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April 17, 2001

BY HAND

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

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Office of the Secretary

APR 18 2001

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Re: 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

Dear Secretary Williams:

I enclose herewith an original and 10 copies of NS-79, Norfolk Southern's reply to the joint petition of various unions and the Commonwealth of Pennsylvania pertaining to the car shops in Hollidaysburg, Pennsylvania, filed in this proceeding on March 28, 2001.

Please note that NS-79 also will constitute NS's only reply to the separate pleading on the same subject filed by the Transportation-Communications International Union on or about April 13, 2001.

A 3-1/2" computer disk of containing the text of NS-79 in Wordperfect 5.1 format, which is capable of being read by Wordperfect for Windows 7.0 is also enclosed.

Should you have any questions regarding this, please call.

Sincerely,

Richard A. Allen
Richard A. Allen

Enclosures

cc: parties of record in Finance Docket No. 33388

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BEFORE THE
SURFACE TRANSPORTATION BOARD

NS-79

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

NORFOLK SOUTHERN'S REPLY TO THE
"JOINT PETITION OF VARIOUS UNIONS AND THE COMMONWEALTH OF
PENNSYLVANIA FOR ENFORCEMENT OF ORDER DIRECTING COMPLIANCE
WITH COMMITMENTS, OR ALTERNATIVELY TO REOPEN FOR ORDER
DIRECTING COMPLIANCE WITH COMMITMENTS, OR ALTERNATIVELY FOR
RELIEF NOT OTHERWISE PROVIDED-FOR"

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April 17, 2001

Attorneys for Norfolk Southern Corporation
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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASES/AGREEMENTS --
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**NORFOLK SOUTHERN'S REPLY TO "JOINT PETITION OF VARIOUS UNIONS
AND THE COMMONWEALTH OF PENNSYLVANIA FOR ENFORCEMENT OF
ORDER DIRECTING COMPLIANCE WITH COMMITMENTS, OR
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COMMITMENTS, OR ALTERNATIVELY FOR RELIEF NOT OTHERWISE
PROVIDED-FOR"**

Introduction and Summary of Argument

Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively "NS") hereby reply to the Joint Petition filed by certain rail unions and the Commonwealth of Pennsylvania on March 28, 2001 seeking certain specified and unspecified relief related to NS's announced intention to close its railcar repair shops at Hollidaysburg, Pennsylvania on or about September 1, 2001.¹

¹ On April 13, 2001, the Transportation-Communications International Union ("TCU") filed a document entitled "Response of Transportation-Communications International in Support of Joint Petition of Various Unions and the Commonwealth of Pennsylvania for Enforcement of Order, or Alternatively for Relief Not Otherwise Provided-For" ("The TCU Response"). NS will not reply separately to the TCU Response.

The Board authorized NS and CSX² to acquire control of Conrail³ in Decision No. 89, served July 23, 1998. NS and CSX assumed control of Conrail on August 23, 1998 and commenced separate operations over the Conrail lines allocated to each of them on June 1, 1999 (commonly referred to as "Day One" or "Split Date").

For almost two years since Day One, NS has operated the car repair shops at Hollidaysburg in a manner consistent with NS' stated intentions before and during the Conrail proceeding. The Joint Petitioners so admit. *See* Unions' Exhibit 16, Lutton V.S. at ¶ 4; Unions' Exhibit 17, Francisco V.S. at ¶ 4. Indeed, NS has undertaken significant efforts to attract car repair business from sources outside NS as detailed in the verified statement of David L. Veron, NS Director Insourcing, attached hereto as Exhibit 1.

Unfortunately, despite NS' substantial marketing efforts, neither the continued operation of the Hollidaysburg shops nor the \$4 million in additional investment there originally contemplated in the NS Operating Plan makes good economic sense. Therefore, NS reluctantly has made the hard but necessary decision to discontinue operations at the Hollidaysburg shops on or about September 1, 2001. It has also notified the 300-plus employees at Hollidaysburg that they will have the opportunity to follow their work to other locations.

The decision to close the Hollidaysburg shops is one of many difficult decisions that current economic conditions and serious financial challenges have required NS to make in recent months. Others include reducing NS' dividend for the first time in NS' history (by 70

² "CSX" refers collectively to CSX Corporation and CSX Transportation, Inc.

³ "Conrail" refers collectively to Conrail, Inc. and Consolidated Rail Corporation.

percent), cutting NS' management work force by nearly 25 percent and closing NS' century-old foundry and largely idling the car reclamation shops at Roanoke, VA.

The Joint Petition incorrectly claims that closing the Hollidaysburg shops will breach commitments NS assertedly made to the Board in the Application and during the Conrail control proceeding to continue operating the Hollidaysburg shops indefinitely, regardless of economic circumstances, and thus will violate the general condition imposed in Decision No. 89 requiring NS and CSX "to adhere to all of the representations they made during the proceeding." The Joint Petition thus asks the Board to order NS to continue operating the Hollidaysburg shops and to spend \$4 million in capital improvements there. Although the Joint Petition does not say openly how long NS is to be ordered to operate the shops, the obvious and necessary import of its arguments is that NS must be required to operate them forever, regardless of economic conditions.

There is no basis for the relief requested in the Joint Petition, and it should be dismissed. It is the unfortunate fact that business conditions do not justify NS maintaining all of NS' repair shops. At the time the Conrail control application was filed and during the proceeding, NS expected, in good faith, to use and operate the Hollidaysburg shops and to make certain infrastructure investments there, and stated that expectation in a variety of forums, including in the Application. Since Day One, NS has operated the shops and vigorously sought new business there.

At no time, however, did NS commit to operating the Hollidaysburg shops in perpetuity or without regard to economic circumstances or market conditions. The Joint Petitioners' assertion to the contrary is simply incorrect. As will be discussed in more detail below, during

the proceeding NS told many of the union petitioners here that the continued operation of any of NS' facilities post-transaction would depend upon future economic conditions and circumstances.⁴

Furthermore, the Board has recognized in its decisions prior to and in the Conrail proceeding and oversight that statements by applicants in control applications on such matters as the amount and mix of traffic they expect to move, how they anticipate operating the consolidated system, what facilities they expect to use and what specific infrastructure investments they expect to make are necessarily imprecise projections based on economic conditions and traffic flows known at the time the statements are made. The Board never treats such projections as inflexible commitments from which applicants may not deviate when they begin to operate the consolidated system. To do so would be a certain recipe for business failure, because market and economic conditions constantly evolve, and businesses that do not, or are not permitted to, react and adapt do not long survive.

The Joint Petitioners, however, seek to impose just such a crippling requirement on NS. They would require NS not only to operate a particular facility forever, but to spend millions of additional dollars on that facility regardless of the cost and regardless of whether or not it is economically justified. Such an enforced diseconomy could well require NS to quickly review the status of other facilities.

⁴ It should, of course, go without saying that as a general proposition in the business world, it is a given that the business plans, expectations, and projections of every company in every industry in the nation – at least those that expect to survive and thrive – are contingent upon, and must be able to adapt to, real-world market and economic circumstances as they develop. In this case NS expressly stated that fact.

STATEMENT OF FACTS

The Application and the Control Proceeding

The application of CSX and NS to acquire control of Conrail (the "Application") was filed on June 18, 1997. As indicated in Mr. Veron's verified statement, before the Application, NS and Conrail each performed car repairs at a number of different shops on their respective systems. Conrail's shop complex at Hollidaysburg was by far the largest of these.

The Application expressed NS' intention to continue use of the Hollidaysburg shops after Day One. As explained by NS' witness, Michael Mohan: "After the consolidation, the Conrail shop at Hollidaysburg will absorb most car program work, with Roanoke Shops - Car concentrating on new car construction and rebodging. Program car repair operations at Macedonia, OH [a former Conrail facility], Decatur, IL and Williamson, WV [two NS facilities] will be eliminated." CSX/NS-20, Vol. 3B at 62. NS also indicated its intention to spend \$4 million for material handling improvements at the Hollidaysburg shops. *Id.* at 288.

The Joint Petition repeatedly asserts that these and other similar statements in the Application and during the control proceeding constituted "commitments" by NS to operate the Hollidaysburg shops forever and without regard to economic circumstances; thus the Joint Petition asserts: "[T]hese commitments were not conditional, contingent or limited in time." Joint Pet. at 8. This characterization of NS's statements is entirely incorrect and without foundation. All of the statements cited reflect nothing more than NS' good faith intention and expectation at the time to continue using the shops when it commenced operation of the portion of the Conrail system allocated to it. The correctness and good faith of NS's stated intention

are clearly demonstrated by NS' actions after Day One, described by Mr. Veron and summarized below.

None of the statements in the Application suggests a commitment to operate Hollidaysburg (or any other facility) forever and without regard to economic conditions. Moreover, during the proceeding, NS expressly informed parties, including the petitioners here, that NS was *not* making any guarantee to operate any shops for any fixed period of time or in perpetuity and that the use of the shops, like all of NS's facilities, would depend on future economic circumstances.

In discovery, the Allied Rail Unions (ARU)⁵ asked, in their Interrogatory No. 180, the following: "NS has stated that it has not determined whether it will close any locomotive or car repair shops or facilities on the present NS or combined NS/Conrail other than those identified in its operating plan. a. When does NS expect to make that determination? b. In the absence of such a determination, why should the STB be expected to rely on the labor impact exhibit as an accurate representation of the effect that this Transaction will have on shop craft employees?"

NS responded as follows:

a. *After NS acquires its portion of Conrail, business conditions, revenue and traffic growth, efficiency of operations and similar factors will be evaluated to determine needs for car and locomotive shops.* b. See response to Interrogatory No. 10.

⁵ Several unions included in the ARU are also parties to the Joint Petition, including the Transport Workers Union of America (TWU), the International Brotherhood of Electrical Workers (IBEW), and the Sheet Metal Workers International Association (SMWIA). Further, counsel for the ARU, Mr. Edelman, is also counsel for TCU and the union petitioners here. Another union petitioner, the International Association of Machinists and Aerospace Workers (IAM), participated separately in the Conrail proceeding.

CSX/NS-84 at 17 (emphasis supplied). See Exhibit 5 hereto. The referenced response to Interrogatory No. 10, which asked, "whether the Applicants consider themselves bound by the Operating Plans . . . if the STB approves the Application," stated:

The Operating Plans are best projections which are not binding on the Applicants. Those Plans represent their best efforts to project, on the information available, how their allocated share of Conrail and the Shared Assets Areas will be operated post-STB approval of the control and related applications. These Plans, however, cannot anticipate all of the changes that may be necessary to operate Conrail's assets in an efficient manner. In addition, as Applicants actually implement their Operating Plans, new and different ways of Operation will become apparent. Applicants will also have to adjust their plans to the expectations and needs of shippers. Applicants will also have to take into account changes in shipper demands for their services which may occur between the time of the filing of the application and when STB approval is obtained. Finally, some changes to implement efficiencies from combined operations may not become apparent until after CSX and NS have been operating their allocated share of Conrail assets for some time.

CSX/NS-44 at 11-12. See Exhibit 4 hereto.

NS also indicated in the Application that it would attempt to develop business for its repair shops from other railroads and companies (known as "insourcing"), and that the results of those efforts would be important to its ability to fully utilize its shop capacity. See CSX/NS-20, Vol. 3B at 62-63. NS noted that one source of expected future insourcing would be CSX, which had agreed to send a certain number of cars to Hollidaysburg during the three years after Day One. *Id.* at 320-321; CSX/NS-25, Vol. 8C at 801-802. In the proceeding, ARU specifically expressed concern with whether and how long NS would continue to use the Hollidaysburg shops after Day One, and they pressed the issue in interrogatories and in depositions. For example, ARU Interrogatory No. 143 asked: "Once CSX discontinues its practice of sending 333 cars per year to the Hollidaysburg shop, what do the Applicants anticipate will be the effect upon TWU-represented carmen at the Hollidaysburg shop?" NS responded as follows:

The effect on carmen . . . is not known because it is not known when CSX will discontinue sending 333 cars to Hollidaysburg. *Presently, it is anticipated that it will be after three years. Accordingly, NS cannot speculate on the volume of work that will exist if and when CSX discontinues sending these cars to Hollidaysburg. Furthermore, NS cannot speculate on the impact of insourcing or the rate of attrition.*

CSX/NS-69 at 5-6 (emphasis supplied). See Exhibit 3. NS responded in the same vein to another interrogatory. ARU Interrogatory No. 132, asking a similar question pertaining to Hollidaysburg with respect to boilermakers, laborers, electrical workers and sheet metal workers. See Exhibit 4, CSX/NS-44 at 80-81.⁶ Robert Spenski, NS' Vice President-Labor Relations, said the same thing in a deposition attended by counsel for the union petitioners here. Spenski/Peifer Deposition Tr., September 2, 1997 at 81. See Exhibit 6 hereto.

Further, in response to ARU Interrogatory No. 151, which sought to identify future closings of shops on the then-Conrail system, NS referred back to its response to another ARU Interrogatory, No. 127, in which NS said that "Applicants have not determined whether any other locomotive or car shops or facilities, other than the ones specified in the Operating Plan, will be closed." See Exhibit 3, CSX/NS-69 at 12; Exhibit 4, CSX/NS-44 at 78.

The foregoing responses to concerns about shop closings made clear that NS was *not* committing to operate Hollidaysburg forever, or for any particular period of time, or without regard to future economic circumstances. They made clear that the statements in NS'

⁶ As explained by Mr. Veron and discussed below, the insourcing efforts did result in work for the Hollidaysburg shops. The work performed for CSX under the agreement was a relatively small part of the insourcing work done at Hollidaysburg. Despite the NS insourcing efforts, however, the shops have operated at a substantial loss and constitute a significant drain on NS, even with the CSX work. NS and CSX have agreed that CSX would not send additional cars to Hollidaysburg. That matter is solely between NS and CSX and has no bearing on the Joint Petition. The Joint Petition expressly disclaims any reliance on the term of the CSX/NS Agreement and seeks an order requiring NS to keep the shops open forever. See Joint Pet. at 8, n.1.

Operating Plan regarding Hollidaysburg and other facilities were statements of NS' good-faith expectation at the time about how it would operate as of Day One, and that whether and for how long NS would continue using particular facilities would depend entirely on future circumstances that could not be predicted with any degree of certainty.

Decision No. 89

Nothing in Decision No. 89 expressly states or implies that statements in the Applicants' Operating Plan concerning the properties they expect to use when the systems are consolidated, and how they expect to use them, constitute binding commitments from which Applicants cannot deviate regardless of future economic or other conditions.

Labor Implementing Agreements

After issuance of Decision No. 89 and prior to Day One, Applicants entered into implementing agreements with the unions representing their employees. Consistently with NS' statements during the proceeding, discussed earlier, the six implementing agreements Applicants entered into with unions representing shop craft employees each contain provisions that explicitly reflect the understanding and contemplation of all parties, including the unions, that there might be "future coordinations of work, services or operations, in whole or in part, not now contemplated" that would result in the dismissal or displacement of employees or the rearrangement of forces. The implementing agreement among Applicants, the Brotherhood Railway Carmen Division - TCU, and the Transport Workers of America (one of the petitioning unions here) is illustrative. Article I, Section 1 of the agreement permits applicants to effect, on seven days' notice, certain specified "coordinations or rearrangements of forces;" these specified actions include the transfer of "[p]rogram car repair work from Macedonia,

... Decatur, IL, and Williamson, WV to Hollidaysburg." Article I, Section 3, however, anticipates further transfers of work by providing:

Future coordinations of work, services or operations, in whole or in part, *not now contemplated and/or specified in Section 1*, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by NSR and/or CRC after providing employee(s) and their Organization representatives thirty (30) days' written notice. . . .

See Exhibit 7 (emphasis supplied). The implementing agreements between Applicants and each of the other petitioning unions contain similar language.⁷ The relevant excerpts from those agreements are attached as Exhibits 8-12.

Operations After Day One

As described in greater detail in Mr. Veron's verified statement, NS has continued to operate the Hollidaysburg shops for almost two years since Day One. Some of the work done at the shops during that time was transferred to Hollidaysburg from other NS shops, as the Operating Plan anticipated. In addition to the work done on NS cars, NS made substantial efforts to "insource" additional work from other railroads and car owners. These efforts included both active marketing and substantial price reductions. As a result, almost half of the approximately 4,000 cars worked on at the shops in 2000 were non-NS cars.

⁷ If the employees or their representatives wish to confer with the carrier about the proposed rearrangement of forces after receiving such notice, the agreements provide for a process of negotiation and, failing agreement, arbitration of issues related to the rearrangement of forces. TCU also has an implementing agreement with NS (and CSX and Conrail), attached hereto as Exhibit 13. This agreement provides *inter alia* for future coordinations of work and relocation of employees by providing notice and certain information to the General Chairman, without any requirement for a new implementing agreement. This implementing agreement also provides for benefits superior to those provided under the *New York Dock* conditions. Notwithstanding this Implementing Agreement, TCU has now joined petitioners in asking the Beard to continue to operate the Hollidaysburg shops. Contrary to the TCU's

(continued on next page...)

The witnesses supporting the Joint Petition acknowledge that following Day One, NS has operated the Hollidaysburg shops, consolidated work at Hollidaysburg, and sought insourcing work for Hollidaysburg, as NS had expected to do. See Unions' Exhibit 16, Lutton V.S. at ¶ 4; Unions' Exhibit 17, Francisco V.S. at ¶ 4.

Unfortunately, despite the transfers of work from other shops and the insourcing efforts, the Hollidaysburg shops have operated only at about one-third capacity since Day One. The hard fact is that NS's other car repair facilities (not including the Roanoke shops that have been largely idled) have both the physical capacity and capabilities to perform the kinds and amounts of repair work on NS equipment now being performed at the shops now operating on the NS system. Hollidaysburg is thus a redundant facility, and a very expensive one.

Contrary to the claims of TWU Local 2017 President Lutton, the verified statement of Robert H. Belvin, NS Manager - Budget Planning and Operations, shows that the Hollidaysburg shops, considered as a stand-alone facility, do not generate a profit but, in fact, have operated at a significant loss - almost \$ 7 million, as a conservative estimate, in the year 2000. See Exhibit 2, Belvin V.S. at 2.

(...continued from previous page)

assertion that NS will create only 14 jobs (Response at 1-2), NS has offered positions to all TCU-represented employees who are willing to relocate.

ARGUMENT

REOPENING OR OTHER RELIEF SOUGHT BY THE JOINT PETITION IS NOT WARRANTED.

A. NS HAS NOT BREACHED ANY REPRESENTATIONS MADE CONCERNING THE HOLLIDAYSBURG SHOPS.

NS regrets the economic circumstances that have led to the difficult decision to close Hollidaysburg. But the Joint Petition rests on the incorrect premise that NS guaranteed in the Application and during the proceeding to continue operating the Hollidaysburg shops forever and without regard to economic circumstances. This premise is wrong. NS correctly stated its good faith intention at the time to use the Hollidaysburg shops after Day One, an intention that was based on expectations at that time. At the same time, NS made clear to petitioners that it was not making a commitment to continue using Hollidaysburg, or any other facility, forever or for any period of time after Day One, and that how long NS would use Hollidaysburg and other facilities would depend entirely on future economic conditions that could not be known at the time. And the implementing agreements the unions representing NS' shop craft employees entered into after the Application was approved specifically recognized that future transfers of work might occur.

That NS' statements regarding its intentions with respect to Hollidaysburg were correct and made in good faith is clearly demonstrated by its continued use of Hollidaysburg since Day One and by its very substantial efforts to insource new car repair work at that facility, described by Mr. Veron and acknowledged by the Joint Petitioners' witnesses. Notwithstanding these efforts, the economic losses incurred at Hollidaysburg are substantial ones that NS simply cannot afford to have continue.

B. THE BOARD'S CATCH-ALL CONDITION WAS NOT INTENDED TO DEPRIVE CARRIERS OF THE FLEXIBILITY TO MAKE NECESSARY BUSINESS DECISIONS.

The Joint Petition also relies on the general, catch-all condition the Board imposed in Decision No. 89 requiring NS and CSX "to adhere to all of the representations they made during this proceeding, whether or not such representations are specifically referenced in this decision " Decision No. 89 at 176, ¶ 19. This condition does not help petitioners because, as just discussed, NS has not breached any representations made during the proceedings regarding Hollidaysburg. In sum, NS said it expected to need Hollidaysburg post-transaction, to use it, to consolidate certain work there, to seek insourcing work, and, in light of its anticipated use, to spend \$4 million on a particular capital project there; but NS also said that how long it would continue to use any of its shops was unknown. There have been no misrepresentations.⁸

Moreover, the Board has made clear that its catch-all condition was not intended to apply to statements by Applicants in the Application and during the proceeding describing the Applicants' plans for operating the consolidated systems after approval. Under the conditions

⁸ It is true that NS has not made the anticipated \$4 million expenditure for "material handling improvements" at the Hollidaysburg shops referenced in the NS Operating Plan. See CSX/NS-20, Vol. 3B at 288. In light of the circumstances compelling NS to conclude that Hollidaysburg should be closed, expenditure of that money now makes no economic sense. Nor would that expenditure have ameliorated the need to close the shops. See Veron V.S. at 7. Declining to carry out the project as originally anticipated is not a situation unique to Hollidaysburg; NS noted, for example, in its first annual oversight report that, in light of events unfolding after Day One, the company has modified in various respects its capital improvement plans from those anticipated in the application. See Finance Docket No. 33388 (Sub-No. 91)[General Oversight], NS-1 at 12 (filed June 1, 2000); see also Finance Docket No. 33388 (Sub-No. 93)[Buffalo Area Infrastructure], CSX/NS-1 at 10, n.13 (filed September 7, 2000) (noting that study undertaken subsequent to the Application indicated that certain projects contemplated in the Application for the Buffalo area were in fact not feasible).

in which applications must be prepared and submitted, such statements necessarily represent general, and therefore imprecise, projections of Applicants' expectations concerning the consolidated systems. They are not, and cannot be, precise blueprints for future operations that Applicants must follow forever, or until the Board affirmatively excuses them.

The Board recently so ruled in the Conrail general oversight proceeding when it explained, in response to comments by the Maryland Department of Transportation, that "MDOT . . . is not correct in its assessment that the operating plans filed by CSX and NS were 'commitments' to achieve proposed service and infrastructure improvements within 3 years after the implementation date that must be enforced without variation." Decision No. 5 in Finance Docket No. 33388 (Sub-No. 91) (served February 2, 2001) at 24.

The Board applied the same principle in this case in the Buffalo Area Infrastructure proceeding, when it rejected a claim that NS must be held to certain alleged representations regarding its expected construction of two track connections in the Buffalo, NY area. In that proceeding, the Erie-Niagara Rail Steering Committee ("ENRSC") noted that NS' Operating Plan had stated NS' expectation to build track connections at Blasdell and Gardenville Junction to relieve congestion at an estimated cost of \$6 million. ENRSC claimed that NS' subsequent decision not to build the connections amounted to a breach of its representations, to which the Board should hold NS by requiring it to spend \$6 million on other capital improvements designed to relieve congestion in Buffalo. The Board denied the request, stating:

Although we exempted NS' construction proposals at Blasdell and Gardenville Junction, these exemptions . . . are permissive. We did not make those construction proposals conditions to our approval of the Conrail transaction. ENRSC has cited no Board or other precedent for its novel request that NS be forced to spend a comparable amount as it originally projected for those constructions.

Decision in Finance Docket No. 33388 (Sub-No. 93) (served Feb. 2, 2001), at 6.⁹

These principles are not new. For example, in the UP/SP general oversight proceeding,¹⁰ the Board recognized that applicants' expectations regarding facilities usage or capital expenditures as set out in the application are not, and as a practical matter simply cannot be, inflexible commitments forever binding on the applicants regardless of subsequent market developments, customer needs, or economic circumstances. During the fourth annual round of UP/SP oversight, the California Public Utilities Commission asked the Board to "hold UP to its commitments to upgrade the Donner Pass and to increase capacity on the Sunset Route between El Paso and Los Angeles." *UP/SP* Decision No. 16 at 13 (served December 15, 2000). The Board, however, declined to do so, because "there is no requirement that a merger applicant actually make investments in the exact places or at the precise dollar amount that it predicts it will spend in its application." *Id.*¹¹

All of these decisions reflect the Board's recognition that statements by applicants in operating plans or elsewhere about how they expect to operate their systems do not, and

⁹ See also Decision No. 96 in this proceeding, which rejected a request to hold NS and CSX to alleged "representations" regarding train operations and traffic flows in their operating plans, stating: "[W]hile railroads do their best to predict the amount of post-transaction traffic likely to move over a given line, railroads need flexibility because the amount of traffic that actually moves depends on shipper demand. . . . Railroads must be permitted to decide on a continuous and ongoing basis which routes are most efficient to meet their needs." Slip op. at 22.

¹⁰ *Union Pacific Corp. et al. - Control and Merger - Southern Pacific Rail Corp. et al.*, Finance Docket No. 32760 (Sub-No. 21) ("*UP/SP*").

¹¹ The Board went on to note the general capital investment effort being undertaken by UP. *Id.* Here, NS, since Day One, has undertaken substantial capital improvement and investments in Pennsylvania (including, among other things, a major new intermodal terminal in Harrisburg) and elsewhere throughout its system. See, e.g., Finance Docket No. 33388 (Sub-No. 91)[General Oversight], NS-1 at 5-12.

cannot, establish binding commitments from which applicants cannot deviate after the transaction is approved. (Indeed, the Joint Petitioners cite no precedents to the contrary, nor any precedents supporting their claim for extraordinary relief.) The principles outlined by the Board in these decisions are directly pertinent to the request of the Joint Petition that NS be required to operate the Hollidaysburg shops forever and regardless of economic conditions (and indeed to invest an additional \$4 million there) and clearly demonstrate why the Joint Petitioners' request should be denied. Adopting the principle that the Joint Petitioners seek would do more than merely "impair [NS'] operating flexibility." Decision No. 96 at 9. Applied broadly, it could seriously impair NS' ability to make hard decisions that could be necessary to its very survival.

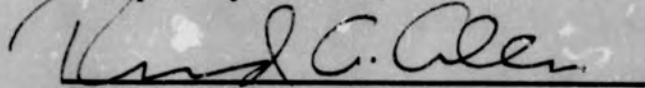
CONCLUSION

For the foregoing reasons, NS respectfully asks that the Joint Petition be denied.

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Respectfully submitted,



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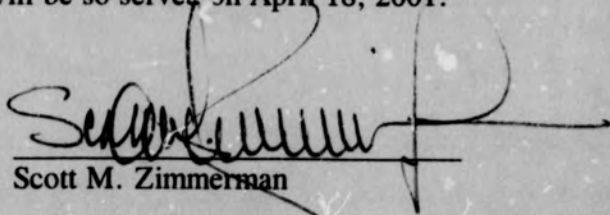
CERTIFICATE OF SERVICE

I hereby certify that on April 17, 2001, a true copy of the foregoing reply of Norfolk Southern to the joint petition of various unions and the Commonwealth of Pennsylvania was served by first class U.S. Mail, postage prepaid, or by more expeditious means, upon the following:

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I further certify that a copy of the foregoing reply has been served, by first class U.S. mail, postage prepaid, or by more expeditious means, on all other parties of record in Finance Docket No. 33388 on April 17, 2001, or will be so served on April 18, 2001.



