a preliminary analysis, documents relating to which will be placed in the document depository.

A connection between W&LE trackage and Conrail is currently in place at Orrville, Ohio, and is currently in use as a transfer point for excessive dimension shipments. To facilitate a direct route that would accommodate through trains a simple and straightforward connection is required. An engineering study has not been performed. Careful examination of the proposed connection has been made. A detailed inspection at the location of the proposed connection reveals:

- The distance between the main track switch on the W&LE to the dwarf signal at "CP Orr" would be 3,616 ft. Of this distance:
- 2,696 ft. is in place as the W&LE Orrville Running Track (to be upgraded).
- 740 ft. would be new construction.
- 180 ft. is existing Conrail trackage (to be upgraded)
- The average grade for the 3,616 ft. between the main track switches would approximately 0.5%.

DOCUMENT REQUESTS

- 1 Produce a list of all shippers served by W&LE in 1996 and 1997, ranked in order of revenues to W&LE.

A list will be placed in the document depository

- 2 With respect to the NS run through intermodal service between Bellevue, Oh and Hagerstown, MD, referred to at Page 6 of the Verified Statement of Reginald Thompson (Responsive Application Page 96), produce (a) all written correspondence between NS and W&LE relating to the planning for, commencement, operation and termination of such service, (b) all W&LE projections and time schedules for such intermodal trains, (c) all documents showing or

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK
SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

**RESPONSES OF WISCONSIN CENTRAL LTD. TO
CSX'S FIRST SET OF INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS**

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

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

**ATTORNEYS FOR
WISCONSIN CENTRAL LTD.**

Dated: November 21, 1997

(h). If the response to Interrogatory 1(g) is "yes", state which intermediate carrier(s) and state the number of cars interchanged using each such intermediate carrier in each of the years 1995 and 1996 and for such period in 1997 as you have record for (identifying it). For the purposes of this Interrogatory, consider B&OCT as an intermediate carrier regardless of your contention that it is not.

RESPONSE:

WCL objects to CSXT's Interrogatory No. 4(h) on the ground that it is unduly burdensome, in that the information sought could be generated, if at all, only through an unduly burdensome special study. WCL further objects to this Interrogatory on the ground that the information sought is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

Provide responses to Interrogatories 4 (a)-(h) for the following carriers:

(i). Canadian Pacific - Soo

WCL has a direct interchange with Canadian Pacific/Soo Line Railroad Company ("CP-Soo") at CP-Soo's Schiller Park Yard. No trackage rights or intermediate switching carriers are used to make this interchange.

(ii). Elgin, Joliet and Eastern Railway

WCL has a direct interchange with Elgin, Joliet and Eastern Railway Company ("EJE") at Leithton, Illinois. No trackage rights or intermediate switching carriers are used to make this interchange.

(iii). Norfolk Southern

WCL has a direct interchange with Norfolk Southern Railway Company ("NS") in Chicago via trackage rights over the Indiana Harbor Belt Railroad Company ("IHB") to NS' Calumet Yard.

(iv). I & M Rail Link

WCL has no direct connection to I & M Rail Link ("IMRL"). WCL interchanges with IMRL through the intermediate switching services of the BRC at BRC's Clearing Yard.

(v). CSX

WCL has a direct interchange with CSXT at Barr Yard for certain traffic moving under transportation contracts. On all other traffic, WCL believes it has a direct interchange with CSXT at Barr Yard. However, CSXT disagrees and insists that B&OCT be an element of any interchange for this traffic between WCL and B&OCT. All traffic is interchanged via trackage rights over the B&OCT to Barr Yard.

(vi). Conrail

WCL has a direct interchange with Consolidated Rail Corporation ("Conrail") via trackage rights over the B&OCT to Conrail's Ashland Avenue Yard.

(vii). Illinois Central Railroad

WCL has a direct interchange with Illinois Central Railroad Company ("IC") via trackage rights over IHB to the Chicago, Central & Pacific Railroad Company at Broadview and thence to IC's Markham Yard.

(viii). Union Pacific Railroad

WCL interchanges unit trains with UP directly at Leithton, Illinois, for delivery by EJE to Proviso. Other intermediate traffic is interchanged via the BRC at Clearing Yard.

(ix). Burlington Northern and Santa Fe Railway

WCL has no direct connection with Burlington Northern and Santa Fe Railway ("BNSF"). All traffic moving to or from former BN points is interchanged at Clearing Yard via the BRC; all traffic moving to or from former ATSF points is interchanged via the IHB at Blue Island Yard.

(x). Canadian National Railway - GTW

WCL has a direct interchange with Canadian National Railway Company/Grand Trunk Western Railroad, Inc. ("CN") for unit ballast trains via IHB trackage rights to Blue Island Yard. All other intermediate traffic is interchanged via the BRC at Clearing Yard.

Interrogatory No. 5:

Where the services of an intermediate switching carrier are required in order for one line-haul carrier to deliver traffic to another at Chicago, and there are two alternative intermediate switching carriers available, state whether you content that the receiving line-haul carrier has the legal right to select the intermediate switching carrier.

RESPONSE:

WCL objects to CSXT's Interrogatory No. 5 on the ground that it impermissibly seeks a legal conclusion. Interrogatories are designed to accord a party a right to discovery facts, not

INTEROFFICE COMMUNICATION

OHIO DEPARTMENT OF TRANSPORTATION OFFICE OF TRANSPORTATION MODES

January 3, 1994

TO: Joe Robertson, Special Projects, O.D.O.D.

FROM: John R. Platt, Assistant Director for Transportation Modes

SUBJECT: Fleming Companies, Inc. - Rail Relocation and Intermodal Facility

Attached is a summary of both Phases of the Fleming Companies, Inc. food distribution facility rail relocation and intermodal project. The total Phase I track relocation and building facility costs are estimated at \$ 25,874,300 of which \$ 1,674,300 (6.5%) would be Section 166 loan funds, \$ 200,000 (2.3%) would be Section 412 Business Development Funds and \$ 24,000,000 (92.7%) in private funds.

Phase II costs of \$ 6,800,000, plus the payoff of the Section 166 loan of \$1,674,300 used for the track relocation, would be financed from a special demonstration project to be requested from the U.S. Department of Transportation. If the special demonstration project is not approved and the intermodal facility is not constructed, then ODOT would use future rail development funds as authorized from the legislature to pay interest only on the Section 166 loan for two (2) years. After two (2) years, the City of Massillon and Stark County through their respective Community Improvement Corporations (CIC's) would be required to guarantee repayment of the loan based upon an amortization period of ten (10) years at 3% interest.

NO -
412
for capital
ITEM
only

Please let me know if there are any questions on this matter.

c: Jerry Wray, Robert Blair, Jeff Honefanger, Cheryl Worley, Tom McPherson, file - Fleming Companies, Inc.

Summary
JRP
NHW

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JAN 03 1994

Dept. of Development
Special Assistant
To The Director

FLEMING FOODS and INTERMODAL FACILITY - CANTON, STARK COUNTY, OHIO

December 30, 1993

BACKGROUND

In September, 1993, Fleming Companies, Inc., headquartered in Oklahoma City, Oklahoma, announced its intention to expand its food distribution and storage facility which is located in Perry Township, Stark County, on SR 21, south of Massillon. The expansion ensures the retainment of 450 jobs plus the creation of 180 new jobs at the facility and it enables opening new markets for goods distribution into western Pennsylvania and northern West Virginia. The majority of the planned \$ 26 million facility expansion consists of a large new warehouse/distribution building to be added onto an existing warehouse facility. The expansion to the east requires the relocation of the Wheeling & Lake Erie Railway Company's main track to a position south and east of its present location.

TRACK RELOCATION - PHASE I

Fleming Companies, Inc. will be expending \$ 24 million in private funds as part of Phase I expansion which will require the track relocation. Fleming has already used \$150,000 of its funds to hire the engineering firm of R. T. Patterson Company to design the track relocation in an effort to expedite the track work. An acceptable design has been completed with a capital cost estimate of \$2,024,300 for the relocation of track including purchase of land and construction work. The track relocation would be considered under Phase I of the project and is proposed to be financed using a combination of Fleming Companies, Inc. \$ 150,000 in private funds, 412 Business Development grant funds of \$ 200,000 and Section 166 Loan funds amounting to \$ 1,674,300 for a total of \$ 2,024,300. The sources/uses are as follows:

SOURCES AND USES OF FUNDS:

| <u>Project Activity</u> | <u>Estimated Cost</u> | <u>Source of Funds</u> |
|--|-----------------------|-------------------------|
| 1. Engineering/Plan Development | \$ 150,000 | Fleming Companies, Inc. |
| 2. Acquisition of Land (R/W) | 200,000 | 412 Bus. Dev. Grant |
| 3. Track Relocation Contract | 1,413,000 | 166 Loan (Interim) |
| 4. Construction Management | 100,000 | 166 Loan (Interim) |
| 5. Legal Fees | 20,000 | 166 Loan (Interim) |
| 6. Subtotal | <u>\$1,883,000</u> | |
| 7. Contingencies @ 10% of Construction | <u>141,300</u> | 166 Loan (Interim) |
| 8. TOTALS | <u>\$2,024,300</u> | |

INTERMODAL FACILITY - PHASE II

In order to make the track relocation loan program viable, the Ohio Department of Transportation suggested that an Intermodal Facility be constructed in addition to the track relocation as a way of providing a new revenue source to enhance the project and make it self sufficient. Therefore, a Phase II was proposed which consists of constructing a new intermodal facility that would lift truck trailers and containers on and off of flat cars on land located adjacent to Fleming Companies' property.

The new intermodal facility would occupy 20 acres of land which is committed to be donated for \$1 to ODOT from the Stark County Board of Commissioners who presently own it. The intermodal facility would assist Fleming Companies, Inc. who operate a large food and dry goods mixing warehouse that supports grocery and department store needs in a three (3) state area. In addition to the 630 jobs associated with the Fleming project, an additional 61 jobs would be created at the intermodal site itself. Other nearby industries could add another 300 indirect jobs due to the improved transportation accessibility.

The intermodal facility project cost is estimated to be approximately \$ 6,800,000 of which about \$ 5,900,000 would be in a loan and \$ 900,000 would be in equity. Off site roadway improvements amounting to an estimated \$ 658,000 include widening of a 1 mile portion of SR 21 from the intermodal site to U.S. 30 interchange. New traffic signalization and curb radius improvements at the S.R. 21 entrance to the intermodal facility are also planned, with the cost being part of the overall state highway improvement.

SPECIAL DEMONSTRATION PROJECT

Because of the intense national interest by the U.S. Department of Transportation towards intermodal facilities, particularly with the creative funding now encouraged under the Intermodal Surface Transportation Efficiency Act of 1991, the Ohio Department of Transportation will be seeking special demonstration funds for the intermodal project in the Federal Fiscal Year 1995 funding cycle. The intermodal facility loan to the project would be packaged to include payoff of the Phase I track relocation 166 loan from the Department of Development. Revenues from operations of the intermodal facility would then be used to pay back the entire loan amount.

FINANCING SUMMARY

The applicant for the Phase I Section 166 loan funds will most likely be the Stark County Community Improvement Corporation (CIC) with financial credit enhancement from the Ohio Department of Transportation for up to two (2) years. In the event that the Intermodal Facility is not constructed, then the City of Massillon and Stark County will be requested to provide a local shared back up guarantee to pay off the original Section 166 loan. The land purchase required under Phase I will most likely be the Fleming Companies, Inc. as receivers of the 412 grant funds with the new track right-of-way being granted in an easement to Wheeling & Lake Erie Railway Company. The applicant for Phase II, the intermodal facility, will be determined through an informal bidding process based upon the projected number of lifts per year.

PROJECT JOBS AND TAX BENEFIT

The 691 direct jobs retained/created as a result of the project will produce approximately ~~\$1.0~~ million annually in state income tax, \$2,487,500 in federal income tax, \$318,500 in local income tax and \$24 million in private capital expenditures.

OAG 701



February 3, 1997

Ms. Cynthia A. Archer
Senior Vice President
Intermodal Service Group
Consolidated Rail Corporation
2001 Market Street 8-B
Philadelphia, PA 19101-1408

Dear Ms. Archer:

The proposed merger of Conrail with either CSX or Norfolk Southern will create one of the world's largest transportation entities and will determine the quality and effectiveness of rail freight service in the bistate metropolitan region for years to come.

The Port Authority of New York and New Jersey was created in large measure to foster and promote the region's commerce through its intermodal transportation and other facilities. As a consequence, the Port Authority historically has been a stakeholder and active participant in matters pertaining to rail service in the region, including the proceedings that led to the creation of Conrail in 1976.

Since then Conrail has operated as a monopoly and an abiding Port Authority goal has been to secure effective and fully competitive Class 1 rail freight service for the bistate region to major interior markets. Achieving that goal is even more essential in the present environment where the competitiveness of the region and the future of its port as a world-class international gateway are dependent on modern and efficient modally integrated distribution systems. The proposed Conrail acquisition by either party poses possible scenarios with long lasting implications. Ensuring competitive rail freight service in the New York and New Jersey region will open access to markets to the benefit of producers, distributors, and consumers. On the other hand, this region's lack of competitive rail freight access would be detrimental to attaining desired economic and market share growth.

NON-PUBLIC

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FEB 11 1997

SR. VP - INTERMODAL

BOARD OF COMMISSIONERS

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CHRISTINE TODD WHITMAN, GOVERNOR STATE OF NEW JERSEY GEORGE L. MARLIN, GOVERNOR STATE OF NEW YORK



Ms. Cynthia A. Archer

- 2 -

February 3, 1997

With that in mind, the Port Authority board of Commissioners has authorized our agency's intervention in the merger proceeding before the Surface Transportation Board. It is our sincere hope that our participation, along with the data and analysis we will bring to the public process, will demonstrate the adverse effect of non-competitive rail freight service on the bistate region. We will also demonstrate the continuing importance to the nation and the states of New York and New Jersey of maintaining the port of New York/New Jersey as one of the country's principal gateways.

As the proceeding unfolds, I look forward to discussing with you the many critical issues entailed in this merger proposal.

Very truly yours,

Lewis M. Eisenberg
Chairman

NON-PUBLIC

Kennecott Energy Company
505 South Gillette Avenue
Caller Box 3009
Gillette, Wyoming 82717-3009
(307) 687-6000 Fax: (307) 687-6015

Copy to
Lith &
RWR

3 WK,
FYI. Please review
& Return. Thanks
Mike

**Kennecott
Energy**

June 4, 1996

Ther give
all material
to MAHE

cc: RWR

Mr. Michael A. Weaver
Manager Fuel Supply
Indianapolis Power & Light Company
1230 West Morris Street
Indianapolis, IN 46221

Dear Mike:

It was a pleasure meeting with you and Don Knight last week to review activities in the Midwest and western coal markets. I certainly appreciate your interest in testing western coal at your Stout plant. As we discussed, I am enclosing mine brochures, general mine information and typical coal quality for our operations.

I have made a request for our transportation people to begin the process of determining the best option for delivery of coal from these operations. Should we need any additional transportation related information, I will have Dave Neel, Manager Transportation, contact you directly.

Over the next several weeks I will contact you to answer any questions you may have with regard to testing any of our coals. Should you have any questions prior to that time, please contact me at (307) 687-6045.

I look forward to working with you on testing western coal in the IP&L system

Sincerely,

J. Michael Kelley
J. Michael Kelley
Manager Sales

JMK:ksn

Enclosures

RWR

PLP 00399

Thy will give us some
idea of Rail cost and
take up the low sub. Coal
Producers in sub. area

Kennecott Energy Company is a wholly owned subsidiary of Kennecott Corporation, a U.S. Corporation. Kennecott Corporation is a wholly owned subsidiary of Kennecott International Inc., a U.S. Corporation.

Any material will be cleared by
Buck

Indianapolis Power & Light Company

M E M O R A N D U M

DATE: July 30, 1996

TO: P. A. Cummings

AT: Morris Street

FROM: M. A. Weaver

AT: Morris Street

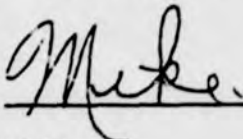
SUBJECT: Union Pacific Railroad Company Rates for Powder River Basin Coal

Recently the U. P. quoted us two rates of \$24.40 and \$23.48 per net ton of PRB coal. Needless to say, these rates will preclude any use of PRB coal by IPL. Therefore, unless these railroads are going to substantially reduce these rates, I see no reason to continue internal or external discussions pertaining to PRB coal.

Two additional points need to be made. The first is proportional rates. In the future and in particular relation to any future quotes by the U. P. or others relating to PRB coal, I would like to see the proportional rates of all carriers involved.

The second point relates to transportation activities. As you are aware, the responsibilities within the Fuel Supply Organization of the Manager Fuel Supply encompass all activities related to the purchasing and transportation of the commodities. Relative to these activities all Fuel Supply personnel report directly to the Manager Fuel Supply. The necessity for this reporting arrangement is to assure the integrity of the Fuel Supply team activities. Relative to human resource activities, all Fuel Supply personnel including the Manager Fuel Supply, report directly to the Vice President Fuel Supply. Therefore, I am requesting that you proactively keep me informed of all the transportation-related activities you are or will be involved in presently or in the future. By doing so, we can assure the adequacy of the team's activities and the efficiency of all related activities.

If you have any questions, please contact me and thanks for your cooperation.



MAW:pj

xc: D. W. Knight

IPL-P-00384

CONRAIL



August 29, 1996

File No.: IND 353

File No.: IND 354

Mr. R. C. Churchill, III
Director, Joint Facilities & Budget
Norfolk Southern Corporation
185 Spring Street, SW
Atlanta, GA 30303

Dear Mr. Churchill:

This refers to Agreements dated May 11, 1977, and February 7, 1983, covering Conrail's Trackage Rights over two segments of track of The Southern Railway Company near Mount Carmel, Illinois.

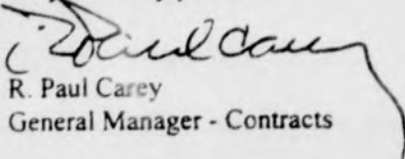
These Trackage Rights were used exclusively for the purpose of transporting coal from Amax's Wabash Mine near Keensburg, Illinois to the Gibson Power Plant of Public Service Company of Indiana at Skelton, Illinois

Conrail is no longer handling this traffic and, therefore, Conrail no longer requires the trackage rights provided by the abovementioned agreements. The terms of these agreements are 30 and 999 years, respectively

In this regard, Conrail desires to terminate both agreements, however, Conrail would also like to waive the 30 day and 12 month advance notice provisions and make such terminations effective upon NS's approval of this proposal. Using an effective date of September 1, 1996, Conrail would propose that further payments under the May 11, 1977, Agreement be waived by Norfolk Southern. The February 7, 1983, Agreement is covered in the Consolidated Billing and would be best handled as part of the 1997 adjustment.

Please indicate NS's concurrence with this proposal by the appropriate signature in the approval blocks provided on both original counterparts of this Letter Agreement and return one executed original to me for Conrail's records.

Very sincerely yours,


R. Paul Carey
General Manager - Contracts

ACCEPTED ON BEHALF OF NORFOLK SOUTHERN CORPORATION:

By: 

Title: 

Date: 10-24-96

Indianapolis Power & Light Company

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| M | E | M | O | R | A | N | D | U | M |
|---|---|---|---|---|---|---|---|---|---|

DATE: September 10, 1996

TO: M. A. Weaver

AT: Morris Street

FROM: P. A. Cummings

AT: Morris Street

SUBJECT: BN Rate Quotes from Powder River Basin to E. W. Stout
Generating Station

We have now received all rate quotes via potential routes for the
above spot movement in both railroad and private cars. These rates
and routes from BN origins are as follows:

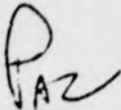
BN - Ottumwa, IA - CP Rail - Linton, IN - INRD
RR cars: \$22.27 net ton
PVT cars: \$19.75 net ton

BN - CHGO - Conrail - Indianapolis - INRD Switch
RR cars: \$23.47 net ton
PVT cars: \$20.99 net ton

BN - CHGO - CSX - Sullivan, IN - INRD
RR cars: \$24.17 net ton
PVT cars: \$21.09 net ton

BN - Centralia, IL - IC - Newton, IL - IRND
RR cars: \$24.59 (reduced) net ton
PVT cars: \$21.85 net ton

All rates are subject to 115 car trainsets and an expiration date
of October 15, 1996. If rates are accepted by IPL prior to that
date, the effectiveness of the rates will extend through December
31, 1996.



xc: D. W. Knight
D. W. Alger
D. C. Dininger
L. Morrow

IPL-P-00361

Indianapolis Power & Light Company

M E M O R A N D U M

DATE: September 10, 1996

TO: M. A. Weaver

AT: Morris Street

FROM: P. A. Cummings

AT: Morris Street

SUBJECT: UP Rate Quotes from Powder River Basin to E. W. Stout
Generating Station

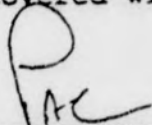
We have now received all rate quotes via potential routes for the above spot movement in both railroad and private cars. These rates and routes from UP origins are as follows:

UP - CHGO - CR - Indianapolis - INRD Switch
RR cars: \$23.40 net ton
PVT cars: \$20.91 net ton

UP - CHGO - CSX - Sullivan, IN - INRD
RR cars: \$24.00 net ton
PVT cars: \$20.95 net ton

UP - St. Louis, MO - ICC - Newton, IL - INRD
RR cars: \$23.48 net ton
PVT cars: \$20.77 net ton

All rates and routes are subject to 11,500 ton minimum shipment weight and has an expiration date of September 30, 1996. Rates are also covered with an unloading time of 12 hours at Stout Station.



PAC:pj

xc: D. W. Knight
D. W. Alger
D. C. Dininger
L. Morrow

IPL-P-00362

- APL Office
- 2221 Spring Road, Suite 300, Oak Brook
- 630-573-2200 (contact person: Diane 573-2206)

DATE: May 1, 1997

TO: Bob Sleeker
Rob Girardot
Mike Collins
Greg Stephens

FROM: Pete Rutski

RE: APL Meeting / May 5-6

Attached is a copy of a letter from Jim Tham along with the proposed meeting agenda. Please review and let me know if there are any additional items you wish to add for discussion. Below is a list of APL personnel who will participate in our meeting scheduled for Tuesday, May 6 in Chicago:

- Jim Tham, Director, Transportation Purchasing
- Pete Baumhefner, Director, Rail Operations
- Paul Nash, Central Region Terminal Manager
- Bob Murphy, Global I Terminal Manager
- Ray Mahacek, Manager, Chicago Trucking (cross towns)
- Bill Vossen, Kearny Terminal Manager

On Monday we will travel to the Global I site for a tour. We should arrive by 4:30 pm and then proceed to the 59th Street facility. (Bob Murphy 312-738-8388 / Pete Iacopelli 312-434-1900 cellular)

We have dinner reservations at Duscany's in Oak Brook at 7:00 pm with the APL group. (1415 West 22nd Street, 603-990-1993).

CSX-APL RAIL OPERATIONS MEETING

May 6, 1997

- Overview of CSX network + (get a train list)*
- I. Overview of APL's Operating Philosophy
 - II. Overview of APL's current operations to major Conrail service points:
 - Boston/New England
 - Kearny
 - Harrisburg, Philadelphia, Baltimore
 - Columbus (this point was requested by CSXI)

Cleveland, Buffalo, Syracuse

 - A. Eastbound
 1. Current schedules
 2. Current operating characteristics
 - a. train or block size
 - b. dedicated vs. non dedicated
 - c. steel wheel volume and service commitments
 - d. rubber tire volume and service commitments
 - B. Westbound
(same detail as B., above)
 - III. How APL manages train service.
 - A. Linehaul service management - World Logistics Center
 - B. Terminal service management
 - IV. Value APL brings to CSX through operations management
 - V. CSX's Preliminary view of the Conrail opportunity
 - A. Update on terminal plans
 - B. Update on operations overview and potential synergy's
 - VI. Next steps.

CSXI / APL Meeting

June 24-25, 1997

AGENDA

Wednesday - June 25, 1997

Ponte Vedra Conference Center

Tarpon Room

~ Attire is Casual ~

7:30 am

Continental Breakfast

8:00 am

Meeting

12:00 Noon

Lunch

1:00 pm

Meeting resumes

Attendees: APL
CSXI

Jim Tham, Jim Brady, Dan Pendelton
Ron Sorrow, Pete Rutski, Mike Collins,
Steve Rand, Larry Roberts, Rob Girardot

Detailed agenda will be forwarded.

CSXI / APL Meeting

Ponte Vedra Conference Center - Tarpon Room

June 25, 1997

AGENDA

1. Opening Remarks
2. STB Process
3. Operations Overview
4. Review of APL Issues from April 16 Meeting
 - Kearny Lease
 - Linehaul Rates
 - MFN
 - Domestic Market Rate Adjustment
 - Terminal Issues
 - APL Train Operations
 - Service Levels / Service Guarantees
 - APL Volume Commitment
 - Agreements not Contained in the CR/APL Contract
5. Other APL Issues
6. New Business Opportunities
7. Next Steps

CSXI Service for APL Business

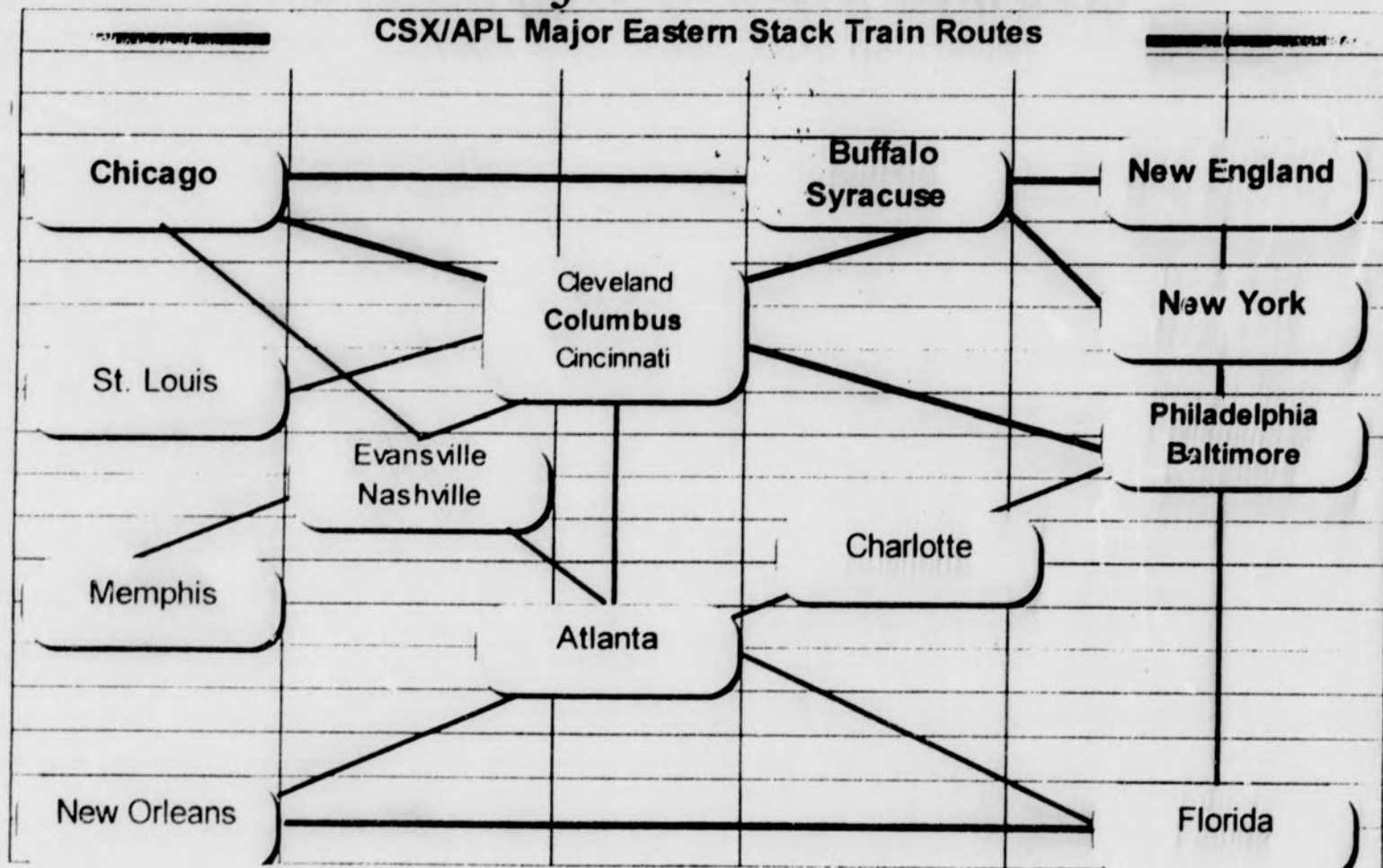
Post Conrail Acquisition

June 25, 1997

CSXI's Objective is to meet or exceed all of APL's service requirements:

- CSXI will offer Schedules that Meet or Exceed existing CR Schedules in APL's Primary Service Lanes
- CSXI will work Jointly with APL to insure all Terminal Requirements are Met
- CSXI's expanded network provides Additional Opportunities for Domestic Repositioning Loads and Equipment Synergies

The CSXI Network Provides APL Coverage of All Major Eastern Markets



STB

FD-

33388

ID-184826

12-15-97

D

43/60

CSXI's Service Plan will address Key Service Requirements and Concerns Raised by APL:

- Efficient Steel-Wheel Interchange at Chicago
- Reduced Rubber-Tire Interchange Costs at Chicago
- Availability of Alternate Gateways will increase opportunity for Run-Through Services
- Train Operations: Maintain the Key Building Blocks of the APL/ CR Network in the Northeast
- Coordinated Stack-Car Management
- Terminal Capacity Expansions and Enhancements

Efficient Steel-Wheel Interchange at Chicago

- CSXI 59th Street provides APL/UP the ability to interchange less than trainload blocks to/from Global I via a direct mainline route
- Dedicated trains have several alternate routes through Chicago
 - BOCT Direct: Global I to Blue Island Jct.
 - BOCT via UP over Dolton Jct.
 - BOCT via BRC to Rock Island Jct.
 - IHB Direct: Proviso to Blue Island Jct.
- CSXI is investing \$35 Million in connections, signaling, and new trackage in the Chicago Terminal
 - Higher speed movements
 - Current of Traffic Operation/Multiple Routes

Reduced Rubber-Tire Interchange Costs at Chicago

- The Design of 59th Street provides for Steel-Wheel I/C and Lift-On/Lift-Off Operations at the same Location
- 59th Street will provide CSXI and APL the opportunity to steel-wheel & 'hub' some less than stackcar load units rather than cross-town
- Service & Cost for Cross-towns between 59th Street and Global I will be equal to or better than CR 47th & 63rd
- CSXI will provide APL with service to/from all of our Eastern service points via a single facility in Chicago

Availability of Alternate Gateways will increase opportunities for Run-Through Services

- CSXI will offer a direct bypass route from UP and BNSF to/from the CSXI Network around Chicago
- CSXI will offer Services to New York & New England over the St. Louis Gateway
- CSXI will offer Direct Memphis-New York Services
- CSXI supports development of St. Louis-Northeast Routes
 - The St. Louis-Cleveland Line will be upgraded post acquisition

Train Operations

- CSXI will continue the practice of operating APL dedicated trains of 90 platforms or more
- CSXI will provide APL access to non -dedicated train capacity
- Terminal specialization in Chicago and North Jersey will provide APL and CSXI with opportunities to combine volumes and improve run-through and direct train services
- CSXI will maintain the Syracuse Fillet operation

CSXI will align underlying train and terminal operations to meet APL's needs

*-Volumes Provided to CSXI on 4/25/97

| Origins | Destinations | | | | | | | | | Springfield | Marysville | Worcester | Detroit | Atlanta | St. Louis | Cleveland | Total | % of Origin Cargo | Cum % |
|----------------|--------------|--------|--------|-----------|-------------|----------|---------|----------|-------|-------------|------------|-----------|---------|---------|-----------|-----------|---------|-------------------------|-------|
| | Chicago | Kearny | Boston | Baltimore | Morrisville | Columbus | Buffalo | Syracuse | | | | | | | | | | | |
| Chicago | - | 50,525 | 9,202 | 6,395 | 5,554 | 49 | 1,833 | 1,166 | 1,369 | 1,356 | 1,094 | - | - | - | - | 2 | 80,399 | 49% | 49% |
| Kearny | 40,798 | - | - | - | - | 1,740 | 1,473 | 709 | - | - | - | - | 447 | 262 | - | - | 46,922 | 29% | 77% |
| Boston | 7,608 | - | - | - | - | 874 | - | 228 | - | - | - | - | - | 1 | - | - | 8,711 | 5% | 83% |
| Baltimore | 6,183 | - | - | - | - | - | - | - | - | - | 601 | - | - | - | - | - | 6,784 | 4% | 87% |
| Morrisville | 5,096 | - | - | - | - | 1 | - | - | - | - | - | - | - | 52 | - | - | 5,149 | 3% | 90% |
| Columbus | 4,936 | - | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,938 | 3% | 93% |
| Buffalo | 3,297 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,297 | 2% | 95% |
| Syracuse | 1,882 | - | 19 | - | - | - | 17 | - | 19 | - | - | - | - | - | - | - | 1,937 | 1% | 97% |
| Springfield | 1,701 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,791 | 1% | 98% |
| Marysville | - | - | - | - | - | 1,278 | - | - | - | - | - | - | - | - | - | - | 1,278 | 1% | 99% |
| Worcester | 915 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,029 | 1% | 100% |
| Cleveland | 262 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 262 | 0% | 100% |
| Atlanta | - | 6 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6 | 0% | 100% |
| St. Louis | - | 3 | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 0% | 100% |
| Detroit | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 0% | 100% |
| Total | 74,708 | 50,534 | 9,224 | 6,395 | 5,554 | 3,942 | 3,323 | 2,103 | 1,388 | 1,356 | 1,094 | 601 | 447 | 321 | 2 | | 164,543 | 100% | |
| % of Destin | | | | | | | | | | | | | | | | | | | |
| Cargo | 45% | 31% | 6% | 4% | 3% | 2% | 2% | 1% | 1% | 1% | 1% | 0% | 0% | 0% | 0% | | | | |
| Cum % | 45% | 76% | 82% | 86% | 89% | 91% | 93% | 95% | 98% | 99% | 99% | 100% | 100% | 100% | 100% | | | | |

Major APL Schedule Pairs:

| Trains | Existing CR Equivalent | Origin | | Destination | | Hours |
|--------|---------------------------|--------------|---------|----------------|---------|-------|
| | | Terminal | Depart | Terminal | Arrive | |
| Q108 | Mail 4 K | St. Louis | 21:00-0 | Little Ferry | 07:30-2 | 34.5 |
| Q111 | TV3 | Little Ferry | 19:00-0 | St. Louis | 06:15-2 | 35.3 |
| Q112 | TV8W | Chicago 59th | 09:01-1 | Boston | 15:30-2 | 15.5 |
| Q113 | TV13 | Boston | 23:59-0 | Chicago 59th | 06:30-2 | 30.5 |
| Q114 | TV14 | Bedford | 21:00-0 | Boston | 07:00-2 | 34.0 |
| Q115 | TV5 | Boston | 22:00-0 | St. Louis | 15:30-2 | 41.5 |
| Q116 | TV6 | St. Louis | 19:30-0 | Boston | 16:00-2 | 44.5 |
| Q117 | TV7 | Boston | 21:00-0 | Bedford | 03:15-2 | 30.2 |
| Q118 | TV10B | Chicago 59th | 03:30-1 | Worcester | 14:00-2 | 34.5 |
| Q119 | TV9 | Worcester | 04:20-1 | Chicago 59th | 09:00-2 | 28.7 |
| Q135 | N/A | Philadelphia | 00:30-1 | Bedford | 07:45-2 | 31.2 |
| Q136 | N/A | Bedford | 21:25-0 | Philadelphia | 04:30-2 | 31.1 |
| Q137 | N/A | Baltimore | 04:00-1 | Bedford | 07:15-2 | 27.3 |
| Q138 | N/A | Bedford | 03:00-1 | Baltimore | 06:30-2 | 27.5 |
| Q146 | TV220 | Chicago 59th | 15:00-0 | Columbus | 06:00-1 | 15.0 |
| Q147 | TV221 | Columbus | 18:30-0 | Chicago 59th | 11:30-1 | 17.0 |
| Q156 | TV200 | Chicago 59th | 15:00-0 | Kearny | 02:30-2 | 35.5 |
| Q157 | TV201/203 | Kearny | 23:30-0 | Chicago 59th | 04:20-2 | 28.8 |
| Q162 | TV12/TV204 | Chicago 59th | 23:15-0 | LTF/Kearny/EXR | 04:00-2 | 28.7 |
| Q163 | TV207/11 | LTF/ExpressR | 21:30-0 | Chicago 59th | 02:45-2 | 29.3 |
| Q164 | TV202 | Chicago 59th | 19:00-0 | Kearny | 04:30-2 | 33.5 |
| Q165 | TV261/63 | Kearny | 22:00-0 | Chicago 59th | 08:00-2 | 34.0 |

Rail-Car Management

- CSXI will honor existing Conrail rail car agreements
- CSXI has a dedicated infrastructure in place for managing stack cars in the East, as well as a national stackcar fleet
 - APL will have direct access to CSXI's Equipment Management group for coordination of APL's car needs with CSXI resources
 - CSXI will coordinate stack cars with APL in the East and West

Terminal Issues-CSXI will invest \$70 MM in Intermodal Terminal Capacity

- Improvements will be made to Kearny and Little Ferry to allow Kearny to specialize as an international double-stack train facility
- 59th St. will be developed in Chicago and will concentrate on transcontinental stacktrain services
- Chicago Bedford Park and Forest Hill will be expanded and developed to serve Domestic and niche customers
- CSXI will develop a new facility in Philadelphia at Greenwich Yard. The new facility, coupled with improvements in transit time are designed to provide an alternative to Morrisville.
- Cleveland will be expanded

Next Steps

- Feedback from APL on the Network Train Plan
- APL-CSXI-UP Joint Planning Meeting
 - Develop a joint operations plan and strategy for APL transcontinental services
- Follow-up joint meeting with APL-CSXI

STB Application Section 2.2[2] deals with Pre-existing Conrail Contracts

Summary of Key Provisions:

- CSXT and NSR recognize the importance of assuring that the acquisition does not create shipping disruptions for Conrail customers and have developed specific arrangements to carry out Conrail's transportation contracts.
- All Conrail transportation contracts shall remain in effect through their stated term and the contract obligations shall be carried out by CSXT and NSR.
- CSXT and NSR shall allocate the responsibilities to serve customers under existing transportation contracts to achieve reliability and proper service.
- The revenues and expenses associated with these contracts shall be allocated between CSXT and NSR on a percentage division defined as 50% CSXT / 50% NSR. *on the SERVED LANES*
- In the case of a contract which covers multiple origins and destinations, CSXT and NSR will insure that shippers receive the benefits (e.g., volume pricing, refunds, etc.) to which they are entitled irrespective of which carrier provides the transportation service.



Robert E. Murray
President & Chief Executive Officer

October 8, 1997

The Honorable George V. Voinovich
Governor
State of Ohio
Rifts Center, 30th Floor
Columbus, Ohio 43266-0601

Dear Governor George:

Please be advised that, just this evening, a Settlement Agreement has been reached among CSX Transportation, Inc. ("CSX"), Norfolk Southern Railway Company ("NS"), and The Ohio Valley Coal Company ("Ohio Valley"), which addresses the concerns, and substantially resolves the problems, that would have resulted for Ohio Valley by the creation of a two-line haul from our Powhatan No. 6 Mine to the Eastlake and Ashtabula Plants of Constellation Energy Corporation ("Centerior") from the acquisition of Consolidated Rail Corporation ("Conrail") by CSX and NS.

Messrs. John W. Snow, David E. Goode, and other senior executives of CSX and NS have demonstrated a genuine concern for the problems that the two-line haul could create for Ohio Valley and have shown total good faith and sincerity in addressing them.

Ohio Valley intends to support the acquisition of Conrail by CSX and NS before the Federal Surface Transportation Board.

Governor George, on behalf of our 500 employees at Ohio Valley, we thank you for your exhaustive effort and very important role in bringing about an amicable Settlement Agreement among the parties and in preserving our employees' jobs.

We extend our kindest regards,

Sincerely,

THE OHIO VALLEY COAL COMPANY

Robert E. Murray
President and
Chief Executive Officer

RE: Law
Attachments

cc: John W. Snow Michael Koren
David E. Goode Thomas M. O'Leary
Raymond L. Sharp James E. Betts
J. W. Fox

56854 PLEASANT RIDGE ROAD • ALLEDONIA OHIO 43902
(614) 926-1351 • FAX (614) 926-1615

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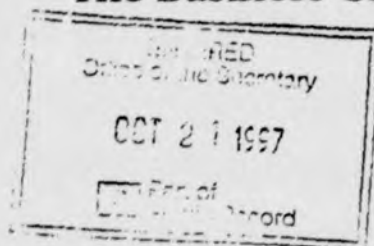
David W. Weinbach
The McGraw-Hill

Robert G. Williams
The McGraw-Hill



DANIEL B. WALSH
CEO/President

The Business Council of New York State, Inc.