Scott M. Zimmerman

EXHIBIT LIST

- Exhibit 1** Verified Statement of David L. Veron.
- Exhibit 2** Verified Statement of Robert H. Belvin.
- Exhibit 3** CSX/NS-69, "Applicants' Responses To Allied Rail Unions' Second Set Of Interrogatories To Applicants (ARU-11)," pp. 1, 5-6, 12, 18-19.
- Exhibit 4** CSX/NS-44, "Applicants' Responses To Allied Rail Unions' First Set Of Interrogatories To Applicants (ARU-7)," pp. 1, 11-12, 78, 80-81, 86-87.
- Exhibit 5** CSX/NS-84, "Applicants' Responses To Allied Rail Unions' Third Set Of Interrogatories To Applicants (ARU-16)," pp. 1, 17, 31-32.
- Exhibit 6** Transcript of the Deposition of Robert Spenski and Kenneth Peifer, September 2, 1997, pp. 1-7, 80-81.
- Exhibit 7** Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the Brotherhood Railway Carmen Division-TCU and Transport Workers Union of America (dated October 16, 1998), pp. 1-6, 15.
- Exhibit 8** Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (dated March 25, 1998), pp. 1-7, 18.
- Exhibit 9** Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the International Brotherhood of Electrical Workers (dated August 3, 1998), pp. 1-6, 16.

- Exhibit 10** Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the National Conference of Firemen and Oilers (dated October 16, 1998), pp. 1-7, 18.
- Exhibit 11** Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the Sheet Metal Workers International Association (dated September 17, 1998), pp. 1-4, 10; and Attachment B thereto (dated September 17, 1998), pp. 1-4, 10.
- Exhibit 12** Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the International Association of Machinists and Aerospace Workers (dated October 10, 1998), pp. 1-3, 7; and Attachment B thereto (dated October 10, 1998), pp. 1-3, 12.
- Exhibit 13** Implementing Agreement Between Norfolk Southern Corporation, Norfolk Southern Railway Company, Consolidated Rail Corporation, CSX Transportation, and the Transportation Communications International Union (dated November 2, 1998), pp. 1, 14-15, 27.

EXHIBIT 1

Verified Statement of David L. Veron

VERIFIED STATEMENT OF DAVID L. VERON

My name is David L. Veron. I am Director Insourcing, of Norfolk Southern Corporation ("NS"). I am based in Altoona, PA. I am submitting this statement in support of Norfolk Southern's response to the Petition filed on March 28, 2001 in Finance Docket No. 33388 by certain unions and the Commonwealth of Pennsylvania.

Personal Background

In my position as Director Insourcing, I am in charge of all of efforts to obtain business from other railroads and other companies (known as "insourcing") for all NS mechanical facilities. I have held that position since July 1999, shortly after NS began operating its portion of Conrail. I have worked for NS and its predecessors since 1974, when I was hired by the Southern Railway as Storehouseman-Material Management in Southern's diesel shop in Chattanooga, TN. I have worked for Southern and NS continuously since that time.

I am very familiar with the history of the Hollidaysburg car repair shops (the "Shops") and particularly with NS's operation of those Shops after June 1, 1999 ("Day One" or "Split Date") and its substantial efforts to develop business for the Shops, which I will describe below. As I will also discuss, many of the assertions made by Mr. T.D. Lutton in support of the petition regarding supposed prospective business for the Shops are simply incorrect, including his claim that the Shops make a profit for NS. Far from making a profit, the Hollidaysburg Shops in the year 2000 operated at a loss of nearly \$7 million, as explained in the separate statement of Robert Belvin.

Description of Hollidaysburg Shops

The Pennsylvania Railroad built the Hollidaysburg Shops in 1954-1955, nearly fifty years ago. The Shops are among the largest railroad car facilities in the world. They consist of over

three-quarters of a million square feet of enclosed shop and car production space sitting on over 360 acres of land. The building housing the Shops is over one-half mile long and at points it is nearly 330 feet wide. The building contains four main tracks over 3,000 feet long, 12 overhead cranes, and three paint and blast facilities. Up to 3,500 rail cars can be stored at the Shops at any one time. There are over 65 miles of rail tracks in the main building and elsewhere throughout the property.

During the period that the Pennsylvania Railroad had control of the Shops – from construction to the February 1968 consolidation of the railroad with the old New York Central into Penn Central – it repaired over 61,000 existing cars and constructed nearly 40,000 new cars at the Shops. (This amounted to an average of over 8,300 cars for repair and/or construction per year, not counting 1955 – the year the Shops first came on line). The Shops served as the primary Pennsylvania Railroad new freight car construction, rebuild and heavy repair facility.

During the 8 years the Shops were under the control of the Penn Central, it repaired over 73,000 cars and constructed over 7,000 new cars at the Shops. (This amounted to an average of over 10,100 cars per year).

Conrail took over the Shops on April 1, 1976. From that time until “Split Date” – June 1, 1999 – when NS acquired the use of the Shops, over 132,000 cars were repaired and over 5,700 cars were constructed at the Shops. At first, Conrail’s use of the Shops rivaled that of its predecessors – over 13,000 car repairs in each of 1977 and 1978, for example – but over time Conrail’s use of the Shops dwindled.

NS acquired use of the Shops on June 1, 1999. It is a “Pennsylvania Lines LLC” asset that is operated by NS as a result of the approval granted by the Surface Transportation Board (“STB” or “Board”) of the planned acquisition of control of Conrail by NS and CSX.

NS performs several activities at the car shop at Hollidaysburg, including "Rule 88 rebuilds" (upgrades to AAR car construction standards), wreck work, heavy bad orders, painting, reclamation and fabrication. This type of work is also performed at one or more of the several other shop locations on the NS system that can handle program maintenance,¹ but since Split Date - June 1, 1999 - much of this work has been moved to Hollidaysburg from the other NS shops. Despite that fact, the Shops currently run at less than one-third of capacity, with only one shift working five days per week.

The Shops During Year 2000

As discussed above, the Shops were heavily used during the Pennsylvania and the Penn Central eras. All of the work done at the Shops during those periods was done for the Shop's owners; there was no work performed for others. Much has changed. During year 2000, NS worked on approximately 4,040 cars in the Shops for over a dozen railroads and rail car leasing companies. No new cars were fabricated at the Shops during 2000.

Of the 4,040 cars repaired at the Shops during 2000, 1,838 were repaired for NS itself. Most of these (1,222) were for "light repairs" which I define as a repair that requires 25 or fewer man-hours of work. Only 729 of the cars required "medium repairs" (requiring between 26 and 75 man-hours of work), and only 287 required "heavy repairs" (requiring 76 or more man-hours of work). No outside company sent more than 500 cars to the Shops. The following represents a breakdown of the work performed at the Shops for outside companies:

¹ NS locations capable of handling program repairs are: Bellevue, OH; Birmingham, AL; Columbus, OH; Conway, PA; Elkhart, IN; Macedonia, OH (idled); Decatur, IL; Knoxville, TN; Linwood, NC; Macon, GA; Norfolk, VA; Shaffers Crossing - Roanoke, VA (largely idled); Williamson, WV.

	Heavy Repairs	Medium Repairs	Light Repairs
GATX	33	184	0
First Union	162	0	0
Greenbrier	100	0	84
Reading Blue Mountain & Northern	0	238	0
Rail Trust	155	0	0
CSXT	350	0	77
Winchester Western	0	13	0
Jelm Leasing	0	0	20
GE Capital	200	0	0
Various flood damaged cars	0	0	186

Insourcing Efforts at Hollidaysburg

NS obtained much of the "insourcing" work done for others as a result of the substantial efforts of a restructured insourcing team. This team, which I have led since July 1999, has been dedicated to bringing work to Hollidaysburg as well as other facilities.

Having an active marketing insourcing effort dedicated to bringing in work to the Shops was something new to Hollidaysburg. Neither the Pennsylvania Railroad nor the Penn Central performed insourcing work for others at the Shops. Conrail did not itself actively solicit insourcing work for Hollidaysburg. Instead, to the extent an effort was made, it was generally made through a manufacturer's representative, Karol & Associates, which brought in some work for Hollidaysburg. Most of Conrail's car shop insourcing work was largely due to direct contacts from the customers themselves.

When NS contemplated taking over operations at the Shops, it knew that it would have to work to develop insourcing to keep the Shops active. NS believed that it could do so, and to that

end NS devoted additional resources, including creating a position of Manager of Freight Car Sales and Marketing. That position was held by Sam Williams, who reported directly to me, whose sole job was to bring in work to the NS car shops. I think he did an outstanding job of bringing in work to the Shops. Mr. Williams developed and actively worked a contact list of about 100 actual and potential customers.

Additionally, NS created a new division – Thoroughbred Mechanical Services (“TMS”) – which brought together in one division all insourcing efforts and operations throughout the NS car and locomotive shops. TMS developed and ran, at a substantial cost, a series of ads for publication further aimed at developing insourcing. These ads ran for much of the latter half of year 2000 in Progressive Railroading, Railway Age and The Pocket List of Railroad Officials, three mainstay publications in the railroad and rail car industries.

All of the insourcing efforts made by NS and TMS brought in new business – Mr. Lutton discusses many of the resulting contracts in his verified statement -- but, unfortunately, not nearly enough to justify continued operation of the Shops economically. Part of the success of the insourcing efforts resulted from a corporate decision to cut dramatically the rates for work at the facility. At first, NS sought to cover both labor costs and all allocated overhead costs. In order to attract business, however, NS later reduced rates substantially, which helped to bring in additional insourcing work, but the additional revenues still fell far short of covering the fully allocated costs of operating the Shops.

Lutton Declaration

I have reviewed the Declaration of Thomas D. Lutton, submitted with the Petition. Many of his contentions are incorrect or misleading. I will address only a few of them here.

First, Mr. Lutton is misinformed as to work that "would have kept the shops fully operational well into 2002." Lutton V.S. at 4. For example, he is mistaken that NS had a commitment from Bombardier for the conversion of 250 gondola cars at a cost of \$4.5 million. Lutton V.S. at 4. In fact, NS did have some initial discussions with Bombardier to build and apply a drop-in-trough to 225 gondolas, but Bombardier was willing to spend no more than \$1 million on the project, not the \$4.5 million Mr. Lutton claims.

Mr. Lutton also incorrectly claims that NS passed up work on 200 covered hopper cars for Johnstown America at an asserted cost of \$5 million. In fact, in November 2000, NS provided a quote to Johnstown America offering to work on these cars at a price of \$4.675 million. Although we were hopeful that we would bring that work to Hollidaysburg, Johnstown America informed us in February that they would do the work in their own shops.

Mr. Lutton is also mistaken in claiming that NS received a \$1 million commitment from Greenbrier for 1,000 container car covers. Lutton V.S. at 4. NS is not aware of any such proposal from Greenbrier. Nor have we received any proposal from First Union to provide warranty work on 400 gondolas, as Mr. Lutton claims on page 4 of his statement.

We did, however, have discussions with the Department of Defense. Those discussions concerned the possibility that NS would perform preventive maintenance on some of DoD's car fleet, and we had in fact provided them with a per-hour quote. Unfortunately, the Department of Defense did not contact us again until February 20 of this year – the day before NS announced the closure of the Shops. Even if we had entered into an agreement with the Department of Defense, I seriously doubt that the work would have been worth even close to \$8 million per year. The contemplated arrangement would have been an agreement on price per hour for work done on cars – not an agreement for the repair of a set number of cars.

Mr. Lutton claims that the Finger Lakes Railroad committed to have NS refurbish 20 cars at a price of \$380,000. Lutton V.S. at 4. In fact, this railroad expressed an interest in acquiring from NS an assortment of old cabooses and ballast cars. It wanted Norfolk Southern to then rework them. When we informed the Finger Lakes that we had no such cars for sale, the discussions ended.

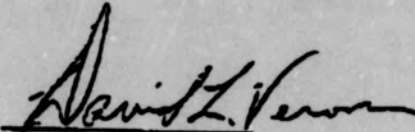
Mr. Lutton also complains that NS did not invest \$4 million the NS's operating plan said NS expected to make for various material handling improvements. It is true that NS did not make that investment, but doing so would not, in my judgment, have helped NS to attract any more insourcing work than we were able to attract, and it would not, in my judgment, have had any material affect on the ultimate decision to close the Shops.

Finally, Mr. Lutton claims that the insourcing contracts produced a "profit." This claim is incorrect and completely ignores overhead costs reasonably allocable to the facility. If the Shops were considered a stand-alone facility, then by any reasonable definition of profit and loss, they have not operated at a profit but in fact have operated at a substantial loss since Day One. As I have noted, the Hollidaysburg Shops complex is a huge facility, one of the largest in the world, and since Day One it has been operating at less than one third of its capacity. As explained more fully in the verified statement of Mr. Belvin, on a conservative basis, the Shops lost almost \$7 million last year taking into account overhead costs and the costs and value of the repairs performed on cars in NS' fleet as well as for the insourcing customers.

VERIFICATION

I, David L. Veron, verify under penalty of perjury that I am Director - Insourcing,
that I have read the foregoing document and know its contents, and that the same is true
and correct to the best of my knowledge and belief.

Executed on April 17, 2001.


David L. Veron
David L. Veron

US OFFICE PRODUCTS

EXHIBIT 2

Verified Statement of Robert H. Belvin

VERIFIED STATEMENT OF

ROBERT H. BELVIN

My name is Robert H. Belvin. I am submitting this verified statement in support of Norfolk Southern's response to the Petition several unions and the Commonwealth of Pennsylvania filed on March 28, 2001, in Finance Docket No. 33388. Specifically, I will address the claim found in the Declaration of TWU Local 2017 President T. D. Lutton, designated as "Union's Exhibit No. 16" to that Petition, that implies that the Hollidaysburg Shops are profitable. In my statement, I will demonstrate that this simply is not correct, and that the Shops, in fact, cost Norfolk Southern a significant amount to keep open.

I received my B.S. in Business Administration in 1974 from University of North Carolina – Chapel Hill, and my Masters of Business Administration from The College of William and Mary in Williamsburg, Virginia in 1976. I became a Certified Public Accountant in 1990. I began my career with Norfolk Southern nearly 25 years ago in the Engineering – Maintenance of Way – Budgeting and Planning section of the Financial Planning Department. I spent 12 years in the Cost Department. When I left that department, my title was Manager – Profit Analysis. I have held my current position of Manager – Budget Planning and Operations since March 1, 2000.

In his verified statement, Mr. Lutton discusses several contracts for work that Norfolk Southern performs for others at the Hollidaysburg Shops. (This work is commonly referred to as "insourcing" work.) He then makes the unsupported claim that this work "produced a net profit for NSR in an amount as high as \$1 million." If by this claim Mr. Lutton is implying that the Hollidaysburg Shops made a profit in calendar year

2000 as a result of the insourcing work Norfolk Southern was able to bring to the shops, then this is incorrect and completely ignores many of the costs reasonably allocable to the facility.

If the Hollidaysburg shops were considered a stand-alone facility, by any reasonable definition of profit and loss, they have not operated at a profit. In fact the shops have operated at a substantial loss since Day One. For year 2000, the only year for which I have complete numbers, they operated at a loss of at least \$6,824,211. (As I explain below, this is a very conservative figure.)

Mr. Lutton may have looked at whether the insourcing work netted for Norfolk Southern more than the marginal cost of producing that work. As can be seen in the attached statement, Exhibit 1, that clearly is the case. But from that fact no one can reasonably state or imply that the Hollidaysburg Shops are "profitable". One also must look at the cost of producing the work performed for Norfolk Southern at the Shops, at the general direct costs required to maintain the shops but not allocable to a particular project, and, on the revenue side, the value of the work done on the Norfolk Southern fleet.

I put together a profit/loss statement, which I attach hereto as Exhibit 1. I was very conservative in my calculations. For example, Pennsylvania Lines LLC ("PRR") actually owns the Hollidaysburg Shops, and Norfolk Southern only operates them. Norfolk Southern pays to PRR a fair market rental for the PRR lines and facilities it uses, including shops. The portion of this rental payment reasonably allocable to the Hollidaysburg Shops is over \$500,000. I did not include that expense in Exhibit 1. The bottom line in Exhibit 1 is \$6,824,211 in losses for calendar year 2000.

With only a few exceptions, Exhibit 1 is fairly self-explanatory. The first section sets forth revenues from insourcing sales together with the cost (labor, material and other expenses) required to produce these revenues.

The second section sets forth the labor costs for employees at the shops. (I note that this does not include all the wages for work associated with the shops – such as the wages and fringes for the Director Insourcing, David Veron, and those working for him.) In this section are two line items that should be noted: 1) “Capital programs” and 2) “Insourcing projects”. These two items are costs that produce a directly associated “revenue.”¹ As a result, they are also counted as revenues under “Billable, Insourcing and Capital Program Work in Process Credits.”

The next section sets forth the costs for materials used at the shops. Some of the material reflected in this section was used during year 2000 to produce components and other items that are in turn returned to inventory. Therefore, the value of that produced inventory (in labor, material and other expenses required to produce this inventory) is also included as revenue under “Inventory Credit.”

The next section sets forth the costs for other expenses directly associated with the Shops. The “other expenses” directly associated with insourcing projects is added back in under “Insourcing Work in Process Credits,” because eventually that will be recouped from others.

¹ The costs set forth in “Capital programs” will result in a corresponding increase in the value of the capital items produced. The costs set forth in “Insourcing projects” are costs for insourcing projects in process that will eventually be recouped from others.

In the line entitled "Work performed on NS fleet", I add back in the value of the work done at the Hollidaysburg Shops on the Norfolk Southern fleet. I understand that Hollidaysburg Shops employees spent 130,860.87 hours working on the Norfolk Southern fleet during year 2000. This produced a "value" of \$9,106,617, using the AAR billing rate (I am told that for 2000 the rate was \$69.59 per hour). I used the AAR billing rate in order to be conservative. This is higher than the per-hour rates that Norfolk Southern negotiated for all of the year 2000 insourcing contracts reflected in the Exhibit.

This means that the work performed on the Norfolk Southern fleet cost \$9,477,980 more to produce than the value received, when one assigns to that Norfolk Southern fleet work all of the costs of the shops not allocated to the insourcing effort. The insourcing work contributed \$2,653,769 to the bottom line. In sum, netting out all of the costs and all of the revenues, Norfolk Southern lost \$6,824,211 during year 2000 by operating the Hollidaysburg shops, despite the substantial insourcing efforts.

VERIFICATION

I, Robert H. Belvin, verify under penalty of perjury that I am Manager - Budget Planning and Operations, that I have read the foregoing document and know its contents, and that the same is true and correct to the best of my knowledge and belief.

Executed on April 17, 2001.

Robert H. Belvin
Robert H. Belvin

Hollidaysburg

Year 2000

Insourcing Sales	\$ 10,267,266
Insourcing Cost of Goods Sold	(7,613,497)
Insourcing Contribution	<u>2,653,769</u>
Labor:	
Car expense programs	(236,779)
Billable (including fringe allocation)	(3,595)
Shop expense	(3,431,020)
Shop machinery repair	(1,182,905)
Freight car repairs	(2,474,963)
Inventory production	(661,818)
Capital programs (including fringe allocation)	(1,890,163)
Insourcing projects (including fringe allocation)	(4,144,472)
All other labor	(3,321,660)
Fringe allocation (excl. Capital, Insourcing & Biliable)	(6,785,339)
Subtotal	<u>(24,132,714)</u>
Billable, Insourcing and Capital Program Work in Process Credits	6,038,230
Total Expense Labor	<u>(18,094,484)</u>
Material:	
Car expense programs	(479,326)
Billable	-
Shop expense	(198,055)
Shop machinery repair	(408,094)
Freight car repairs	(1,786,802)
Inventory production	(3,747,816)
Capital programs (1)	-
Insourcing projects	(6,463,595)
All other material	(726,310)
Subtotal	<u>(13,809,998)</u>
Insourcing Work in Process Credits	6,463,595
Inventory credit	6,400,104
Total Expense Material	<u>(946,299)</u>
Other Expenses:	
Insourcing projects	(95,514)
Freight car repair	(21)
Shop expense	(80,242)
Shop machinery repair	(12,278)
All other expenses	(1,334,753)
Subtotal	<u>(1,522,808)</u>
Insourcing Work in Process Credits	95,514
Total Expense Other	<u>(1,427,294)</u>
Overhead expenses allocated to Insourcing Cost of Goods Sold	1,883,480
Work performed on NS fleet (2)	<u>9,106,617</u>
Total Pre-tax Income (Expense)	<u>\$ (6,824,211)</u>

(1) Capital material is not captured by shop location

(2) Valued at AAR billing rates for the year 2000

US OFFICE PRODUCTS

EXHIBIT 3

CSX/NS-69, "Applicants' Responses To Allied Rail Unions' Second Set Of Interrogatories To Applicants (ARU-11)," pp. 1, 5-6, 12, 18-19.

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

STB FINANCE DOCKET NO. 33388

APPLICANTS' RESPONSES TO
ALLIED RAIL UNIONS'
SECOND SET OF INTERROGATORIES
TO APPLICANTS (ARU-11)

Applicants^{1/} hereby respond to the second set of discovery requests to Applicants served by the Allied Rail Unions ("ARU" or "Requester").

GENERAL RESPONSES

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

1. Applicants will conduct a reasonable search for documents responsive to the requester's documents requests. Except as objections are noted herein,^{2/} all responsive

^{1/} "Applicants" refers collectively to CSX Corporation and CSX Transportation (collectively "CSX"), Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively "NS"), and Consolidated Rail Corporation and Conrail Inc. (collectively "Conrail").

^{2/} Thus, any responses that state that responsive documents are being produced is subject to the General Objections, so that, for example, any documents subject to attorney-

INTERROGATORIES

Interrogatory No. 142

Identify any planned change as to the craft of the employees who, after consummation of the acquisition of control of Conrail by CSX and NS, will perform the work previously performed by TWU-represented carmen whose jobs will be abolished.

142. Applicants object to this interrogatory as vague and ambiguous. Without waiving that objection, and subject to the General Objections stated above, Applicants respond as follows:

Applicants note that this interrogatory appears to be based on a misconception that the work of abolished positions is somehow assigned to other employees. If the transaction is approved and consummated, there will be changes in the nature of the work to be done on the combined system. In addition, approval of the transaction will allow work to be performed more efficiently, with attendant impacts on the number and locations of jobs.

To the extent any work of the abolished positions remains, it will be performed by appropriate NS, CSX, or Conrail crafts pursuant to the terms of the applicable collective bargaining agreement. However, at this time, Applicants are unable to identify the specific positions to which the work will be assigned.

Interrogatory No. 143

Once CSX discontinues its practice of sending 333 cars per year to the Hollidaysburg shop, what do the Applicants anticipate will be the effect upon TWU-represented carmen at the Hollidaysburg shop?

143. Subject to the General Objections stated above, Applicants respond as follows:

The effect on carmen who will be working under the NS agreements as specified in Volume 3B, Appendix A is not known because it is not known when CSX will discontinue sending 333 cars to Hollidaysburg. Presently, it is anticipated that it will be after three years. Accordingly, NS cannot speculate on the volume of work that will exist if and when CSX discontinues sending these cars to Hollidaysburg. Furthermore, NS cannot speculate on the impact of insourcing or the rate of attrition. See Application, Volume 3C, p. 801-802.

Interrogatory No. 144

Explain the nature of the duties, if any, that Applicants plan for carmen in the SAA's, the number of TWU-represented carmen planned to be assigned to each SAA, the planned locations for their assignments, and the collective bargaining agreements that Applicants believe will be applicable to those employees.

144. Subject to the General Objections stated above, Applicants respond as follows:

Studies were not performed at a level of detail that would distinguish between carmen represented by ARU participants and carmen represented by other organizations. The duties of these employees in the SAA will be consistent with the applicable schedule agreement, recognizing that the Application has delineated changes that will be necessary since certain types of work will be outside the capability of SAA forces after the acquisition. The Conrail agreement will continue to apply to the SAA except as detailed in the Application. The exact locations for the assignments within the SAA's remains to be determined. Currently, the number of positions and planned locations for carmen in the SAA's are as follows:

Dearborn, MI	1
Detroit, MI (Jefferson Dk)	10
Detroit, MI (Livernois Yd)	4
Detroit, MI (North Yd)	22
Detroit, MI (Sterling Yd)	20
Detroit, MI - River Rouge	12
Camden, NJ	15

As to ARU Interrogatory Nos. 4 and 5: Applicants raised initial objections, which ARU did not contest before ALJ Leventhal.

See responses to ARU Interrogatory Nos. 7, 8, 9, 12(c) and 15. As to Interrogatory No. 14, the breakdown of abolishments by carrier is as follows: Conrail - 59; CSX - 0; NS - 148. Applicants anticipate two NS carmen positions will be transferred. These figures include both TCU and TWU represented carmen, inasmuch as the studies did not distinguish between organizations.

Interrogatory No. 151

Identify all project shops on the present Conrail system which will be closed or consolidated with another shop as a result of the Transaction. If the work will be consolidated, identify the location of the consolidated shop.

151. Subject to the General Objections stated above, Applicants respond as follows:

For NS: See the Application, including Applicants' 1996/1997 Labor Impact Exhibit; Volume 3B (p. 326); and the response to ARU Interrogatory No. 127.

For CSX: See response to TCU Interrogatory No. 4(a).

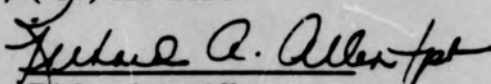
Interrogatory No. 152

CSX states that car inspection activities may be consolidated at Philadelphia, Toledo, East St. Louis, Indianapolis and Danville (Vol. 3A, p.303).

- a. Identify which of these locations will continue car inspection activities after the Transaction, any expansion anticipated at those locations, and which locations will no longer provide car inspection activities after the Transaction.
- b. Specify the effect of the consolidations upon any ARU crafts, identifying by craft and incumbent any positions that will be transferred or abolished.
- c. Identify any Transaction-related public transportation benefit that CSX believes will inure to the public as a result of consolidating the facilities.

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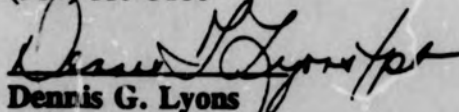
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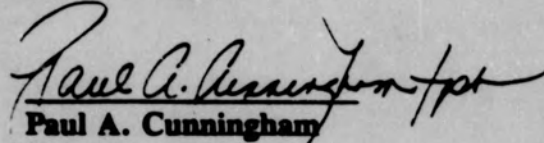


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Dated: September 4, 1997

US OFFICE PRODUCTS

EXHIBIT 4

CSX/NS-44, "Applicants' Responses To Allied Rail
Unions' First Set Of Interrogatories To Applicants
(ARU-7)," pp. 1, 11-12, 78, 80-81, 86-87.

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

STB FINANCE DOCKET NO. 33388

APPLICANTS' RESPONSES TO
ALLIED RAIL UNIONS'
FIRST SET OF INTERROGATORIES
TO APPLICANTS (ARU-7)

Applicants^{1/} hereby respond to the first set of discovery requests to Applicants served by the Allied Rail Unions ("ARU" or "Requester").

GENERAL RESPONSES

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

1. Applicants will conduct a reasonable search for documents responsive to the requester's documents requests. Except as objections are noted herein,^{2/} all responsive

^{1/} "Applicants" refers to CSX Corporation and CSX Transportation (collectively "CSX"), Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively "NS"), and Consolidated Rail Corporation and Conrail Inc. (collectively "Conrail").

^{2/} Thus, any responses that state that responsive documents are being produced is subject to the General Objections, so that, for example, any documents subject to attorney-client privilege or the work product doctrine are not being produced.

Conrail agreements, the application of the NS and CSX agreements will, of course, not affect the rates of pay, rules, or working conditions which applied under the Conrail agreements.

Applicants have not analyzed the manner and extent to which each rate of pay, rule or working condition in the Conrail agreements applicable to each craft or class of employees represented by the ARU unions may be affected by applying CSX's agreements.

Furthermore, Applicants object to Interrogatory 8(a) in light of the fact that ARU already possesses the information sought in the interrogatory and it would be no more burdensome for the ARU to obtain the information from their own files than it would be for the Applicants to assemble the information.

8(b). Applicants intend to use the procedures in 49 U.S.C. § 11326 and the New York Dock conditions for the negotiation or arbitration of implementing agreements.

Interrogatory No. 9

Identify all plans of the Applicants to contract out work which is currently being performed by ARU-represented employees of any Applicant railroad.

See objections set forth in CSX/NS-38.