October 16, 1997

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

Dear Secretary Williams:

RE: Finance Docket No. 33388, *CSX Corporation and CSX Transportation Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation.*

The Business Council of New York State, Inc., which represents nearly 4,000 businesses, chambers of commerce and trade associations, conditionally supports the above-referenced application for the division and acquisition of Conrail.

Our membership includes manufacturers of paper, steel, glass, automobiles and chemicals, as well as several major utility companies. These industries have come to depend on reliable rail service.

The acquisition of Conrail holds promise for significant improvements to rail service. The introduction of increased competition is a welcome and long overdue change, as is the anticipated increase in the number of single-line service avenues which will become available post-transaction.

We are particularly pleased with what appears to be genuine initiative on the part of the Applicants to actively foster economic development in New York state, which is essential if our state, and the Northeast, is to experience true economic resurgence.

Notwithstanding the many merits of the proposal, however, there are issues which the Surface Transportation Board, STB, must address prior to approval of the application:

- Ensure the viability of short line and regional carriers, and, as a direct result, the viability of those businesses which rely on service from the short line and regional carriers. The STB must bear in mind that the loss of a short line or regional railroad can yield serious adverse impacts well beyond those directly associated with a defunct rail company. The potential for significant job loss among established major manufacturers which rely on short line or regional service cannot be overlooked.
- To any extent possible, the Board must ensure that the inordinately high switching charges found in the Port of New York and upstate population centers, especially Buffalo, be set at reasonable levels. The Applicants argue they are unable at this point to commit to a reduction due to their inability to access Conrail data regarding current switching costs. We feel confident the Applicants, who were able to value a \$10 billion purchase price, can produce reliable estimates as to such current costs and should therefore be able to determine a reasonably accurate rate proposal based on such estimates.
- Allow short line, regional and other Class I railroads to interchange with Conrail/Applicants' lines and other proximate rail roads in areas where they are currently prohibited from doing so. These "firewalls" represent missed opportunities for better competition and increased viability for businesses served by Conrail/Applicants, as well as those businesses served by other rail roads in New York state.
- Allow a third carrier trackage rights from upstate New York to the metropolitan area and the Port of New York, especially on the east side of the Hudson River. Maximize the freight capabilities of the lines east of the Hudson River. It is imperative that there be established a direct route along the Hudson River from Long Island and metro New York to upstate New York and points north. This will be particularly important considering the increasing levels of trade occurring between Canada and the United States.

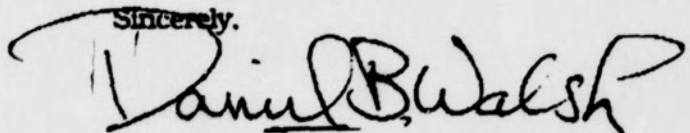
The Honorable Vernon A. Williams
Page 3

In conclusion, as representatives of the business community, we cannot advocate that the Applicants be held responsible for correcting every perceived rail problem which currently exists in the Northeast.

As advocates for thousands of businesses and more than one million employees in New York state, however, we recognize the responsibility of the Applicants and the STB to address the concerns listed above. Therefore, we respectfully request the STB give our concerns due consideration.

Thank you for this opportunity to comment on the application.

Sincerely,

A handwritten signature in cursive script that reads "Daniel B. Walsh". The signature is written in dark ink and is positioned below the word "Sincerely,".

DBW/bus



FOUNDED 1844

October 17, 1997

Vernon Williams
Secretary - Office of the Secretary
Surface Transportation Board
1925 K Street, N.W., Room 711
Washington, D.C. 20423

RE: **Finance Docket No. 33388**
CSX/Norfolk Southern Acquisition and Control of Conrail ("Application")

Dear Secretary Williams:

This letter is to reiterate Providence and Worcester Railroad Company's ("P&W") full support for the above referenced Application as expressed in my letter dated August 28, 1997. P&W draws your attention to our understanding that the Application if approved does not obviate pre-existing agreements and judicial orders relating to Conrail. For example, the Order of the Special Court created by the Regional Rail Reorganization Act of 1973 dated April 13, 1982, Approving and Directing the Consummation of Expedited Supplemental Transactions in the Matter of Expedited Supplemental Transactions Pursuant to Section 305(f) of the Regional Rail Reorganization Act of 1973 provides in Section 21 a right to P&W to acquire, *inter alia* the terminal properties known as New Haven Station defined in Exhibit D in the Order, "if Conrail elects to withdraw from or abandon or discontinue freight service obligations" thereon. A copy of the Order is enclosed as Exhibit 1. Certain aspects of the Order were discussed in a letter dated March 31, 1982 requested by Conrail from Robert W. Blanchette, then FRA Administrator. In his letter, Mr. Blanchette confirms that the Order would be construed and applied by the Special Court. This letter is attached as Exhibit 2. P&W has initiated steps to effect the implementation of the Order by notifying Conrail (Exhibit 3) and requesting the determination required by the Order from the Federal Railroad Administration (Exhibit 4). Conrail has recently responded by declining to enter into the requested negotiations over reasonable price and reasonable terms and conditions.

PROVIDENCE AND WORCESTER RAILROAD COMPANY
75 HAMMOND STREET, WORCESTER, MA 01610 P.O. BOX 18551, WORCESTER, MA 01601
TELEPHONE (508) 755-4000



V. Williams
Secretary - Office of the Secretary
Surface Transportation Board
October 17, 1997

The Special Court, established pursuant to Section 209 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. § 719) was abolished pursuant to Pub. L. 104-317, Title VI, Section 605(a), 110 Stat. 3858 (Codified at 45 U.S.C. § 719 (b)(2)). After January 18, 1997, all jurisdiction and other functions of the Special Court were assumed by the United States District Court for the District of Columbia. P&W intends to seek enforcement of the provisions of the Order of the Special Court.

Your attention is also drawn to the August 22, 1997 filing of Connecticut Southern Railroad (CSO) describing anticipated inconsistent or responsive applications. CSO stated its intention to file a responsive application seeking 75 miles of local trackage rights between New Haven and Fresh Pond Junction, NY. CSO defines local trackage rights to include providing service to customers located on the territory involved. Obviously, more information regarding CSO's application will be available upon the filing of same. As described, however, CSO's requests would appear to include rights in New Haven Station and therefore would be violative of the Order since the Order plainly provides that P&W will acquire New Haven Station in the event Conrail elects to withdraw from or abandon or discontinue freight service obligations.

Very truly yours,

Orville R. Harrold
President

cc: Administrator Jolene Molitoris, FRA

COVINGTON & BURLING

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BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-540-5230

FACSIMILE: 32-2-502-1598

October 23, 1997

BY HAND

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Room 711
1925 K Street, N.W.
Washington, D.C. 20423-0001

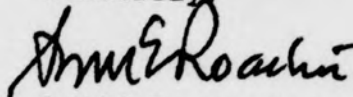
Re: Ex Parte No. 573

Dear Secretary Williams:

In accordance with the Board's order served October 2, 1997 in the above-captioned docket, enclosed please find an original and twenty copies of the written statement of Richard K. Davidson, Chairman and Chief Executive Officer of Union Pacific Corporation.

I would appreciate it if you would date-stamp the enclosed extra copy of this filing and return it to the messenger for our files.

Sincerely,



Arvid E. Roach II

Attachment

cc: All Parties of Record

STATEMENT OF RICHARD K. DAVIDSON,
CHAIRMAN AND CEO, UNION PACIFIC CORPORATION

My name is Richard K. Davidson. I am Chairman and Chief Executive Officer of Union Pacific Corporation and Chairman of Union Pacific Railroad Company. My railroading career spans 37 years, most of it in the operating ranks. I began as a brakeman/conductor with Missouri Pacific in 1960, and held a series of operating positions until I became CEO of Union Pacific Railroad in 1991, and then of Union Pacific Corporation in 1995.

Chairman Morgan and Vice Chairman Owen, I am deeply distressed to be coming before you to address the service problems that have recently afflicted the UP/SP system. We have let shippers, this Board and ourselves down by failing to provide the quality service our customers need and deserve. We worked hard to address our service problems, but in retrospect we did not take sufficiently aggressive measures early enough.

I want you to know that we are determined to regain Union Pacific's hard-earned reputation as the railroad that can "Handle It." Our 53,000 employees are pulling together to return our service to normal, achieve the tremendous service and efficiency benefits of the UP/SP merger, and show that we can operate the finest railroad in the world. Until then, our goal is to do whatever it takes to meet our shippers' needs as best we can.

making progress on the southern tier of the railroad -- in the Gulf Coast and the California-Texas corridor. As we said on October 1 when we announced our plan, full recovery in that area will take some time. But operations in key yards in Houston are already returning to normal, and sidings are clearing. The backlog of traffic is being worked off. We remain confident that our service will be back to normal on our entire system by the end of the year if not sooner.

THE CONGESTION CRISIS

What happened, and what have we done to address the problem?

Everyone recognized, when the UP/SP merger was under consideration, that the Southern Pacific was a fragile railroad. It had suffered from years of inadequate investment as a result of chronically anemic earnings. Many of its locomotives were in poor condition. It had tight capacity limitations in its yards and on its largely single-track mainlines. No appreciable capacity had been added in the Gulf area for decades. On two occasions in recent years, first in the 1980s and again in the 1990s, it had suffered service crises very much like the one we are dealing with now, and those crises took long periods to resolve. In its decision approving the UP/SP merger, the Board stressed SP's huge investment needs and its "inability to generate sufficient capital to provide quality service."

A central purpose of the merger was to address these problems by bringing investment capital to SP, upgrading its principal routes and yards, creating additional capacity through directional running and shorter routes, and achieving major savings and efficiencies. But these steps take time -- more time, as it turned out, than we had before we were hit with this congestion crisis. Our ambitious capital investment plan, involving more than \$1.5 billion in additional investment, requires a number of years to carry out. The complex task of extending UP's computer systems to SP could not be completed all at once, and will not be finished until early next year. The negotiation of implementing agreements with the numerous affected labor unions had to proceed sequentially across various geographic territories, and we do not anticipate it will be completed until the third quarter of next year. The full consolidation of facilities and phase-in of new, more efficient operations also require a number of years.

Pursuant to your decision approving the merger, UP took legal control of SP in September of last year, and, as we reported in our first three quarterly progress reports, merger implementation was going smoothly through the spring of this year. We completed labor implementing agreements and extended UP's Transportation Control System ("TCS") to SP in the Central Corridor area. We instituted shorter, faster routings

for Utah and Colorado coal traffic and SP Northern California and Pacific Northwest lumber and perishables traffic bound to points and junctions in the Midwest. We began operating dramatically improved intermodal services, such as an expedited Chicago-Oakland train that for the first time brought real competition to BNSF in that market. New agreements with rail labor to operate consolidated Denver and Salt Lake City hubs produced significant efficiencies.

As of this spring, however, merger implementation had not yet reached Texas in any significant way. We did not try to implement the UP/SP merger all at once across the entire West -- and indeed could not possibly have done so. We set out to implement the merger deliberately, determined to avoid the problems that we encountered following the CNW merger, in part as a result of over-hasty implementation. So by the end of the spring, we had as yet taken few steps to merge the UP and SP operations and labor forces in Texas and surrounding states. That was scheduled for coming months, as TCS implementation and labor negotiations progressed.

Before that could occur, however, in the late spring and early summer a series of unusual stresses converged to give rise to a serious congestion problem on the Southern Pacific in the Texas-Gulf area, where SP was still being operated as a separate railroad. Those stresses, which we have discussed at length in our earlier reports, included:

- Crew shortages in Texas when, with SP force levels already tight because of many years without any hiring, we were hit with higher-than-anticipated retirements;
- A surge in Gulf Coast plastics, chemicals, other carload and intermodal volumes, and of private cars held for shippers in UP/SP yards, in April and May;
- BNSF's imposition of slow orders and maintenance-of-way curfews on the SP line across southern Louisiana -- which we were required to sell to BNSF as a condition of the merger -- and our loss of access to this line and the associated yards at Avondale and Lafayette for the staging of trains and the classification of traffic;
- Severe washouts on SP mainlines in Texas and Arkansas, and damaging derailments on SP lines in Texas and in SP's strategic Englewood Yard in Houston;
- A need to interrupt traffic flows to conduct urgent maintenance on SP lines in Texas and in the Sunset Corridor;
- Backups of traffic in Texas as a result of the impact of Hurricane Danny on CSX in the Southeast; and
- Backups of traffic bound to Mexico as a result of the transition to a privatized Mexican rail system.

INITIAL RESPONSES

These are the kinds of events that railroads typically deal with, and even SP might have been able to cope

SLOVER & LOFTUS

ATTORNEYS AT LAW

1224 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20036

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ROBERT D. ROSENBERG
CHRISTOPHER A. MILLS
FRANK J. PERGOLIZZI
ANDREW B. KOLESAR III

202 347-7170

November 18, 1997

VIA TELECOPIER

The Honorable Jacob Leventhal
Presiding Administrative Law Judge
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Finance Docket No. 33388, CSX Corporation and CSX
Transportation, Inc., Norfolk Southern Corporation
and Norfolk Southern Railway Company -- Control
and Operating Leases/Agreements -- Conrail Inc.
and Consolidated Rail Corporation

Dear Judge Leventhal:

Please accept this letter as the written Reply of
Consumers Energy Company in opposition to the Motion to Compel
Discovery Responses filed yesterday by the Primary Applicants
(CSX/NS-163). Pages 6-8 of the Motion address certain discovery
objections raised by Consumers in its Initial Objections to CSX's
First Set of Interrogatories and Requests for Production of
Documents (CE-06), served November 12, 1997.

Consumers submits that the Primary Applicants, who
filed their Motion without first attempting to negotiate a
voluntary resolution as required by Paragraph 18 of the Discovery
Guidelines, have failed to carry their burden of demonstrating an
entitlement to an order compelling further discovery from Consum-
ers. As to Consumers, therefore, their Motion should be denied.

The Primary Applicants' Motion is directed at Consum-
ers' objections to three (3) Interrogatories and a single Docu-
ment Request. Consumers has this date served substantive
responses to the remaining fifteen (15) Interrogatories and nine
(9) Document Requests included in CSX's First Set (CSX-46). The
Movants' arguments regarding the objectionable Interrogatories
and Document Request are addressed separately below.

respect to 1997 data for the balance of the Interrogatory, Consumers first notes that three (3) of the subparts (plant location, fuel type and generating capacity) do not change from year to year. The data sought in two (2) others (tons of coal burned and average delivered coal cost) is available on a monthly basis for 1997 from Consumers' publicly-filed FERC Form 423. In effect, then, all that CSX lacks is 1997 data responsive to Interrogatory Nos. 1(d), 1(e), 1(f) and 1(l). As noted above, however, none of the data requested in Interrogatory No. 1 is relevant to issues raised by Consumers in this case. CSX's request for an order compelling production, therefore, should be denied.

Interrogatory No. 8

This Interrogatory seeks information regarding suppliers, volumes and rail transportation for Consumers' spot coal purchases since January 1, 1995. Consumers' objected based on irrelevance, overbreadth and burden. In their Motion, the Primary Applicants argue that the data is important to demonstrate "Consumers' full range of options for coal supply and transportation." They offer no linkage whatsoever, however, between this very broad statement of relevance and any particular issue raised by Consumers in its Comments.

Moreover, all of the information sought by CSX in Interrogatory No. 8 is available either from public documents or from Consumers' responses to other Interrogatories and Document Requests. Consumers' monthly FERC Forms 423 show spot coal purchases by origin and volume, and documents placed by Consumers in its depository in response to other requests show the rail carriers involved in the transportation of coal to each of Consumers' plants. In sum, CSX cannot demonstrate a legitimate, unmet need for relevant evidence that justifies an order compelling an answer to Interrogatory No. 8.

Interrogatory No. 9/Document Request No. 7

Consumers has objected to these requests for details and documents regarding bids for and offers of coal transportation service, on the grounds that the information sought is not relevant to any issue raised by Consumers that must or properly can be resolved in this proceeding. In their Motion, the Primary Applicants respond that the data and documents are relevant "to determining what coal transportation options are

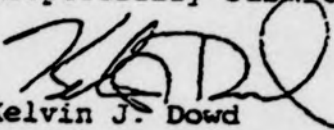
Honorable Jacob Leventhal
November 18, 1997
Page 4

available to Consumers, in light of its contention that it has none." (Motion, at 7-8).

Presumably, the movements' argument relates to the Campbell Station, which is the only plant referred to in Consumers' Comments as being without rail service alternatives. As noted above, the absence of multiple rail access to Campbell is easily proved by reference to maps and other publicly-available documents. Consistent with the limited focus of the Primary Applicants' claim of relevance, however, Consumers is willing to conduct a search for solicitations of or offers for rail coal delivery service to Campbell by carriers other than CSX. Any solicitations made to that carrier, of course, already would be available to it from its own files.

For the reasons explained above, Consumers submits that the Primary Applicants' Motion to Compel Responses to Interrogatory Nos. 1, 8 and 9, and Document Request No. 7 as set forth in CSX-46 should be denied. Pending an alternate resolution of this matter in the interim, Consumers will appear at the discovery conference on November 20 to further defend its objections.

Respectfully submitted,


Kelvin J. Dowd
An Attorney for
Consumers Energy Company

KJD:cef
cc: Restricted Service List

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BRYCE REA, JR.

BRIAN L. TROLANO

ROBERT A. WIMBISH

DONALD E. CROSS (1923-1986)

November 26, 1997

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

RE: Finance Docket No. 33388
Supplement/Revision to Redland Ohio Inc.'s "Opposition,
Comments and Requests for Protective Conditions"
(Redland-2)

Dear Secretary Williams:

I am writing on behalf of Redland Ohio, Inc. ("Redland") in connection with the above-captioned proceeding. As you know, Redland submitted with the Board on October 21st a filing entitled "Opposition, Comments and Requests for Protective Conditions of Redland Ohio, Inc." (hereinafter, "the Pleading"). Upon further review of the facts applicable to its case, and having discussed last week certain discovery matters with CSX's counsel, Redland has agreed to withdraw certain select portions of the Pleading which are identified on the following pages.

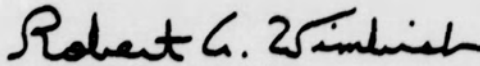
In particular, Redland withdraws "Relief Request No. 2" (set forth on page five of the Pleading) and all text directly supporting that specific protective condition. Attached are the relevant pages of the Pleading which identify the portions of the text now stricken. All other portions of the Pleading remain unchanged. Furthermore, although Redland withdraws as irrelevant a portion of its argument concerning certain of its (or its customers') contracts with Conrail,¹ Redland continues to assert that none of the currently existing rail service contracts that it has (or its customers have) with Conrail can be assumed by CSX post-consummation. Thus, Redland still asserts that it cannot be legally bound to such Conrail contracts beyond the subject transaction's consummation date.

¹ It turns out that the specific contracts at issue will, by their terms, expire before the potential consummation date of NS and CSX's control of Conrail.

Hon. Vernon A. Williams
November 26, 1997
Page Two

Redland respectfully requests that the Board and all parties of record make appropriate note of the attached revisions to the Pleading.

Respectfully submitted,

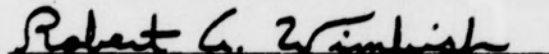

Robert A. Wimbish

Counsel for Redland Ohio, Inc.

Attachment

CERTIFICATE OF SERVICE

I hereby certify that I have this 26th day of November, 1997, served copies of the foregoing document upon the Primary Applicants, ALJ Jacob Leventhal, and all parties of record by means of U.S. mail, first class postage prepaid, or by means of more expeditious delivery.


Robert A. Wimbish

(post-Transaction) single-line routes will also emerge which may or may not be preferable to those existing routes upon which shippers like Redland currently rely.

III. SUMMARY OF REQUESTED RELIEF

For reasons set forth in detail below, Redland opposes the Transaction, and therefore requests that the Board deny the Application. In the event that the Board dismisses Redland's opposition and grants the Application, then, for reasons also set forth below, Redland requests the following relief:

1. Where, as a result of the Transaction, NOW will no longer be a necessary participant in the movement of Redland traffic to CSX, the Board must direct that -- (a) CSX is prohibited from insisting that Redland's Woodville traffic be handled by NOW; (b) CSX is required to provide direct switching services to Redland's Woodville facility; and (c) wherever permissible, CSX must arrange to terminate any contracts that require NOW to provide switching or other intermediate services between Redland's Woodville facility and the nearest CSX connection.
2. ~~With respect to CR Redland rail service contracts with terms extending beyond the consummation date of the Transaction, the Board must prohibit CSX from requiring Redland to route such traffic via Toledo (and CSX routes), where (a) to do so would result in joint CSX-NS service, and (b) an alternative NOW-NS route would be available.~~
3. The Board must direct Applicants to provide to W&LE, upon reasonable terms and conditions, either trackage or haulage rights over an existing NS line from Bellevue, OH, to the NOW interchange at Maple Grove, OH.

the Board, as a condition to consummation of the Transaction, prohibit CSX from requiring any Redland traffic from being switched or otherwise handled by NOW where there is no longer any need for NOW's intermediate services.

[Redland has in place with CR several rate contracts which, by their terms, will or may extend beyond the proposed consummation date for the Transaction. These contracts afford Redland certain fixed rates for single-line CR service via Toledo, OH. These contracts are neither transferrable nor assignable without the express written consent of Redland or CR. As Redland understands the CR contracts, should it so elect, it may terminate these contracts upon consummation of the Transaction. CSX, however, insists that the contracts should be maintained, and cannot be terminated at Redland's election, even though CR will be endeavor to assign such contracts to either CSX or NS.

While this contract issue may not seem at first blush to be problematic, it turns out that CSX is insisting once again upon requiring the inefficient movement of Redland traffic. CSX reasons that -- (1) the CR contracts cannot be terminated by Redland upon consummation of the Transaction; ~~and (2) since the CR contracts provide for routing via Woodville and Toledo, the contract traffic must continue to move via CSX to Toledo, even though the traffic is destined to points on CR that will be served by NS.~~ Redland quite reasonably notes that traffic from

¹⁶ ~~See, Chapman V.C. at 3 and 4.~~

~~Woodville or Millersville intended for NS served points need not be handled jointly by CSX and NS, as CSX seems to propose. Redland has access via NOW to NS, and Redland would prefer to explore the apparent efficiencies of "all NS" routing.~~

~~CSX has no basis to insist that it must "take hostage" traffic that can be more efficiently handled via single line NS routes.~~ To that end, Redland requests that the Board require CSX to establish in this proceeding whether or not it can insist upon retaining for itself, and making subject to its own routing whims, traffic handled pursuant to the above-described CR contracts. If CSX cannot make an appropriate showing, then Redland requests that the Board -- (1) prohibit CSX from taking any actions designed to disregard the specific language of the subject CR contracts; ~~and (2) prohibit CSX from requiring Redland to deliver to CSX at Woodville any and all traffic that would, in order to reach its intended destination, require subsequent interchange with NS.~~

VI. REQUEST FOR PROTECTIVE CONDITION:
WHEELING & LAKE ERIE ACCESS TO REDLAND

Redland recognizes, as do so many Ohio-based shippers and the State of Ohio, that unless either (1) the Applicants take greater strides to preserve the W&LE, or (2) the Board grants conditions to W&LE sufficient to ensure its future viability, the proposed Transaction will not be in the best interests of Ohio. Having assessed the filings thus far submitted by the Applicants and W&LE, and based on conversations it has already undertaken

themselves. In the case back East, it appears that CSX and NS are, similarly, in far too much of a hurry to implement the division of CR to focus attention on the finer but equally important marketing aspects of the proposed Transaction. While the Transaction may ultimately bear fruit for shippers in many cases, NS and CSX's failure to adequately explore prospective or contingent contract and service relationships with Redland, as explained in some detail above, does Redland and its shippers an immediately-felt disservice. The consequence of NS and CSX's action (or inaction) in this instance is counter-productive, anti-competitive, not in the best interests of the shipping public, and for these reasons Redland presently cannot support the Applicants.

In addition, Redland objects to CSX's apparent efforts to force Redland to utilize inefficient service options to and from its Woodville facility, especially when such inefficiencies are wholly avoidable. ~~Redland also objects to CSX's insistence on keeping for itself traffic moving under existing CR rate contracts that could be more efficiently handled by NS post-Transaction.~~ CSX's position is not only objectionable, but, in the event that the Board grants the Application, it warrants the protective relief listed above in the event that the Board grants the Application.

Finally, Redland cannot support any rail Transaction that would threaten the continued viability of an independent W&LE. As explained above, Applicants have done far too little to



STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

CECIL H. UNDERWOOD
GOVERNOR

December 3, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1926 K Street, North West
Washington, D.C. 20423-0001

RE: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company-Control and Operating Leases/Agreements-Conrail, Inc. and Consolidated Rail Corporation ("Application").

Dear Mr. Williams:

As Governor of the State of West Virginia, I applaud the efforts of both Norfolk Southern and CSX on their willingness to be good corporate partners. In early spring I wrote to offer support to the proposed purchase of Conrail. Shortly thereafter, another correspondence from me qualified that support, outlining several issues which were important to the consideration. To the credit of the aforementioned companies, both were able to come to resolution on issues which are important to the future of our State. Please find this letter as the state of West Virginia and our Rail Authority's support for the purchase of Conrail by CSX, CSXT and Norfolk Southern and I rescind any previous objections or qualification for consideration.

I am able to lend my support to the application because Norfolk Southern and CSX have made acceptable agreements on the following:

- Weirton Steel - the largest corporate employer has reported that agreements between Norfolk Southern and Weirton Steel have been reached. Additionally, Weirton Steel Corporation now affirms full support to the proposal of Norfolk Southern and CSX Corporation to acquire control of Conrail.
- The coal producers in the area, known as B&O Coalfields, who once were concerned that Pittsburgh Seam products had a competitive advantage, have withdrawn their protests.

Mr. Vernon A. Williams
Page Two
December 3, 1997

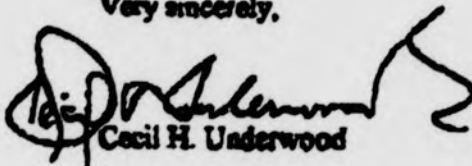
- An agreement for continued Amtrak commuter service between Martinsburg, West Virginia and Washington, D.C. has been reached. CSXT owned lines will continue to be used by Maryland Rail Commuter (MARC).
- The November 3, 1997, Surface Transportation Board order, requiring filing of a Safety Integration Plan, addresses the concerns about the mix of freight and passenger service of Conrail into Norfolk Southern and CSX Transportation.

The joint purchase of Conrail should result in an increase of over 150 new jobs in West Virginia. Most of these new jobs are a result of the acquisition of nearly half of Conrail's locomotives by CSX and the expansion of the heavy repair shop in Huntington, West Virginia. This increase in CSX Transportation's presence in West Virginia and Norfolk Southern's investment of \$10 million in track upgrade means formidable increases in the rail services in West Virginia.

I have been assured that no West Virginia customer will face a loss of competitive rail options, and furthermore, no route abandonments are anticipated as a result of this purchase.

Now, more than ever, I am convinced that a purchase of Conrail by CSX Transportation and Norfolk Southern has lasting benefits to West Virginia businesses and citizens. In keeping with our mission to grow the economy, we look forward to the advantage realized as a result of this approval.

Very sincerely,



Cecil H. Underwood

CHU/fm

cc: Mr. John Snow
Mr. David R. Goode

AGREEMENT made and entered into this 1st of February, 1980, by and between CONSOLIDATED RAIL CORPORATION (Lessee and operator of the BUFFALO CREEK RAILROAD) for the purpose of this Agreement hereinafter called "Owner" and THE BALTIMORE AND OHIO RAILROAD COMPANY hereinafter called "User,".

WHEREAS, User prior to January 1, 1900, has been operating over the Buffalo Creek Railroad, between the points hereinafter described, by authority granted on October 25, 1869, to User by the Common Council of the City of Buffalo, New York, without the benefit of a formal agreement.

WHEREAS, Owner and User desire to establish the terms and conditions on which User will continue to operate over the Buffalo Creek Railroad.

THEREFORE, the parties hereto, intending to be legally bound agree as follows:

Section 1. Subject to the terms and conditions herein provided, User shall have the right to operate its locomotives, cars and trains with its own crews, in either direction over the following segment of Owner's railroad (hereinafter referred to as the "Joint Trackage"):

Over the entire length of Owner's tracks, totalling approximately 5.66 miles, between Williams Street (near Howard Street) and end of Owner's track at Peck Slip (near Michigan Avenue), all in the City of Buffalo, New York, with right to enter or leave at any junction point Owner may have with another railroad.

The Joint Trackage is shown as the dashed line on the plan attached hereto as Exhibit I.

Section 2. Except as otherwise provided below, this Agreement is subject to and shall be governed by the "General Conditions - Form A" which is attached hereto and which is incorporated herein by reference with the same effect as if set forth at length. This Agreement shall not be effective unless the parties hereto, in addition to executing this Agreement, have also executed said General Conditions in the space provided therefor at the end thereof.

Section 3. For the purpose of applying Article 2 of the General Conditions, the Base Charge to be paid by User for the trackage rights covered by this Agreement shall be \$2.26 per car, locomotive or caboose, effective as of January 1, 1980.

Section 4. This Agreement shall be effective as of January 1, 1980, and it is understood and agreed that the proper charges, as stated in Section 3 herein will be assessed beginning on that date hereinafter referred to as the "Effective Date."

Section 5. Any notice required or permitted to be given by one party to the other under this agreement shall be addressed as follows:

- (a) If to the Owner, c/o Vice President-Operations,
Six Penn Center Plaza, Philadelphia,
Pennsylvania 19104
- (b) If to the User, c/o Vice President-Transportation,
Two North Charles Street, Baltimore,
Maryland 21201

Section 6. These trackage rights are granted for the purpose of User using same for bridge rights only and User shall not perform any local freight service whatever at any point located on the Joint Trackage. User shall not use any part of the Joint Trackage for the purpose of switching, storage of cars, making or breaking up of trains, except that nothing contained herein shall, upon approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized.

ATTEST:

A. C. Kneale
Assistant Secretary

CONSOLIDATED RAIL CORPORATION,
LESSEE & OPERATOR OF THE BUFFALO
CREEK RAILROAD

By *Stuart M. Paul*

ATTEST:

F. J. Sullivan
Assistant Secretary

THE BALTIMORE & OHIO RAILROAD
COMPANY

By *EC Rainbow*
Vice President-Transportation

Legal Form

TO TRackage RIGHTS AGREEMENT OF Feb. 1, 1908 BETWEEN
CONSOLIDATED RAIL CORPORATION (LESSEE AND
OPERATOR OF THE BUFFALO CREEK RAILROAD) AND
THE BALTIMORE AND OHIO RAILROAD COMPANY

Article 1. USE OF TRackage

(a) User's use of the Joint Trackage shall be in common with Owner, whose right to use the Joint Trackage shall not be diminished by this Agreement and who shall have the right to grant rights in the Joint Trackage to other railroads.

(b) Owner shall have exclusive control of the management and operation of the Joint Trackage.

(c) Unless otherwise stated in the Agreement to which these conditions pertain, User shall have the right to operate in either direction over the Joint Trackage.

(d) These trackage rights shall include User's right to elect, at any time during the term of this Agreement, to operate its trains on to or off the Joint Trackage wherever said Joint Trackage crosses or connects with User. If, in the judgment of Owner, the above requires additional connections, same shall be paid for by User under the terms of this Agreement.

Article 2. COMPENSATION FOR TRackage RIGHTS

(a) As compensation for the trackage rights User will pay Owner a sum computed by multiplying (i) the Base Charge specified in Section 3 of the Agreement to which these General Conditions pertain by (ii) the number of cars (loaded or empty), locomotive and caboose units moved by User with its own crews and power over the Joint Trackage. The Base Charge shall be subject to change to reflect any increase or decrease subsequent to

the effective date of this Agreement in labor, material, and other costs, as more fully set forth below.

(b) User shall furnish to Owner, at the end of each month, a certified statement of the number of cars, locomotives and cabooses moved over the Joint Trackage during the month. All payments called for under this Article 2 shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, but any discrepancies reconciled between parties hereto shall be adjusted in the accounts of a subsequent month. The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party hereto.

(c) The Base Charge set forth in Section 3 of the Agreement to which these general conditions pertain shall be escalated, upward or downward, effective January 1st of each year beginning January 1, 1981, to compensate for 75% of the increase or decrease in the cost of labor and material, excluding fuel, as reflected in the final Annual Indexes of Charge-Out Prices and Wage Rates (1967=100), Series Q-MPW; included in "Indexes of Railroad Material Prices and Wage Rates" and supplements thereto, issued by the Association of American Railroads. In making such determination, the final "Material prices, wage rates and supplements combined (excl. fuel) a" index for the Eastern District shall be used and the final index figure for the calendar year 1978 shall be taken as the base. The method of escalating the

Base Charge shall be determined by calculating the percent of increase, or decrease, in the index of the year to be escalated as related to the 1978 base. Multiply this percentage of increase or decrease by 75% and then multiply this new percentage by the base charge to obtain the incremental change. This will be added to or subtracted from the base to establish the escalated charge.

By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excl. fuel) a" final index figure for the calendar year 1978, "B" to be the "Material prices, wage rates and supplements combined (excl. fuel) a" final index figure for the calendar year 1979, "C" to be the Base Charge, "D" to be the percent of increase or decrease and "E" to be the adjusted escalated percent of increase or decrease, the rate in Section 3 of this Agreement would then be determined by the following formula:

$$(1) \quad \frac{B - A}{A} = D$$

$$(2) \quad D \times 75\% = E$$

$$(3) \quad (C \times E) + C = \text{escalated charge effective January 1, 1981}$$

In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the Association of American Railroads shall be changed from the year 1967, appropriate revision shall be made in the base (established as herein provided) for the calendar year 1978. If the Association of American Railroads or any successor organization discontinues publication of the Annual Indexes of Charge-Out Prices

and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto.

(d) At the option of either party hereto, the compensation provided for in Section 3 of the Agreement to which these general conditions pertain and Article 2 hereof shall be open to renegotiation every five (5) years from the effective date of this Agreement.

Article 3. CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

User shall furnish all labor and material and shall maintain, repair and renew at its sole cost and expense, such portions of the tracks which connect the respective lines of the parties at the termini of the Joint Trackage as are located on the right-of-way of User.

Owner shall furnish all labor and material and shall maintain, repair and renew, at the sole cost and expense of User the portions of the track connections between said tracks of the parties hereto, located on the right-of-way of Owner.

Any other connections or facilities already existing and used jointly by the parties hereto shall continue to be maintained, repaired and renewed by and at the expense of the party or parties responsible for such maintenance under existing agreements or practices.

Article 4. ADDITIONS, RETIREMENTS AND ALTERATIONS

Owner, from time to time, may make such changes in, additions to or retirements from the Joint Trackage as shall,

in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation or ordinance promulgated by any government body having jurisdiction. Such additions shall become a part of the Joint Trackage and such retirements shall be excluded from the Joint Trackage.

If the parties mutually agree that changes in or additions to the Joint Trackage, including changes in communication or signal facilities, are required to accommodate User's operations beyond that required by Owner to accommodate its own operations, Owner shall construct the additional or altered facilities and User shall pay to Owner the cost of such additions or alterations, including the annual expense of maintaining, repair and renewing such additional or altered facilities.

Article 5. MAINTENANCE OF TRACKAGE SECTION

Owner shall maintain, repair and renew the Joint Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Joint Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Joint Trackage or that operation thereof will not be interrupted. Furthermore, User shall not by reason of failure or neglect on the part of Owner to maintain, repair or renew the Joint Trackage, have or make any claim or demand against Owner for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of

any property whatsoever, resulting from any such neglect or failure.

Owner shall also perform, at the expense of User, such additional maintenance as User may require.

Article 6. MANAGEMENT AND OPERATION

(a) User shall comply with the provisions of the Federal Boiler Inspection Act and the Federal Safety Appliance Act, as amended, and any other laws, regulations or rules, state or federal, respecting the condition, inspection or safety of its locomotives and cars while such locomotives and cars are operated over the Joint Trackage. User shall indemnify, protect and save Owner harmless from all fines, penalties and liabilities imposed upon Owner under any such laws, rules and regulations by any public authority or court having jurisdiction in the premises, when attributable solely to the failure of User to comply with its obligations in this regard.

(b) User agrees that in its use of the Joint Trackage it will comply in all respects with the operating rules and regulations of Owner, and that the movement of User's trains, locomotives, cars and equipment over the Joint Trackage section shall at all times be subject to the orders of the transportation officers of Owner.

User shall make such arrangements with Owner as may be required to have all of its employees who shall operate its trains, locomotives, cars and equipment over the Joint Trackage qualified for

operation thereover, and User shall pay to Owner, promptly upon receipt of bills therefor, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner, to be properly qualified for operation as herein contemplated.

In the event that Owner shall conduct an investigation or hearing concerning the violation of any operating rule or practice of Owner by User's employees, User shall be notified in advance of any such investigation or hearing, and such investigation or hearing may be attended by any official designated by User and any such investigation or hearing shall be conducted in accordance with the collective bargaining agreements, if any, that pertain to Users' employee or employees required to attend such hearings.

Owner shall not be prohibited from barring from joint trackage any employee of User, not including officers, determined by Owner, as the result of such investigation or hearing described above, to be in violation of Owner's rules, regulations, orders, practices or instructions issued by Timetable or otherwise.

It is understood that the trains, locomotives, cars and equipment of User and Owner shall be operated without prejudice or partiality to either party and in such manner as will afford each party the most economical and efficient manner of movement of its traffic.

(c) If by any reason of mechanical failure or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled and unable to proceed under its own power, or fails to maintain the speed required by Owner on the Joint Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Joint Trackage, Owner shall have the option to furnish motive power or such other assistance as may be necessary to haul, help or push such trains, or to properly move the disabled equipment off the Joint Trackage section, and User shall reimburse Owner for the cost of rendering any such assistance.

If it becomes necessary to make repairs to, or to adjust or transfer the lading of, such crippled or defective cars in order to move them off the Joint Trackage, such work shall be done by forces of Owner, and User shall reimburse Owner for the cost thereof in accordance with the then current Code of Rules of the Association of American Railroads.

Article 7. PER DIEM

All mileage and per diem charges accruing on cars in User's trains on the Joint Trackage shall be assumed by User and reported and paid by it direct to the owner of such cars.

Article 8. CLEARING OF WRECKS

Whenever User's use of the Joint Trackage requires wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of

roadbed, track and structures, and the cost and expense thereof shall be apportioned in accordance with the provisions of Article 9 hereof. All cars and equipment, and salvage from the same so picked up and removed which is owned by or under the management and control of or used by User at the time of such wreck, shall be promptly delivered to it.

Article 9. LIABILITY

Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, occurs with the trains, locomotives, cars or equipment of one party only being involved, that party shall assume all liability therefor, and all cost and expense in connection therewith, and shall indemnify the other party against and save it harmless from any such liability, cost and expense. When any such loss, damage, destruction, injury or death occurs with the trains, locomotives, cars or equipment of both parties being involved, each party agrees to assume all liability for loss of or damage to said trains, locomotives, cars, or equipment operated by it (including lading) and for injury to or death of its sole employees and persons in its care and custody, and the parties further agree that injury to or death of any other person or persons whomsoever and loss, damage or destruction of all other property (including the trackage section) so occurring, shall be borne equally by them. The foregoing provisions shall apply regardless of considerations of fault or negligence.

In every case of death or injury suffered by an employee of either User or Owner, when compensation to such employees or employees' dependents is required to be paid under any Workmen's Compensation, occupational disease, employers' liability or other law and either of said parties, under the provisions of this Agreement, is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such parties shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

Article 10. PAYMENT OF BILLS

(a) Bills rendered pursuant to the provisions of this Agreement, other than those provided in Article 2 hereof, shall include direct labor and material costs, together with the surcharges, overhead percentages and equipment rentals in effect at the time any work is performed by Owner, as specified in the then current Rules Covering Preparation of Joint Facility and Other Bills Between Carriers and the Schedule of Equipment Rental and Other Rental Rates for Use Between Carriers, promulgated by the General Managers Association of Chicago or its successor organization.

(b) In the event that Owner and User should mutually agree that Owner should hire additional employees for the sole benefit of User under this Agreement, User will enter into a separate Agreement with Owner under which it will assume obligations

for protection of any such employee in the event of his subsequent displacement during the term of or upon termination of this Agreement.

Article 11. DEFAULT AND TERMINATION

In the event of any substantial failure on the part of the User to perform its obligations under this Agreement, and its continuance in such default for a period of sixty (60) days, the Owner shall have the right, at its option, after first giving thirty (30) days written notice thereof by certified mail, and notwithstanding any waiver by the Owner of any prior breach thereof, to terminate the use of the facilities by the User and in the exercise of such right, the Owner shall not impair its right under this Agreement or any rights of action against the User for the recovery of damages.

Article 12. TERM

(a) This Agreement shall continue in full force and effect for a period of thirty (30) years from said effective date; provided, however, that User shall have the right, on giving twelve (12) months' advance notice to Owner, to terminate this Agreement.