Interrogatory No. 10

State whether the Applicants consider themselves bound by the Operating Plans discussed in Volume 3A and 3B of the Application if the STB approves the Application. If they do not consider themselves to be so bound, explain the extent to which Applicants believe that they will be free to deviate from the proposed Operating Plan, and whether they contend that Section 11321(2) will be applicable to actions taken which are not disclosed in the proposed Operating Plan.

Subject to the General Objections stated above, Applicants respond as follows:

The Operating Plans are best projections which are not binding on the Applicants.

Those Plans represent their best efforts to project, on the information available, how their

allocated share of Conrail and the Shared Assets Areas will be operated post-STB approval of the control and related applications. These Plans, however, cannot anticipate all of the changes that may be necessary to operate Conrail's assets in an efficient manner. In addition, as Applicants actually implement their Operating Plans, new and different ways of operation will become apparent. Applicants will also have to adjust their plans to the expectations and needs of shippers. Applicants will have to take into account changes in shipper demands for their services which may occur between the time of the filing of the application and when STB approval is obtained. Finally, some changes to implement efficiencies from combined operations may not become apparent until after CSX and NS have been operating their allocated share of Conrail assets for some time.

Section 11321(a) will be applicable to actions authorized by the STB's control authorization, which were not stated in the Operating Plans. The ICC and STB have never required that all changes be described in control applications or operating plans. The ICC has recognized that not all transactions authorized by control approvals are foreseeable at the time the Application was filed. Thus, the ICC, and now the STB, have broadly defined "transaction" for purposes of the New York Dock conditions to include coordinations which relate to or flow from control authorizations, even if the particular transaction was not described in the Application.

Interrogatory No. 11

Identify all changes on an annual basis in real wages, numbers of employees by crafts or classes identified in the Labor Impact Exhibit and fuels costs experienced by the Applicants since 1980.

See objections set forth in CSX/NS-38.

Interrogatory No. 126

Identify any locomotive or car repair shops or facilities on the present CSX system that CSX anticipates will be closed either as a result of this Transaction or of increasing its work force at Huntington, and explain the basis for closing the facility.

Subject to the General Objections stated above, CSX responds as follows:

None are contemplated at this time.

Interrogatory No. 127

Identify any locomotive or car repair shops or facilities, other than the Pegram, Ft. Wayne, and Enola shops, on the present NS system that NS anticipates will be closed as a result of this Transaction and explain the basis for closing the facility.

Subject to the General Objections stated above, NS responds as follows:

Applicants have not determined whether any other locomotive or car shops or facilities, other than the ones specified in the Operating Plan, will be closed.

Interrogatory No. 128

In connection with NS' assertion (Vol. 3B p. 322) that it will contract out air brake work:

- a. Explain the basis for contracting out air brake work.
- b. State whether NS believes that it would impede or interfere with the Transaction if the approval of the Transaction were conditioned on the requirement that no contractors may be utilized for boilermaker, electrical, laborer, or sheet metal work unless all NS and Conrail employees who are members of the respective craft are working on the NS system or for PRR. If the answer is yes, explain the basis for that belief.

Subject to the General Objections stated above, NS responds as follows:

- a. The current practice on NS is for the testing and cleaning of air brake valves to be performed at Chattanooga and by contractors. On Conrail, the testing and cleaning is performed at Altoona. NS also purchases rebuilt air brake equipment. The Operating Plan

Interrogatory No. 131

With respect to NS' plans to close a system wheelshop (Vol. 3B p. 53):

- a. Identify which wheelshop NS believes is more likely to be closed.
- b. Explain why NS believes a wheelshop must be closed.
- c. Identify the impact that closing a wheelshop will have upon boilermakers, electricians, laborers, or sheet metal workers, identifying the incumbent of any position that will be abolished or transferred.
- d. Identify any Transaction-related transportation benefits that NS believes will inure to the public as a result of closing a wheelshop.
- e. State whether NS believes that such action is necessary to the Transaction and state the basis for that belief.

Subject to the General Objections stated above, NS responds as follows:

- a. No determination has been made.
- b. The elimination of redundant facilities, excess inventory and the improved utilization of manpower lead to a more efficient transportation system.
- c. This information cannot be provided prior to the determination of which shop is to be closed .
- d. See response to Interrogatory No. 131(b).
- e. See response to Interrogatory No. 131(b) and (d).

Interrogatory No. 132

Once CSX discontinues its practice of sending 333 cars to the Hollidaysburg shop, what do the Applicants anticipate will be the effect upon employees who are boilermakers, laborers, electrical workers, and sheet metal workers at the Hollidaysburg shop?

Subject to the General Objections stated above, NS responds as follows:

It is not now known when CSX will discontinue sending 333 cars to Hollidaysburg. Presently it is anticipated that it will be after three years. Accordingly, NS cannot speculate on the volume of work that will exist if and when CSX discontinues sending these cars to Hollidaysburg. See Volume 8C, p. 801-802.

Interrogatory No. 134

Explain the nature of the duties, if any, that Applicants plan for boilermakers, electricians, laborers, and sheet metal workers in the SAA's, the number of employees in each of those crafts planned to be assigned to each SAA and the planned locations for their assignments, and the collective bargaining agreements that Applicants believe will be applicable to those employees.

Subject to the General Objections stated above, Applicants respond as follows:

The duties of these employees in the SAA will be consistent with the applicable schedule agreement, recognizing that the Application has delineated changes that will be necessary since certain types of work will be outside the capability of SAA forces after the acquisition. The Conrail agreement will continue to apply to the SAA except as detailed in the Application. The exact locations for the assignments within the SAA's remains to be determined. However, currently it is anticipated that the assignments will be as follows:

	<u>State</u>	<u>City (Yard)</u>	<u>JT Needs</u>
Boilermakers	New Jersey	Camden	1
Electricians	Michigan	Dearborn	1
Electricians	Michigan	Detroit	1
Electricians	Michigan	Detroit (Livernois YD)	5
Electricians	Michigan	Detroit (North YD)	1
Electricians	Michigan	Detroit (Sterling YD)	1
Electricians	Michigan	Detroit-River Rouge	3
Electricians	New Jersey	Camden	4
Electricians	New Jersey	Elizabeth	3
Electricians	New Jersey	Elizabethport	5

STB

FD-33388

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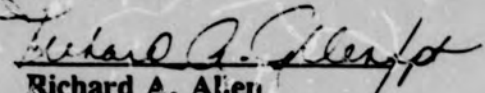
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2 of 3

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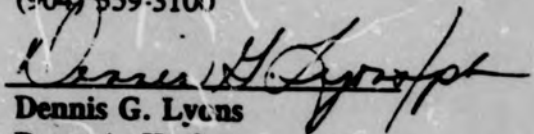

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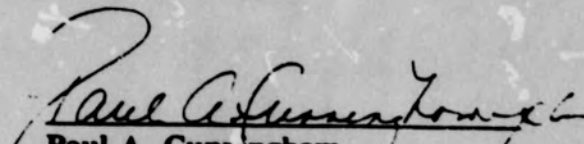

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Dated: August 20, 1997

US OFFICE PRODUCTS

EXHIBIT 5

CSX/NS-84, "Applicants' Responses To Allied Rail
Unions' Third Set Of Interrogatories To Applicants
(ARU-16)," pp. 1, 17, 31-32.

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

STB FINANCE DOCKET NO. 33388

APPLICANTS' RESPONSES TO
ALLIED RAIL UNIONS'
THIRD SET OF INTERROGATORIES
TO APPLICANTS (ARU-16)

Applicants^{1/} hereby respond to the third set of discovery requests to Applicants served by the Allied Rail Unions ("ARU" or "Requester").

GENERAL RESPONSES

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

1. Applicants will conduct a reasonable search for documents responsive to the requester's document requests. Except as objections are noted herein,^{2/} all responsive

^{1/} "Applicants" refers collectively to CSX Corporation and CSX Transportation (collectively "CSX"), Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively "NS"), and Consolidated Rail Corporation and Conrail Inc. (collectively "Conrail").

^{2/} Thus, any responses that state that responsive documents are being produced is subject to the General Objection: so that, for example, any documents subject to attorney-

179. Without waiving any objection, and subject to the General Objections stated above, NS responds as follows:

The Employee Impact Statement does not reflect any disposition of positions resulting from the coordination of wheel shop activities. NS cannot anticipate the impact of such a coordination on employees of any particular wheel shop. The affected positions may be transferred in whole or part to another facility, abolished in whole or part, or retained in whole or part to perform other work.

Interrogatory No. 180

NS has stated that it has not yet determined whether it will close any locomotive or car repair shops or facilities on the present NS or combined NS/Conrail other than those identified in its operating plan.

- a. When does NS expect to make that determination?
- b. In the absence of such a determination, why should the STB be expected to rely on the labor impact statement as an accurate representation of the effect that this Transaction will have on shop craft employees?

180. Without waiving any objection, and subject to the General Objections stated above, NS responds as follows:

- a. After NS acquires its portion of Conrail, business conditions, revenue and traffic growth, efficiency of operations and similar factors will be evaluated to determine future needs for car and locomotive shops. No timetable has been set for this determination.
- b. See response to Interrogatory No. 10.

Interrogatory No. 181

Explain in detail how the public benefits from NS and CSX having a more efficient business operation.

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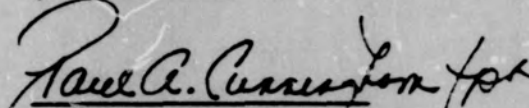
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Counsel for Conrail Inc. and
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Dated: September 29, 1997

EXHIBIT 6

Transcript of the Deposition of Robert Spenski and
Kenneth Peifer, September 2, 1997,
pp. 1-7, 80-81.

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BEFORE THE
SURFACE TRANSPORTATION BOARD
Finance Docket No. 33388
CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION
RAILROAD CONTROL APPLICATION
HIGHLY CONFIDENTIAL

Washington, D.C.

Tuesday, September 2, 1997

Deposition of ROBERT SPENSKI and
KENNETH PEIFER, witnesses herein, called for
examination by counsel for the Parties in the
above-entitled matter, pursuant to agreement, the
witness being duly sworn by MARY GRACE
CASTLEBERRY, a Notary Public in and for the
District of Columbia, taken at the offices of
Arnold & Porter, 555 Twelfth Street, N.W.,
Washington, D.C., 20004-1202, at 1:10 p.m.,
Tuesday, September 2, 1997, and the proceedings
being taken down by Stenotype by MARY GRACE
CASTLEBERRY, RPR, and transcribed under her
direction.

1 APPEARANCES:

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and Norfolk Southern Railway Company:

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12 ALSO PRESENT:

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14 GAIL PAYNE

15 Federal Railroad Administration

16 U.S. Department of Transportation

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18 D. RWIN B. KUBASIEWICZ

19 Transportation Communications Union

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21 EDWARD W. RODZWICZ

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23 ROBERT W. GODWIN

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ALDERSON REPORTING COMPANY, INC.(202)289-2260 (800) FOR DEPO
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C O N T E N T S

THE WITNESS	EXAMINATION BY COUNSEL FOR	
ROBERT SPENSKI	TRANSPORTATION COMMUNICATIONS	
KENNETH PEIFER	UNION	
By Mr. Kraus		11
	UNITED TRANSPORTATION UNION	
By Mr. Elliott		112
	INTERNATIONAL ASSOCIATION OF	
	MACHINISTS AND UNITED RAILWAY	
	SUPERVISORS ASSOCIATION	
By Ms. Willen		128

1 A. (By Mr. Spenski) Yes.

2 Q. Where is the work of the 59 carmen
3 positions in Conrail -- what is going to happen
4 to it, if you know?

5 A. (By Mr. Spenski) Much of it will be
6 consolidated into other areas, into the shops in
7 Hollidaysburg.

8 Q. Are there other currently existing
9 Conrail shops that are going to be affected by
10 consolidations into Hollidaysburg?

11 A. (By Mr. Spenski) I don't recall.

12 Q. So you don't know whether any work is
13 being transferred from other Conrail facilities
14 to Hollidaysburg?

15 A. (By Mr. Spenski) I don't recal' if any.

16 Q. Mr. Peifer and I discussed that there
17 is going to be a transition period when 333,
18 approximately, cars for CSX are going to be
19 repaired at Hollidaysburg and you're aware of
20 that, correct?

21 A. (By Mr. Spenski) Yes.

22 Q. Is it anticipated at the end of that
23 transition period, that is, when the work --
24 these 330 cars are being repaired at Raceland, is
25 there an anticipation that there will be job

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1 abolishments at Hollidaysburg as a result of that
2 transfer work among carmen? I'm now specifically
3 asking about carmen.

4 A. (By Mr. Spenski) It's hard to tell
5 right now whether we'll be -- we'll have to wait
6 and see what happens but it's our anticipation
7 that through attrition and hopefully insourcing
8 from other companies, we might be able to offset.

9 Q. And similarly, would the same answer
10 hold for the transfer of certain locomotive
11 repairs from the Juniata facility, either 65
12 locomotives in a three-year transitional period?

13 A. (By Mr. Spenski) Yes.

14 Q. Is it anticipated that any carmen will
15 be transferring from Hollidaysburg or Juniata to
16 the CSX facilities where this work is going to be
17 transferred at the end of the transitional
18 period?

19 A. (By Mr. Spenski) I do not know that.

20 Q. Mr. Peifer, I may have asked you. I'm
21 sorry to go back and forth. I'll try to avoid
22 it. Is there any anticipation at the end of the
23 transitional period whether any employees will be
24 transferred from Hollidaysburg to Raceland or
25 from Juniata to Waycross or Huntington?

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US OFFICE PRODUCTS

EXHIBIT 7

Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the Brotherhood Railway Carmen Division-TCU and Transport Workers Union of America (dated October 16, 1998), pp. 1-6, 15.

IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

and

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by

~~BROTHERHOOD RAILWAY CARMEN DIVISION - TCU~~

and

TRANSPORT WORKERS UNION OF AMERICA

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

WHEREAS, in its decision served July 23, 1998 in the proceeding captioned 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, and related proceedings, the STB has imposed the employee protective conditions set forth in New York Dock Ry. - Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") (copy attached) on all aspects of the Primary Application; Norfolk and Western Railway Company - Trackage Rights - Burlington Northern, Inc., 354 I.C.C. 653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc. - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock conditions and other aforementioned labor protective conditions or any other protective conditions that have been imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by CSXT, NSR and CRC posted on appropriate bulletin boards, with copies to the Organization representatives signatory hereto, after the effective date of the STB's order approving the control transaction, CSXT, NSR and CRC may only effect the following coordinations or rearrangements of forces:

(a) The allocated CRC locomotives and cars which respectively are to be operated by either CSXT or NSR and will be integrated into either CSXT's or NSR's existing fleets of locomotives and freight cars and the maintenance and repair work of the CSXT and NSR coordinated and integrated fleets will be performed, respectively, at any CSXT or NSR facility notwithstanding the prior railroad ownership of the equipment.

(b) (1) At common locations on NSR, including those listed below, shop craft seniority will be integrated in accordance with the terms and provisions outlined in Article II and Side Letters attached to this Agreement:

NSR/CRC Points
Buffalo, New York
Chicago, Illinois
Cincinnati, Ohio
Cleveland/Lorain, Ohio
Columbus, Ohio
Fort Wayne, Indiana
Toledo, Ohio

(2) For common locations on the territories of the former Baltimore and Ohio Railroad and Chesapeake and Ohio Railway, shopcraft seniority will be integrated in accordance with the terms and provisions in Article II and Side Letters attached to this Agreement: Walbridge, Ohio (C&O); Cleveland, Ohio, E. St.

Louis, Illinois, Lima, Ohio and Indianapolis, Indiana (B&O).

(c) The following work may be coordinated or rearranged, in whole or in part, on NSR and allocated CRC properties operated by NSR:

- (1) EMD locomotive overhaul and component rebuild from Roanoke to Juniata Locomotive Works at Altoona
- (2) GE locomotive overhaul and component rebuild from Juniata (Altoona) to Roanoke Shop - Locomotives
- (3) Atlanta (Pegram Shop) locomotive truck overhaul to Altoona
- (4) Rebuilding of air brake equipment from Chattanooga to Altoona
- (5) Wreck repair for heavily damaged locomotives from Roanoke Shop - Locomotives to Altoona
- (6) Painting of locomotives from Chattanooga to Altoona
- (7) All EMD and GE turbocharger work from Juniata (Altoona) to Roanoke Shop - Locomotives
- (8) Machine tool operations and associated fabrication from Altoona to Roanoke
- (9) 92-day inspection of locomotives from Elkhart, Pavonia, and Oak Island to Bellevue
- (10) 92-day inspection of locomotives from Enola to Conway
- (11) Program car repair work from Macedonia, OH, Decatur, IL, and Williamson, WV to Hollidaysburg
- (12) Freight car part reclamation from Hollidaysburg to Roanoke
- (13) Wheel shop consolidation to site selected by NSR
- (14) Office car work from Roanoke to Altoona

(d) The following work may be coordinated or rearranged, in whole or in part, on CSXT and allocated CRC properties operated by CSXT:

- (1) Heavy locomotive work from Selkirk, NY, to Huntington, WV
- (2) Heavy locomotive work from Juniata Locomotive Works at Altoona, PA, to Huntington, WV, and Waycross, GA.
- (3) Freight car work from Hollidaysburg, PA, to Raceland, KY and to

any of CSXT's project shops.

- (e) Because after the transaction CRC will have no locomotive heavy repair or periodic maintenance capability, nor the ability to perform substantial or program work on cars, such service will be provided by CSXT or NSR, in accordance with their respective collective bargaining agreements and/or practices, or as directed by the locomotive or car owner. Only fueling, servicing and light and running repairs on locomotives and cars will be provided by CRC consistent with its collective bargaining agreement or practices, when such work is performed in Shared Assets Areas.

Section 2

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be implemented upon fifteen (15) days' written notice by NSR and/or CRC, to the appropriate Organization representatives.

Future coordinations on CSXT will be governed by Side Letter No. 14.

Section 3

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by NSR and/or CRC, after providing employee(s) and their Organization representatives thirty (30) days' written notice.

Should the Organization desire a conference concerning the

rearrangement of forces that would occur as a result of the announced coordination, upon written request from the Organization prior to the expiration of the aforementioned 30-day notice period. The period of the notice will be extended up to but not exceeding an additional sixty (60) days. The parties shall promptly meet on the matter. If they do not resolve their differences, NSR and/or CPC may implement the announced coordination described in the notice after the expiration of the 60-day period. Either party may invoke arbitration procedures under Article I, Section 4 of the New York Dock conditions provided such action is taken within five (5) days of the termination of conference. There shall be no employees dismissed or transferred pending the agreement or arbitrator's award, nor shall there be a change in carrier's operations, services, facilities, or equipment.

Future coordinations on CSXT will be governed by Side Letter No. 14.

Section 4

Coordinations on NSR and/or CRC in which work is transferred under this agreement and one or more employees are offered the opportunity to follow that work will be effected in the following manner:

(a) By bulletins giving a minimum of fifteen (15) days' written notice, the positions that no longer will be needed at the location from which the work is being transferred (the "transferring location") will be abolished and concurrently therewith the positions that will be established at the location to which the work is being transferred (the "receiving location") will be advertised for a period of seven (7) days to all employees holding regular Carmen assignments at the transferring location.

the New York Dock conditions shall apply to all transactions covered by this agreement, except as specifically provided herein.

ARTICLE VII

This Agreement shall be effective only after the effective date of the STB order approving the transaction and service by CSXT, NSR and CRC of the initial seven (7) days advance written notice to the Organization representative signatory hereto as specified in Article I, Section 1.

Signed at Norfolk, Virginia, this 16th day of October, 1998.

FOR BROTHERHOOD
RAILWAY CARMEN DIVN-TCU

W. Madigan
General Chairman, BRC

Alex J. Williams
General Chairman, BRC

T. B. B. B.
General Chairman, BRC

J. E. Sullivan
General Chairman, BRC

J. W. Dale
General Chairman, BRC

CSX TRANSPORTATION, INC.
And its Railroad Subsidiaries

K. P. King
Vice President Labor Relations

FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries

R. J. Spenser
Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION

D. A. Aronca
Vice President Labor Relations

FOR TRANSPORT WORKERS UNION
OF AMERICA

John King
International Vice President, TWU

J. J. Jones
Local President, TWU

K. K. Stone
Local President, TWU

William Blum
Local President, TWU

US OFFICE PRODUCTS

EXHIBIT 8

Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers (dated March 25, 1998),
pp. 1-7, 18

IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

and

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by

INTERNATIONAL BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACKSMITHS, FORGERS AND HELPERS

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

WHEREAS, it is anticipated that the STB will impose the employee protective conditions set forth in New York Dock Ry. - Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") on all aspects of the Primary Application; Norfolk and Western Railway Company - Trackage Rights - Burlington Northern, Inc., 354 I.C.C. 653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc., - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Doc. conditions and other aforementioned labor protective conditions or any other protective conditions that may be imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by CSXT, NSR and CRC posted on appropriate bulletin boards, with copies to the International Representative signatory hereto, after the effective date of the STB's order approving the control transaction, CSXT, NSR and CRC may effect the following coordinations or rearrangements of forces:

(a) The allocated CRC locomotives and cars which respectively are to be operated by either CSXT or NSR and will be integrated into either CSXT's or NSR's existing fleets of locomotives and freight cars and the maintenance and repair work of the CSXT and NSR coordinated and integrated fleets may be performed, respectively, at any CSXT or NSR facility notwithstanding the prior railroad ownership of the equipment.

(b) (1) At common locations on NSR, including those listed below, shop craft seniority will be integrated in accordance with the terms and provisions outlined in Article II of this Agreement:

NSR/CRC Points

Buffalo, New York

Chicago, Illinois

Cincinnati, Ohio

Cleveland, Ohio

Columbus, Ohio

Elmore/Dickinson, West Virginia

Fort Wayne, Indiana
Lorain, Ohio
Toledo, Ohio

- (2) For common locations on the territories of the former Baltimore and Ohio Railroad and Chesapeake and Ohio Railway, shopcraft seniority will be integrated in accordance with the terms and provisions in Article II of this Agreement.
- (c) The following work may be coordinated or rearranged, in whole or in part, on NSR and allocated CRC properties operated by NSR:
- (1) EMD locomotive overhaul and component rebuild from Roanoke to Juniata Locomotive Works at Altoona
 - (2) GE locomotive overhaul and component rebuild from Juniata (Altoona) to Roanoke Shop - Locomotives
 - (3) Atlanta locomotive truck overhaul to Altoona
 - (4) Rebuilding of air brake equipment from Chattanooga to Altoona
 - (5) Wreck repair for heavily damaged locomotives from Roanoke Shop - Locomotives to Altoona
 - (6) Fainting of locomotives from Chattanooga to Altoona
 - (7) All EMD and GE turbocharger work from Juniata (Altoona) to Roanoke Shop - Locomotives
 - (8) Machine tool operations and associated fabrication from Altoona to Roanoke
 - (9) 92-day inspection of locomotives from Elkhart, Pavonia, and Oak Island to Bellevue
 - (10) 92-day inspection of locomotives from Enola to Conway

- (11) Program car repair work from Macedonia, OH, Decatur, IL, and Williamson, WV to Hollidaysburg
 - (12) Freight car part reclamation from Hollidaysburg to Roanoke
 - (13) Wheel shop consolidation to site selected by NSR
 - (14) Office car work from Roanoke to Altoona
 - (15) Car shops closed at Fort Wayne and Enola
 - (16) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by NSR will be transferred to the NSR Roadway Shop at Charlotte, North Carolina
- (d) The following work may be coordinated or rearranged, in whole or in part, on CSXT and allocated CRC properties operated by CSXT:
- (1) Heavy locomotive work from Selkirk, NY, to Huntington, WV
 - (2) Heavy locomotive work from Juniata Locomotive Works at Altoona, PA, to Huntington, WV
 - (3) Freight car work from Hollidaysburg, PA, to Raceland, KY and to any of CSXT's project shops
 - (4) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by CSXT will be transferred to the CSXT Roadway Equipment Shop at Richmond, Virginia
- (e) Because after the transaction CRC will have no locomotive heavy repair or periodic maintenance capability, nor the ability to perform substantial or program work on cars, such service will be provided by CSXT or NSR, in accordance with their respective collective bargaining agreements and/or

practices, or as directed by the locomotive or car owner. Only fueling, servicing and light and running repairs on locomotives and cars will be provided by CRC consistent with its collective bargaining agreement or practices, when such work is performed in Shared Assets Areas.

Section 2

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be implemented upon fifteen (15) days' written notice by NSR, CSXT and/or CRC, to the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers ("IBB") International Representative.

Section 3

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by NSR, CSXT and/or CRC, after providing employee(s) and their International Representative thirty (30) days' written notice.

Should the IBB desire a conference concerning the

rearrangement of forces that would occur as a result of the announced coordination, upon written request from the IBB prior to the expiration of the aforementioned 30-day notice period, the period of the notice will be extended up to but not exceeding an additional sixty (60) days. The parties shall promptly meet on the matter. If they do not resolve their differences, NSR and/or CSXT and/or CRC may implement the announced coordination described in the notice after the expiration of the 60-day period. Either party may invoke arbitration procedures under Article I, Section 4 of the New York Dock conditions provided such action is taken within five (5) days of the termination of conference. There shall be no employees dismissed or transferred pending the agreement or arbitrator's award.

Section 4

Coordinations in which work is transferred under this agreement and one or more employees are offered the opportunity to follow that work will be effected in the following manner:

(a) By bulletins giving a minimum of fifteen (15) days' written notice, the positions that no longer will be needed at the location from which the work is being transferred (the "transferring location") will be abolished and concurrently therewith the positions that will be established at the location to which the work is being transferred (the "receiving location")

CSXT, NSR and CRC of the initial seven (7) days advance written notice to the International Representative of IBB signatory hereto as specified in Article I, Section 1.

Signed at Lexington, Kentucky, this 25th day of March, 1998.

FOR INTERNATIONAL
BROTHERHOOD OF BOILERMAKERS,
IRON SHIP BUILDERS, BLACK-
SMITHS, FORGERS AND HELPERS

Alan M. Scheer
International Representative

FOR CSX TRANSPORTATION, INC.
And Its Railroad Subsidiaries

KK Pfeiffer
Vice President Labor Relations

FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries

R. S. Spenski
Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION

W.M. McClain Sor
D.A. Arouca
Vice President Labor Relations

US OFFICE PRODUCTS

EXHIBIT 9

**Implementing Agreement Between CSX Transportation,
Inc., Norfolk Southern Railway Company, Consolidated
Rail Corporation, and the International Brotherhood of
Electrical Workers (dated August 3, 1998),
pp. 1-6, 16.**

IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

and

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

WHEREAS, in its decision served July 23, 1998 in the proceeding captioned 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, and related proceedings, the STB has imposed the employee protective conditions set forth in New York Dock Ry. - Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") (copy attached) on all aspects of the Primary Application; Norfolk and Western Railway Company - Trackage Rights - Burlington Northern, Inc., 354 I.C.C.

653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc. - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock conditions and () rementioned labor protective conditions or any other protective conditions that have been imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by CSXT, NSR and CRC: posted on appropriate bulletin boards, with copies to the General Chairmen signatory hereto, after the effective date of the STB's order approving the control transaction, CSXT, NSR and CRC may effect the following coordinations or rearrangements of forces:

- (a) The allocated CRC locomotives and cars which respectively are to be operated by either CSXT or NSR and will be integrated into either CSXT's or NSR's existing fleets of locomotives and freight cars and the maintenance and repair work of the CSXT and NSR coordinated and integrated fleets will be performed, respectively, at any CSXT or NSR facility notwithstanding the prior railroad ownership of the

equipment.

- (b) (1) At common locations on NSR, including those listed below, shop craft seniority will be integrated in accordance with the terms and provisions outlined in Article II of this Agreement:

NSR/CRC Points

Buffalo, New York
Chicago, Illinois
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Elmore/Dickinson, West Virginia
Fort Wayne, Indiana
Lorain, Ohio
Toledo, Ohio

- (2) For common locations on the territories of the former Baltimore and Ohio Railroad and Chesapeake and Ohio Railway, shopcraft seniority will be integrated in accordance with the terms and provisions in Article II of this Agreement.

- (c) The following work may be coordinated or rearranged, in whole or in part, on NSR and allocated CRC properties operated by NSR:

- (1) EMD locomotive overhaul and component rebuild from Roanoke to Juniata Locomotive Works at Altoona
- (2) GE locomotive overhaul and component rebuild from Juniata (Altoona) to Roanoke Shop - Locomotives
- (3) Atlanta (Pegram Shop) locomotive truck overhaul to Altoona
- (4) Rebuilding of air brake equipment from Chattanooga to Altoona
- (5) Wreck repair for heavily damaged locomotives from Roanoke Shop - Locomotives to Altoona
- (6) Painting of locomotives from Chattanooga to Altoona
- (7) All EMD and GE turbocharger work from Juniata (Altoona) to Roanoke Shop - Locomotives
- (8) Machine tool operations and associated fabrication from Altoona to Roanoke
- (9) 92-day inspection of locomotives from Elkhart, Pavonia, and Oak Island to Bellevue

- (10) 92-day inspection of locomotives from Enola to Conway
 - (11) Program car repair work from Macedonia, OH, Decatur, IL, and Williamson, WV to Hollidaysburg
 - (12) Freight car part reclamation from Hollidaysburg to Roanoke
 - (13) Wheel shop consolidation to site selected by NSR
 - (14) Office car work from Roanoke to Altoona
 - (15) Car shops closed at Fort Wayne and Enola
 - (16) The fourteen (14) small radio repair shops on the allocated lines to be operated by NSR will be closed and the work transferred into a single NSR location.
 - (17) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by NSR will be transferred to the NSR Roadway Shop at Charlotte, North Carolina.
- (d) The following work may be coordinated or rearranged, in whole or in part, on CSXT and allocated CRC properties operated by CSXT:
- (1) Heavy locomotive work from Selkirk, New York, to Huntington, West Virginia.
 - (2) Heavy locomotive work from Juniata Locomotive Works at Altoona, Pennsylvania, to Huntington, West Virginia, and Waycross, Georgia.
 - (3) Freight car work from Hollidaysburg, Pennsylvania, to Raceland, Kentucky and to any of CSXT's project shops.
 - (4) Radio repair work from the allocated lines to be operated by CSXT will be transferred to the CSXT Radio Service Center at Louisville, Kentucky.
 - (5) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by CSXT will be transferred to the CSXT Roadway Equipment Shop at Richmond, Virginia.
- (e) Because after the transaction CRC will have no locomotive heavy repair or periodic maintenance capability, nor the ability to perform substantial or program work on cars, such service will be provided by CSXT or NSR, in accordance with their respective collective bargaining agreements and/or practices, or as directed by the

locomotive or car owner. Only fueling, servicing and light and running repairs on locomotives and cars will be provided by CRC consistent with its collective bargaining agreement or practices, when such work is performed in Shared Assets Areas.

Section 2

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be implemented upon fifteen (15) days' written notice by NSR and/or CRC, to the International Brotherhood of Electrical Workers ("IBEW") General Chairmen.

Future coordinations on CSXT will be governed by Side Letter No. 14.

Section 3

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by NSR and/or CRC, after providing employee(s) and their General Chairmen thirty (30) days' written notice.

Should the IBEW desire a conference concerning the rearrangement of forces that would occur as a result of the announced coordination, upon written request from the IBEW prior to the expiration of the aforementioned 30-day notice period, the period of the notice will be extended up to but not exceeding an additional sixty (60) days. The parties shall promptly meet on the matter. If they do not resolve their differences, NSR and/or CRC may implement the announced coordination described in the notice after the expiration of the 60-day period. Either party may invoke arbitration

procedures under Article I, Section 4 of the New York Dock conditions provided such action is taken within five (5) days of the termination of conference. There shall be no employees furloughed, dismissed or transferred pending the agreement or arbitrator's award, nor shall there be a change in carrier's operations, services, facilities, or equipment.

Future coordinations on CSXT will be governed by Side Letter No. 14.

Section 4

* Coordinations on NSR and/or CRC in which work is transferred under this agreement and one or more employees are offered the opportunity to follow that work will be effected in the following manner:

(a) By bulletins giving a minimum of fifteen (15) days' written notice, the positions that no longer will be needed at the location from which the work is being transferred (the "transferring location") will be abolished and concurrently therewith the positions that will be established at the location to which the work is being transferred (the "receiving location") will be advertised under the provisions of the Collective Bargaining Agreement for a period of seven (7) days to all employees holding regular IBEW assignments at the transferring location.

(b) The positions advertised pursuant to paragraph (a) above will be awarded in seniority order and the successful bidders notified of the awards by posting same on the appropriate bulletin boards at the transferring location on the day after the bidding process closes. In addition, each successful bidder shall be notified in writing of the award together with the date and time to report to the officer in charge at the receiving location. The employees so notified shall report upon the date and at the time specified unless other arrangements are made with the proper authority or they are prevented from doing so due to circumstances

ARTICLE VII

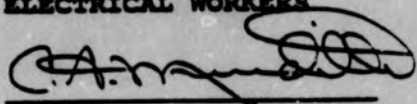
This Agreement shall fulfill the requirements of Article I, Section 4 of the New York Dock conditions or any other conditions which have been imposed in the Order by the STB in Finance Docket No. 33388. The terms of the New York Dock conditions shall apply to all transactions covered by this agreement, except as specifically provided herein.


ARTICLE VIII

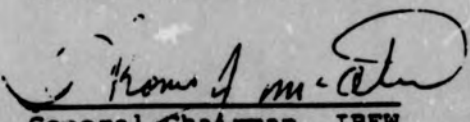
This Agreement shall be effective only after the effective date of the STB order approving the transaction and service by CSXT, NSR and CRC of the initial seven (7) days advance written notice to the General Chairmen of IBEW signatory hereto as specified in Article I, Section 1.

Signed at Norfolk, Virginia, this 3rd day of August, 1998.

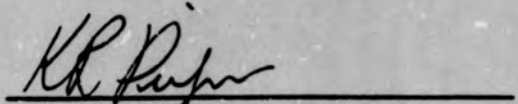
**FOR INTERNATIONAL
BROTHERHOOD OF
ELECTRICAL WORKERS**


General Chairman, IBEW

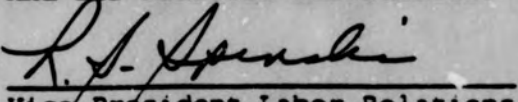

General Chairman, IBEW


General Chairman, IBEW


**FOR CSX TRANSPORTATION, INC.
And its Railroad Subsidiaries**


Vice President Labor Relations

**FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries**


Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION


Vice President Labor Relations *JTC*

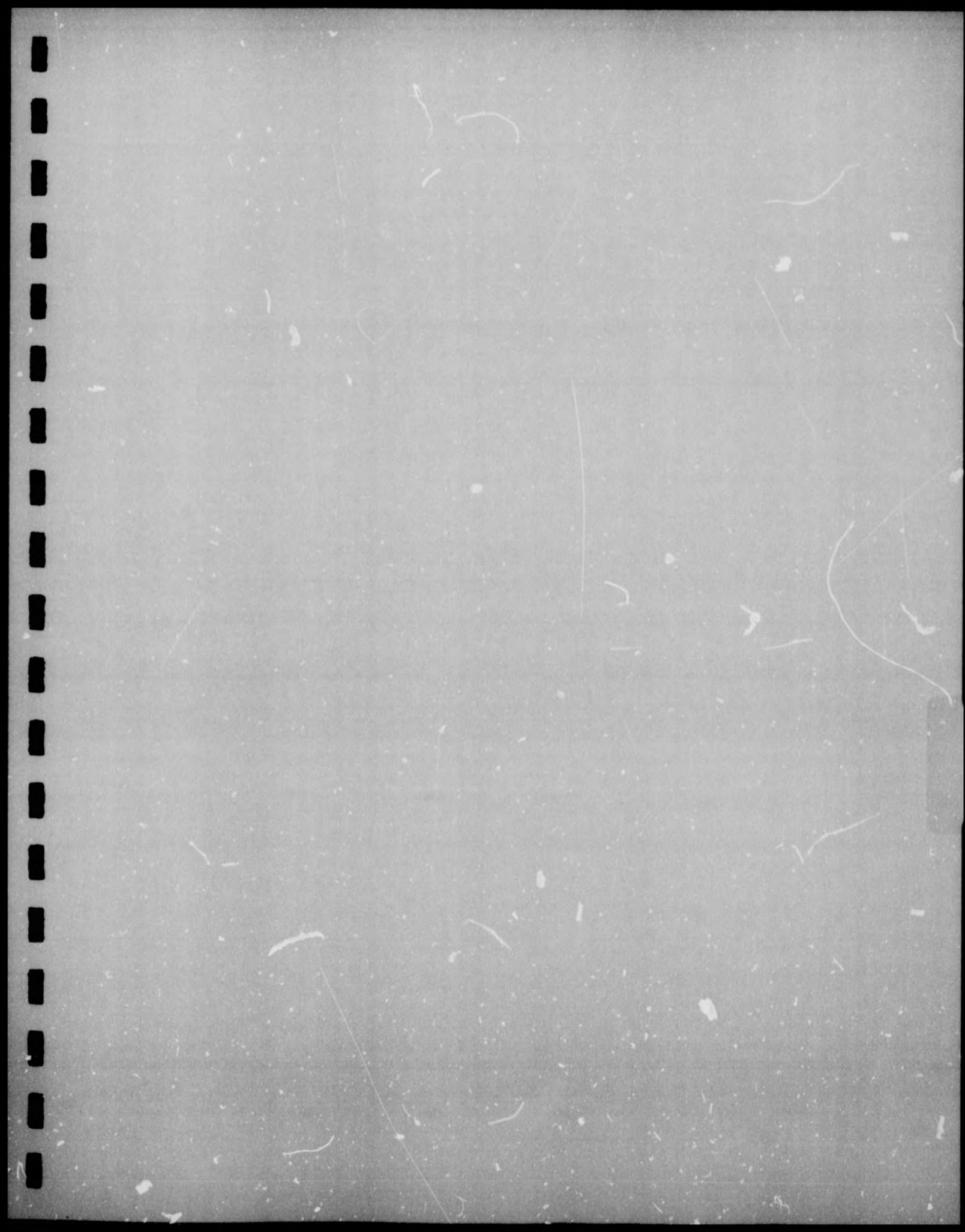


EXHIBIT 10

Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the National Conference of Firemen and Oilers (dated October 16, 1998), pp. 1-7, 18.

Copy Of Original
IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

and

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by the
NATIONAL CONFERENCE OF FIREMEN & OILERS

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

WHEREAS, it is anticipated that the STB will impose the employee protective conditions set forth in New York Dock Ry. -

Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") on all aspects of the Primary Application; Norfolk and Western Railway Company - Trackage Rights - Burlington Northern, Inc., 354 I.C.C. 653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc. - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock conditions and other aforementioned labor protective conditions or any other protective conditions that may be imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by CSXT, NSR and CRC posted on appropriate bulletin boards, with copies to the

General Chairmen signatory hereto, after the effective date of the STB's order approving the control transaction, CSXT, NSR and CRC may effect the following coordinations or rearrangements of forces:

(a) The allocated CRC locomotives and cars which respectively are to be operated by either CSXT or NSR and will be integrated into either CSXT's or NSR's existing fleets of locomotives and freight cars and the maintenance and repair work of the CSXT and NSR coordinated and integrated fleets may be performed, respectively, at any CSXT or NSR facility notwithstanding the prior railroad ownership of the equipment.

(b) (1) At common locations on NSR, including those listed below, shop craft seniority will be integrated in accordance with the terms and provisions outlined in Article II of this Agreement:

NSR/CRC Points

Buffalo, New York
Chicago, Illinois
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Elmore/Dickinson, West Virginia
Fort Wayne, Indiana
Lorain, Ohio
Toledo, Ohio

(2) For common locations on the territories of the former Baltimore and Ohio Railroad and Chesapeake and Ohio Railway, shopcraft seniority will be integrated in

accordance with the terms and provisions in Article II of this Agreement.

(c) The following work may be coordinated or rearranged, in whole or in part, on NSR and allocated CRC properties operated by NSR:

- (1) EMD locomotive overhaul and component rebuild from Roanoke to Juniata Locomotive Works at Altoona
- (2) GE locomotive overhaul and component rebuild from Juniata (Altoona) to Roanoke Shop - Locomotives
- (3) Atlanta locomotive truck overhaul to Altoona
- (4) Rebuilding of air brake equipment from Chattanooga to Altoona
- (5) Wreck repair for heavily damaged locomotives from Roanoke Shop - Locomotives to Altoona
- (6) Painting of locomotives from Chattanooga to Altoona
- (7) All EMD and GE turbocharger work from Juniata (Altoona) to Roanoke Shop - Locomotives
- (8) Machine tool operations and associated fabrication from Altoona to Roanoke
- (9) 92-day inspection of locomotives from Elkhart, Pavonia, and Oak Island to Bellevue
- (10) 92-day inspection of locomotives from Enola to Conway
- (11) Program car repair work from Macedonia, OH, Decatur, IL, and Williamson, WV to Hollidaysburg
- (12) Freight car part reclamation from Hollidaysburg to Roanoke
- (13) Wheel shop consolidation to site selected by NSR
- (14) Office car work from Roanoke to Altoona

(15) Car shops closed at Fort Wayne and Enola

(16) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by NSR will be transferred to the NSR Roadway Shop at Charlotte, North Carolina.

(d) The following work may be coordinated or rearranged, in whole or in part, on CSXT and allocated CRC properties operated by CSXT:

(1) Heavy locomotive work from Selkirk, NY, to Huntington, WV

(2) Heavy locomotive work from Juniata Locomotive Works at Altoona, PA, to Huntington, WV

(3) Freight car work from Hollidaysburg, PA, to Raceland, KY and to any of CSXT's project shops.

(4) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by CSXT will be transferred to the CSXT Roadway Equipment Shop at Richmond, Virginia.

(e) Because after the transaction CRC will have no locomotive heavy repair or periodic maintenance capability, nor the ability to perform substantial or program work on cars, such service will be provided by CSXT or NSR, in accordance with their respective collective bargaining agreements and/or practices, or as directed by the locomotive or car owner. Only fueling, servicing and light and running repairs on locomotives and cars will be provided by CRC consistent with its collective bargaining agreement or practices, when such work is performed in Shared Assets Areas.

Section 2

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be implemented upon fifteen (15) days' written notice by NSR, CSXT and/or CRC, to the National Conference of Firemen and Oilers ("NCF&O") General Chairmen.

Section 3

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by NSR, CSXT and/or CRC, after providing employee(s) and their General Chairmen thirty (30) days' written notice.

Should the NCF&O desire a conference concerning the rearrangement of forces that would occur as a result of the announced coordination, upon written request from the NCF&O prior to the expiration of the aforementioned 30-day notice period, the period of the notice will be extended up to but not exceeding an additional sixty (60) days. The parties shall promptly meet on the matter. If they do not resolve their differences, NSR and/or CSXT and/or CRC may implement the announced coordination described in

the notice after the expiration of the 60-day period. Either party may invoke arbitration procedures under Article I, Section 4 of the New York Dock conditions provided such action is taken within five (5) days of the termination of conference. There shall be no employees dismissed or transferred pending the agreement or arbitrator's award.

Section 4

Coordinations in which work is transferred under this agreement and one or more employees are offered the opportunity to follow that work will be effected in the following manner:

(a) By bulletins giving a minimum of fifteen (15) days' written notice, the positions that no longer will be needed at the location from which the work is being transferred (the "transferring location") will be abolished and concurrently therewith the positions that will be established at the location to which the work is being transferred (the "receiving location") will be advertised for a period of seven (7) days to all employees holding regular NCF&O assignments at the transferring location.

(b) The positions advertised pursuant to paragraph (a) above will be awarded in seniority order and the successful bidders notified of the awards by posting same on the appropriate bulletin boards at the transferring location on the day after the bidding process closes. In addition, each successful bidder shall be

STB

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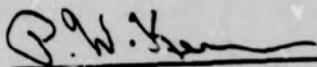
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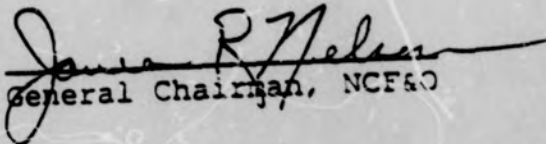
3 of 3

This Agreement shall be effective only after the effective date of the STB order approving the transaction and service by CSXT, NSR and CRC of the initial seven (7) days advance written notice to the General Chairmen of NCF&O signatory hereto as specified in Article I, Section 1.

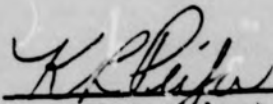
Signed at Washington, DC, this 3rd day of June, 1998.

FOR NATIONAL
CONFERENCE OF
FIREMEN & OILERS



General Chairman, NCF&O


General Chairman, NCF&O

FOR CSX TRANSPORTATION, INC.
And its Railroad Subsidiaries


Vice President Labor Relations

FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries


Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION

Vice President Labor Relations

US OFFICE PRODUCTS

EXHIBIT 11

Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the Sheet Metal Workers International Association (dated September 17, 1998), pp. 1-4, 10; and Attachment B thereto (dated September 17, 1998), pp. 1-4, 10.

IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

and

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by

SHEET METAL WORKERS INTERNATIONAL ASSOCIATION

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

WHEREAS, in its decision served July 23, 1998 in the proceeding captioned 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, and related proceedings, the STB has imposed the employee

protective conditions set forth in New York Dock Ry. - Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") (copy attached) on all aspects of the Primary Application; Norfolk and Western Railway Company - Trackage Rights - Burlington Northern, Inc., 354 I.C.C. 653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc., - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock conditions and other aforementioned labor protective conditions or any other protective conditions that have been imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by CSXT, NSR and CRC posted on appropriate bulletin boards, with copies to the General Chairmen signatory hereto, after the effective date of the STB's order approving the control transaction, CSXT, NSR and CRC may effect the following coordinations or rearrangements of forces as described herein and in the

separate related agreements (Attachments A and B) between NSR and/or CSXT and the Sheet Metal Workers International Association ("SMWIA"):

- (a) The allocated CRC locomotives and cars which respectively are to be operated by either CSXT or NSR and will be integrated into either CSXT's or NSR's existing fleets of locomotives and freight cars and the maintenance and repair work of the CSXT and NSR coordinated and integrated fleets will be performed, respectively, at any CSXT or NSR facility notwithstanding the prior railroad ownership of the equipment.

- (b) Because after the transaction CRC will have no locomotive heavy repair or periodic maintenance capability, nor the ability to perform substantial or program work on cars, such service will be provided by CSXT or NSR, in accordance with their respective collective bargaining agreements and/or practices, or as directed by the locomotive or car owner. Only fueling, servicing and light and running repairs on locomotives and cars will be provided by CRC consistent with its collective bargaining agreement or practices, when such work is performed in Shared Assets Areas.

Section 2

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be implemented upon fifteen (15) days' written notice by CRC, to the SMWIA General Chairmen.

Section 3

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by CRC, after providing employee(s) and their General Chairmen thirty (30) days' written notice.

Should the SMWIA desire a conference concerning the rearrangement of forces that would occur as a result of the announced coordination, upon written request from the SMWIA prior to the expiration of the aforementioned 30-day notice period, the period of the notice will be extended up to but not exceeding an additional sixty (60) days. The parties shall promptly meet on the matter. If they do not resolve their differences, CRC may implement the announced coordination described in the notice after the expiration of the 60-day period. Either party may invoke arbitration procedures under Article I, Section 4 of the New York Dock conditions provided such action is taken within five (5) days of the termination of conference. There shall be no employees dismissed or transferred pending the agreement or arbitrator's award.

Section 4

Coordinations in which work is transferred under this agreement and one or more employees are offered the opportunity to follow that work will be affected in the following manner:

(a) By bulletins giving a minimum of fifteen (15) days' written notice, the positions that no longer will be needed at the location from which the work is being transferred (the "transferring location") will be abolished and concurrently therewith the positions that will be established at the location to which the work is being transferred (the "receiving

ARTICLE VII

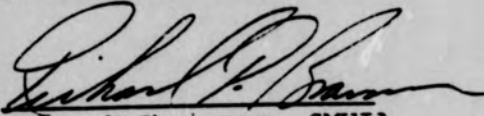
This Agreement shall fulfill the requirements of Article I, Section 4 of the New York Dock conditions or any other conditions which have been imposed in the Order by the STB in Finance Docket No. 33388. The terms of the New York Dock conditions shall apply to all transactions covered by this agreement, except as specifically provided herein.

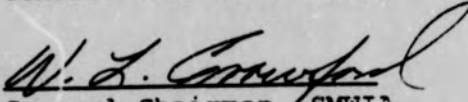
ARTICLE VIII

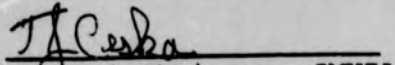
This Agreement shall be effective only after the effective date of the STB order approving the transaction and service by CSXT, NSR and CRC of the initial seven (7) days advance written notice to the General Chairmen of SMWIA signatory hereto as specified in Article I, Section 1.


Signed at Washington, DC this 17th day of September, 1998.

**FOR SHEET METAL WORKERS
INTERNATIONAL ASSOCIATION**

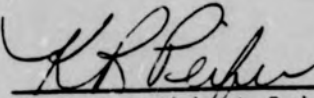

General Chairman, SMWIA


General Chairman, SMWIA

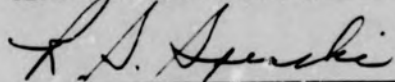

General Chairman, SMWIA


General Chairman, SMWIA

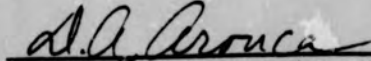
**FOR CSX TRANSPORTATION, INC.
And its Railroad Subsidiaries**


Vice President Labor Relations

**FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries**


Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION


Vice President Labor Relations

SMWIA-NSR AGREEMENT

Attachment B

This agreement is written in conjunction with the Implementing Agreement dated September 17, 1990 and incorporates all provisions contained therein. Nothing in this agreement is intended to supersede any provisions contained in the Implementing Agreement.

It is agreed:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by NSR posted on appropriate bulletin boards, with copies to the General Chairman signatory hereto, after the effective date of the STB's order approving the control transaction, NSR may effect the following coordinations or rearrangements of forces as described herein between NSR and the Sheet Metal Workers International Association ("SMWIA"):

- (a) The allocated CRC locomotives and cars which are to be operated by NSR will be integrated into NSR's existing fleets of locomotives and freight cars. The scheduled and unscheduled maintenance and repair work of the integrated fleet of locomotives will be assigned to and performed at NSR facilities, notwithstanding the prior railroad ownership of the equipment.
- (b) Upon seven (7) days advance written notice, at common locations on NSR, including those listed below, shop craft seniority will be integrated in accordance with the terms and provisions outlined in Article III of this Agreement:

NSR/CRC Points

Buffalo, New York
Chicago, Illinois
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Elmore/Dickinson, West Virginia
Fort Wayne, Indiana
Lorain, Ohio
Toledo, Ohio

(c) Upon ninety (90) days advance written notice, the following work and/or involved employees may be coordinated or rearranged on NSR and allocated CRC properties operated by NSR:

- (1) EMD locomotive overhaul and component rebuild from Roanoke to Juniata Locomotive Works at Altoona
- (2) GE locomotive overhaul and component rebuild from Juniata (Altoona) to Roanoke Shop - Locomotives
- (3) Atlanta (Pegram Shop) locomotive truck overhaul to Juniata Locomotive Works, Altoona
- (4) Rebuilding of air brake equipment from Chattanooga to Juniata Locomotive Works, Altoona
- (5) Wreck repair for heavily damaged locomotives from Roanoke Shop - Locomotive to Juniata Locomotive Works, Altoona
- (6) Painting of locomotives from Chattanooga to Juniata Locomotive Works, Altoona
- (7) All EMD and GE turbocharger work from Juniata (Altoona) to Roanoke Shop - Locomotives
- (8) Machine tool operations and associated fabrication from Altoona to Roanoke (to be specified more fully in 90-day notice)
- (9) 92-day inspection of locomotives from Elkhart, Pavonia, and Oak Island to Bellevue
- (10) 92-day inspection of locomotives from Enola to Conway
- (11) Program car repair work from Macedonia, OH, Decatur, IL, and Williamson, WV to Hollidaysburg
- (12) Freight car part reclamation from Hollidaysburg to Roanoke
- (13) Wheel shop consolidation to site selected by NSR

- (14) Office car work from Roanoke to Altoona Shops
- (15) Car shops closed at Fort Wayne and Enola
- (16) Roadway equipment shop at Canton will be closed and the work from the allocated lines to be operated by NSR will be transferred to the NSR Roadway Shop at Charlotte, North Carolina.

Section 2

Future coordinations of work, services or operations not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be accomplished upon fifteen (15) days' written notice by NSR, to the SMWIA General Chairman.

Section 3

Future coordinations of work, services or operations, in whole or in part, not now contemplated and/or specified in Section 1, which involve the dismissal or displacement of any employee(s) or rearrangement of forces may be implemented by NSR, after providing employee(s) and their General Chairmen thirty (30) days' written notice.

Should the SMWIA desire a conference concerning the rearrangement of forces that would occur as a result of the announced coordination, upon written request from the SMWIA prior to the expiration of the aforementioned 30-day notice period, the period of the notice will be extended up to but not exceeding an additional sixty (60) days. The parties shall promptly meet on the matter. If they do not resolve their differences, NSR may implement the announced coordination described in the notice after the expiration of the 60-day period. Either party may invoke arbitration procedures under Article I, Section 4 of the New York Dock

conditions provided such action is taken within five (5) days of the termination of conference. There shall be no employees dismissed or transferred pending the agreement or arbitrator's award.

Section 4

Coordinations in which work is transferred under this agreement and one or more employees are offered the opportunity to follow that work will be effected in the following manner:

(a) By bulletins giving a minimum of fifteen (15) days' written notice, the positions that no longer will be needed at the location from which the work is being transferred (the "transferring location") will be abolished and concurrently therewith the positions that will be established at the location to which the work is being transferred (the "receiving location") will be advertised for a period of seven (7) days to all employees holding regular SMWIA assignments at the transferring location.

(b) The positions advertised pursuant to paragraph (a) above will be awarded in seniority order and the successful bidders notified of the awards by posting same on the appropriate bulletin boards at the transferring location on the day after the bidding process closes. In addition, each successful bidder shall be notified in writing of the award together with the date and time to report to the officer in charge at the receiving location. The employees so notified shall report upon the date and at the time specified unless other arrangements are made with the proper authority or they are prevented from doing so due to circumstances beyond their control.

(c) After fulfilling the requirements of Article I, Section 4(a) and 4(b) above, should there remain unfilled positions in the coordinated operation and surplus employees at the transferring location, those surplus

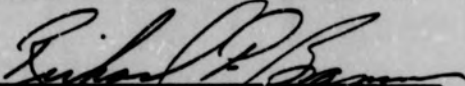
not affecting the other railroads, then only that railroad needs to be the party to the subsequent implementing agreement.

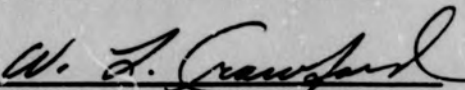
ARTICLE VII

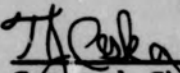
This agreement shall become effective upon the effective date of the Implementing Agreement.

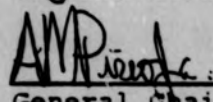
Signed at Washington, DC, this 17th day of September, 1998.