(b) The User shall have the right to renew its rights for an additional thirty (30) year term (subject to User's right to terminate, as above) by giving written notice thereof to the Owner at least six (6) months before expiration of the initial term; upon the exercise of that option, the parties shall, in good faith, renegotiate the terms and conditions under which the rights are exercised, and shall adjust them as may be reasonable and equitable light of any changed circumstances arising during the initial term.

(c) If Owner secures proper regulatory authority to discontinue its own operations over the Joint Trackage (or any portion thereof), Owner shall not abandon the Joint Trackage (or portion thereof) without first giving User the right of first refusal to purchase it for its then fair market value. Such option must be exercised within sixty (60) days after Owner gives notice to User of its desire to abandon the Joint Trackage (or portion thereof).

Article 13.. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective lessees, successors and assigns, and shall continue for the term aforesaid, unless and until terminated by giving notice as aforesaid, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed, or from any liability which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof. Neither party hereto shall assign or transfer this Agreement or any of its rights hereunder, without obtaining the prior written consent of the other party, except that the rights granted by this Agreement shall pass to the successor of substantially all the property or franchise of Owner.

WITNESS WHEREOF, the parties hereto have caused this
to be executed by their respective officers thereunto

ATTEST

WIT

M. J. Kane
Assistant Secretary

WIT

R. K. Sullivan
Assistant Secretary

CONSOLIDATED RAIL CORPORATION
LESSEE & OPERATOR OF THE BUFFALO
CREEK RAILROAD

By

Stuart M. Reed
President

THE BALTIMORE AND OHIO RAILROAD
COMPANY

By

R. C. Rayburn
Vice President-Transportation

Legal Form

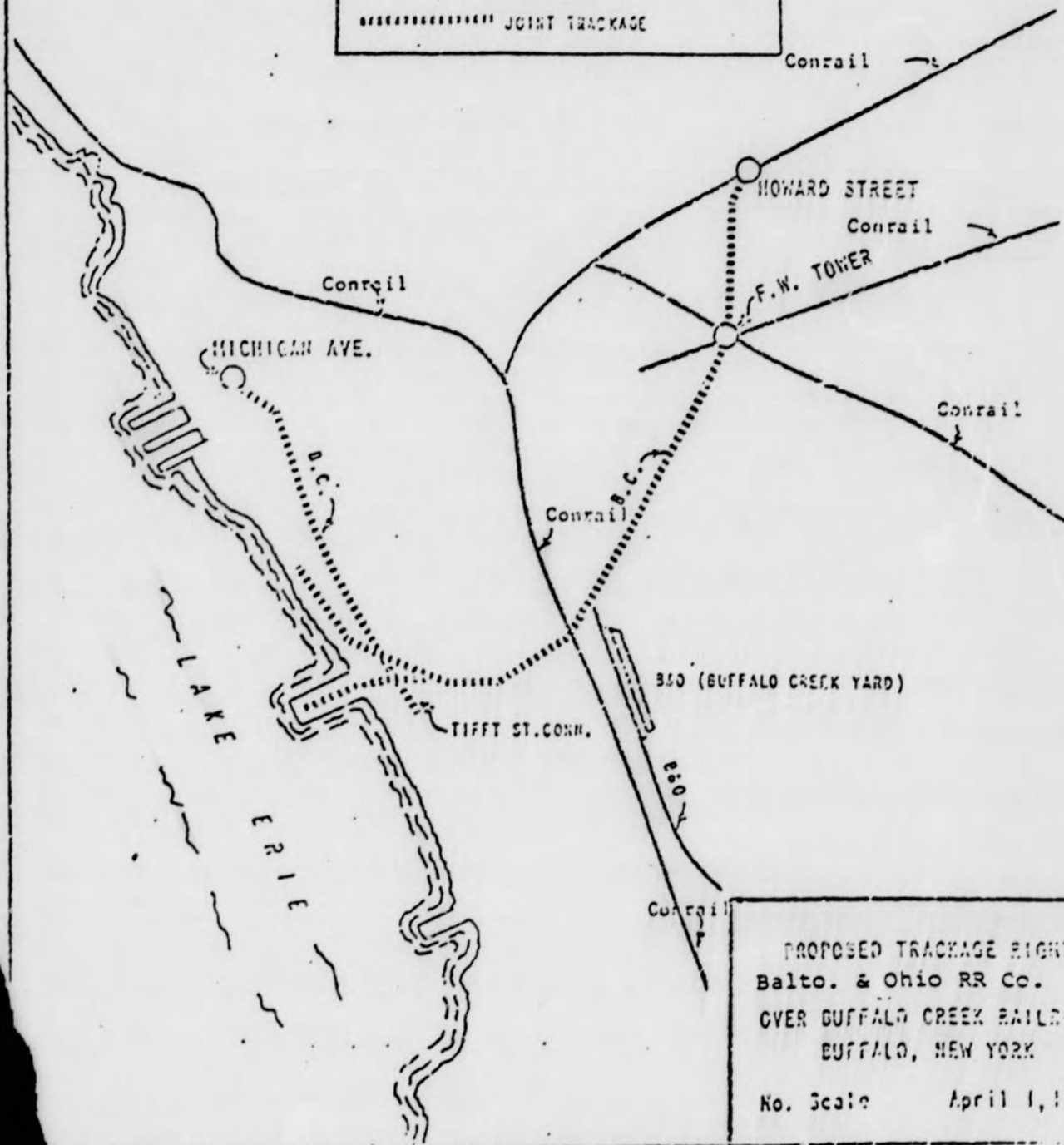
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BUFFALO, N. Y.

- LEGEND -

----- JOINT TRACKAGE



**CONTRACT ADMINISTRATION
CONSOLIDATED RAIL CORPORATION**

Joint Facility: Trackage Rights

Location Desc: CP 437 -CP2 Chicago Line

Location: Buffalo

State: NY

| Line Name | Line Code | From MP | To MP |
|------------------|-----------|---------|-------|
| Buffalo Creek IT | 30-6467 | 2.1 | 4.1 |
| Chicago Line | 30-4800 | 437. | 0 |

Other Parties: CSXT

Agreement Date: 2/1/80

Termination Date:

Renegotiation Date:

Termination:

Thirty (30) years from Agreement date. User has right to terminate by giving twelve (12) months advance written notice.

Provisions:

CSXT will pay for each car moving over former Buffalo Creek Railway tracks.

Compensation:

CSXT pays Conrail a flat rate per loaded or empty car, locomotive and caboose. Rate subject to review.

REC J046026

Brief Status: Active

Registry Number: 236815

Last Update: 5/14/97

CONRAIL



AGREEMENT FILE

ALBANY DIVISION #45

CONTRACT ADMINISTRATION
CONSOLIDATED RAIL CORPORATION

JOINT FACILITY: Trackage Rights

LOCATION: Buffalo, NY
MP 0.0 to MP 4.1 - LC 6467

AGREEMENT DATA:

OTHER PARTY(S): CSX Transportation

DATE: 2/1/1980

TERMINATION: Thirty (30) years from Agreement date.
User has right to terminate by giving
twelve (12) months advance notice.

PROVISIONS: CSXT will pay for each car moving over
former Buffalo Creek Railway tracks.

COMPENSATION: CSXT pays Conrail a flat rate per loaded
or empty car, locomotive and caboose.
Rate subject to review.



A/R 46026

ISSUED JUL 26 1991
(Date)

REGISTRY NO. 236815

CR 11 P 000506

236 815

AGREEMENT made and entered into this 1st day of February, 1980, by and between CONSOLIDATED RAIL CORPORATION, (Lessee and operator of the BUFFALO CREEK RAILROAD) for the purpose of this Agreement hereinafter called "Owner" and THE CHESAPEAKE AND OHIO RAILWAY COMPANY, hereinafter called "User",

WHEREAS, the United States Railway Association in the Final System Plan, has designated trackage rights to User over the Buffalo Creek Railroad as hereinafter described.

THEREFORE, the parties hereto, intending to be legally bound agree as follows:

Section 1. Subject to the terms and conditions herein provided, User shall have the right to operate its locomotives, cars and trains with its own crews, in either direction over the following segment of Owner's railroad (hereinafter referred to as the "Joint Trackage"):

Over the entire length of Owner's tracks, totalling approximately 5.60 miles, between Williams Street (near Howard Street) and end of Owner's tracks at Peck Slip (near Michigan Avenue), all in the City of Buffalo, New York, with right to enter or leave at any junction point Owner may have with another railroad.

The Joint Trackage is shown as the dashed line on the plan attached hereto as Exhibit 1).

Section 2. Except as otherwise provided below, this Agreement is subject to and shall be governed by the "General Conditions - Form A" which is attached hereto and which is incorporated herein by reference with the same effect as if set forth at length. This Agreement shall not be effective unless the parties hereto, in

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STB

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addition to executing this Agreement, have also executed said General Conditions in the space provided therefor at the end thereof.

Section 3. For the purpose of applying Article 2 of the General Conditions, the Base Charge to be paid by User for the trackage rights covered by this Agreement shall be \$2.26 per car, locomotive or caboose, effective as of January 1, 1980.

Section 4. This Agreement shall be effective as of January 1, 1980, and it is understood and agreed that the proper charges, as stated in Section 3 herein will be assessed beginning on that date, hereinafter referred to as the "Effective Date."

Section 5. Any notice required or permitted to be given by one party to the other under this Agreement shall be addressed as follows:

- (a) If to the Owner, c/o Vice President-
Operations, Six Penn Center Plaza,
Philadelphia, Pennsylvania 19104
- (b) If to the User, c/o Vice President-
Transportation, Two North Charles Street,
Baltimore, Maryland 21201

Section 6. These trackage rights are granted for the purpose of User using same for bridge rights only and User shall not perform any local freight service whatever at any point located on the Joint Trackage. User shall not use any part of the Joint Trackage for the purpose of switching, storage of cars, making or breaking up of trains, except that nothing contained herein shall, upon approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for

236 815

such purpose.

IN WITNESS WHEREOF, the parties hereto have caused
this agreement to be executed by their respective officers there-
unto duly authorized.

ATTEST:

Willard
Secretary

CONSOLIDATED RAIL CORPORATION,
LESSEE & OPERATOR OF THE BUFFALO
CREEK RAILROAD

By *Stuart M. Reed*
President

ATTEST:

J. J. [illegible]
Secretary

THE CHESAPEAKE AND OHIO RAILWAY
COMPANY

By *R. C. [illegible]*
Vice President-Transportation

CR 11 P 000509

GENERAL CONDITIONS - FORM A

TO TRACKAGE RIGHTS AGREEMENT OF February 1st, 1980 BETWEEN

CONSOLIDATED RAIL CORPORATION (LESSEE AND
OPERATOR OF THE BUFFALO CREEK RAILROAD) AND
THE CHESAPEAKE AND OHIO RAILROAD COMPANY

Article 1. USE OF TRACKAGE

(a) User's use of the Joint Trackage shall be in common with Owner, whose right to use the Joint Trackage shall not be diminished by this Agreement and who shall have the right to grant rights in the Joint Trackage to other railroads.

(b) Owner shall have exclusive control of the management and operation of the Joint Trackage.

(c) Unless otherwise stated in the Agreement to which these conditions pertain, User shall have the right to operate in either direction over the Joint Trackage.

(d) These trackage rights shall include User's right to elect, at any time during the term of this Agreement, to operate its trains on to or off the Joint Trackage wherever said Joint Trackage crosses or connects with User. If, in the judgment of Owner, the above requires additional connections, same shall be paid for by User under the terms of this Agreement.

Article 2. COMPENSATION FOR TRACKAGE RIGHTS

(a) As compensation for the Trackage Rights, User will pay Owner a sum computed by multiplying (i) the Base Charge specified in Section 3 of the Agreement to which these General Conditions pertain by (ii) the number of cars (loaded or empty), locomotive and caboose units moved by User with its own crews and power over the Joint Trackage. The Base Charge shall be subject to change to reflect any increase or decrease subsequent to the effective date of this Agreement

CR 11 P 000510

in labor, material, and other costs, as more fully set forth below.

(b) User shall furnish to Owner, at the end of each month, a certified statement of the number of cars, locomotives and cabooses moved over the Joint Trackage during the month. All payments called for under this Article 2 shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, but any discrepancies reconciled between parties hereto shall be adjusted in the accounts of a subsequent month. The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party hereto.

(c) The Base Charge set forth in Section 3 of the Agreement to which these general conditions pertain shall be escalated, upward or downward, effective January 1st of each year beginning January 1, 1981, to compensate for 75% of the increase or decrease in the cost of labor and material, excluding fuel, as reflected in the final Annual Indexes of Charge-Out Prices and Wage Rates (1967 = 100), Series Q-MFW, included in "Indexes of Railroad Material Prices and Wage Rates" and supplements thereto, issued by the Association of American Railroads. In making such determination, the final "Material prices, wage rates and supplements combined (excl. fuel) a" index for the Eastern District shall be used and the final index figure for the calendar year 1978 shall

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be taken as the base. The method of escalating the Base Charge shall be determined by calculating the percent of increase, or decrease, in the index of the year to be escalated as related to the 1978 base. Multiply this percentage of increase or decrease by 75% and then multiply this new percentage by the base charge to obtain the incremental change. This will be added to or subtracted from the base to establish the escalated charge.

By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excl. fuel) a" final index figure for the calendar year 1978, "B" to be the "Material prices, wage rates and supplements combined (excl. fuel) a" final index figure for the calendar year 1979, "C" to be the Base Charge, "D" to be the percent of increase or decrease and "E" to be the adjusted escalated percent of increase or decrease, the rate in Section 3 of this Agreement would then be determined by the following formula:

$$(1) \quad \frac{B - A}{A} = D$$

$$(2) \quad D \times 75\% = E$$

$$(3) \quad (C \times E) + C = \text{escalated charge effective January 1, 1981}$$

In the event the base for the Annual Indexes of Charge-Out Prices and Wage Rates issued by the Association of American Railroads shall be changed from the year 1967, appropriate revision shall be made in the base (established as herein provided) for the calendar year 1978. If the Association of American Railroads or any successor organization discontinues publication of the Annual Indexes of Charge-Out Prices and Wage Rates, an appropriate substitute for

CR 11 P 000512

determining the percentage of increase or decrease shall be negotiated by the parties hereto.

(d) At the option of either party hereto, the compensation provided for in Section 3 of the Agreement to which these general conditions pertain and Article 2 hereof shall be open to renegotiation every five (5) years from the effective date of this Agreement.

Article 3. CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

User shall furnish all labor and material and shall maintain, repair and renew at its sole cost and expense, such portions of the tracks which connect the respective lines of the parties at the termini of the Joint Trackage as are located on the right-of-way of User.

Owner shall furnish all labor and material and shall maintain, repair and renew, at the sole cost and expense of User the portions of the track connections between said tracks of the parties hereto, located on the right-of-way of Owner.

Any other connections or facilities already existing and used jointly by the parties hereto shall continue to be maintained, repaired and renewed by and at the expense of the party or parties responsible for such maintenance under existing agreements or practices.

Article 4. ADDITIONS, RETIREMENTS AND ALTERATIONS

Owner, from time to time, may make such changes in, additions to or retirements from the Joint Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule,

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regulation or ordinance promulgated by any government body having jurisdiction. Such additions shall become a part of the Joint Trackage and such retirements shall be excluded from the Joint Trackage.

If the parties mutually agree that changes in or additions to the Joint Trackage, including changes in communication or signal facilities, are required to accommodate User's operations beyond that required by Owner to accommodate its own operations, Owner shall construct the additional or altered facilities and User shall pay to Owner the cost of such additions or alterations, including the annual expense of maintaining, repair and renewing such additional or altered facilities.

Article 5. MAINTENANCE OF TRACKAGE SECTION

Owner shall maintain, repair and renew the Joint Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Joint Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Joint Trackage or that operation thereof will not be interrupted. Furthermore, User shall not by reason of failure or neglect on the part of Owner to maintain, repair or renew the Joint Trackage, have or make any claim or demand against Owner for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, resulting from any such neglect or failure.

Owner shall also perform, at the expense of User, such additional maintenance as User may require.

Article 6. MANAGEMENT AND OPERATION

(a) User shall comply with the provisions of the Federal Boiler Inspection Act and the Federal Safety Appliance Act, as amended, and any other laws, regulations or rules, state or federal, respecting the condition, inspection or safety of its locomotives and cars while such locomotives and cars are operated over the Joint Trackage. User shall indemnify, protect and save Owner harmless from all fines, penalties and liabilities imposed upon Owner under any such laws, rules and regulations by any public authority or court having jurisdiction in the premises, when attributable solely to the failure of User to comply with its obligations in this regard.

(b) User agrees that in its use of the Joint Trackage it will comply in all respects with the operating rules and regulations of Owner, and that the movement of User's trains, locomotives, cars and equipment over the Joint Trackage section shall at all times be subject to the orders of the transportation officers of Owner.

User shall make such arrangements with Owner as may be required to have all of its employees who shall operate its trains, locomotives, cars and equipment over the Joint Trackage qualified for operation thereover, and User shall pay to Owner, promptly upon receipt of bills therefor, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer

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of Owner, to be properly qualified for operation as herein contemplated.

In the event that Owner shall conduct an investigation or hearing concerning the violation of any operating rule or practice of Owner by User's employees, User shall be notified in advance of any such investigation or hearing, and such investigation or hearing may be attended by any official designated by User and any such investigation or hearing shall be conducted in accordance with the collective bargaining agreements, if any, that pertain to Users' employee or employees required to attend such hearings.

Owner shall not be prohibited from barring from joint trackage any employee of User, not including officers, determined by Owner, as the result of such investigation or hearing described above, to be in violation of Owner's rules, regulations, orders, practices or instructions issued by Timetable or otherwise.

It is understood that the trains, locomotives, cars and equipment of User and Owner shall be operated without prejudice or partiality to either party and in such manner as will afford each party the most economical and efficient manner of movement of its traffic.

(c) If by any reason of mechanical failure or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled and unable to proceed under its own power, or fails to maintain the speed required by Owner on the Joint Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Joint Trackage,

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Owner shall have the option to furnish motive power or such other assistance as may be necessary to haul, help or push such trains, or to properly move the disabled equipment off the Joint Trackage section, and User shall reimburse Owner for the cost of rendering any such assistance.

If it becomes necessary to make repairs to, or to adjust or transfer the lading of, such crippled or defective cars in order to move them off the Joint Trackage, such work shall be done by forces of Owner, and User shall reimburse Owner for the cost thereof in accordance with the then current code of Rules of the Association of American Railroads.

Article 7. PER DIEM

All mileage and per diem charges accruing on cars in User's trains on the Joint Trackage shall be assumed by User and reported and paid by it direct to the owner of such cars.

Article 8. CLEARING OF WRECKS

Whenever User's use of the Joint Trackage requires wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of road-bed, track and structures, and the cost and expense thereof shall be apportioned in accordance with the provisions of Article 9 hereof. All cars and equipment, and salvage from the same so picked up and removed which is owned by or under the management and control of or used by User at the time of such wreck, shall be promptly

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delivered to it.

Article 6. LIABILITY

Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whatsoever, occurs with the trains, locomotives, cars or equipment of one party only being involved, that party shall assume all liability therefor, and all cost and expense in connection therewith, and shall indemnify the other party against and save it harmless from any such liability, cost and expense. When any such loss, damage, destruction, injury or death occurs with the trains, locomotives, cars or equipment of both parties being involved, each party agrees to assume all liability for loss of or damage to said trains, locomotives, cars, or equipment operated by it (including loading) and for injury to or death of its sole employees and persons in its care and custody, and the parties further agree that injury to or death of any other person or persons whatsoever and loss, damage or destruction of all other property (including the trackage section) so occurring, shall be borne equally by them. The foregoing provisions shall apply regardless of considerations of fault or negligence.

In every case of death or injury suffered by an employee of either User or Owner, when compensation to such employee or employee's dependents is required to be paid under any Workmen's Compensation, occupational disease, employers' liability or other law and either of said parties, under the provisions of this Agreement, is required to pay said compensation, if such compensation

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is required to be paid in installments over a period of time, such parties shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

Article 10. PAYMENT OF BILLS

(a) Bills rendered pursuant to the provisions of this Agreement, other than those provided in Article 2 hereof, shall include direct labor and material costs, together with the surcharges, overhead percentages and equipment rentals in effect at the time any work is performed by Owner, as specified in the then current Rules Covering Preparation of Joint Facility and Other Bills Between Carriers and the Schedule of Equipment Rental and Other Rental Rates for Use Between Carriers, promulgated by the General Managers Association of Chicago or its successor organization.

(b) In the event that Owner and User should mutually agree that Owner should hire additional employees for the sole benefit of User under this Agreement, User will enter into a separate Agreement with Owner under which it will assume obligations for protection of any such employee in the event of his subsequent displacement during the term of or upon termination of this Agreement.