**FOR SHEET METAL WORKERS
INTERNATIONAL ASSOCIATION**

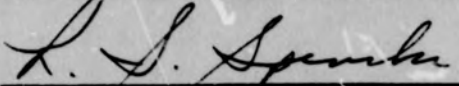

General Chairman, SMWIA


General Chairman, SMWIA


General Chairman, SMWIA


General Chairman, SMWIA

**FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries**


Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION

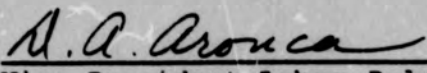

Vice President Labor Relations

EXHIBIT 12

Implementing Agreement Between CSX Transportation, Inc., Norfolk Southern Railway Company, Consolidated Rail Corporation, and the International Association of Machinists and Aerospace Workers (dated October 10, 1998), pp. 1-3, 7; and Attachment B thereto (dated October 10, 1998), pp. 1-3, 12.

FILE COPY

IMPLEMENTING AGREEMENT

BETWEEN

CSX TRANSPORTATION, INC.
and its Railroad Subsidiaries

and

NORFOLK SOUTHERN RAILWAY COMPANY
and its Railroad Subsidiaries

and

CONSOLIDATED RAIL CORPORATION

and

their Employees Represented by

INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

WHEREAS, Norfolk Southern Corporation ("NS"), Norfolk Southern Railway Company and its railroad subsidiaries ("NSR"); and CSX Corporation ("CSX") and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") have filed an application with the Surface Transportation Board ("STB") in Finance Docket No. 33388 seeking approval of acquisition of control by NS and CSX of CRR and CRC, and for the division of the use and operation of CRC's assets by NSR and CSXT (the "transaction");

WHEREAS, in its decision served July 23, 1998 in the proceeding captioned 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, and related proceedings, the STB has imposed the employee protective conditions set forth in New York Dock Ry. - Control - Brooklyn Eastern District, 360 I.C.C. 60 (1979) ("New York Dock conditions") on all aspects of the Primary Application; Norfolk and Western Railway Company -

Trackage Rights - Burlington Northern, Inc., 354 I.C.C. 653 (1980), on related authorization of trackage rights; Oregon Short Line Railroad - Abandonment - Goshen, 360 I.C.C. 91 (1979), on related abandonment authorizations; and Mendocino Coast Railway, Inc., - Lease and Operate - California Western Railway, 360 I.C.C. 653 (1980), on the related authorization of the operations by CSXT or NSR of track leases with other rail carriers to which CRC is a party;

WHEREAS, the parties signatory hereto desire to reach an implementing agreement in satisfaction of Article I, Section 4 of the New York Dock conditions and other aforementioned labor protective conditions or any other protective conditions that have been imposed by the STB in this proceeding to the extent such conditions may be applicable to the transaction and related authorizations;

NOW, THEREFORE, IT IS AGREED:

ARTICLE I

Section 1

Upon seven (7) days' advance written notice by CSXT, NSR and CRC posted on appropriate bulletin boards, with copies to the General Chairmen signatory hereto, after the effective date of the STB's order approving the control transaction, CSXT, NSR and CRC may effect the following coordinations or rearrangements of forces as described herein and in the separate related agreements (Attachments A and B) between NSR and/or CSXT and the International Association of Machinists and Aerospace Workers ("IAMAW"):

- (a) The allocated CRC locomotives and cars which respectively are to be operated by either CSXT or NSR will be integrated into either CSXT's or NSR's existing fleets of locomotives and freight cars and the maintenance and repair work of the CSXT and NSR coordinated and integrated fleets will be performed in accordance with the applicable collective bargaining agreement, notwithstanding the prior railroad ownership of the equipment.
- (b) CRC employees will not perform any work on NS or CSXT locomotives or equipment except fueling, servicing and such light running repairs as may be necessary to insure the safe and dependable operation of same or to get the locomotive back to the appropriate owner's property.

Section 2

Future coordinations of work, services or operations not now contemplated which occur as a result of the acquisition of Conrail by CSXT and NSR and which involve the dismissal or displacement of any employee(s) or rearrangement of forces (transfer) may be accomplished by CRC, pursuant to the provisions of the New York Dock conditions.

ARTICLE II

Section 1

On the effective date of this Agreement, all employees who hold a regular assignment on the CRC territories to be allocated to CSXT will become employees exclusively of CSXT, all employees who hold a regular assignment on the CRC territories to be allocated to NSR will become employees exclusively of NSR, and all employees who hold a regular

ARTICLE V

This Agreement shall fulfill the requirements of Article I, Section 4 of the New York Dock conditions imposed in the Order by the STB in Finance Docket No. 33389.

ARTICLE VI

This Agreement shall be effective only after the effective date of the STB order approving the transaction and service by CSXT, NSR and CRC of the initial seven (7) days advance written notice to the General Chairmen of IAMAW signatory hereto as specified in Article I, Section 1.

Signed at Norfolk, Virginia, this 10th day of October, 1998.

**FOR INTERNATIONAL
ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS**

Robert L. Reynolds
President and Directing
General Chairman, IAMAW

Joe R. Dunsen
General Chairman, IAMAW

R. L. Elmore
General Chairman, IAMAW

J. R. Cronk
General Chairman, IAMAW

D. J. McMullen
General Chairman, IAMAW

M. A. Hill
General Chairman, IAMAW

J. A. Cohen
General Chairman, IAMAW

**FOR CSX TRANSPORTATION, INC.
And its Railroad Subsidiaries**

K. R. Reip
Vice President Labor Relations

**FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries**

R. S. Spenski
Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION

Dennis A. Arouca (Umm)
Vice President Labor Relations

IAMAW-NSR AGREEMENT

Attachment B

This agreement is written in conjunction with the Implementing Agreement dated October 10, 1998 and incorporates all provisions contained therein. Nothing in this agreement is intended to supersede any provisions contained in the Implementing Agreement.

It is agreed:

ARTICLE I

Section 1

Upon proper advance written notice by NSR posted on appropriate bulletin boards, with copies to the General Chairman signatory hereto, after the effective date of the STB's order approving the control transaction, NSR may effect the following coordinations or rearrangements of forces as described herein between NSR and the International Association of Machinists and Aerospace Workers ("IAMAW"):

- (a) Upon seven (7) days advance written notice, the allocated CRC locomotives and cars which are to be operated by NSR will be integrated into NSR's existing fleets of locomotives and freight cars. The scheduled and unscheduled maintenance and repair work of the integrated fleet of locomotives will be assigned to and performed at NSR facilities, notwithstanding the prior railroad ownership of the equipment.

- (b) Upon seven (7) days advance written notice, at common locations on NSR, including those listed below, shop craft seniority will be integrated in accordance with the terms and provisions outlined in Article III of this Agreement:

NSR/CRC Points
Buffalo, New York
Chicago, Illinois
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Elmore/Dickinson, West Virginia
Fort Wayne, Indiana
Lorain, Ohio
Toledo, Ohio

- (c) Upon ninety (90) days advance written notice, the following work and/or involved employees may be coordinated or rearranged on NSR and allocated CRC properties operated by NSR:
- (1) EMD locomotive overhaul and component rebuild from Roanoke to Juniata Locomotive Works at Altoona
 - (2) GE locomotive overhaul and component rebuild from Juniata (Altoona) to Roanoke Shop - Locomotives
 - (3) Atlanta (Pegram Shop) locomotive truck overhaul to Juniata Locomotive Works, Altoona
 - (4) Rebuilding of air brake equipment from Chattanooga to Juniata Locomotive Works, Altoona
 - (5) Wreck repair for heavily damaged locomotives from Roanoke Shop - Locomotive to Juniata Locomotive Works, Altoona
 - (6) Painting of locomotives from Chattanooga to Juniata Locomotive Works, Altoona
 - (7) All EMD and GE turbocharger work from Juniata (Altoona) to Roanoke Shop - Locomotives
 - (8) Machine tool operations and associated fabrication from Altoona to Roanoke (to be specified more fully in 90-day notice)
 - (9) 92-day inspection of locomotives from Elkhart, Pavonia, and Oak Island to Bellevue
 - (10) 92-day inspection of locomotives from Enola to Conway

- (11) Program car repair work from Macedonia, OH, Decatur, IL, and Williamson, WV to Hollidaysburg
- (12) Freight car part reclamation from Hollidaysburg to Roanoke
- (13) Wheel shop consolidation to site selected by NSR
- (14) Office car work from Roanoke to Altoona Shops
- (15) Car shops closed at Fort Wayne and Enola

Section 2

Future coordinations of work, services or operations not now contemplated and/or specified in Section 1, in which no employee is required to relocate and the work force is not reduced at the involved locations as a result of the coordination may be accomplished upon fifteen (15) days' written notice by NSR, to the IAMAW General Chairman.

Section 3

Future coordinations of work, services or operations not now contemplated and/or specified in Section 1 of this Agreement or in the separate related agreements, which involve the dismissal or displacement of any employee(s) or rearrangement of forces (transfer) may be accomplished by NSR, pursuant to the provisions of the New York Dock conditions.

Section 4

Coordinations in which work is transferred under this Agreement and one or more employees are offered the opportunity to follow that work will be effected in the following manner:

- (a) By bulletins giving a minimum of fifteen (15) days' written

railroad needs to be the party to the subsequent implementing agreement.

ARTICLE VIII

This agreement shall become effective upon the effective date of the Implementing Agreement.

Signed at Norfolk, Virginia, this 10th day of October, 1998.

FOR INTERNATIONAL
ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

Robert L. Reynolds
President and Directing
General Chairman, IAMAW

Joe R. Duncan
General Chairman, IAMAW

J. Crook
General Chairman, IAMAW

R. J. McMiller
General Chairman, IAMAW

FOR NORFOLK SOUTHERN RAILWAY COMPANY
And its Railroad Subsidiaries

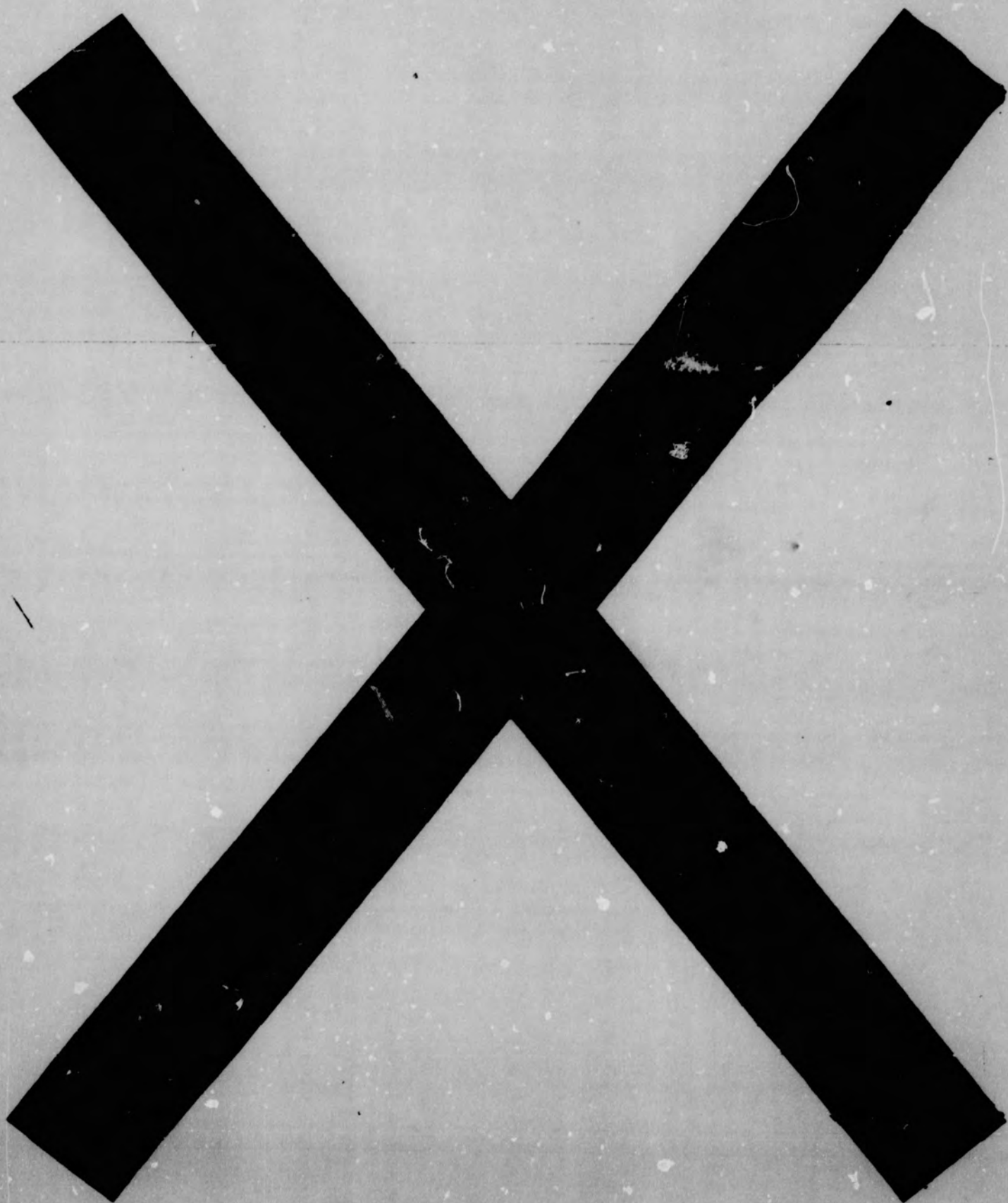
R. Spenski
Vice President Labor Relations

FOR CONSOLIDATED RAIL CORPORATION

Dennis A. Arouca (wmm)
Vice President Labor Relations

US OFFICE PRODUCTS





STB

FD-33388

4-13-01

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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

CSX Corporation and CSX Transportation, Inc.,
Norfolk Southern Corp. and Norfolk
Southern Ry. Co.--Control and Operating
Leases/Agreements--Conrail Inc.
and Consolidated Rail Corporation
Transfer of Railroad Line by Norfolk
Southern Railway Company to CSX Transportation, Inc.



ENTERED
Office of the Secretary

APR 13 2001

Part of
Public Record

**RESPONSE OF TRANSPORTATION-COMMUNICATIONS
INTERNATIONAL UNION IN SUPPORT OF
JOINT PETITION OF VARIOUS UNIONS
AND THE COMMONWEALTH OF PENNSYLVANIA
FOR ENFORCEMENT OF ORDER, OR ALTERNATIVELY TO REOPEN FOR
ORDER DIRECTING COMPLIANCE WITH COMMITMENTS,
OR ALTERNATIVELY FOR RELIEF NOT OTHERWISE PROVIDED-FOR**

The Transportation-Communications International Union ("TCU") which was and is a party to the above-captioned proceeding hereby responds to the joint petition filed by several other unions and the Commonwealth of Pennsylvania for enforcement and/or reopening of the Board's Decision No. 89 which authorized Norfolk Southern Corp. and CSX Corp. to acquire control of Conrail Inc. Like the other unions, TCU represents employees who work in the Hollidaysburg car shops in Altoona, Pennsylvania that NSR plans to close, despite prior commitments that the railroad would consolidate its heavy repair and program work at the Hollidaysburg shops. TCU supports and hereby joins the Joint Petition.

As is set forth in the Declaration of Anthony P. Santoro, Jr., TCU represents clerical employees at the Hollidaysburg shops. On February 20, 2001, NSR gave TCU notice that it would abolish 27 jobs at Hollidaysburg and create only 14 new jobs at other shops in Ohio,

North Carolina and Virginia. Santoro Declaration that is appended hereto and the Attachment to that Declaration. This notice by NSR was a separate notice from the one provided to the "Shopcraft" unions that was appended to the Joint Petition.

As is explained in the Santoro Declaration, and as is set forth in great detail in the Joint Petition, NSR's plans constitute a clear repudiation of commitments NSR made in the application and supporting documents that Norfolk Southern filed with the Board (including the Verified Statements of NS CEO David Goode and Operating Plan witness Michael Mohan) that clearly stated that the railroad would retain the Hollidaysburg shops, consolidate work there, and absorb most car "program work" from shops in other states. NSR's plans also contradict sworn statements of Mr. Goode before the Senate Transportation Appropriations Subcommittee on the joint Norfolk Southern/CSX acquisition of Conrail. Additionally, closing of the shops and transfer of many of the jobs to other shops is completely inconsistent with commitments NSR made to Conrail employees, Pennsylvania officials and Pennsylvania communities in seeking support for its application. NSR has also failed to follow-through on its express commitment to invest \$4 million in the Hollidaysburg shops. NSR now seeks to move forward with closing of the Hollidaysburg shops in the face of the representations that it made and contrary to the Board's Order in Decision No. 89 that "Applicants must adhere to all of the representations they made during the course of this proceeding, whether or not such representations are specifically referenced in this decision." *Id.* at 176.

TCU therefore supports and joins the joint petition filed by the other unions and the Commonwealth of Pennsylvania for enforcement and/or reopening of its Decision No. 89 and TCU urges the Board to order Norfolk Southern to comply with its commitments regarding the

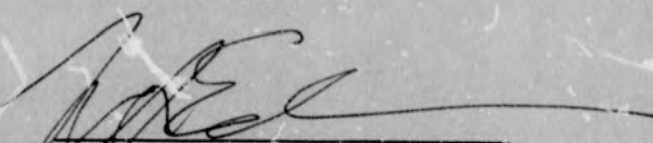
shops.

In responding to and joining the Joint Petition, TCU notes that it is not submitting any new material other than documentation of the effect of NSR's plans on employees represented by TCU, that TCU is otherwise relying on the same evidence and arguments as the other unions and that it will be represented in this case by the same counsel: Richard S. Edelman.

CONCLUSION

For the foregoing reasons, TCU respectfully submits that the Board should direct NSR to adhere to the representations it made regarding the Hollidaysburg shops; specifically that NSR must make the \$4 million in capital improvements that it promised, and that NSR must retain and continue to operate the shops as it repeatedly represented it would.

Respectfully submitted,

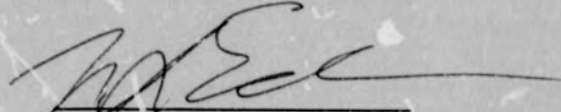


Richard S. Edelman
O'DONNELL, SCHWARTZ & ANDERSON, P.C.
1900 L Street, N.W., Suite 707
Washington, D.C. 20036
(202) 898-1824

CERTIFICATE OF SERVICE

I hereby certify that I have caused to be mailed copies of the foregoing Response of Transportation-communications International Union in Support of Petition for Enforcement of Order, or Alternatively to Reopen for Order Directing Compliance with Commitments, Or Alternatively for Relief Not Otherwise Provided-for by First Class Mail upon the persons listed on the current official service list in Finance Docket No. 333S8. Because of the length of the service list in this proceeding representatives of the Applicants and as many other parties as possible were served by mail on April 13, 2001, other parties will be served on April 16, 2001.

4/13/01
Date


Richard S. Edelman

SANTORO DECLARATION

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

CSX Corporation and CSX Transportation, Inc.,
Norfolk Southern Corp. and Norfolk
Southern Ry. Co.--Control and Operating
Leases/Agreements--Conrail Inc.
and Consolidated Rail Corporation
Transfer of Railroad Line by Norfolk
Southern Railway Company to CSX Transportation, Inc.

DECLARATION OF ANTHONY P. SANTORO, JR.

I, ANTHONY P. SANTORO, JR., declare under penalty of perjury, and pursuant to 28 U.S.C. § 1746, that the following is true, correct, and based upon personal knowledge.

1. I am the General Chairman of System Board of Adjustment No. 36 of the Transportation-Communications International Union ("TCU"). The TCU represents employees of Norfolk Southern Ry. ("NSR") at its Hollidaysburg car shops who work in the clerical craft and class. The TCU actively participated in the STB proceedings on the CSX Corp. and Norfolk Southern Corp. acquisition of control and division of the Consolidated Rail Corp. ("Conrail") ("CSX/NS-Conrail Transaction").

2. Prior to the CSX/NS-Conrail Transaction, the Hollidaysburg shops were owned by Conrail. As a result of the CSX/NS-Conrail Transaction, those shops were allocated to NSR which now operates the shops.

3. Pursuant to this agency's approval of the CSX/NS-Conrail Transaction, the carriers

and TCU entered an implementing agreement under the *New York Dock* conditions. That agreement was consistent with the carriers' plan to divide Conrail's employees represented by TCU among CSXT, NSR and residual Conrail and place all acquired Conrail facilities and lines to be operated by NSR under an NSR collective bargaining agreement. Among other things, it was planned that NSR would consolidate program car repair work for the integrated NSR car fleet at Hollidaysburg. Under the agreement TCU-represented employees at the Hollidaysburg shops became employees of NSR, covered by a collective bargaining agreement based on an NSR-TCU agreement (subject to certain modifications and supplemental terms). NSR began to operate the Hollidaysburg shops on June 1, 1999.

4. NSR's operation of Hollidaysburg shops was initially consistent with the implementing agreement and the representations NSR made to the STB in seeking approval of the CSX/NS-Conrail Transaction, that NSR retained the shops, and program rail car work was consolidated at that facility.

5. However, as time passed, NSR did not follow-through on its representations that it would invest \$4 million in the shops.

6. In November of 2000, despite the commitments made by NSR to the STB and others, NSR announced that it was planning to close the Hollidaysburg shops and transfer the work to other NSR facilities.

7. Because Congressman Bud Shuster had been given personal assurances by NSR that the Hollidaysburg shops would be retained, Congressman Shuster scheduled a hearing by the House Transportation Committee to investigate the matter. Shortly after the hearing was scheduled, NSR CEO David Goode wrote to Congressman Shuster advising that NSR would not

proceed with the planned closure of the Hollidaysburg shops, while asserting that "the future of the shops is heavily dependent on finding partners to provide a consistent source of work for the Hollidaysburg Car Shop, as well as the overall health of the economy and the state of the railroad industry".


8. Congressman Shuster resigned from the House of Representatives in January of 2001.

9. On February 20, 2001, NSR announced that it would close the Hollidaysburg Shops, stating that "Changing economic conditions and excess capacity throughout the freight car repair industry have reduced our workload to the extent that we cannot support continued operations at the shop", and that "Consolidating our work at fewer locations is part of making Norfolk Southern a more efficient company as we go forward". NSR February 21, 2001 Press release.

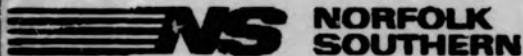
10. In a letter dated February 20, 2001, NSR again gave notice that it would be transferring work from Hollidaysburg to other shops. In doing so, NSR gave notice of its intent to abolish twenty-seven (27) clerical positions at Hollidaysburg, and to create a total of only fourteen (14) new positions at the shops to which the work was being transferred. Attached as Exhibit 1 to this declaration is a true and accurate copy of NSR's February 20, 2001 notice.

11. It is clear to the TCU, and should be clear to any objective observer, that NSR is planning to renege on commitments it made in the proceedings before this agency in which NSR and CSX sought approval for their joint acquisition of control and division of Conrail. TCU therefore urges the Board to Order NSR to comply with the commitments it made to the Board, parties to the Board's proceedings, Conrail's employees and communities in Pennsylvania.

April 10, 2001
Date


Anthony P. Santoro, Jr.

SANTORO ATTACHMENT



Norfolk Southern Corporation
223 East City Hall Avenue
Norfolk, Virginia 23510-1728

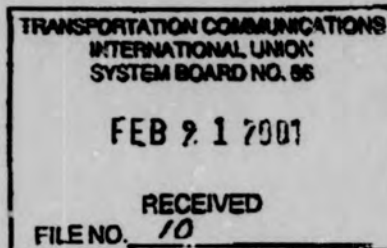
Harold R. Mobley
Assistant Vice President
Labor Relations
(757) 629-2425

February 20, 2001

CRA-TCU

Mr. A. P. Santoro, Jr.
General Chairman, TCU
309 A Street
Wilmington, Delaware 19801

Mr. D. L. Steele
General Chairman, TCU
P. O. Box 280
Suffolk, Virginia 23439



Dear Sirs:

This will serve as notice pursuant to Chapter II, Article III of the November 2, 1998 Implementing Agreement between the Transportation Communications International Union and; Norfolk Southern Railway Company and its railroad subsidiaries and Norfolk Southern Corporation (collectively "NS"); and CSX Transportation, Inc. and its railroad subsidiaries ("CSXT"); and Conrail, Inc. ("CRR") and Consolidated Rail Corporation ("CRC") of NS's intent to transfer the work of the positions identified on attachment "A" presently located at Hollidaysburg Car Shop, Hollidaysburg, Pennsylvania to the following four (4) locations on or about September 1, 2001:

- Bellevue, Ohio
- Columbus, Ohio (Buckeye)
- Linwood, North Carolina
- Roanoke, Virginia (GOB)

The attachments to this notice contain the information described in Section 1, Article IV of Chapter II including the effective date of the transfer. It is NSR's desire to afford employees who are willing to transfer an opportunity to do so. Therefore, NSR may elect to establish additional positions at one or more of the involved locations (Bellevue, Columbus, Linwood and Roanoke).

Copies of this notice and the attachments will be displayed at the NS locations from which work is being transferred from and to.

Very truly yours,

Harold R. Mobley

Attachments

Attachment A							
Norfolk Southern Railway Company - NS/CSX/CR/TCU November 2, 1998 Implementing Agreement							
Mechanical Department - Hollidaysburg Car Shop							
Hollidaysburg, PA (NW Agreement) - September 1, 2001							
Position	JP#/Title	Name of Incumbent	SSN#	Seniority Date	Rate of Pay	Job Status	Disposition of Position
1	T6470-Material Foreman	G. J. Baudoux	189-38-6226	06/28/1973	WG11	Sect 5	Abolished
Supervise Material Handlers and coordinate materials for projects							
2	T6578-Shipper/Receiver	Bradfield	195-30-415	07/24/1969	WG5	B&B	Abolished
Handle material and related documents as directed.							
3	T6591-Shipper/Receiver	C. W. Brown Jr.	211-36-2858	08/06/1973	WG5	B&B	Abolished
Handle material and related documents as directed.							
4	T6469-Material Foreman	M. A. Byrne	192-46-4912	12/06/1973	WG11	Sect 5	Abolished
Supervise Material Handlers and coordinate materials for projects							
5	T6089-Clk Data Processing	A. L. Cerully	176-44-3764	08/03/1976	WG7	B&B	Abolished
Input data into databases. Operate office equipment.							
6	T6586-Shipper/Receiver	R. E. Claar	207-46-4335	04/16/1973	WG5	B&B	Abolished
Handle material and related documents as directed							
7	T6626-Shipper/Receiver	S. K. Conrad	179-48-3430	09/18/1975	WG5	B&B	Abolished
Handle material and related documents as directed							
8	T6618-Shipper/Receiver	L. T. Culley	211-40-0662	06/30/1976	WG5	B&B	Abolished
Handle material and related documents as directed							
9	T6581-Shipper Receiver	M. R. Finocchio	176-44-2837	02/27/1974	WG5	B&B	Abolished
Handle material and related documents as directed							
10	T6492-Janitor/Messenger	L. M. Kiel	163-46-3847	05/06/1974	WG2	B&B	Abolished
Operate industrial equipment. Perform janitorial duties as required.							
11	T6590-Shipper/Receiver	K. L. Kinkead	184-34-7790	04/06/1965	WG5	B&B	Abolished
Handle material and related documents as directed							
12	T6635-Chauff/ship receiver	M. M. Krucina	064-44-4667	03/07/1974	WG8	B&B	Abolished
Load and unload material and perform shipper/receiver duties.							
13	T5538-Clerk Typist	B. J. Manges	205-44-5921	08/16/1976	WG7	B&B	Abolished
Prepare and file reports. Input of material and purchasing documentation as required							
14	T6488-Janitor/Messenger	J. P. Miller II	192-46-1160	07/11/1973	WG2	B&B	Abolished
Operate industrial equipment. Perform janitorial duties as required.							
15	T6619-Shipper/Receiver	G. L. Parsons	164-44-4548	12/23/1969	WG5	B&B	Abolished
Handle material and related documents as directed.							
16	T6583-Shipper/Receiver	J. G. Peterman	172-36-6549	11/10/1970	WG5	B&B	Abolished
Handle material and related documents as directed.							

Position	JP#/Title	Name of Incumbent	SSN#	Seniority Date	Rate of Pay	Job Status	Disposition of Position
17	T5502-Yard Clerk	B. J. Petucci	201-38-9828	08/29/1966	WG7	B&B	Abolished
Maintain car files. Make yard checks. Prepare and issue production reports.							
18	T5539-Assignment Clk	L. A. Phillips	174-38-1236	05/06/1968	WG11	B&B	Abolished
Typing, filing, advertising and abolishing positions and other duties as assigned							
19	T6587-Shipper/Receiver	G. J. Povich	153-38-0142	08/12/1969	WG5	B&B	Abolished
Handle material and related documents as directed.							
20	T6589-Shipper/Receiver	M. Ruffley	194-40-8334	11/14/1973	WG5	B&B	Abolished
Handle material and related documents as directed							
21	T6584-Shipper/Receiver	R. J. Showalter	163-40-5494	12/12/1973	WG5	B&B	Abolished
Handle material and related documents as directed							
22	T6461-Material Foreman	C. E. Simington	211-40-1700	12/17/1973	WG11	Sect 5	Abolished
Supervise Material Handlers and coordinate materials for projects							
23	T6458-Ordering Analyst	J. K. Snyder Jr.	164-44-4639	11/13/1973	WG9	Sect 5	Abolished
Tracks, coordinates and orders material							
24	T6588-Shipper/Receiver	A. M. Steinbugl	190-44-8932	11/10/1970	WG5	B&B	Abolished
Handle material and related documents as directed							
25	T6603-Shipper/Receiver	R. A. Tate	190-48-8241	03/14/1974	WG5	B&B	Abolished
Handle material and related documents as directed							
26	TE632-Extra Board Clerk	D. M. Vanallman	192-46-4851	10/08/1975	WG5	B&B	Abolished
Fill vacancies and perform extra work as directed							
27	T6491-Motor Vehicle Oper	R. L. Werlz	190-44-9855	11/12/1975	WG3	B&B	Abolished
Operate industrial equipment and all other duties assigned.							

Attachment B

Norfolk Southern Railway Company - NS/CSX/CR/TCU November 2, 1998 Implementing Agreement

Mechanical Department - Bellevue

Bellevue, OH (NW Agreement) - September 1, 2001

Position	Title	Rate of Pay	Job Status	Disposition of Position			
1	Stockman	WG5	B&B	New Position			
2	Stockman	WG5	B&B	New Position			
3	Stockman	WG5	B&B	New Position			
4	Stockman	WG5	B&B	New Position			
5	Stockman	WG5	B&B	New Position			
6	Stockman	WG5	B&B	New Position			

Attachment C							
Norfolk Southern Railway Company - NS/CSX/CR/TCU November 2, 1998 Implementing Agreement							
Mechanical Department - Buckeye Yard							
Columbus, OH (NW Agreement) - September 1, 2001							
Position	Title	Rate of Pay	Job Status	Disposition of Position			
1	Clerk/Shipper/Receiver	WG6	B&B	New Position			
2	Clerk/Shipper/Receiver	WG6	B&B	New Position			
3	Clerk/Shipper/Receiver	WG6	B&B	New Position			
4	Clerk/Shipper/Receiver	WG6	B&B	New Position			
5	Clerk/Shipper/Receiver	WG6	B&B	New Position			

Attachment D						
Norfolk Southern Railway Company - NS/CSX/CR/TCU November 2, 1998 Implementing Agreement						
Mechanical Department - Spencer Yard						
Linwood, NC (SR Agreement) - September 1, 2001						
Position	Title	Rate of Pay	Job Status	Disposition of Position		
1	Stockman	WG5	B&B	New Position		

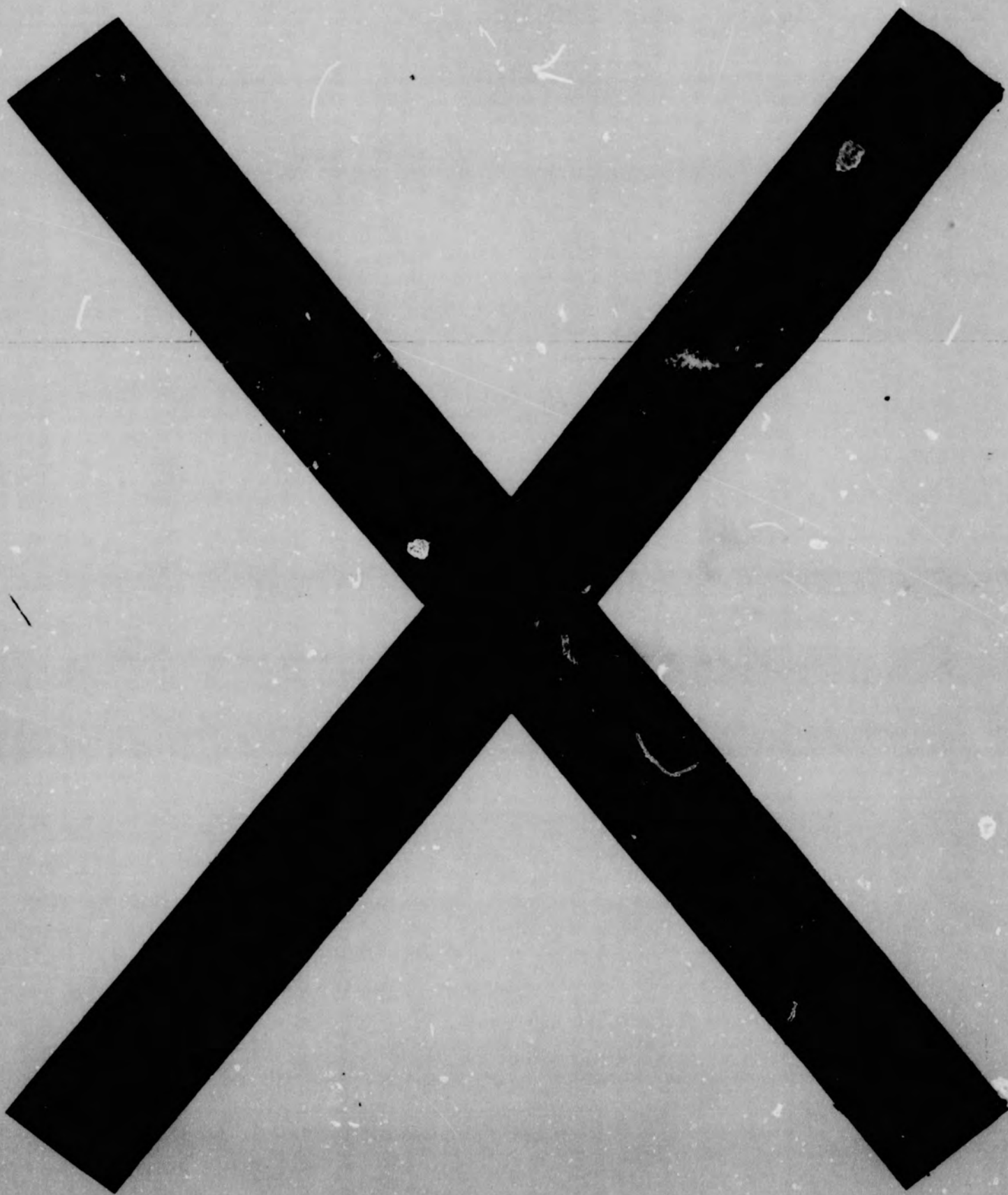
Attachment E

Norfolk Southern Railway Company - NS/CSX/CR/TCU November 2, 1998 Implementing Agreement

Mechanical Department - Roanoke

Roanoke, VA (NSC Agreement) - September 1, 2001

Position	Title	Rate of Pay	Job Status	Disposition of Position		
1	Clerk Typist	WG6	B&B	New Position		
2	Clerk Typist	WG6	B&B	New Position		



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ZUCKERT SCOUTT & RASENBERGER, L.L.P.
ATTORNEYS AT LAW

888 Seventeenth Street, NW, Washington, DC 20006-3509
Telephone [202] 298-8660 Fax [202] 542-0685
www.zsrlaw.com



RICHARD A. ALLEN

DIRECT DIAL (202) 973-7902
raallen@zsrlaw.com

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

April 11, 2001

ENTERED
Office of the Secretary

APR 11 2001

Part of
Public Record

D

Re: 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

Dear Secretary Williams:

Pursuant to Ordering Paragraph No. 22 at page 177 of Decision No. 89 in the above proceeding, applicants Norfolk Southern Corporation and Norfolk Southern Railway Company ("NS") hereby submit the attached report and 25 copies reflecting the origins, destinations, and routings for the truck traffic at the intermodal terminal at Croxton, New Jersey, which was allocated to NS pursuant to the Conrail transaction, based on surveys for the months of January, February, and March 2001.

Please do not hesitate to call me if you have any questions regarding the attached report.

Respectfully,

A handwritten signature in cursive script that reads "Richard A. Allen".

Richard A. Allen

cc: Melvin F. Clemens, Jr.
Ms. Alice Cheng
Director, Intermodal Planning
New York City Economic Development Corp.
110 Williams Street
New York, NY 10038

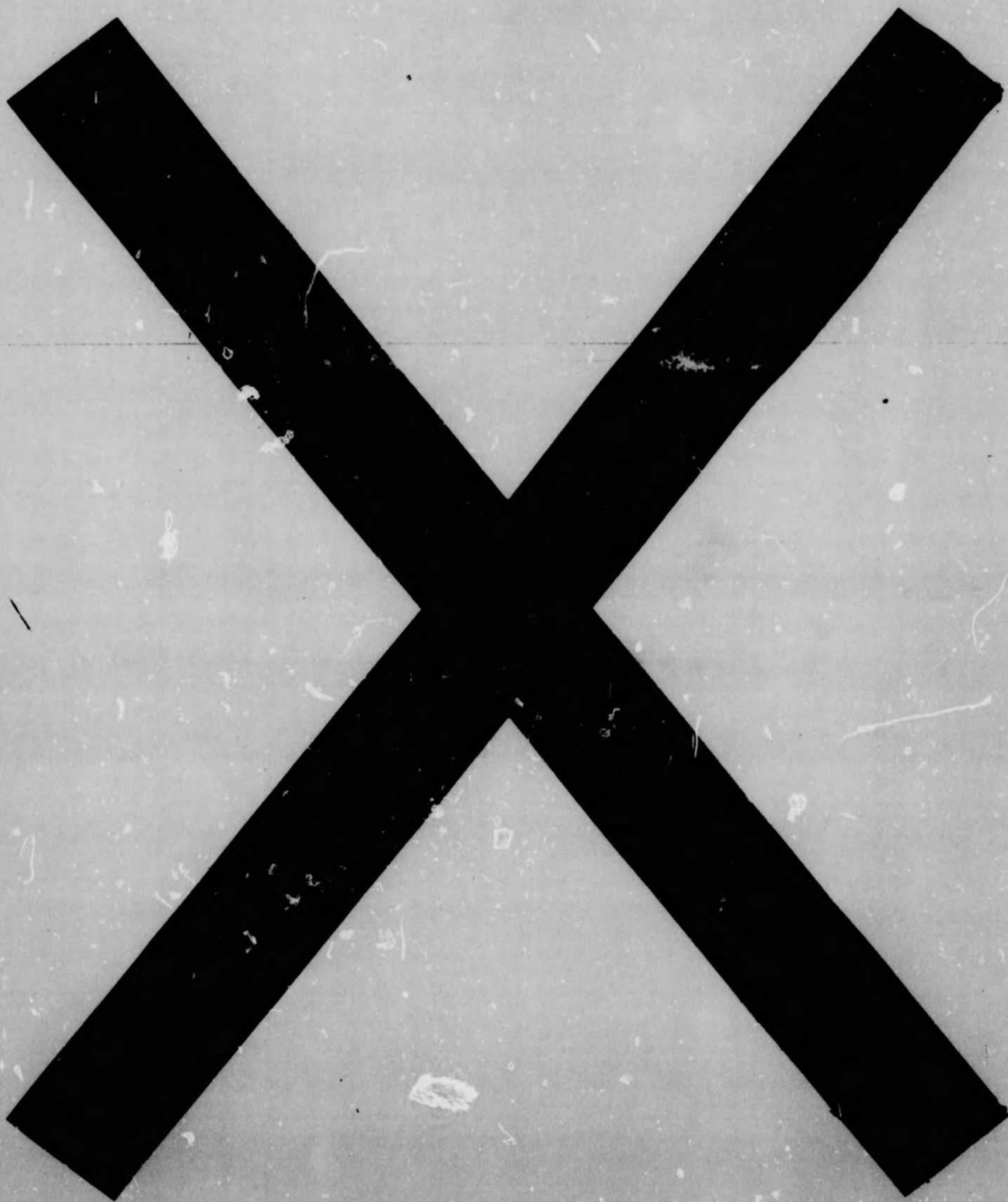
Attachment

Norfolk Southern Corporation
 Intermodal Terminal Report No. 7
 Croxton Intermodal Terminal
 Months of Jan Feb Mar 2001

State	City	In-Gate	Out-Gate	Total
	Unknown	1	5	6
CT	DANBURY	0	0	0
CT	EAST GRANBY	0	0	0
CT	EAST HARTFORD	0	0	0
CT	NEW HAVEN	0	0	0
CT	ORANGE	0	0	0
CT	WALLINGFORD	0	0	0
MA	ALSTON	0	0	0
MA	CHELMSFORD	0	0	0
MA	FALL RIVER	0	0	0
MA	LENOX	0	0	0
MA	NORTH DARTHMOUTH	0	0	0
MA	SOUTH BORO	0	0	0
MA	SOUTHLEE	0	0	0
MA	Unknown	0	0	0
MA	WORCESTER	0	0	0
ME	ROCKLAND	0	0	0
NY	BRONX	26	71	97
NY	BROOKLYN	1	19	20
NY	HICKSVILLE	0	0	0
NY	LONG ISLAND	0	6	6
NY	MANHATTEN	0	4	4
NY	PORT CHESTER	0	0	0
NY	QUEENS	6	12	18
NY	STATEN ISLAND	0	1	1
NY	Unknown	0	0	0
RI	Unknown	0	0	0

George Washington	34	118	152
George Washington	34	118	152
Tappan Zee	38	63	101
Staten Island Crossings	41	43	84
Manhattan Tunnels	5	35	40
Other / Unknown	1	8	9
East of Hudson	119	267	386
West of Hudson	1,138	1,091	2,229
GRAND TOTAL	1,257	1,358	2,615

These results reported for Croxton are for loaded units entering and exiting the terminal.



STB

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STEPTOE & JOHNSON LLP

ATTORNEYS AT LAW

1330 Connecticut Avenue, NW
Washington, DC 20036-1795

Telephone 202.429.3900
Facsimile 202.429.3902
www.steptoel.com

DAVID H. COBURN
(202) 429-8063
dccburn@steptoel.com



April 9, 2001

VIA HAND DELIVERY

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



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Office of the Secretary
APR 11 2001
Part of
Public Record

Re: 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

CSX Quarterly Intermodal Truck Survey Report

Dear Secretary Williams:

Further to the requirement in Ordering Paragraph No. 22 at page 177 of Decision No. 89 in the above proceeding, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby submit the attached quarterly report reflecting the origins, destinations and cross-Hudson River routings for truck traffic at those intermodal terminals in Northern New Jersey and Massachusetts that were allocated to CSX by virtue of the Conrail transaction or operated by CSX prior to that transaction (Little Ferry, NJ; North Bergen, NJ; Kearny, NJ; Boston, MA; Springfield, MA; and Worcester, MA). This report covers the three month period between December 1, 2000 and February 28, 2001. Traffic was surveyed for six non-consecutive days during those three months, with two of the survey dates falling during each of the three surveyed months.

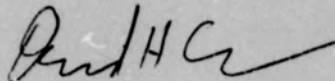
Please note that with respect to the attached New Jersey report, the data reflects the ultimate origin or destination of the surveyed traffic utilizing the George Washington Bridge. The report also shows the volume of surveyed traffic using other Hudson River crossings and the much larger volume of traffic handled at the New Jersey intermodal terminals that does not cross the Hudson River (see "west of Hudson" figure). Please further note that the Massachusetts

The Honorable Vernon A. Williams
January 21, 2000
Page 2

much larger volume of traffic handled at the New Jersey intermodal terminals that does not cross the Hudson River (see "west of Hudson" figure). Please further note that the Massachusetts survey reflects the volume of surveyed traffic which crosses the George Washington Bridge and that which does not utilize the George Washington Bridge.

Please direct any questions concerning this report to the undersigned.

Respectfully,



David H. Coburn
Attorney for CSX Corporation and CSX
Transportation, Inc.

DHC:dj

Attachments

cc: Mr. Melvin F. Clemens, Jr.
Ms. Nancy R. Beiter

CSX CORPORATION
Intermodal Survey Report No. 9

April 9, 2001

New Jersey Terminals

Survey Results for December, 2000 through February, 2001

ST CITY	INBOUND	OUTBOUND	TOTAL
CT Ansonia	0	1	1
CT Bridgepor	1	0	1
CT Hartford	0	1	1
CT New Haven	0	1	1
CT New Milfo	0	3	3
CT STAMFORD	2	10	12
CT Stratford	1	4	5
CT Unknown.	2	1	3
NY BRONX	71	100	171
NY BROOKLYN	8	33	41
NY Harriman	0	1	1
NY LONISLAND	7	15	22
NY MANHATTAN	1	1	2
NY QUEENS	7	13	20
NY STAISLAND	2	3	5
MA Cambridge	0	1	1
MA Springfie	1	0	1
MA Worcester	2	8	10
MA Unknown.	0	1	1
ME Freeport	1	1	2
RI Coventry	1	0	1
Ri Providenc	0	1	1
Unknown.	1	2	3
VT Mancheste	1	0	1
<hr/>			
George Washington	109	201	310
<hr/>			
George Washington	109	201	310
Tappan Zee	3	8	11
Staten Is. Crossings	26	21	47
Manhattan Tunnels	0	1	1
All Other	9	8	17
<hr/>			
East of Hudson	147	239	386
West of Hudson	968	1506	2474
<hr/>			
GRAND TOTAL	1115	1745	2860

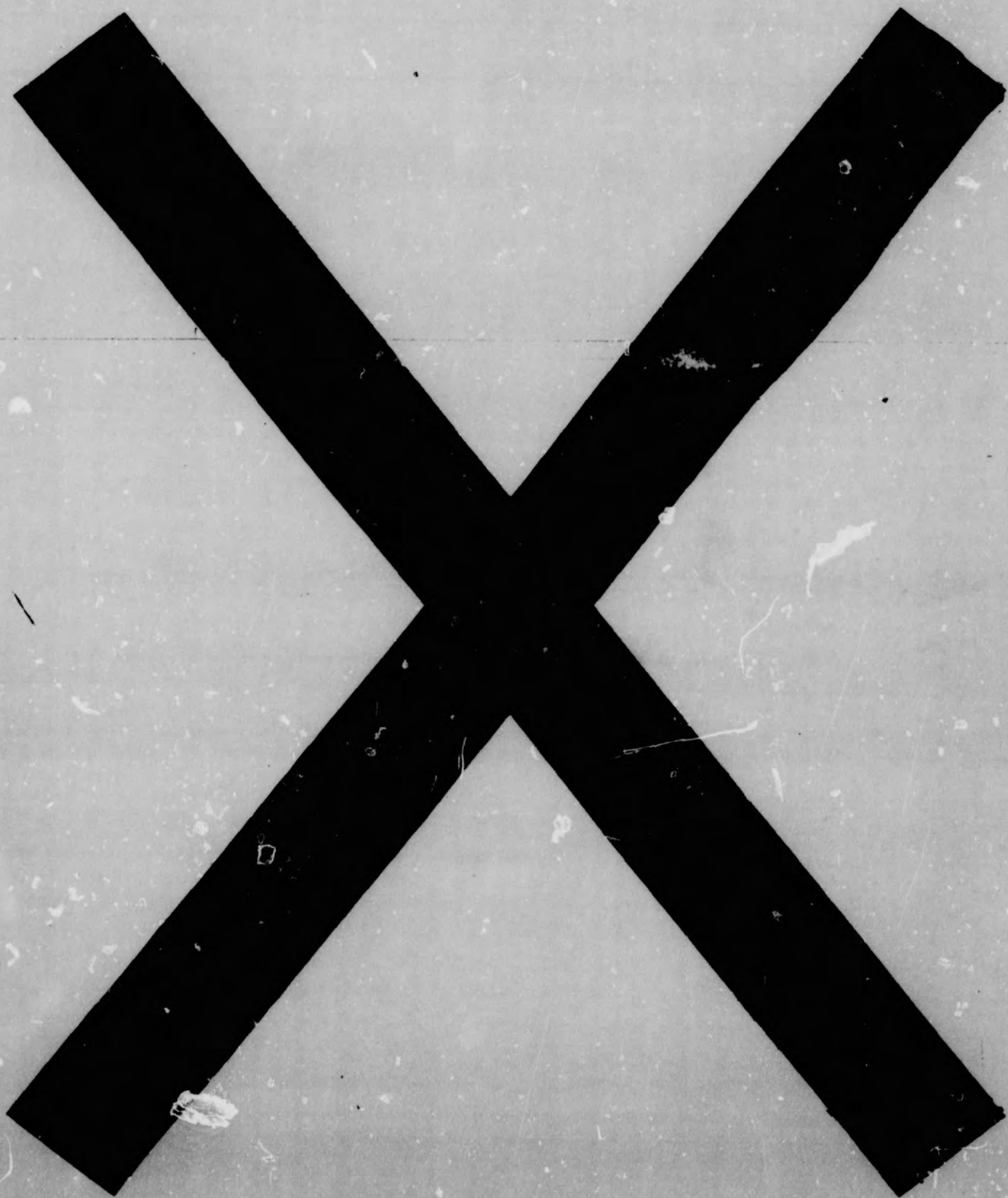
CSX CORPORATION
Intermodal Survey No. 9

April 9, 2001

Massachusetts Terminals

Survey Results for December, 2000 through February, 2001

ST	CITY	INBOUND	OUTBOUND	TOTAL
George Washington Bridge		2	0	2
All Other		1419	1468	2887
GRAND TOTAL		1421	1468	2889



STB

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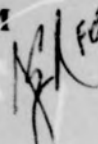
SURFACE TRANSPORTATION BOARD

Memorandum



DATE: April 9, 2001

TO : Ellen Keys, Assistant Secretary
Section of Publications/Records
Office of the Secretary

FROM  Mei Clemens, Director
Office of Compliance and Enforcement

SUBJECT : STB FINANCE DOCKET NO. 33388 - OPERATIONAL MONITORING DATA

Attached are the original and two copies of the latest monthly reports provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da To Da Office Solutions. If there are any questions, please don't hesitate to contact me or Ed Nelson.

Attachments

cc: Chairman Morgan
Vice Chairman C. Burn
Commissioner Burkes
Richard Armstrong
Ron Douglas
Charles Renninger

500 Water Street (J150)
Jacksonville, FL 32202
(904) 359-1192
FAX: (904) 366-2902
E-mail: Paul_Hitchcock@CSX.com

Paul R. Hitchcock
Assistant General Counsel

March 30, 2001

Melvin F. Clemens, Jr.
Director Office of Compliance and Enforcement
Surface Transportation Board
Washington, DC 20423-0001

Dear Mr. Clemens:

Attached to this letter are the Operational Monitoring Reports required in STB Finance Docket No. 33388.

The reports are presented in the following order:

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Labor Task Force	Page 1
Construction and Other Capital Projects Table	Pages 2-3
Infrastructure Maintenance and Expansion	Page 4
Additional Noteworthy Engineering Projects Table.....	Pages 5-7
Information Technology	Pages 8-11
Customer Service.....	Page 12
Training.....	Page 13

Note: Italicized information indicates a change or update from the last report.

Please contact me if there are any issues that need clarification or explanation. As information, coincident with filing this report with the STB, CSXT has made this report available on our web site (www.csx.com).

Very truly yours,

Paul R. Hitchcock

cys: Peter J. Shudtz, Sr. Vice President
Regulatory Policy and Washington Counsel

CSX TRANSPORTATION, INC.
STB OPERATIONAL MONITORING REPORT
As of March 30, 2001

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Note: *Italicized information indicates a change or update from the last report.*

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

LABOR

Labor Implementing Agreements

All of the Labor Implementing Agreements have been reached. Accordingly, the requirement provided for in Paragraph 1 on page 162, of STB Decision No. 89 issued in Finance Docket No. 33388 has concluded.

Labor Management Task Force

CSXT has sent an invitation to each of its unions with which an implementing agreement has been reached and which will continue to represent employees on CSXT to participate in a labor task force similar to the one established with the United Transportation Union. CSXT has held labor task force meetings with a number of its unions. CSXT will hold additional meetings, as the need arises. CSXT also will continue its effort to have frequent communications with its unions to guarantee that problems which may still arise with respect to the implementation of the transaction receive prompt attention.

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location	Project	Status	Expected Completion Date
1) Greenwich, Ohio to Pine Junction, Indiana	Construct 2 nd main track with TCS on B&O including connections.	Complete	4Q 98
2) Quaker to Greenwich, Ohio	Construction by Conra 1 of 2 nd main track with TCS.	Complete	4Q 98
3) Willard, Ohio	Yard Expansion	Complete	1Q 99
4a) Crestline, Ohio	a) Construct or rehabilitate connection tracks with Indianapolis Line.	a) Complete	2Q 99
4b) Sidney, Ohio	b) Connection Track	b) Complete	4Q 98
4c) Marion, Ohio	c) Rehabilitate Connection Track	c) Complete	1Q 99
5) Carleton, Michigan	Connect track with Conrail	Complete	4Q 98
6a) Alice, Indiana	a) Siding Extension	a) Complete	a) 3Q 98
6b) Harwood, Indiana	b) Siding Extension	b) Complete	b) 4Q 98
7a) Chicago, Illinois	a) Intermodal Expansions	a) Complete	a) 3Q 98
7b) Cleveland, Ohio	b) Intermodal Expansions	b) Complete	b) 1Q 99
7c) Philadelphia, Pennsylvania	c) Intermodal Expansions	c) Complete	c) 4Q 00
7d) Little Ferry, New Jersey	d) Intermodal Expansions	d) Complete	d) 3Q 98
8) Philadelphia, Pennsylvania	Rebuild Eastwick connection track with Conrail.	Complete	4Q 98
9) Hobart, Indiana to Tolleston, Indiana	Restoration of connection and main track between Hobart & Tolleston.	Complete	2Q 99

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location	Project	Status	Expected Completion Date
10) Chicago, Illinois	Chicago area-upgrade connection tracks and other improvements.	Complete	2Q 99
11) Newell & New Castle, Pennsylvania	Upgrade capacity on the Mon. Subdivision	Complete	4Q 98
12) Albany, New York to Bergen, New Jersey	Extend 3 sidings by Conrail on River Line	Complete	4Q 98
13) Little Ferry, New Jersey	Connection track Conrail/NYSW	Complete	2Q 99
14) Dolton, Illinois	Connection track @ Lincoln Avenue CSX/IHB	Complete	2Q 99

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

Infrastructure Maintenance and Expansion Report

Despite some severe weather over the system, CSXT has continued construction of several key capacity improvement projects over the winter months. Track & Signal work has progressed at Dearborn, Michigan to complete a connection track between the Shared Assets line and CSX to improve the flow of CP Trains at Rougemere Yard & Delray Interlocking at Detroit. This project is scheduled for completion in April.

At Feltonville, PA, work has progressed to complete a siding extension on the Phila. Sub to improve the flow of traffic in that area.

At Erie, PA, CSX forces remained on the job working to complete new track construction to facilitate the relocation of the Norfolk Southern Main Line over to CSX property.