Article 11. DEFAULT AND TERMINATION

In the event of any substantial failure on the part of the User to perform its obligations under this Agreement, and its continuance in such default for a period of sixty (60) days,

the Owner shall have the right, at its option, after first giving thirty (30) days written notice thereof by certified mail, and notwithstanding any waiver by the Owner of any prior breach thereof, to terminate the use of the facilities by the User and in the exercise of such right, the Owner shall not impair its right under this Agreement or any rights of action against the User for the recovery of damages.

Article 12. TERM

(a) This Agreement shall continue in full force and effect for a period of thirty (30) years from said effective date; provided, however, that User shall have the right, on giving twelve (12) months' advance notice to Owner, to terminate this Agreement.

(b) The User shall have the right to renew its rights for an additional thirty (30) year term (subject to User's right to terminate, as above) by giving written notice thereof to the Owner at least six (6) months before expiration of the initial term; upon the exercise of that option, the parties shall, in good faith, renegotiate the terms and conditions under which the rights are exercised, and shall adjust them as may be reasonable and equitable in the light of any changed circumstances arising during the initial term,

(c) If Owner secures proper regulatory authority to discontinue its own operations over the Joint Trackage (or any portion thereof), Owner shall not abandon the Joint Trackage (or

portion thereof) without first giving User the right of first refusal to purchase it for its then fair market value. Such option must be exercised within sixty (60) days after Owner gives notice to User of its desire to abandon the Joint Trackage (or portion thereof).

Article 13. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective lessees, successors and assigns, and shall continue for the term aforesaid, unless and until terminated by giving notice as aforesaid, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed, or from any liability which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof. Neither party hereto shall assign or transfer this Agreement or any of its rights hereunder, without obtaining the prior written consent of the other party, except that the rights granted by this Agreement shall pass to the successor of substantially all the property or franchise of Owner.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized.

ATTEST:

Will P. [Signature]
Assistant Secretary

ATTEST:

[Signature]
Assistant Secretary

CONSOLIDATED RAIL CORPORATION,
LESSEE & OPERATOR OF THE BUFFALO
CREEK RAILROAD

By

[Signature]
President

THE CHESAPEAKE AND OHIO RAILWAY
COMPANY

By

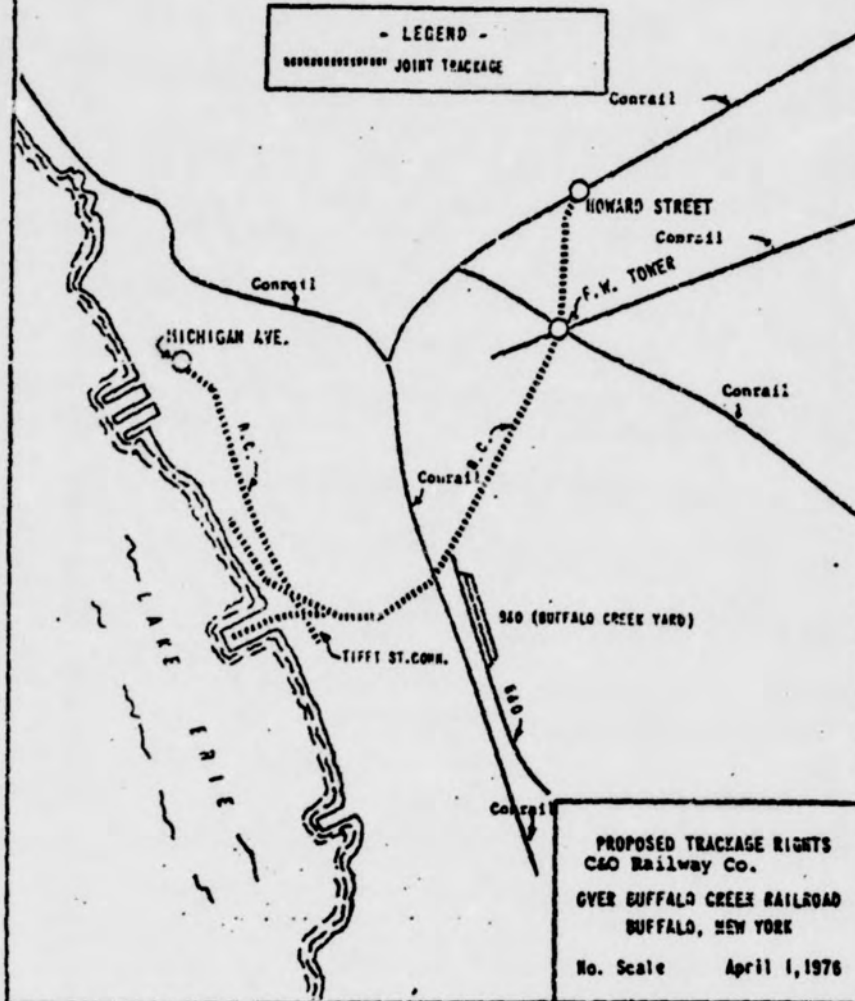
[Signature]
Vice President-Transportation



BUFFALO, N. Y.

- LEGEND -

JOINT TRACKAGE



PROPOSED TRACKAGE RIGHTS
C&O Railway Co.

OVER BUFFALO CREEK RAILROAD
BUFFALO, NEW YORK

No. Scale April 1, 1976

AGREEMENT

Dated as of FEBRUARY 10, 1988
between

CONSOLIDATED RAIL CORPORATION (Owner)

and

CSX TRANSPORTATION, INC. (User)

Relating to Trackage Rights Over
the Crawfordsville Branch of
Consolidated Rail Corporation (Owner)
between Crawfordsville, IN and Indianapolis, IN

CSX 31 P 000177

PUBLIC

A G R E E M E N T

THIS AGREEMENT, entered into as of this 10th day of February, 1988, by and between CONSOLIDATED RAIL CORPORATION (hereinafter referred to as "Owner") and CSX TRANSPORTATION, INC. (hereinafter referred to as "User").

WHEREAS, Owner owns and operates a line of railroad between Crawfordsville, Indiana and Indianapolis, Indiana, known as the Crawfordsville Branch; and

WHEREAS, User desires to operate over this line of railroad between the connection with Owner and User at Crawfordsville, Indiana ("Ames") and the connection with the Indianapolis Union in Indianapolis, Indiana.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. GRANT OF TRACKAGE RIGHTS.

Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad on the plan attached hereto, made a part hereof and marked "Exhibit I" (hereinafter referred to as the "Joint Trackage").

Crawfordsville Branch between the connection of Owner and User at Crawfordsville, IN ("Ames"), Milepost 46.2±, continuing to Milepost 0.4±, the connection with the Indianapolis Union, Indianapolis, IN, a distance of approximately 45.8 miles.

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PUBLIC

SECTION 2. GENERAL CONDITIONS - FORM A.

Except as otherwise may be provided below, this Agreement is subject to and shall be governed by the "General Conditions - Form A", of even date herewith attached hereto, made a part hereof and incorporated herein by reference with the same force and effect as if set forth at length herein.

SECTION 3. COMPENSATION.

(a) The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be twenty-three cents (\$0.23) per car mile (hereinafter referred to as the "Base Charge"). Irrespective of User's use of the Joint Trackage, and notwithstanding the provisions of this Section 3, the minimum total payments per annum to be made by User for the use of the Joint Trackage shall be thirty-five thousand dollars (\$35,000.00) (hereinafter referred to as the "Minimum Annual Charge"). The first Minimum Annual Charge shall be payable on the Commencement Date, prorated if necessary through to the following June 30th and thereafter payable on July 1 of each year.

(b) User will pay Owner a sum computed by multiplying: (i) the Base Charge, as may be revised in accordance with Article 2 of the General Conditions - Form A, by, (ii) the number of cars (loaded or empty), locomotive, and caboose units moved by User with its own crews and power over the Joint Trackage by, (iii) the miles of Joint Trackage used. Each locomotive unit and each caboose, for the purpose of this Agreement, shall be counted as one car.

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(c) At the end of each month, User will furnish to Owner a statement of the number of cars, locomotives, cabooses, and total car miles operated by User over the Joint Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 3, for User's use of the Joint Trackage.

SECTION 4. CONSTRUCTION AND MAINTENANCE OF CONNECTIONS.

(a) Existing connections or facilities which are jointly used by the parties hereto under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the party or parties responsible for such maintenance, repair, and renewal under such agreements or practices.

(b) Any additional connections to the Joint Trackage which may be required shall be constructed, maintained, repaired, and renewed as follows:

(i) User shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost and expense such portions of the tracks located on the right-of-way of User which connect the respective lines of the parties hereto; and

(ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the parties hereto.

CSX 31 P 000180

SECTION 5. NOTICE.

-
Any notice required or permitted to be given by one party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the parties may mutually agree, and shall be addressed as follows:

(a) If to Owner:

c/o Senior Vice President-Transportation
Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, PA 19103-2959

(b) If to User:

c/o Vice President-Transportation
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

(c) Either party may provide changes in the above addresses to the other party by personal service or certified mail.

SECTION 6. RESTRICTION ON USE.

The Trackage Rights herein granted are granted for the sole purpose of User using same for bridge traffic only between the termini of the Joint Trackage and User shall not perform any local freight service whatever at any point located on the Joint Trackage.

CSX 31 P 000161

SECTION 7. TERM.

(a) This Agreement shall continue in full force and effect for a period of thirty (30) years from the Commencement Date, as hereinafter defined; provided, however, that User shall have the right to terminate this Agreement upon giving twelve (12) months' advance written notice to Owner. Termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof.

(b) User shall have the right to renew this Agreement for one (1) additional thirty (30) year term, subject to User's above-stated right to terminate, by giving written notice thereof to Owner not more than twelve (12) months and not less than six (6) months prior to expiration of the initial term of this Agreement.

(c) Upon the giving by User of the notice referred to in paragraph (b) above, the parties shall, in good faith, renegotiate the terms and conditions of this Agreement, and shall adjust such terms and conditions as may be reasonable and equitable in light of any changed circumstances during the initial term of this Agreement. In the event the parties fail to reach agreement upon such renegotiation, then such failure shall not constitute a breach of this Agreement and the terms and conditions of this Agreement shall remain in full force and effect for the remainder of the initial term and for the renewed term of this Agreement.

CSX 31 P 000182

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

WITNESS:

Judy Locke

CONSOLIDATED RAIL CORPORATION

By:

E. J. [Signature]
General Manager - Contracts

WITNESS:

Walter English

CSX TRANSPORTATION, INC.

By:

K. [Signature]
SENIOR VICE PRESIDENT - TRANSPORTATION

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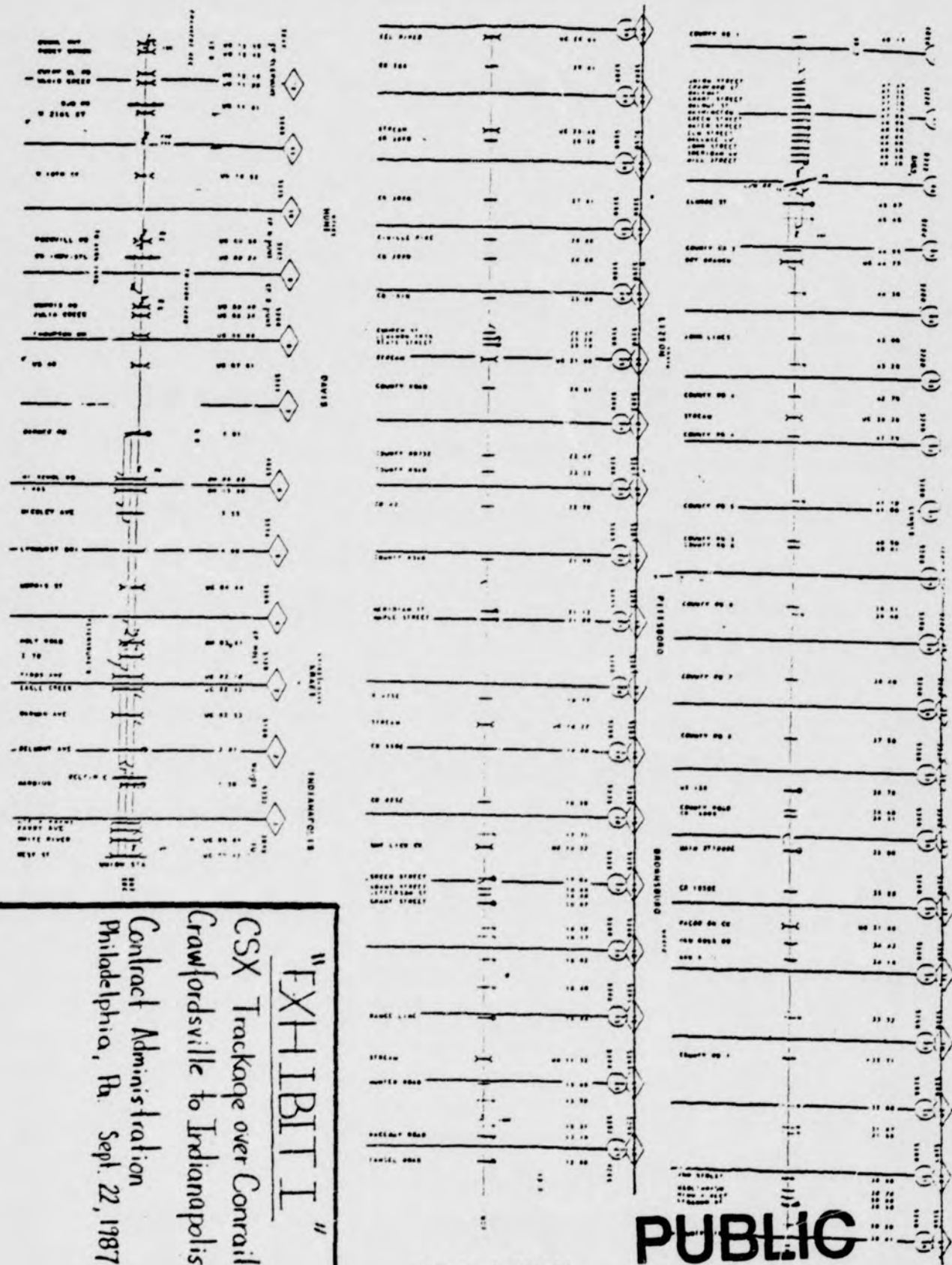
PUBLIC

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CSX 31 P 000184

"EXHIBIT I"

CSX Trackage over Conrail
Crawfordsville to Indianapolis
Contract Administration
Philadelphia, Pa. Sept. 22, 1987



GENERAL CONDITIONS-FORM A

DATED: FEBRUARY 10, 1988

TO TRACKAGE RIGHTS AGREEMENT DATED AS OF FEBRUARY 10, 1988
BETWEEN CONSOLIDATED RAIL CORPORATION ("Owner") AND CSX
TRANSPORTATION, INC. ("User") relating to trackage rights from
Crawfordsville, IN to Indianapolis, IN.

ARTICLE 1. USE OF JOINT TRACKAGE.

(a) User's use of the Joint Trackage shall be in common with Owner and any other user of the Joint Trackage, and Owner's right to use the Joint Trackage shall not be diminished by this Agreement. Owner shall retain the right to grant to other persons rights of any nature in the Joint Trackage.

(b) User shall not use any part of the Joint Trackage for the purpose of switching, storage of cars, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

(c) Owner shall have exclusive control of the management and operation of the Joint Trackage.

(d) Unless otherwise stated in the Agreement to which these conditions pertain, User shall have the right to operate in either direction over the Joint Trackage.

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PUBLIC

ARTICLE 2. REVISION OF BASE CHARGE.

(a) The Base Charge shall be subject to change to reflect any increases or decreases in labor, material and other costs subsequent to the base year, as hereinafter provided.

(b) The Base Charge set forth in Section 3 of this Agreement shall be revised effective July 1 of each year, beginning July 1, 1987, to compensate for 75% of the increase or decrease in the cost of labor and material, excluding fuel, as reflected in the Annual Indexes of Chargeout Prices and Wage Rates (1977=100), included in "AAR Railroad Cost Indexes" issued by the Association of American Railroads. In making such determination, the final "Material prices, wage rates and supplements combined (excl. fuel)" index for the East District shall be used and the final index figure for the calendar year 1985, hereinafter referred to as the "Base Calendar Year", shall be taken as the base. The Base Charge shall be revised by calculating the percentage of increase, or decrease, in the index of the year to be revised as related to the Base Calendar Year; then multiplying this percentage of increase or decrease by 75%; and applying that percentage to the Base Charge.

(c) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excl. fuel)" final index figure for the Base Calendar Year; "B" to be the "Material prices, wage rates and supplements combined (excl. fuel)" final index figure for the calendar year to be escalated; "C" to be the Base Charge; "D" to be the percentage of increase or decrease; and "E" to be the adjusted revised percentage of increase or decrease, the revised Base Charge would be determined by the following formula:

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$$(1) \frac{B - A}{A} = D$$

$$(2) D \times 75\% = E$$

$$(3) (C \times E) + C = \text{revised Base Charge, effective July 1 of the year being escalated.}$$

(d) In the event the base for the Annual Indexes of Chargeout Prices and Wage Rates issued by the Association of American Railroads shall be changed from the year 1977, appropriate revision shall be made in the Base Calendar Year. If the Association of American Railroads or any successor organization discontinues publication of the Annual Indexes of Chargeout Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto. In the absence of agreement, the matter will be referred to the Interstate Commerce Commission for determination. In the event said Commission is without jurisdiction to make such a determination, the parties shall submit the matter to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitrator so appointed by said Association shall be final and binding upon the parties hereto. Each party to the arbitration shall pay the compensation, costs, fees, and expenses of its own witnesses, exhibits, and counsel. The compensation, costs, and expenses of the arbitrator shall be borne equally by such parties.

(e) At the option of either party hereto the compensation provided for in Section 3 and Article 2 of this Agreement shall be open to renegotiation every five (5) years from the Commencement Date, as hereinafter defined. In the event the parties fail to reach agreement upon such

renegotiation, such failure shall not constitute a breach of this Agreement and the parties shall continue to be bound by the terms of compensation provided in said Section and Article for the remainder of the term of this Agreement.

ARTICLE 3. ADDITIONS, RETIREMENTS AND ALTERATIONS.

(a) Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Joint Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Joint Trackage and such retirements shall be excluded from the Joint Trackage.

(b) If the parties agree that changes in or additions and betterments to the Joint Trackage, including changes in communication or signal facilities, are required to accommodate User's operations beyond that required by Owner to accommodate its own operations, Owner shall construct the additional or altered facilities and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities.

ARTICLE 4. MAINTENANCE OF JOINT TRackage.

(a) Owner shall maintain, repair, and renew the Joint Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Joint Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Joint Trackage or that operations thereover will not be interrupted. Furthermore,

except as may be otherwise provided in Article-8 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Joint Trackage, have or make any claim or demand against Owner or its officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect.

(b) Owner shall also perform, at the expense of User, such additional maintenance as User may request.

ARTICLE 5. MANAGEMENT AND OPERATION.

(a) User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Joint Trackage. User shall indemnify, protect, defend, and save harmless Owner and its officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable solely to the failure of User to comply with its obligations in this regard.

(b) User in its use of the Joint Trackage will comply in all respects with the operating rules and regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Joint Trackage shall at all times be subject to the orders of the transportation officers of Owner.

User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Joint Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the maximum authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its officers, agents and employees from and against all liabilities when attributable solely to the failure of User to comply with the provisions of this subarticle.

(c) User shall make such arrangements with Owner as may be required to have all of its employees who shall operate its trains, locomotives, cars, and equipment over the Joint Trackage qualified for operation thereover, and User shall pay to Owner, promptly upon receipt of bills therefor, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

(d) In the event Owner conducts an investigation or hearing concerning the violation of any operating rule or practice of Owner by an employee or employees of User, User shall be notified in advance of any such investigation or hearing and such investigation or hearing may be attended by any official designated by User and shall be conducted in accordance with the collective bargaining agreements, if any, that pertain to said employee or employees.

(e) Owner shall have the right to exclude from the Joint Trackage any employee of User, except officers, determined by Owner, as the result of such investigation or hearing described above, to be in violation of Owner's rules, regulations, orders, practices, or instructions issued by Timetable or otherwise. User shall release, indemnify, defend, and save harmless Owner and its officers, agents, and employees from and against any and all claims and expenses resulting from such exclusion.

(f) The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Joint Trackage or any portion thereof shall be operated without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic.