On the S&NA north Sub Division, work has continued throughout the winter to complete an 8 mile stretch of second main at "Sand Mountain" between Lacon & Holmes Gap, AL. Upon completion later this year, enhanced train operations will be realized.

Additionally, CSX has been working steadily on the preparation of supporting documentation to develop investment justification on several new capacity projects for 2001. This year's program consists of several new sidings and stretches of second main track construction throughout the system. ***Funding is now in place to begin construction of two new passing sidings on the W&A Subdivision in NW Georgia - Tunnel Hill -- construct extension of existing siding & Halls - Construct new 2mile long siding.***

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE (In some cases these projects may be unrelated to the Conrail integration.)

	Location	Project	Under Construction	Estimated Completion
1)	Alexandria, VA	AF Interlocking reconstruction (VRE project)	Y	08/01/01
2)	Aliquippa, PA	Construct 2 industry support tracks	Completed	06/30/00
3)	Baltimore, MD (Bay View YD)	Add crossover BA Tower	N	6/1/01
4)	Chicago, IL	Barr SD - TCS Phase II	Y	12/31/00
5)	Chicago, IL	Construct 59 th Street North Lead	Completed	06/30/00
6)	Chicago, IL	Construct storage tracks & 3 rd Main at Barr Yard	Y	12/31/00
7)	Chicago, IL	TCS Blue Island SD to 75 th Street	Y	03/31/01
8)	Cleveland, OH	Construct mainline fueling facility at Collinwood Yard	Completed	08/30/00
9)	Columbus, OH	Scioto Interlocking w/NS (ODOT project)	Y	12/31/01
10)	Coosa Pines, AL	Construct new 11,200' passing siding	Completed	08/29/00
11)	East Cleveland, OH	Noise berms, landscaping	Completed	06/30/00
12)	East Fostoria, OH	Extend yard/connection lead	N	Deferred
13)	Erie, PA	NS relocation project	Y	12/31/01
14)	Erie, PA	Replace CSXT bridge decks over B&LE (CSXT work relating to NS relocation project)	N	8/1/01
15)	Fall River, MA	MBTA replacement of 4 undergrade bridges	Y	6/1/01

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE

(In some cases these projects may be unrelated to the Conrail integration.)

Location	Project	Under Construction	Estimated Completion
16) Feltonville, PA	Extend siding to 20,200'	Y	6/1/01
17) Franklin, AL	Construct new 11,200' passing siding	Completed	09/15/00
18) Frederick, MD	MARC project	Y	8/1/01
19) Ft. Lauderdale, FL	Construct 45 miles of 2 nd main for TriRail	N	Pending
20) Gallaway, TN	Build siding with 10,000' in clear	Completed	10/1/00
21) Garrett, IN	Construct Randolph St. underpass	Completed	08/30/00
22) Gibraltar, MI	Construct crossover between CSXT and CN	Completed	09/30/00
23) Greenwood, SC	Construct double-track to Salak	Completed	11/06/00
24) Hopkinsville, KY	Install turnouts/signals for new Ft. Campbell lead wye	N	06/30/01
25) Keystone, SC	(Sandpatch to Rockwood, PA)-Upgrade #10 crossovers to power #15's and TCS	Y	3/30/01
26) Lacon to Holmes Gap, AL	Add 8 miles of 2 nd main MP 328-MMP336	Y	06/30/01
27) Lima, OH	Conrail connection track improvements	Completed	05/30/00
28) Louisville, KY	Link Highway Track to Highland Park #2	Completed	06/15/00

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE

(In some cases these projects may be unrelated to the Conrail integration.)

Location	Project	Under Construction	Estimated Completion
29) Martinsburg, Hobbs, Miller/Cherry Run, W Cumbo, WV	Eliminate manned interlockings, Phase I	Y	12/31/01
30) McDaniel, TN	Siding extension to 10,000' clear	Completed	09/1/00
31) New Boston, MI	Parking lot expansion	Completed	06/30/00
32) Philadelphia, PA	Greenwich Yard Phase I rehabilitation	Completed	06/30/00
33) Philadelphia, PA	Greenwich Yard Phase II expansion	Completed	12/21/00
34) Teaneck, NJ	Construct siding CP7-CP10	Completed	03/31/00
35) Union City, GA	Construct connection track	Completed	04/15/00
36) Union City-Tilford, GA	Clearance improvement project	Completed	03/15/00
37) W. Baltimore, MD	Convert #10 HTEL to Power #15	Completed	09/30/00
38) Wadley, AL	Extend passing siding to 10,000' clear	Completed	09/15/00
39) Youngstown, OH	Construct Ashtabula Connection for 140 car capacity	Completed	07/15/00

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

INFORMATION TECHNOLOGY

Information Technology

The implementation strategy, training plans, and status of the Information Technology (IT) initiatives affecting the following Operating Areas are summarized:

- ❖ Customer Service
 - Electronic Customer Connectivity
- ❖ Operations Personnel
 - Crew Management
- ❖ Transportation
 - Car Management & Movement
 - Locomotive Management
 - Train Dispatching

Operating Area	Implementation Strategy	Status	Training
Customer Service Electronic Customer Connectivity	<p>All inbound (e.g. bill-of-lading) and outbound (e.g. car tracing) electronic communications with existing Conrail customers are to be migrated to CSX and NS. All customers will be informed of their system migration options and have the opportunity to test the replacement electronic connections prior to a transfer of the customer communications links on Day 1.</p> <p>CSX and NS will work with all affected customers and FDI vendors to develop migration plans</p>	<p>Systems testing in process and on schedule</p> <p>A joint letter was distributed to current Conrail customers</p> <p>Existing and new Conrail Electronic Commerce customers have been contacted by CSX in separate mailings</p> <p>Electronic Commerce Certification of Conrail customers acquired by CSX is in progress.</p> <p>Planned customer conversions to CSX Electronic Commerce tools are complete.</p> <p>All EC is complete</p>	<p>All customers will be provided adequate systems documentation and a detailed description of any changes to their current Conrail-provided electronic services</p> <p>All customers targeted for conversion to CSX electronic commerce tools have received information regarding the changes.</p> <p>All customer training and customer conversions are complete.</p>

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

INFORMATION TECHNOLOGY

Operating Area	Implementation Strategy	Status	Training
<p>Operations Personnel Crew Management</p>	<p>Separation of callings desks (CSX, NS, SAC) in Dearborn, MI has been pre-negotiated and is in place. There will be a phased roll-out of eight calling desks to TECS – the CSX Crew Calling System. The first desk will be rolled out 50 days after Day 1.</p> <p>T&E Crews will continue to submit paper time sheets to Dearborn, MI until the TECS desk roll-out is completed. Paperless payroll implementation will take place 2 weeks after each TECS desk implementation. The entire roll-out will take approximately seven months.</p>	<p>Systems development in process and on schedule.</p> <p>The TECS desk roll-out is still on schedule.</p> <p>All desks have been cut Over to TECS.</p> <p>Paperless payroll training was completed Dec. 10,1999</p> <p>Crew Callers have been moved from Dearborn to Jacksonville – Crew Management is complete.</p>	<p>CSX Payroll officers will train T&E employees on the CSX Payroll system immediately following the implementation of TECS. Local Chairman will participate in the training. Training documents have been prepared and presented to Conrail personnel.</p> <p>Training sessions have been completed.</p>
<p>Transportation Car Management and Movement</p>	<p>Field personnel will continue using Conrail application systems supporting yard inventory, train consist and work orders after Day 1.</p> <p>Disposition and management of empty cars will occur in Jacksonville using CSX systems after Day 1 to ensure coordinated system wide transportation operations.</p> <p>Customers on the acquired territory will continue to order empty cars and obtain information on order status as they do today.</p> <p>CSX systems will be rolled-out to the acquired Conrail territory in 4 phases after Day 1.</p>	<p>Systems development in process and on schedule.</p> <p>Toledo Stanley Yard was cut-over to CSX systems July 27th.</p> <p>Chunk 1 Field Rollout including Indianapolis was successfully cut-over on Oct 11.</p> <p>Chunk 2 including Cleveland, Collinwood and Columbus, Ohio was successfully cut-over on January 10.</p> <p>Chunk 3 including Buffalo & Syracuse was successfully cut over on March 13, 2000.</p> <p>Chunk 4 including Selkirk & W. Springfield was successfully cutover on May 8, 2000</p> <p>All Car Management is complete</p>	<p>Training sessions have been completed</p>

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

INFORMATION TECHNOLOGY

Operating Area	Implementation Strategy	Status	Training
Transportation Locomotive Management	<p>CSX Locomotive Management System (LMS) will be used to manage locomotives in CSX acquired territory beginning on Day 1. This will occur from the Operations Center in Philadelphia, PA for approximately 180 days after Day 1. The management team in Philadelphia will consist of two locomotive managers and one senior locomotive manager. Dual entry of locomotive assignments will be made to the Conrail Locomotive Distribution System (LDS). Shutdown of Conrail LDS will accompany field roll-out and will be dependent upon other Conrail Systems (TRIMS & TMS) no longer relying on assignments being passed from Conrail LDS.</p> <p>Within 180 days after Day 1, locomotive management for the acquired Conrail territory will be relocated to the Kenneth Dufford Center in Jacksonville. Two CSX Locomotive Managers will manage the acquired territory at that time.</p>	<p>Implementation was completed June 1st.</p> <p>Dual entry into Conrail LDS was discontinued June 15th.</p> <p>The locomotive management of the acquired territory was transitioned to the Kenneth Dufford Center in Jacksonville, FL on July 12, 1999.</p> <p>Locomotive Management is Complete.</p>	<p>Locomotive managers for the acquired Conrail territory have been trained on the CSX Locomotive Management System (LMS). Locomotive Management has conducted training that included cross training of CSX and Conrail cultures.</p>

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

INFORMATION TECHNOLOGY

Operating Area	Implementation Strategy	Status	Training
<p>Transportation Train Dispatching</p>	<p>Train dispatchers will continue to use current Conrail systems. Phase 1 geographic realignments will separate dispatchers into CSX, NS & SAC entities within current division offices. Phase 1 will complete 90-120 days after Day 1.</p> <p>Phase 2 division realignment will move dispatchers to acquiring road's division. CSX Cleveland East dispatcher in Dearborn, MI will move to CSX headquarters in Indianapolis, IN. CSX Chesapeake & Riverline dispatchers in Mt. Laurel, NJ will move to CSX headquarters in Albany, NY. Phase 2 will complete 90-120 days after an implementing agreement has been reached.</p> <p>Phase 2 moves are contingent upon Phase 1 realignment completion for territory being transferred. Also contingent upon an implementing agreement being in place with the ATDD.</p>	<p>Systems development has been completed and implementation is proceeding on schedule.</p> <p>Phase 1 realignments :</p> <p>Albany, Indianapolis & Philadelphia complete.</p> <p>Dearborn Division started.</p> <p>Dearborn completed Mid-August 1999.</p> <p>Phase 2 realignments:</p> <p>Two dispatcher desks moved from Indianapolis to Dearborn on 7/27/99.</p> <p>Phase 2 projected to be completed with CSAO dispatcher move from Dearborn to Mt. Laurel on 8/10/99.</p> <p>All phases of the Train Dispatcher Realignment Project have been completed. Implementing agreements are now in place.</p> <p>Train Dispatching is complete.</p>	<p>Dispatchers will be trained on their new territory using the current processes in place at Conrail.</p>

STB OPERATIONAL MONITORING REPORT
As of March 30, 2001

Customer Service Progress Report

During May we completed the rollout of all CSXT systems for the fourth regional area. Cutover took place on May 8, 2000 and went smoothly. Major locations included in the cutover were Selkirk, South Kearney, and Framingham areas.

Personnel

We duplicated our training and mentoring procedures for this last cutover. Classroom training in Pittsburgh was completed prior to the cutover with the remaining personnel trained on all CSXT systems.

Customer Familiarization

The customer familiarization processes used previously were also duplicated. Tariffs have been published and distributed for supplemental billing purposes, and procedures put in place to convert the records for the first 7 days of May from the Conrail to the CSX demurrage system, so that customers will see only one bill for the month. All customers have been notified regarding the up coming changes.

Brochures were customized and distributed to customers by our Electronic Commerce Customer Integration Center to explain our EC offerings and initiatives, with special telephone numbers and other vital data provided. Other customer communications included blast faxes, mailings, and regular interaction with our Electronic Commerce personnel.

STB OPERATIONAL MONITORING REPORT

As of March 30, 2001

STB Status Submission Report on Training

All remaining training for the acquired territories was completed during the month of May.

Clerical employees received one-on-one training at their work locations on specific job tasks for their jobs. Train & Engine Service employees received instructions in the preparation of work order documents to ensure the correct documentation of placing and pulling of cars from industries. Field transportation officers and yardmasters also received specific training in the use of yard and train management systems. Extensive training was provided for 45 yardmasters and 17 transportation officers.

Coaches were positioned at strategic locations to assist employees during the cutover at all major terminals and crew on-duty locations.

The last cutover completed the training initiatives for this project.

George A. Aspatore
General Solicitor

(757) 629-2657
fax (757) 533-4842
E-mail: george.aspatore@nscorp.com

April 3, 2001

Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Dear Mr. Clemens,

Enclosed is Norfolk Southern's Monitoring Report dated March 31, 2001. NS continues to make progress on the projects targeted for completion in 2001 that are listed in the Construction and Other Capital Projects section of the Report.

Please let me know if you need any further information.

Sincerely,

George A. Aspatore

Enclosure

Blind copy:

J.H. Friedmann

G.A. Aspatore

J.H. Burton

M.B. Parkerson

T.H. Mullenix

J.R. Bailey (via facsimile #7/589-6223)

J. K. Cunningham (via facsimile #7/533-4806)

S.H. Morrell (via facsimile #7/527-2839)

J.A. Reece (via facsimile #7/253-3753)

Norfolk Southern Corporation STB Operational Monitoring Report

As of March 31, 2001

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Note: Bold print indicates changes from previous report.

* To be disclosed under a different cover or in a later report.

Surface Transportation Board Operational Monitoring Report
As of March 31, 2001

LABOR

Labor Implementing Agreements

All of the Labor Implementing Agreements have been reached, concluding our reporting requirement, as provided in Paragraphs 1 and 14, on pages 162 and 165, respectively, of STB Decision No. 89 issued in Finance Docket No. 33388.

Labor-Management Task Forces

All implementing agreements became effective on June 1, 1999. A continuing dialogue has taken place between labor and NS management on a daily or as-needed basis concerning implementation and safety issues. Labor organization cooperation has been a key element in assuring the safe implementation of the Conrail transaction. This interaction will continue as the parties work through issues of mutual concern.

Note: Bold print indicates changes from previous report.

Surface Transportation Board Operational Monitoring Report

As of March 31, 2001

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Alexandria	IN	Construct track connection Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
Allentown - Reading	PA	Traffic Control System	Signal	Design	Note 2
	PA	Estimated Completion Date: Undetermined		Const	
Angola	NY	Upgrade existing siding, construct new siding Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Bridge	Const	Complete
				Design	Complete
			Signal	Const	Complete
				Design	Complete
Ashtabula	OH	Construct connection track Estimated Completion Date: Complete	Track	Design	Complete
				Const	Complete
			Signal	Const	Complete
Attica	IN	Extend siding 4,580 track feet Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
Boundbrook	NJ	Extend siding 15,000 track feet Estimated Completion Date: Undetermined	Track	Design	Note 2
				Grading	
			Signal	Const	
				Design	
Bristol	VA	Extend siding 14,255 track feet Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Bridge	Const	Complete
				Design	Complete
			Signal	Const	Complete
				Design	Complete
Bucyrus	OH	Construct track connection Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
Buffalo - Cleveland	NY	Traffic control system and remove pole line.	Signal	Design	Complete
	OH	Estimated Completion Date: Complete		Const	Complete
Buffalo	NY	Rehabilitate tracks in sub-leased BPRR yard Estimated Completion Date: Complete	Track	Const	Complete
Buffalo	NY	Construct connection to BPRR yard Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
			Const	Complete	

Surface Transportation Board Operational Monitoring Report
As of March 31, 2001

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Typ	Phase	Status
Buffalo	NY	Reconstruct portion of E'son Yard Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Signal	Design	Complete
				Const	Complete
				Const	Complete
Butler	IN	Construct track connection Estimated Completion Date: Undetermined	Track	Design	Note 2
				Grading	
				Const	
			Signal	Design	
				Const	
Chicago	IL	Expand and improve 47th St Yard Intermodal Terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
Cloggsville	OH	Track Rehabilitation Estimated Completion Date: Complete	Track	Design	Complete
				Const	Complete
Cloggsville	OH	Construct second main Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Columbus	OH	Construct track connection Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Crockett	VA	Construct 9,100 foot new siding Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Croxtton	NJ	Expand and improve intermodal terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
E-Rail	NJ	Expand and improve intermodal terminal Estimated Completion Date: 3Q01	Track	Design	In progress
				Grade/Pave	
Erie	PA	Erie Track Realign Project Estimated Completion Date: 4Q01	Track	Design	Complete
				Grading	In progress
				Const	In progress
			Signal	Design	Complete
				Const	In progress

Surface Transportation Board Operational Monitoring Report
As of March 31, 2001

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Flemington	NJ	Construct 12,500 foot siding Estimated Completion Date: Undetermined	Track	Design	Note 2
			Signal	Grading Const Design Const	
Hadley Jct (Ft Wayne)	IN	Double tracking Estimated Completion Date: Undetermined	Track	Design	Note 2
			Signal	Grading Const Design Const	
Hagerstown Sec (Greencastle)	PA	Construct siding Estimated Completion Date: Complete	Track	Design	Complete
			Signal	Grading Const Design Const	
Hagerstown Sec	PA	Traffic Control Estimated Completion Date: Complete	Signal	Design	Complete
				Const	Complete
Harrisburg	PA	Construct double track Estimated Completion Date: 2Q01	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	In progress
			Signal	Design	Complete
				Const	Complete
Harrisburg (Rutherford)	PA	Construct intermodal terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
Harrisburg - Reading	PA	Traffic Control System and remove pole line Estimated Completion Date: 3Q01	Signal	Design	Complete
	PA			Const	In progress
KD Tower - Cumberland Falls	KY	Extending double track 40,120 feet Estimated Completion Date: Complete	Track	Design	Complete
	KY			Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Knoxville - Chattanooga	TN	Double Stack Clearances Estimated Completion Date: Complete	Track	Design	Complete
	TN			Const	Complete
			Bridge	Design	Complete
Marshfield	IN	Upgrade and extend siding 7,908 feet Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Oak Harbor	OH	Construct track connection Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete

Surface Transportation Board Operational Monitoring Report
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CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Pattensburg	NJ	Clearance-9 Bridges Estimated Completion Date: Complete	Bridge	Design	Complete
				Const	Complete
Pattensburg	NJ	Siding Extensions Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
Pattensburg	NJ	Tunnel Clearance Estimated Completion Date: Complete	Bridge	Const	Complete
				Design	Complete
Philadelphia	PA	Construct crossover - Zoo Estimated Completion Date: Undetermined	Track	Design	Note 2
				Grading	
			Signal	Design	
Piney Flats	TN	Extend siding 6,610 feet Estimated Completion Date: Complete	Land		Complete
				Track	Design
			Signal	Grading	Complete
				Const	Complete
				Design	Complete
Port Reading	NJ	Chemical Coast Clearance Projects Estimated Completion Date: Complete	Track	Design	Complete
				Const	Complete
			Bridge	Design	Complete
Rader	TN	Extend siding 5,189 feet Estimated Completion Date: Complete	Land		Complete
				Track	Design
			Bridge	Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Reading - Philadelphia	PA	Traffic Control System and remove pole line Estimated Completion Date: Undetermined	Signal	Design	Note 2
				Const	
Riverton Jct - Roanoke	VA	Clearance projects Estimated Completion Date: Complete	Bridge	Design	Complete
				Const	Complete
Sandusky (Bellevue)	OH	Construct Triple Crown Terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
			Building	Const	Complete
Sandusky-Columbus	OH	Double Track: S 13.60 - S 26.00 Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete

Surface Transportation Board Operational Monitoring Report

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CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Sandusky-Columbus	OH	Double Track: S 78.10 - S 88.40 Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
			Const	Complete	
Sandusky-Columbus	OH	Double Track: S 88.30 - S 95.60 Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
			Const	Complete	
Sidney	IL	Construct track connection Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
			Const	Complete	
Sido	MO	Double tracking 36,458 track feet Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Sloan	IL	Extend siding 5,027 track feet Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Southern Tier	NY	Southern Tier Rehabilitation Estimated Completion Date: Undetermined	Track	Const	Note 2
			Bridge	Design	
				Const	
St. Louis (Mitchell)	MO	Expand Mitchell Triple Crown Terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
			Signal	Design	Complete
				Const	Complete
Toledo	OH	Intermodal Terminal Estimated Completion Date: Undetermined	Track	Design	Note 2
				Grade/Pave	
Tolono	IL	Track Connection Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
Vermillion	OH	Track Connection Estimated Completion Date: Complete	Land		Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete

Surface Transportation Board Operational Monitoring Report
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CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Wabash	IN	Construct connection track	Track	Const	Complete
		Estimated Completion Date: Complete	Signal	Design	Complete
				Const	Complete

Note 1: Bold print indicates changes from previous report. If status of project phase is blank, work on that part of the project has not yet begun.

Note 2: Project on hold pending evaluation of revised traffic requirements.

Surface Transportation Board Operational Monitoring Report
As of March 31, 2001

CUSTOMER SERVICE

Systems and Personnel Training

Operating Area	Project	Status
TRANSPORTATION		
Car Management and Movement	Systems – Multiple projects	Complete
Includes Thoroughbred Yard Enterprise System (TYES) and Central Yard Operations (CYO) System	Personnel Training	
	Prepare training materials for TYES and CYO	Complete
	Trainer orientation	Complete
	TYES training at Conrail locations	Complete
Train Dispatching	Systems	Complete
	Personnel Training	
	Prepare computer-based training materials for Norfolk Southern Train Information System (TIS) and Train System Accident Reporting System (TSAR).	Complete
	Train Conrail employees at Dearborn, Pittsburgh, and Mt. Laurel	Complete
Locomotive Management	Systems	Complete
	Personnel Training	
	Prepare training materials; conduct pilot sessions	Complete
	Trainer orientation	Complete
	Train employees at 8 Conrail locations	Complete

Surface Transportation Board Operational Monitoring Report
As of March 31, 2001

CUSTOMER SERVICE

Operating Area	Project	Status
OPERATIONS PERSONNEL		
Crew Management	Systems	Complete
	Personnel Training	
	Prepare training materials	Complete
	Train Conrail employees	Complete
Train and Engine (T&E) Payroll	Personnel Training	
	Prepare training materials; conduct pilot sessions	Complete
	Train T&E crews	Complete
Non-Train and Engine Payroll	Personnel Training	
	Prepare training materials; conduct pilot sessions	Complete
	Trainer orientation	Complete
	Train Conrail employees	Complete
<hr/>		
CUSTOMER SERVICE		
Electronic Customer Connectivity	Systems	Complete
	Personnel Training	
	Testing new systems	Complete
National Customer Service Center	Customer Coordination	
	Information to be distributed to customers	Complete
	Personnel Training	
	Prepare training materials	Complete
	Train employees in Pittsburgh and Atlanta	Complete

Note: Bold print indicates changes from previous report.

Surface Transportation Board Operational Monitoring Report

As of March 31, 2001

CUSTOMER SERVICE

Transition Process

Transition team members for NS in Philadelphia working in Customer Service were released at the end of February. Call volumes have leveled off as general service levels improve and remain at the approximate levels originally projected. The phone trace system, which is an automated feature of our toll-free line that allows a customer to trace the location of its cars by keying in car numbers on the telephone key pad, continues to work as expected.

Customer Service has reorganized to better leverage the functions of the Central Yard Operations (CYO) groups and the National Customer Service Center (NCSC) staff. Our overall goal is to utilize the larger CYO staff for routine inquiries and allow NCSC to focus on problem resolution and correction.

Other Customer Service changes include moving Agency Operations Center (AOC) billing functions to Accounting; moving Data Quality and Demurrage functions under CYO; and combining Equipment Marketing and Car Distribution and Utilization in a new group called Car Management.

Personnel

The implementation of the Thoroughbred Yard Enterprise System in the former Conrail areas has been completed, including the training of field personnel. All supervisory positions have been filled for Data Quality, the Agency Operations Center and Customer Service.

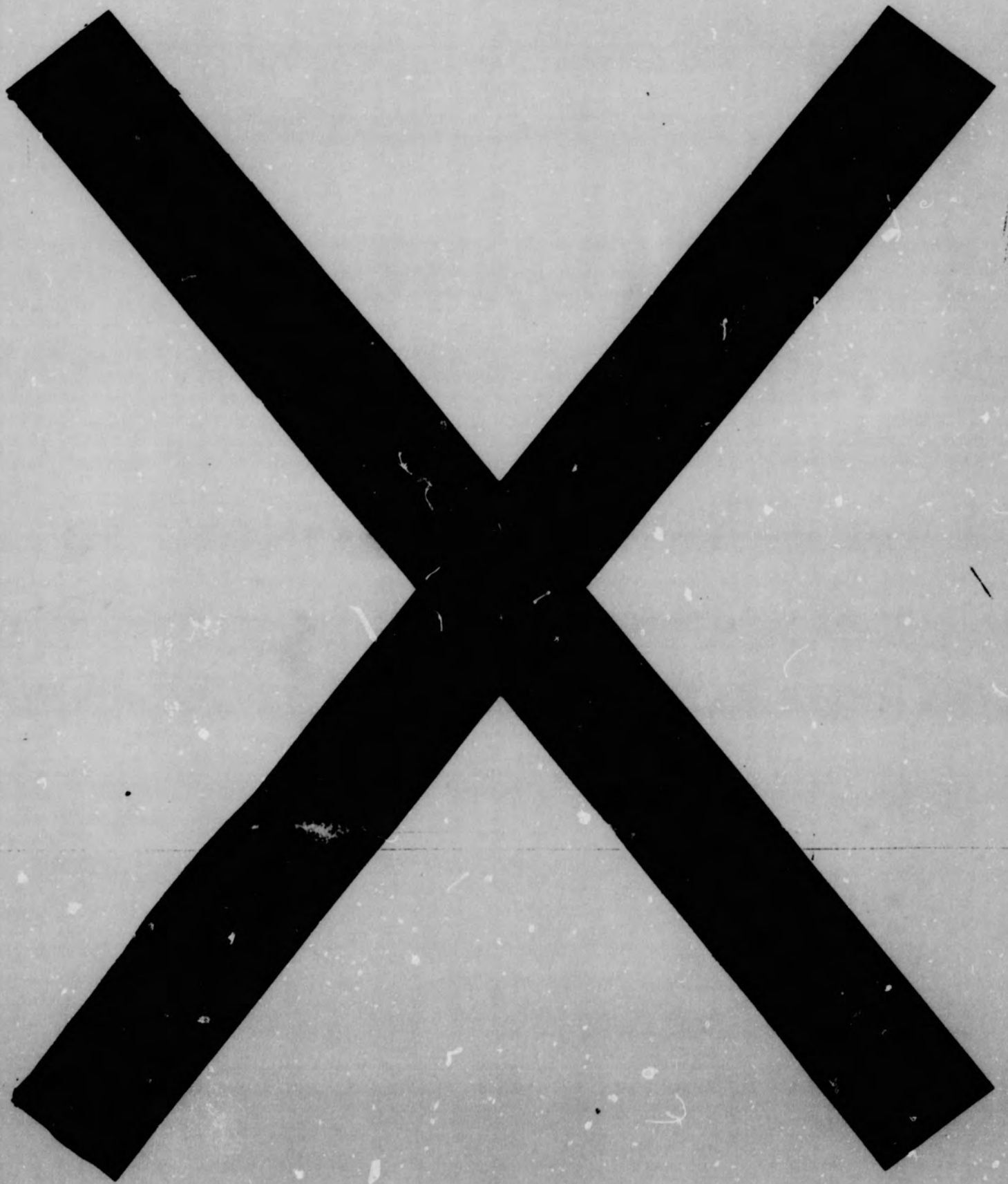
Customer Awareness

NS continues to host customer meetings to evaluate and provide feedback on the Company's planning processes and strategies. NS continues to make numerous meetings and presentations in order to keep our customers informed.