(g) If by reason of any mechanical failure or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Joint Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Joint Trackage, Owner shall have the option to furnish motive power or such other assistance as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Joint Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

(h) If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Joint Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

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PUBLIC

(i) In the event Owner and User agree that Owner should provide additional employees for the sole benefit of User, the parties hereto shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

ARTICLE 6. MILEAGE AND CAR HIRE.

All mileage and car hire charges accruing on cars in User's trains on the Joint Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

ARTICLE 7. CLEARING OF WRECKS.

Whenever User's use of the Joint Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, shall be apportioned in accordance with the provisions of Article 8 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to it.

ARTICLE 8. LIABILITY.

The responsibility of the parties hereto as between themselves for loss of, damage to, or destruction of any

property whatsoever or injury to or death of any person or persons whomsoever, resulting from, arising out of, incidental to, or occurring in connection with this Agreement, shall be apportioned as follows:

(a) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, only User being involved, User shall assume all liability therefor and bear all cost and expense in connection therewith, including without limitation all cost and expense referred to in Article 7 hereof, and shall forever protect, defend, indemnify, and save harmless Owner and its officers, agents, and employees from and against any such liability, cost, and expense, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of Owner or its officers, agents or employees.

(b) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, only Owner being involved, Owner shall assume all liability therefor, and bear all cost and expense in connection therewith, including without limitation all cost and expense referred to in Article 7 hereof, and shall forever protect, defend, indemnify, and save harmless User and its officers, agents, and employees from and against any such liability, cost, and expense, regardless of whether caused in whole or in part by the fault, failure,

negligence, misconduct, nonfeasance or misfeasance of User or its officers, agents, or employees.

(c) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, both Owner and User being involved, Owner and User shall separately assume and bear all liability, cost, and expense for loss of and damage to said trains, locomotives, cars (including without limitation lading), and equipment operated by each of them and for injury to and death of each of their officers, agents, and employees, and persons in each of their care and custody, and all liability, cost, and expense for injury to and death of any other person or persons whomsoever, for loss of, damage to, and destruction of all other property (including without limitation the Joint Trackage) and for any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, so occurring shall be borne equally by Owner and User, including without limitation all cost and expense referred to in Article 7 hereof. Whenever any liability, cost, or expense is assumed by or apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its officers, agents, and employees from and against that liability, cost, and expense assumed by that party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its officers, agents or employees.

(d) Except as provided in paragraph (e) below, whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, occurs with the trains, locomotives, cars or equipment of, or in the account of, both User and any other user of the Joint Trackage being involved, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of Owner, User, or any other user of the Joint Trackage or their officers, agents or employees, then such other user shall be jointly considered as Owner for the purpose of determining between the parties to this Agreement User's assumption and apportionment of liability, cost and expense under paragraph (c) above.

(e) Whenever any such loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, occurs with the trains, locomotives, cars or equipment of, or in the account of, Owner, User and any other user being involved, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of Owner, User, or any other user of the Joint Trackage or their officers, agents or employees, then Owner and such other user shall be jointly considered as Owner and a single party to this Agreement for the purpose of determining the assumption and apportionment of liability, cost, and expense between the parties to this Agreement under paragraph (c) above.

(f) Notwithstanding the foregoing provisions, whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives,

cars, or equipment of, or in the account of, both parties to this Agreement being so involved, without the trains, locomotives, cars, or equipment of, or in the account of, any other user being involved, and in the event such loss, damage, destruction, injury, or death is attributable to the sole negligence of the employee(s) on the train(s), locomotive(s), car(s), or caboose(s), of only one of the parties to this Agreement where such sole negligence is the active or proximate cause of such loss, damage, destruction, injury, or death, the party hereto whose employee(s) was (were) solely negligent shall assume and bear all liability, cost, and expense in connection with the loss, damage, destruction, injury, and death so occurring, including without limitation all cost and expense referred to in Article 7 hereof, and said party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its officers, agents, and employees from and against any such liability, cost, and expense.

(g) In every case of death or injury suffered by an employee of either User or Owner, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(h) For purposes of this Article 8, pilots furnished by Owner to User pursuant to Article 5(c) of this Agreement shall be considered as the employees of User while such pilots are on board or getting on or off trains of User.

(i) Notwithstanding the provisions of Article 14(f) of this Agreement, for the purposes of this Article 8 the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Joint Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Joint Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.

ARTICLE 9. INVESTIGATION.

(a) Except as provided in Subarticle (b) hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

(b) Each party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11707 or 49 C.F.R. Section 1005.

(c) In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

(d) All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time claim agents,

full-time attorneys, and other full-time employees of either party engaged directly or indirectly in such work shall be borne by such party.

(e) Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11707 or 49 C.F.R. Section 1005, neither party shall settle or compromise any claim, demand, suit, or cause of action for which the other party has any liability under this Agreement without the concurrence of such other party if the consideration for such settlement or compromise exceeds Ten Thousand Dollars (\$10,000).

(f) It is understood that nothing in this Article shall modify or waive the conditions, obligations, assumptions, or apportionments provided in Article 8 hereof.

ARTICLE 10. PAYMENT OF BILLS.

(a) All payments called for under this Agreement shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month. The records of each party hereto, insofar as they pertain to matters covered by this Agreement, shall be open at all reasonable times to inspection by the other party.

(b) Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 3 hereof, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner.

CSX 31 P 000198

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PUBLIC

ARTICLE 11. DEFAULT AND TERMINATION.

In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail, and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Joint Trackage. The exercise of such right by Owner shall not impair its rights under this Agreement or any cause or causes of action it may have against User for the recovery of damages.

ARTICLE 12. REGULATORY APPROVAL.

Should implementation of this Agreement require the taking of any action by User and/or the Interstate Commerce Commission under 49 U.S.C. Sections 10505, 11343 or 11344, User at its own cost and expense will initiate and thereafter diligently prosecute such action and this Agreement shall take effect on the date User commences operations over the Joint Trackage (herein referred to as the "Commencement Date"). The Commencement Date shall be evidenced by an exchange of correspondence between the appropriate operating officers of the parties hereto. In the event action under such sections is not required, the Commencement Date shall be the date agreed upon by the parties hereto as evidenced by an exchange of correspondence referred to above. Owner will assist and support efforts of User to meet the requirements of the aforesaid sections.

CSX 31 P 000199

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PUBLIC

ARTICLE 13. ABANDONMENT OF JOINT TRACKAGE.

(a) Notwithstanding the provisions of Section 6 of this Agreement, Owner shall have the right, subject to securing any necessary regulatory approval, to abandon the Joint Trackage or any portion thereof. Before filing an application for regulatory approval of such abandonment, Owner shall give User 90 days' advance notice in writing of its intention to do so in order that User may determine whether it desires to purchase the Joint Trackage (or portion thereof) or to discontinue its use thereof.

(b) If User desires to purchase the Joint Trackage, it shall submit an offer of financial assistance under 49 U.S.C. Section 10905 and 45 U.S.C. Section 748. In the event the offer meets the requirements of the aforesaid sections and Owner receives more than one such offer, Owner will exercise its statutory right to negotiate with User rather than with the other offeror(s). Thereafter, the rights and obligations of the parties in respect to User's acquisition of the Joint Trackage shall be governed by applicable provisions of the law.

(c) In any one of the circumstances listed below User shall be deemed to have determined that it does not desire to purchase the Joint Trackage and that it desires to discontinue its use thereof:

(1) User fails to submit an offer of financial assistance to purchase the Joint Trackage within the time prescribed by statute and applicable regulations, or

(2) User, having made an offer of financial assistance to purchase the Joint Trackage, but being

unable to reach agreement with Owner as to the sale price, fails within the statutory period to request the proper regulatory authority to establish the terms and conditions of the sale, or

(3) User, having requested the proper regulatory authority to establish the terms and conditions of sale, withdraws its offer of financial assistance, or

(4) User, having requested the proper regulatory authority to establish the terms of the sale, rejects the authority's order establishing said terms or fails to accept said terms within the time prescribed by said order.

In such event User shall promptly file an application with the proper regulatory authority seeking approval of the discontinuance of its operations over the Joint Trackage.

(d) In the event any application filed by Owner is granted but an application filed by User under subsection (c) above is denied by the proper regulatory authority, the parties shall cooperate in taking such action as is reasonably necessary to effect a sale of the Joint Trackage to User (including securing any necessary regulatory authority) for a price consistent with the principles of 49 U.S.C. Section 10905.

(e) In the event Owner abandons any portion (or all) of the Joint Trackage under circumstances which (because of changes in the law or otherwise) are not susceptible of handling under the procedures outlined above, the parties shall cooperate and take such action as is necessary to assure that User either promptly terminates its operations over the segment to be

abandoned or purchases said segment at a price consistent with the principles of 49 U.S.C. Section 10905 as interpreted on the date of this Agreement.

(f) In the event Owner's application for authority to abandon is denied, User will withdraw any application it has filed under subsection (c) above.

(g) Except as otherwise expressly agreed in writing, in the event any actions taken by the parties under this Article 13 result in an obligation imposed by any competent authority on either or both parties hereto to protect the interests of affected employees, the responsibility for bearing the cost thereof shall be borne by the party which is the employer of the affected employee or employees, notwithstanding the manner in which said cost may be apportioned in any order or decision imposing the protection.

ARTICLE 14. GENERAL PROVISIONS.

(a) This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the parties hereto.

(b) All Section and Article headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

(c) This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the parties hereto and supersede any and all oral understandings between the parties.

CSX 31 P 000202

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PUBLIC

(d) No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.

(e) As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the parties hereto such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such party. Whenever such locomotives, cars, or equipment are owned or leased by one party to this Agreement and are in the possession or account of the other party to this Agreement, such locomotives, cars, and equipment shall be considered those of the other party under this Agreement.

(f) All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry..

ARTICLE 15. SUCCESSORS AND ASSIGNS.

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto, including without limitation the successors and assigns of Owner's interest in the Joint Trackage or any portion thereof. Neither party hereto shall transfer or assign this Agreement, or any of its rights, interests, or obligations hereunder, to any person, firm, or corporation without obtaining the prior written consent of the other party to this Agreement; provided, however, that such consent shall not be necessary if such transfer or assignment is to a purchaser, successor, or assign of all or

substantially all of the rail properties of one of the parties
hereto or to a purchaser, successor, or assign of Owner's
interest in the Joint Trackage or any portion thereof.

*****f*****

CSX 31 P 000204

A-20

PUBLIC

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT, made this 22nd day of ^{August}~~July~~, 1996, by and between CONSOLIDATED RAIL CORPORATION ("Conrail"), and CSX TRANSPORTATION, INC. ("CSXT").

WHEREAS, Conrail has a line of railroad (now a portion of Conrail's St. Louis Line) in downtown Indianapolis, IN, extending approximately 1.1 miles through "TU" Interlocking and through the former Indianapolis Union Station (the "Union Tracks") together with another line of railroad extending for approximately 13.5 miles in a horseshoe configuration around the City of Indianapolis, IN, generally between North Indianapolis and Brightwood, IN (the "Belt Tracks"), over which the operation and administration has been governed by a joint operating agreement dated September 20, 1883 (the "1883 Agreement"); and

WHEREAS, CSXT has not used the Belt Tracks in well over two years and has agreed to formally extinguish its trackage rights over said Belt Tracks; and

WHEREAS, CSXT desires to retain the use of the Union Tracks which connect to CSXT's line of railroad on the east at Station 67 + 65 near Davidson Street (now near the Interstate 70/65 undergrade) and to Conrail's line of railroad on the west in the vicinity of West Street; and

WHEREAS, the parties have agreed to dissolve the 1883 Agreement but preserve CSXT's trackage rights operation over the Union Tracks and document these trackage rights with an agreement reflecting current terms; and

WHEREAS, CSXT has trackage rights over Conrail's line of railroad between West Street, Indianapolis, IN, and Crawfordsville, IN, pursuant to a trackage rights agreement dated February 10, 1988 (the "Crawfordsville Agreement"); and

WHEREAS, CSXT has trackage rights over Conrail's line of railroad between West Street and "IJ", over the Zionsville Track to "KD" to reach CSXT's Moorefield Yard, Indianapolis, IN; pursuant to its trackage rights agreement (the "Zionsville Agreement"); and

CSX 31 P 000205

PUBLIC

WHEREAS, CSXT's trackage rights pursuant to the 1883 Agreement, the Crawfordsville Agreement and the Zionsville Agreement provide CSXT with continuous routes through the Union Station area between CSXT's line of railroad near State Street Yard and its Moorefield Yard, and between CSXT's line of railroad near State Street and its line of railroad at Crawfordsville, IN; and

WHEREAS, Conrail and CSXT desire to amend the Crawfordsville Agreement to include CSXT's trackage rights over the Union Tracks with this Supplemental Agreement.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

A. The description of Joint Trackage under SECTION 1 (GRANT OF TRACKAGE RIGHTS) shall be expanded, subject to the same terms and conditions as the Crawfordsville Agreement, to include the following:

"And in addition, the Union Tracks (approximately 1.1 route miles) between their connection with CSXT's line of railroad on the east near the Interstate 70/65 undergrade, through 'TU' Interlocking and the Indianapolis Union Station area, and the connection with Conrail's St. Louis Line near West Street, including the wye at 'TU' with sufficient head and tail room on all legs of the wye to permit the turning of locomotives, cars and equipment, all of which is located in the City of Indianapolis, IN, and which is further shown on a plan identified as Exhibit "A", attached hereto and made a part hereof. This additional Joint Trackage will provide CSXT with a continuous route between its line of railroad near its State Street Yard and Conrail's St. Louis Line near West Street, over which CSXT has trackage rights to access its Monon Subdivision via the Crawfordsville Agreement."

B. SECTION 3. (COMPENSATION) shall be amended by adding the following sub-section (d):

"(d) User shall pay Owner \$15,000 annually as total compensation for its use of the Union Tracks (the 'Union Tracks Charge') commencing August 1, 1996, and said Union Tracks Charge shall be subject to adjustment, (similar to Base Charge) in accordance with ARTICLE 2 (REVISION OF BASE CHARGE) of this Agreement, effective July 1 of each year, beginning July 1, 1997. User shall make remittance of said Union Track Charge to Owner by August 1 of each year. Further, the Union Tracks Charge is predicated upon Owner

being reimbursed for User operating approximately Thirty Thousand (30,000) units (includes CSXT's Amtrak costs) over the Union Tracks in any given consecutive twelve (12) month period. If there is a twenty percent (20%) variation in the Thirty Thousand (30,000) units operated by User over the Union Tracks in any consecutive twelve (12) month period, either party hereto may request renegotiation of the Union Tracks Charge, with the requesting party furnishing supporting documentation to support the request."

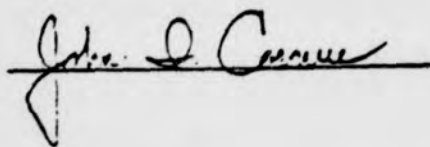
C. CSXT agrees to file with the Surface Transportation Board ("STB"), within thirty (30) days from the effective date of this Supplemental Agreement, such notice or application as may be necessary to discontinue CSXT's trackage rights over the Belt Tracks pursuant to the 1883 Agreement. Further, CSXT agrees that it will not seek to exercise its trackage rights to operate over the Belt Tracks, subsequent to the termination of the 1883 Agreement.

D. Except as amended in this Supplemental Agreement, all terms and conditions of the Crawfordsville Agreement, as amended, shall remain in full force and effect.

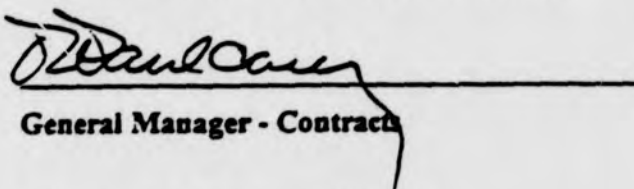
E. This Supplemental Agreement shall become effective with the termination of the 1883 Agreement, which shall be evidenced by an exchange of correspondence between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

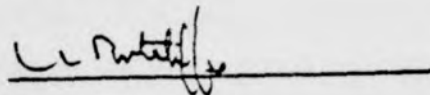
WITNESS:



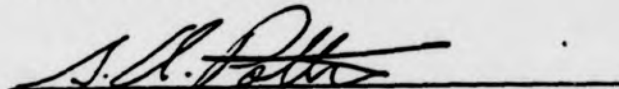
CONSOLIDATED RAIL CORPORATION


General Manager - Contracts

WITNESS:



CSX TRANSPORTATION, INC.



CSX 31 P 000207

PUBLIC

AGREEMENT

THIS AGREEMENT, made this 22nd day of August, 1996, by and between CONSOLIDATED RAIL CORPORATION ("Conrail"), and CSX TRANSPORTATION, INC. ("CSXT"):

WHEREAS, there exists a line of railroad of the former Belt Railroad and Stock Yard Company, now Conrail's Indianapolis Belt Running Track, extending for approximately 13.5 miles in a horseshoe or belt configuration around the east, south and west sides of the City of Indianapolis, IN, generally between North Indianapolis and Brightwood, IN (the "Belt"); and

WHEREAS, the Belt was leased to the Indianapolis Union Railway Company ("IU") on October 17, 1882; and

WHEREAS, the operation of the IU, including the leasehold of the Belt, is subject to an agreement dated September 20, 1883, as supplemented, (the "1883 Agreement"); and

WHEREAS, as a result of mergers the properties of the IU became wholly owned by Conrail; and

WHEREAS, in accordance with the 1883 Agreement the industries on the Belt are switched for CSXT by Belt crews under a joint facility arrangement; and

WHEREAS, the parties have agreed to simplify the accounting for the Belt switching arrangement and dissolve the 1883 Agreement; and

WHEREAS, accordingly the parties agree to convert the current switching and accounting arrangement to a standard reciprocal switching arrangement.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

A. Conrail will operate the Belt and switch all industries located on the Belt as part of the Conrail System.

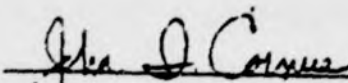
CSX 31 P 000254

PUBLIC

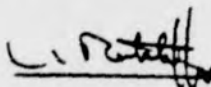
- B. Conrail will establish and make public switching rates from CSXT interchanges at Indianapolis, IN to all customers located on the Belt (and future customers that may locate on the Belt).
- C. Except as specifically stated below, the switch rate for all industries on the Belt will be the standard reciprocal switch rate for other customers in the Indianapolis, IN terminal area (currently \$390 per loaded car).
- D. Conrail will add the Belt customers to applicable Conrail tariffs/publications.
- E. The switch rate for traffic in or out of the Citizens Gas and Coke facility served from the Belt trackage near Hamilton Junction will be Sixty-Five Dollars (\$65) per loaded car. This rate of \$65 will be adjusted annually on July 1, starting on July 1, 1997, to compensate for the increase or decrease in costs, as reflected in the Annual Indexes of Chargeout Prices and Wage Rates (1977= 100), included in "AAR Rational Cost Indexes" issued by the Association of American Railroads, using the final "Material prices, usage rates and supplements combined (including fuel)" index as shown on Table A-East.
- F. Conrail will publish an intermediate switch rate applicable on traffic handled by Conrail between INRD and CSXT at a current rate of \$110 per car.
- G. This agreement will take effect with the termination of the September 20, 1883 Agreement, which shall be evidenced by an exchange of correspondence between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

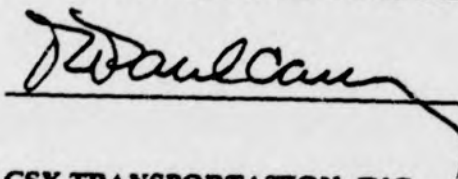
WITNESS:



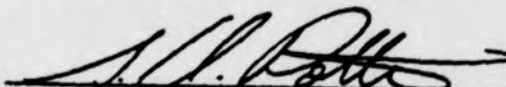
WITNESS:



CONSOLIDATED RAIL CORPORATION



CSX TRANSPORTATION, INC.



CSX 31 P 000255

PUBLIC

AGREEMENT

Dated as of August 22, 1996

between

CONSOLIDATED RAIL CORPORATION

("Conrail" or "Owner")

and

THE INDIANA RAIL ROAD COMPANY

("INRD" or "USER")

**Relating to INRD Trackage Rights Over
Conrail's Lines Of Railroad
in Indianapolis, IN.**

CSX 31 P 000256

PUBLIC

AGREEMENT

THIS AGREEMENT, entered into as of this 22nd day of August, 1996, by and between CONSOLIDATED RAIL CORPORATION (hereinafter referred to as "Owner" or "Conrail") and THE INDIANA RAIL ROAD COMPANY (hereinafter referred to as "User" or "INRD").

WHEREAS, the Chicago, St. Louis and Pittsburgh Railroad Company; the Jefferson, Madison and Indianapolis Rail Road Company; the Cincinnati, Indianapolis, St. Louis and Chicago Railway Company; the Terre Haute and Indianapolis Rail Road Company; and the Cleveland, Columbus, Cincinnati and Indianapolis Railway Company (the "Proprietary Companies"), created what is known as the Indianapolis Union Railway Company (the "IU"); and

WHEREAS, the IU leased the Belt Railroad and Stock Yard Company ("Belt"), which is now Conrail's Indianapolis Belt Running Track ("the Belt Tracks"), pursuant to a lease dated October 17, 1882; and

WHEREAS, the Proprietary Companies entered into an agreement dated September 20, 1883 (the "1883 Agreement") that provided for construction and operation of common rail facilities in Indianapolis, IN and the joint operation of such facilities; and

WHEREAS, the Belt, as lessee, is operated under the terms of the 1883 Agreement; and

WHEREAS, seven (7) railroads were admitted as tenant companies to the 1883 Agreement and were permitted to use the IU and Belt under terms of the 1883 Agreement; and

WHEREAS, through various mergers the IU became a wholly owned subsidiary of the Penn Central Railroad; and

WHEREAS, on April 1, 1976 the assets of the IU, including the Belt leasehold of 1882 were conveyed to Conrail by the United States Railway Administration; and

WHEREAS, through various mergers and acquisitions, Conrail is successor to all of the Proprietary Companies, and CSX Transportation, Inc. ("CSXT") and INRD are successors to tenant railroads and therefore only three (3) railroads are now party to the 1883 Agreement; and

CSX 31 P 000257

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WHEREAS, the three (3) remaining parties to the 1883 Agreement wish to simplify the accounting and administration set forth in the 1883 Agreement; and

WHEREAS, many terms and conditions of the 1883 Agreement no longer apply or have been fulfilled; and

WHEREAS, the three (3) remaining parties to the 1883 Agreement wish to terminate the 1883 Agreement and enter into new agreements reflecting current terms; and

WHEREAS, Conrail and INRD have entered into a Switching Agreement of even date herewith which provides for Conrail to switch INRD traffic to Belt industries (the "Belt Switching Agreement"); and

WHEREAS, by separate instrument the three parties to the 1883 Agreement have terminated the 1883 Agreement by mutual consent.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. GRANT OF TRACKAGE RIGHTS

Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate its trains, locomotives, cars and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad shown on the plan attached hereto, made a part hereof and marked "Exhibit I" (hereinafter referred to as the "Subject Trackage"):

Conrail's Indianapolis Belt Running Track (the Belt Tracks) between INRD's connection near Raymond Street, Indianapolis, IN (Milepost 5.3±) and the end of the Belt at the connection with the former Norfolk and Western Railway Company at Milepost 13.5±, a total distance of approximately 8.2 miles.

SECTION 2. USE OF SUBJECT TRACKAGE

(a) User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement. Owner shall retain the right to grant to other persons rights of any nature in the Subject Trackage.

CSX 31 P 000258

PUBLIC

(b) User shall not use any part of the Subject Trackage for the purpose of switching, storage of cars, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

(c) Owner shall have exclusive control of the management and operation of the Subject Trackage.

(d) User shall have the right to operate in either direction over the Subject Trackage.

(e) User may not permit any third party to use the Subject Trackage; provided however, User may allow CSXT to act as its agent under this Agreement in accordance with Section 22 hereof.

SECTION 3. RESTRICTIONS OF USE

(a) The Trackage Rights herein granted are granted for the sole purpose of User using same for bridge freight traffic only between:

(i) Owner's connection with User at Raymond Street, Indianapolis, IN (Milepost 5.3±) and the connection between Owner and the former Norfolk and Western Railway Company at Milepost 13.5±, a distance of approximately 8.2 miles.

(ii) Owner's connection with User at Raymond Street (Milepost 5.3±) and the connection between Owner and CSXT near State Street (Milepost 8.9±), all in the City of Indianapolis, IN, a distance of approximately 3.6 miles.

(b) User shall not perform any local freight service whatever at any point located on the Subject Trackage.

PUBLIC

SECTION 4. COMPENSATION

(a) The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be Thirty-four Dollars and eighty-five cents (\$34.85) per car in either direction for Trackage Rights as described in Section 3(a)(i) hereof, and Fifteen-Dollars and thirty cents (\$15.30) per car in either direction for Trackage Rights as described in Section 3(a)(ii) hereof (hereinafter referred to as the "Current Charge").

AGREEMENT

Dated as of August 22, 1996

between

CONSOLIDATED RAIL CORPORATION

("Conrail" or "Owner")

and

THE INDIANA RAIL ROAD COMPANY

("INRD") or "USER")

Relating to INRD Trackage Rights Over
Conrail's Lines Of Railroad
in Indianapolis, IN.

CSX 31 P 000318

PUBLIC

AGREEMENT

THIS AGREEMENT, entered into as of this 22nd day of August, 1996, by and between CONSOLIDATED RAIL CORPORATION (hereinafter referred to as "Owner" or "Conrail") and THE INDIANA RAIL ROAD COMPANY (hereinafter referred to as "User" or "INRD").

WHEREAS, the Chicago, St. Louis and Pittsburgh Railroad Company; the Jefferson, Madison and Indianapolis Rail Road Company; the Cincinnati, Indianapolis, St. Louis and Chicago Railway Company; the Terre Haute and Indianapolis Rail Road Company; and the Cleveland, Columbus, Cincinnati and Indianapolis Railway Company (the "Proprietary Companies"), created what is known as the Indianapolis Union Railway Company (the "IU"); and

WHEREAS, the IU leased the Belt Railroad and Stock Yard Company ("Belt"), which is now Conrail's Indianapolis Belt Running Track ("the Belt Tracks"), pursuant to a lease dated October 17, 1882; and

WHEREAS, the Proprietary Companies entered into an agreement dated September 20, 1883 (the "1883 Agreement") that provided for construction and operation of common rail facilities in Indianapolis, IN and the joint operation of such facilities; and

WHEREAS, the Belt, as lessee, is operated under the terms of the 1883 Agreement; and

WHEREAS, seven (7) railroads were admitted as tenant companies to the 1883 Agreement and were permitted to use the IU and Belt under terms of the 1883 Agreement; and

WHEREAS, through various mergers the IU became a wholly owned subsidiary of the Penn Central Railroad; and

WHEREAS, on April 1, 1976 the assets of the IU, including the Belt leasehold of 1882 were conveyed to Conrail by the United States Railway Administration; and

WHEREAS, through various mergers and acquisitions, Conrail is successor to all of the Proprietary Companies, and CSX Transportation, Inc. ("CSXT") and INRD are successors to tenant railroads and therefore only three (3) railroads are now party to the 1883 Agreement; and

CSX 31 P 000319

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WHEREAS, the three (3) remaining parties to the 1883 Agreement wish to simplify the accounting and administration set forth in the 1883 Agreement; and

WHEREAS, many terms and conditions of the 1883 Agreement no longer apply or have been fulfilled; and

WHEREAS, the three (3) remaining parties to the 1883 Agreement wish to terminate the 1883 Agreement and enter into new agreements reflecting current terms; and

WHEREAS, Conrail and INRD have entered into a Switching Agreement of even date herewith which provides for Conrail to switch INRD traffic to Belt industries (the "Belt Switching Agreement"); and

WHEREAS, by separate instrument the three parties to the 1883 Agreement have terminated the 1883 Agreement by mutual consent.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. GRANT OF TRackage RIGHTS

Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate its trains, locomotives, cars and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segment of Owner's railroad shown on the plan attached hereto, made a part hereof and marked "Exhibit I" (hereinafter referred to as the "Subject Trackage"):

Conrail's Indianapolis Belt Running Track (the Belt Tracks) between INRD's connection near Raymond Street, Indianapolis, IN (Milepost 5.3±) and the end of the Belt at the connection with the former Norfolk and Western Railway Company at Milepost 13.5±, a total distance of approximately 8.2 miles.

SECTION 2. USE OF SUBJECT TRackage

(a) User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement. Owner shall retain the right to grant to other persons rights of any nature in the Subject Trackage.

CSX 31 P 000320

PUBLIC

(b) User shall not use any part of the Subject Trackage for the purpose of switching, storage of cars, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

(c) Owner shall have exclusive control of the management and operation of the Subject Trackage.

(d) User shall have the right to operate in either direction over the Subject Trackage.

(e) User may not permit any third party to use the Subject Trackage; provided however, User may allow CSXT to act as its agent under this Agreement in accordance with Section 22 hereof.

SECTION 3. RESTRICTIONS OF USE

(a) The Trackage Rights herein granted are granted for the sole purpose of User using same for bridge freight traffic only between:

(i) Owner's connection with User at Raymond Street, Indianapolis, IN (Milepost 5.3±) and the connection between Owner and the former Norfolk and Western Railway Company at Milepost 13.5±, a distance of approximately 8.2 miles.

(ii) Owner's connection with User at Raymond Street (Milepost 5.3±) and the connection between Owner and CSXT near State Street (Milepost 8.9±), all in the City of Indianapolis, IN, a distance of approximately 3.6 miles.

(b) User shall not perform any local freight service whatever at any point located on the Subject Trackage.

SECTION 4. COMPENSATION

(a) The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be Thirty-four Dollars and eighty-five cents (\$34.85) per car in either direction for Trackage Rights as described in Section 3(a)(i) hereof, and Fifteen-Dollars and thirty cents (\$15.30) per car in either direction for Trackage Rights as described in Section 3(a)(ii) hereof (hereinafter referred to as the "Current Charge").

(b) User will pay Owner a sum computed by multiplying: (i) the applicable Current Charge, as may be revised in accordance with Section 5 by, (ii) the number of cars (loaded or empty), locomotive and caboose units moved by User with its own crews and power over the Subject Trackage. For the purpose of this Agreement, each locomotive unit, each caboose and each platform of an articulated car shall be counted as one car.

(c) At the end of each month, User will furnish to Owner a statement of the number of cars, locomotives, cabooses, and total car miles operated by User over the Subject Trackage during the month, together with payment to Owner, as computed in accordance with the provisions of this Section 4, for User's use of the Subject Trackage, to the following addresses:

Remittance of Statements to Owner at:

Consolidated Rail Corporation
Attention Director Joint Facility Administration
P. O. Box 41414
Philadelphia, PA 19101-1414

Remittance of Payments to Owner at:

Consolidated Rail Corporation
Attention: Director Joint Facility Administration
P. O. Box 8500-S2350
Philadelphia, PA 19178

(d) In addition to the Current Charge in (a) above, User shall pay a fixed annual charge of \$11,000 per year (the "Annual Charge") to Owner commencing August 1, 1996, and by July 1 of each year thereafter, with remittance to Owner at the address identified in Section 4(c) hereof.

(e) In the event User does not file with the Surface Transportation Board ("STB") as required by Section 23 of this Agreement, User will pay an additional annual charge of \$11,000 as of January 1, 1997, and annually thereafter, until provisions of Section 23 have been satisfied.

SECTION 5. REVISION OF CURRENT CHARGE

(a) The Current Charge and Annual Charge set forth in Section 4 above shall be revised effective July 1 of each year, beginning July 1, 1997, to compensate for the increase or decrease in the cost of labor and material, excluding fuel, to reflect the change in the "Material

prices, wage rates and supplements combined (excluding fuel)" index as contained in Table A, Annual Indexes of Chargeout Prices and Wage Rates (1977=100) - East, included in "AAR Railroad Cost Indexes" published by the Association of American Railroads. The Current Charge and Annual Charge shall be revised by calculating the percentage of increase, or decrease, in the index of the year to be revised as related to the index of the prior calendar year and then applying that percentage to the Current Charge and Annual Charge.

(b) By way of example, assuming "A" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the year prior to the year to be revised; "B" to be the "Material prices, wage rates and supplements combined (excluding fuel)" final index figure for the calendar year to be revised; "C" to be the Current Charge or Annual Charge; "D" to be the percentage of increase or decrease, the new revised Current Charge or Annual Charge would be determined by the following formula:

$$(1) \frac{B - A}{A} = D$$

(2) $(C \times D) + C$ = new revised Current Charge, or Annual Charge, effective July 1 of the year being escalated.

(c) If the Association of American Railroads or any successor organization discontinues publication of the Annual Indexes of Chargeout Prices and Wage Rates, an appropriate substitute for determining the percentage of increase or decrease shall be negotiated by the parties hereto. In the absence of agreement, the matter will be referred to the Surface Transportation Board for determination. In the event said Board is without jurisdiction to make such a determination, the parties shall submit the matter to binding arbitration in accordance with Section 16 of this Agreement.

(d) At the option of either party hereto the compensation provided for in Sections 4 and 5 of this Agreement shall be open to renegotiation every five (5) years from the Commencement Date, as hereinafter defined. In the event the parties fail to reach agreement upon such renegotiation, such failure shall not constitute a breach of this Agreement and the parties shall continue to be bound by the terms of compensation provided in said Sections for the remainder of the term of this Agreement.

CSX 31 P 000323

PUBLIC

SECTION 6. PAYMENT OF BILLS

(a) Payments to be made by User for the Trackage Rights covered by this Agreement shall be made in accordance with Section 4.

(b) All payments called for under this Agreement, other than those pursuant to Section 4, shall be made by User within thirty (30) days after receipt of bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month.

(c) Bills rendered pursuant to the provisions of this Agreement, other than those set forth in Section 4 hereof, shall include direct labor and material costs, together with the surcharges, overhead percentages, and equipment rentals in effect at the time any work is performed by Owner.

SECTION 7. MAINTENANCE OF SUBJECT TRACKAGE

(a) Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Subject Trackage to a standard equal to Federal Railroad Administration ("FRA") Class 1, but Owner does not guarantee the condition of the Subject Trackage or that operations thereover will not be interrupted. Furthermore, except as may be otherwise provided in Section 13 hereof, User shall not be liable by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect.

(b) Owner shall also perform, at the expense of User, such additional maintenance as User may request.

SECTION 8. CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

(a) Existing connections or facilities which are jointly used by the parties hereto under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the party or parties responsible for such maintenance, repair, and renewal under such agreements or practices.

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(b) Any additional connections to the Subject Trackage which may be required shall be constructed, maintained, repaired, and renewed as follows:

- (i) User shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User which connect the respective lines of the parties hereto; and
- (ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the parties hereto.

SECTION 9. ADDITIONS, RETIREMENTS AND ALTERATIONS

(a) Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

(b) If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes beyond that required for Owner's operation, Owner shall have the option:

- (i) to make such changes in or additions and betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities; or,
- (ii) to deny such request.

SECTION 10. MANAGEMENT AND OPERATIONS

(a) User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless

Owner and its directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

(b) User, in its use of the Subject Trackage, will comply in all respects with the operating rules and regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

(c) All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriated examining officer of Owner to be properly qualified for operation as herein contemplated.

(d) Owner may conduct an investigation at its option if a User's employee working on Owner's property is alleged to have violated Owner's rules, regulations, orders, practices or instructions, or if an incident occurs which requires an investigation under applicable agreement rules. To exercise its option, Owner will schedule the investigation and notify User's Local Transportation Officer in the territory thereof, who will, in turn, arrange to issue proper notice to the User's employee(s) of the investigation. Owner's scheduling of the investigation must comply with the time limits provided in the applicable agreement on User's railroad. Owner will provide its regulations, supplements, and safety rules to User at no cost.

(e) If Owner conducts an investigation, Owner shall have the right to exclude from the Subject Trackage any employee of User, except officers, determined by Owner as the result of Owner's investigation or hearing described below, to be in violation of Owner's rules, regulations, orders, practices or instructions.

(f) In a major offense such as violation of Rule G, dishonesty, insubordination, or a serious violation of operating rules, wherein Owner desires to bar User's employee from service on Owner's territory pending an investigation by Owner, immediate verbal notification will be given to the appropriate Transportation Officer of User so that proper written notice can be issued to the employee.

(g) If Owner conducts an investigation, its officer will conduct the investigation, but an officer of User may be present to assure compliance with the User's labor agreement and practices with respect to investigation procedures. After the investigation is concluded, Owner will promptly furnish User with two copies of the transcript and a recommendation as to the discipline to be assessed. User's Transportation Officer will arrange to assess discipline, subject to receipt of Owner's recommended discipline, within the applicable time limits. If Owner recommends dismissal, User reserves the right to change the recommendation to the extent of barring the individual from operating over Owner's territory.

(h) It is understood that Owner shall reimburse User for all payments that User might be required to make as a result of a successful challenge being made by the employee or his representative as to the discipline recommended by Owner and assessed by User. User agrees to notify Owner before committing itself to making payment of any claim. In the event a claim is progressed to an Adjustment Board, Owner will be given an opportunity to review User's submission. Any payments made to employees, as a result of an investigation being "overturned", shall include not only actual wages, but in addition, shall include expenses which User may be required to pay covering vacation allowances, Railroad Retirement taxes, unemployment insurance taxes and any other payroll tax or fringe benefits.

(i) The trains, locomotives, cars, and equipment of User, Owner, and any other present or future user of the Subject Trackage or any portion thereof shall be operated without prejudice or partiality and in such manner as will afford the most economical and efficient manner of movement of all traffic.

(j) If by reason of any mechanical failure or for any other cause not resulting from an accident or derailment, a train or locomotive of User becomes stalled or unable to proceed under its own power, or fails to maintain the speed required by Owner on the Subject

Trackage, or if in emergencies crippled or otherwise defective cars are set out of User's trains on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

(k) If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

(l) In the event Owner and User agree that Owner should provide additional employees for the sole benefit of User, the parties hereto shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 11. MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in User's trains on the Subject Trackage shall be assumed by User and reported and paid by it directly to the owner of such cars.

SECTION 12. CLEARING OF WRECKS

Whenever User's use of the Subject Trackage requires rerailling, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, shall be apportioned in accordance with the provisions of Section 13 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 13. LIABILITY

The responsibility of the parties hereto as between themselves for loss of, damage to, or destruction of any property whatsoever or injury to or death of any person or persons whomsoever, resulting from, arising out of, incidental to, or occurring in connection with the Trackage Rights granted in this Agreement, shall be determined as follows:

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(a) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, User being involved, without the trains, locomotives, cars, or equipment of, or in the account of, Owner being involved, User shall assume all liability therefor and bear all cost and expense in connection therewith, including without limitation all cost and expense referred to in Section 12 hereof, and shall forever protect, defend, indemnify, and save harmless Owner and its directors, officers, agents, and employees from and against any such liability, cost, and expense, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of Owner or its directors, officers, agents or employees.

(b) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, Owner being involved, without the trains, locomotives, cars, or equipment of, or in the account of, User being involved, Owner shall assume all liability therefor, and bear all cost and expense in connection therewith, including without limitation all cost and expense referred to in Section 12 hereof, and shall forever protect, defend, indemnify, and save harmless User and its directors, officers, agents, and employees from and against any such liability, cost, and expense, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of User or its directors, officers, agents, or employees.

(c) Whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, both Owner and User being involved, Owner and User shall separately assume and bear all liability, cost, and expense for loss of and damage to said trains, locomotives, cars (including without limitation lading), and equipment operated by each of them and for injury to and death of each of their directors, officers, agents, and employees, and persons in each of their care and custody. All liability, cost, and expense for injury to and death of any other person or persons whomsoever, for loss of, damage to, or destruction of all other property (including without limitation the Subject Trackage) and for any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, so occurring shall be borne equally by Owner and User, including without limitation all cost and expense referred to in Section 12 hereof. Whenever any liability, cost, or expense is assumed by or

apportioned to a party hereto under the foregoing provisions, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.

(d) Notwithstanding the foregoing provisions, whenever any loss of, damage to, or destruction of any property whatsoever, or injury to or death of any person or persons whomsoever, or any damage to or destruction of the environment whatsoever, including without limitation land, air, water, wildlife, and vegetation, occurs with the trains, locomotives, cars, or equipment of, or in the account of, both parties to this Agreement being so involved, and such loss, damage, destruction, injury, or death is attributable to the sole negligence of the employee(s) on the train(s), locomotive(s), car(s), or caboose(s) of, or in the account of, only one of the parties to this Agreement where such sole negligence is the active or proximate cause of such loss, damage, destruction, injury, or death, the party hereto whose employee(s) was (were) solely negligent shall assume and bear all liability, cost, and expense in connection with the loss, damage, destruction, injury, and death so occurring, including without limitation all cost and expense referred to in Section 12 hereof, and said party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its directors, officers, agents, and employees from and against any such liability, cost, and expense.

(e) In every case of death or injury suffered by an employee of either User or Owner, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.

(f) For purposes of this Section 13, pilots furnished by Owner to User pursuant to Section 10(c) of this Agreement shall be considered as the employees of User while such employees are on duty as pilots.

(g) Notwithstanding the provisions of Section 18(f) of this Agreement, for the purposes of this Section 13 the word "equipment" shall mean and be confined to (i) cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of