The Customer Resource Guide, distributed to our customers, provides customers with all resources and information necessary for doing business with the new NS.

The Help Desk Directory, also distributed to our customers, lists key phone numbers that connect users to areas that may assist them in answering questions about NS. It is available in three formats: a pocket guide for employees, a list for customers, and an expanded version available for downloading from the Internet.

Note: Bold print indicates changes from previous reports.



STB

FD-33388

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SURFACE TRANSPORTATION BOARD

Memorandum



DATE: April 5, 2001

TO : Ellen Keys, Assistant Secretary
Section of Publications/Records
Office of the Secretary

FROM : Mel Clemens, Director
Office of Compliance and Enforcement

SUBJECT : STB FINANCE DOCKET NO. 33388 - OPERATIONAL MONITORING DATA

Attached are the original and two copies of the latest weekly public data files provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da To Da Office Solutions. If there are any questions, please don't hesitate to contact me or Ed Nelson.

Attachments

cc: Chairman Morgan
Vice Chairman Clyburn
Commissioner Burkes
Richard Armstrong
Ron Douglas
Charles Renninger



500 Water Street (J407)
Jacksonville, FL 32202
Phone (904) 366-4134
Fax (904) 359-1571

T. J. Stephenson
Assistant Vice President -
Service Measurements

April 4, 2001

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
The Mercury Building
1925 K Street, NW, Suite 780
Washington, DC 20423

Dear Mr. Clemens:

Enclosed with this transmittal letter are CSX Transportation's operational monitoring reports to the Board for the week ending Friday, March 30th. Our three key indicators again showed sustained performance at high post-acquisition levels. Cars on-line improved from 244,229 to 242,476, the lowest weekly number reported since the acquisition of Conrail. Terminal dwell improved from 25.6 to 24.9 hours, while train velocity decreased slightly from 21.4 to 21.2 miles-per-hour. There were no significant differences between the former Conrail territory and the rest of CSXT.

We would offer the following observations and interpretations regarding the data CSXT provides the STB, Conrail Transaction Council and the AAR:

Chicago Gateway Operations

During this reporting week, the on-time-to-two hours-late measure of deliveries to western carriers through Chicago moved unfavorably six percentage points to 72%. The more-than-six-hours-late category moved favorably two percentage points to 5%.

Yards and Terminals

Car volumes and dwell times changed very little, remaining within expected levels at most terminals across the network. Seven of the 14 measured yards showed an improvement in dwell time compared to the prior week.

Corridor Performance

Two of the six measured corridors showed an improvement compared to the prior week. The best performance in the on-time-to-two-hours-late category was the I-95 and East St. Louis to Northeast corridors with 94%. Overall, the on-time-to-two-hours-late category was 82%, the same as last week, and the percent of trains in the greater-than-six-hours-late category moved favorably five percentage points to 6%.

Shared Areas

Daily average on hand cars decreased marginally at Pavonia and increased marginally at Oak Island and North Yard. Oak Island average volume was impacted by comparatively high late week volumes of traffic outbound from industry. Overall terminal dwell time was 29.6 hours, compared to 24.7 hours last week. For the week, there were a total of 30 trains delayed for CSXT and NS: 15 for crew, 0 for power, and 15 for late arrivals by CSX and NS.

Additional Measurements

Train Delay Metric: For 753 train starts, weekly train delay totaled 18 hours for Power and 21 hours for Crew. Delay hours for crew increased, while delay for power decreased from the prior week.

Train Crew Delay Metric: The percent of crews not departing within two hours of the on-duty time averaged 18.8% for the week, improved from 20.5% last week.

Daily Crew Availability Percentage: Crew Availability Percentage was 85%, remaining at the same percentage as the last three weeks.

Daily Number of Recrews Required: Of 1825 crew starts, 42 (2%) were recrews, the same percentage as the prior week.

Shared Asset Areas Train Delay Metric: SAA Train Delays averaged one train for South Jersey, two trains for North Jersey, and one for Detroit.

Locomotives: Gross Locomotives = 3820, Average Available = 3489, and Out-of-Service Ratio = 5.5%, improved from 5.8% the previous week.

Cars Offered in Interchange: averaged 210 cars daily, of which 33 were for the Norfolk Southern. Daily average decreased; the NS average increased from the prior week.

On-time performance, passenger trains through Brunswick, MD: 90% for 10 AMTRAK trains (Pittsburgh – Washington) and 93% for 90 MARC trains (West Virginia – Washington).

Buffalo Customer Service (Hot-Line): the customer service center received no hot-line calls.

Last week we met the goal for 15 of the 18 key service measures established for the first quarter. Goals were met for FRA reportable injuries, cars on-line, overall velocity, merchandise train velocity, crews on duty over 12 hours, relief crews, hours of crew delay, car dwell, right connection, on-time origin departure, on-time destination arrival, 30-hour cars, industrial switching, hours of locomotive delay, and leased locomotive out-of-service ratio. Next week's report begins a new quarter and goals for most of these measurements will become more stringent.

CSXT's operations performance continues at near-record levels, with little movement in indicators. Operations are very fluid and CSXT is able to absorb additional traffic.

Sincerely,

F. J. Stephenson
Assistant Vice President
Service Measurements

**Surface Transportation Board
Performance Measures**

For the week ending:

03/30/01

Yard Performance

(Composite of NS/CSX Traffic)

Location	Measure	Monday 03/26/01	Tuesday 03/27/01	Wednesday 03/28/01	Thursday 03/29/01	Friday 03/30/01
Oak Island, NJ	Fluid Capacity	1200	1200	1200	1200	1200
	Cars On Hand - Loaded	278	381	431	397	364
	Cars On Hand - Empty	296	342	385	524	503
	Cars On Hand - Total	574	723	816	921	867
	Cars Handled	406	447	528	618	659
	Dwell Hours	39.9	30.0	28.4	30.2	25.5
Pavonia, NJ	Fluid Capacity	900	900	900	900	900
	Cars On Hand - Loaded	365	200	261	255	277
	Cars On Hand - Empty	366	339	343	266	266
	Cars On Hand - Total	731	539	604	521	543
	Cars Handled	365	412	401	542	473
	Dwell Hours	50.8	34.7	42.3	22.0	31.3
North Yard, MI	Fluid Capacity	850	850	850	850	850
	Cars On Hand - Loaded	172	151	171	213	161
	Cars On Hand - Empty	114	136	116	108	117
	Cars On Hand - Total	286	287	287	321	278
	Cars Handled	193	421	238	379	351
	Dwell Hours	32.6	21.7	21.7	16.9	13.7

CSX Comments: Daily average on hand cars decreased marginally at Pavonia and increased marginally at Oak Island and North Yard. Oak Island average volume was impacted by comparatively high late week volumes of traffic outbound from industry. Overall terminal dwell time was 29.6 hours, up from 24.7 last week.

Surface Transportation Board Performance Measures

Train Originations

(Composite of NS/CSX Traffic)

Location	Measure	Monday 03/26/01	Tuesday 03/27/01	Wednesday 03/28/01	Thursday 03/29/01	Friday 03/30/01
North Jersey SAA	Number of Originations	5	10	9	8	7
	% Ontime	60%	60%	33%	38%	22%
	% Late 0-2 Hours	40%	20%	56%	38%	33%
	% Late 2-4 Hours	0%	10%	11%	13%	11%
	% Late 4-6 Hours	0%	10%	0%	0%	33%
	% Late GT 6 Hours	0%	0%	0%	13%	0%
South Jersey SAA	Number of Originations	2	3	3	3	2
	% Ontime	0%	67%	100%	100%	0%
	% Late 0-2 Hours	100%	33%	0%	0%	0%
	% Late 2-4 Hours	0%	0%	0%	0%	50%
	% Late 4-6 Hours	0%	0%	0%	0%	50%
	% Late GT 6 Hours	0%	0%	0%	0%	0%
Detroit SAA	Number of Originations	6	7	7	7	7
	% Ontime	50%	71%	43%	71%	57%
	% Late 0-2 Hours	50%	29%	29%	0%	43%
	% Late 2-4 Hours	0%	0%	14%	0%	0%
	% Late 4-6 Hours	0%	0%	14%	29%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%

CSX Comments: Total road train delays were 30 trains. Crew delays were 15 trains for 44 hours; no trains were delayed for power; originating trains 15 for 73 hours, due to late connections.

**Surface Transportation Board
Performance Measures**

CSXT Cars Offered in Interchange but not Accepted

(Snapshot at Midnight for Day Measured)

		Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Railroad Offered To	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Average
Cars Offered	NS	38	101	0	23	1	33
	All Other	94	172	179	221	219	177
	Total	132	273	179	244	220	210

Measures all cars in offered interchange status on acquired Conrail territory only. Volumes are listed by cars offered to NS (Norfolk Southern) and All Other Railroads.

CSXT On Time Passenger Train Performance

"Brunswick Line"

Between West Virginia/Washington, DC

		Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Service	Measure	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Totals
AMTK	Trains	2	2	2	2	2	10
	% On Time	100%	100%	100%	50%	100%	90%
MARC	Trains	18	18	18	18	18	90
	% On Time	100%	89%	100%	78%	100%	93%

AMTK measured according to contract with CSXT.

Surface Transportation Board
Performance Measures
CSXT Train Crew Delay

	Causes of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Terminal	Trains / Hours	03/24/01	03/25/01	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Total
Baltimore	Train Crew Starts	19	14	18	19	18	21	18	127
	Crews Delayed +2 Hours	11	8	5	11	10	5	7	57
	% Delayed +2 Hours	58%	57%	28%	58%	56%	24%	39%	45%
Buffalo	Train Crew Starts	44	42	37	42	50	46	52	313
	Crews Delayed +2 Hours	6	6	12	6	4	8	12	54
	% Delayed +2 Hours	14%	14%	32%	14%	8%	17%	23%	17%
Chicago	Train Crew Starts	25	23	25	26	26	24	24	173
	Crews Delayed +2 Hours	2	1	8	1	7	5	5	33
	% Delayed +2 Hours	8%	4%	32%	4%	27%	21%	38%	19%
Cincinnati	Train Crew Starts	40	38	37	33	35	37	40	260
	Crews Delayed +2 Hours	3	3	3	1	4	1	2	17
	% Delayed +2 Hours	8%	8%	8%	3%	11%	3%	5%	7%
Cleveland	Train Crew Starts	32	27	19	18	27	27	23	173
	Crews Delayed +2 Hours	15	8	5	3	7	9	7	54
	% Delayed +2 Hours	47%	30%	26%	17%	26%	33%	30%	31%
Cumberland	Train Crew Starts	35	40	32	33	32	36	32	240
	Crews Delayed +2 Hours	6	3	4	0	0	1	2	16
	% Delayed +2 Hours	17%	8%	13%	0%	0%	3%	6%	7%
Detroit	Train Crew Starts	6	6	6	7	8	7	9	49
	Crews Delayed +2 Hours	0	0	2	2	2	3	3	12
	% Delayed +2 Hours	0%	0%	33%	29%	25%	43%	33%	24%
Philadelphia	Train Crew Starts	14	8	11	13	13	13	13	85
	Crews Delayed +2 Hours	2	0	1	2	2	1	1	9
	% Delayed +2 Hours	14%	0%	9%	15%	15%	8%	8%	11%
Selkirk	Train Crew Starts	42	42	32	45	46	47	46	300
	Crews Delayed +2 Hours	8	9	10	8	9	7	14	65
	% Delayed +2 Hours	19%	21%	31%	18%	20%	15%	30%	22%
Tolco	Train Crew Starts	32	38	28	31	26	28	33	216
	Crews Delayed +2 Hours	4	4	3	2	4	5	6	28
	% Delayed +2 Hours	13%	11%	11%	6%	15%	18%	18%	13%
Willard	Train Crew Starts	39	42	39	39	42	41	42	284
	Crews Delayed +2 Hours	8	11	8	6	2	9	5	49
	% Delayed +2 Hours	21%	26%	21%	15%	5%	22%	12%	17%

Daily number of train crew starts from selected yards or terminals and the number of those originating train crews that were delayed in those yards or terminals for two hours or more after going on-duty. The percentage of those delayed starts.

Surface Transportation Board Performance Measures

CSXT Train Delay - Northern Region Lines

	Cause of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Trains / Hours	03/24/01	03/25/01	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Total
Train Delay	Originating Train Starts	105	110	93	95	125	105	120	753
	Delayed Hours - Power	0	2	0	0	15	0	1	18
	Delayed Hours - Crews	4	2	2	0	4	8	1	21

Daily number of originating train starts on the Northern Region and the hours delayed due to lack of power and crew of those originating train crews. The delayed train starts will be broken down between power and crew delayed hours.

Daily Crew Availability Percentage - Northern Region Lines

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Crew Availability	03/24/01	03/25/01	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Average
Crew Availability		85%	85%	84%	86%	87%	86%	85%	85%

Daily percentage of CSXT road train crews that are available for work on the Northern Region Lines.

Daily Number of Train Crew Starts and Recrews Required

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Crew/Recrews	03/24/01	03/25/01	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Total
Crews/Recrews	Train Crew Starts	271	246	207	260	286	262	291	1825
	Recrews	12	6	3	5	4	6	6	42
	% Recrewed	4%	2%	1%	2%	1%	2%	2%	2%

Daily number of CSXT road train crew starts, the number of recrews and percentage of recrews for the Northern Region Lines.

Surface Transportation Board Performance Measures

CSXT Locomotive Fleet Condition

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Locomotives	03/24/01	03/25/01	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Average
Locomotives	Gross Fleet Size	3803	3834	3837	3838	3805	3818	3804	3820
	Avg. Number Available	3469	3490	3495	3525	3484	3494	3465	3489
	OOS Ratio	6.0	5.8	5.9	5.4	5.4	5.2	5.0	5.5

The measure for Gross Fleet will consist of CSX owned, leased, and foreign locomotives on-line. The Average Number Available will be the number of net fleet available to move traffic. The Out-of-Service Ratio (OOS) is the ratio of CSXT owned locomotives not available.

Shared Asset Areas Train Delay

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Shared Area	03/24/01	03/25/01	03/26/01	03/27/01	03/28/01	03/29/01	03/30/01	Average
Train Delay	Philadelphia/South Jersey	2	2	0	1	0	2	1	1
	North Jersey	5	2	1	2	2	1	0	2
	Detroit	2	1	1	2	1	1	1	1

Daily number of outbound trains ready for departure that are held for line haul carriers in each of the shared asset areas for more than one hour after notification. The measure will be a composite of CSX and NS trains.

George A. Aspatore
General Solicitor

(757) 629-2657
(757) 533-4872
E-mail gaaspato@nscorp.com

April 4, 2001

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending March 30, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

Another schedule incorporated into this transmittal shows NS Crew Starts and Delays, NS Northern Region Daily Crew Availability Percentage, and NS Northern Region Crew Starts and Recrews. Also included is the bi-weekly Buffalo update.

Additionally, this transmittal includes confidential reports containing performance statistics for NS's Chicago Gateway Interchange Operations, Corridor Train Performance and Yard Performance. In an effort to provide you with more detailed information regarding delays, I have included two schedules supporting NS's Chicago Gateway and Corridor Train Performance reports, which identify the number and total time for delays due to crew, power, or other issues. I also have supplied the Public Reporting Measures that we provide to the Conrail Transaction Council and the AAR.

Mr. Melvin F. Clemens, Jr.
April 4, 2001
Page 2

The Locomotive Fleet Statistics table for this week reflects a decrease of approximately 200 locomotives on Friday, March 30. The personnel who are able to investigate these figures are out of the office until Monday, April 9. We will investigate this inconsistency and correct the errors, if any, with the report we will file on April 11, 2001.

As always, I am including a letter written by Tony L. Ingram, Vice President Transportation – Operations, which discusses delays in our rail operations. If you have any questions or need additional information, please call me.

Sincerely,

George A. Aspatore
General Solicitor

Enclosures

April 4, 2001

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

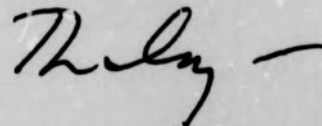
Dear Mr. Clemens:

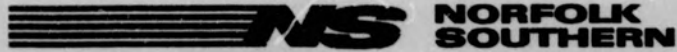
Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line decreased, the average train speed decreased, and the average terminal dwell remained constant. On the monitored corridors and Chicago gateway operations, 40 trains were held for terminal delays, 12 trains were held for crews, and 6 trains were held for power.

With respect to our customer service hotline in Buffalo, NS did not receive any calls over the two-week period.

In the Shared Assets Areas, daily average on-hand car volume decreased at Pavonia and increased at North Yard and Oak Island. All volume counts were within expected operating norms. Overall average terminal dwell time increased. Reported road train delays for crews and power decreased from the prior week. Fifteen trains were delayed 44 hours for lack of crews and no trains were delayed for power. Fifteen originating trains were delayed a total of 73 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 31% of the delay hours reported in the SAAs.

Sincerely,

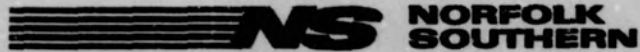
A handwritten signature in black ink, appearing to read "The [unclear]". The signature is written in a cursive style with a horizontal line extending to the right.



For the week ending 3/30/01

Shared Asset Area - Yard Performance

Yard	date	Fluid Capacity	On hand - Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	3/26/01	850	114	172	286	193	32.6
	3/27/01	850	136	151	287	421	21.7
	3/28/01	850	116	171	287	238	21.7
	3/29/01	850	108	213	321	379	16.9
	3/30/01	850	117	161	278	351	18.7
North Yard MI Average		850	118	174	292	316	21.2
Oak Island NJ	3/26/01	1200	296	278	574	406	39.9
	3/27/01	1200	342	381	723	447	30.0
	3/28/01	1200	385	431	816	528	28.4
	3/29/01	1200	524	397	921	618	30.2
	3/30/01	1200	503	364	867	659	25.5
Oak Island NJ Average		1200	410	370	780	532	30.1
Pavonia NJ	3/26/01	900	366	365	731	365	50.8
	3/27/01	900	339	200	539	412	34.7
	3/28/01	900	343	261	604	401	42.3
	3/29/01	900	266	255	521	542	22.0
	3/30/01	900	266	277	543	473	31.3
Pavonia Average		900	316	272	588	439	34.9



For the week ending 3/30/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	26-Mar	6	50%	50%	0%	0%	0%
	27-Mar	7	71%	29%	0%	0%	0%
	28-Mar	7	43%	29%	14%	14%	0%
	29-Mar	7	71%	0%	0%	29%	0%
	30-Mar	7	57%	43%	0%	0%	0%
Detroit Total		34	59%	29%	3%	9%	0%
North Jersey Total	26-Mar	5	60%	40%	0%	0%	0%
	27-Mar	10	60%	20%	10%	10%	0%
	28-Mar	9	33%	56%	11%	0%	0%
	29-Mar	8	38%	38%	13%	0%	13%
	30-Mar	9	22%	33%	11%	33%	0%
North Jersey Total		41	41%	37%	10%	10%	2%
South Jersey Total	26-Mar	2	0%	100%	0%	0%	0%
	27-Mar	3	67%	33%	0%	0%	0%
	28-Mar	3	100%	0%	0%	0%	0%
	29-Mar	3	100%	0%	0%	0%	0%
	30-Mar	2	0%	0%	50%	50%	0%
South Jersey Total		13	62%	23%	8%	8%	0%
Grand Total		88	51%	32%	7%	9%	1%



For the week ending 3/30/01

Shared Asset Area Trains Held

area	Sat 24-Mar	Sun 25-Mar	Mon 26-Mar	Tue 27-Mar	Wed 28-Mar	Thu 29-Mar	Fri 30-Mar	Grand Total
North Jersey	5	2	1	2	2	1		13
South Jersey	2	2		1		2	1	8
Detroit	2	1	1	2	1	1	1	9

Daily number of outbound trains ready for departure that are held for line haul carriers in each of the shared asset areas for more than one hour after notification.



NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	38	0	0	0	0	38
Total	38	0	0	0	0	38

Snapshot taken between 2:00 and 3:00 each day
 NS acquired territory only

NS Northern Region Train Starts and Delays

	Saturday 24-Mar	Sunday 25-Mar	Monday 26-Mar	Tuesday 27-Mar	Wednesday 28-Mar	Thursday 29-Mar	Friday 30-Mar	Grand Total
# of Train Starts	165	134	146	155	157	171	157	1085
Delay Cause								
Crew Delays (hrs)	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Power Delays (hrs)	38.6	0.0	0.0	0.0	33.5	41.0	38.3	151.3

The delay numbers are expressed in hours

Locomotive Fleet Statistics

	Saturday 24-Mar	Sunday 25-Mar	Monday 26-Mar	Tuesday 27-Mar	Wednesday 28-Mar	Thursday 29-Mar	Friday 30-Mar	average
Fleet Size	3453	3467	3473	3461	3472	3471	3241	3434
available	3253	3254	3255	3256	3257	3258	3015	3221
out of service %	5.8%	6.1%	6.3%	5.9%	6.2%	6.1%	7.0%	6.2%

Snapshot taken at midnight
 Fleet size is all locomotives on line. Includes owned, leased and foreign.



NS Crew Starts and Delays

		Saturday 24-Mar	Sunday 25-Mar	Monday 26-Mar	Tuesday 27-Mar	Wednesday 28-Mar	Thursday 29-Mar	Friday 30-Mar	Grand Total
Allentown	crew starts	11	11	14	15	18	16	16	101
	crews delayed	1	3	5	4	5	5	4	27
Bellevue	crew starts	34	33	33	34	34	42	45	255
	crews delayed	9	2	5	6	5	10	4	41
Buffalo	crew starts	22	19	20	24	25	22	22	154
	crews delayed	5	4	0	0	2	2	13	26
Chicago	crew starts	32	30	32	36	37	33	35	235
	crews delayed	7	8	11	7	16	13	14	76
Cincinnati	crew starts	38	31	29	33	36	38	40	245
	crews delayed	12	2	2	3	3	6	5	33
Cleveland	crew starts	8	9	9	13	10	9	12	71
	crews delayed	3	4	3	4	5	6	2	27
Conway	crew starts	63	46	46	49	56	56	57	373
	crews delayed	13	11	16	14	14	15	12	95
Detroit	crew starts	18	19	20	22	24	18	24	145
	crews delayed	6	9	7	6	10	7	9	54
Elkhart	crew starts	42	38	32	39	41	36	41	269
	crews delayed	16	15	15	13	13	14	12	98
Harrisburg	crew starts	52	50	41	49	58	48	60	358
	crews delayed	19	17	11	19	13	9	19	107
Toledo	crew starts	59	50	52	51	59	61	50	382
	crews delayed	10	10	9	11	8	17	7	72

Notes: Data source is T&E employees' "End of Trip" reporting
 A summary of all "E-O-T's" where departure time is reported as two or more hours after time crew ordered.
 Includes all trains for location, whether originating or run-through.
 A delayed crew is one delayed two hours or more after coming on duty

NS Northern Region Daily Crew Availability Percentage

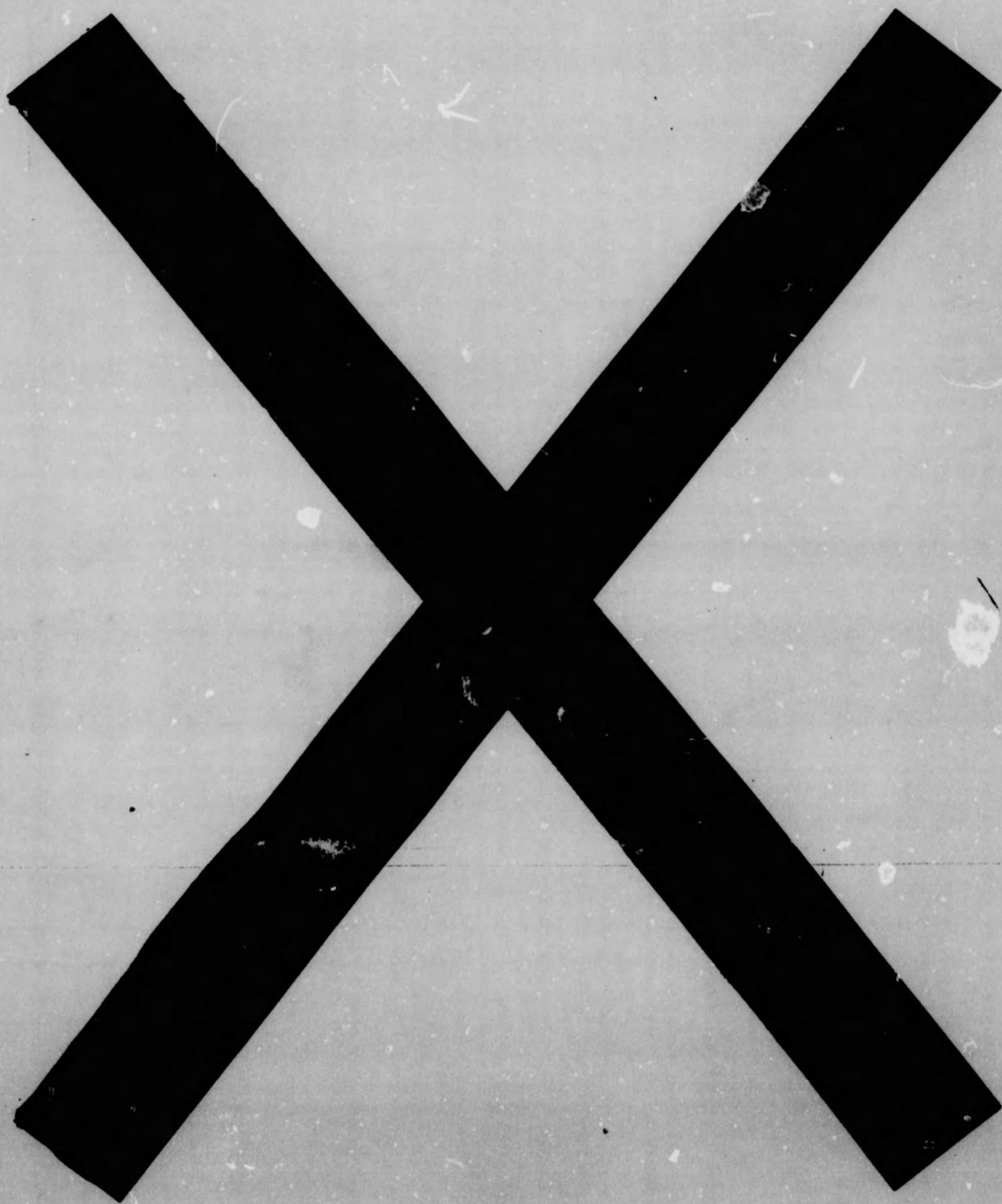
	Saturday 24-Mar	Sunday 25-Mar	Monday 26-Mar	Tuesday 27-Mar	Wednesday 28-Mar	Thursday 29-Mar	Friday 30-Mar	average
availability%	79%	79%	80%	83%	82%	82%	79%	81%

Notes: A "snapshot" of percent of Train and Engineman available at approximately 5:00 AM

NS Northern Region Crew Starts and Recrews

	Saturday 24-Mar	Sunday 25-Mar	Monday 26-Mar	Tuesday 27-Mar	Wednesday 28-Mar	Thursday 29-Mar	Friday 30-Mar	Grand Total
crew starts	330	293	276	324	342	327	332	2224
recrews	6	8	9	8	12	10	8	61

Notes: A summary of trains ordered by field transportation using relief crew (recrew) train symbol
 Does not include recrews/trains pulled into terminals by yard crews or road crews called and used in regular service



STB

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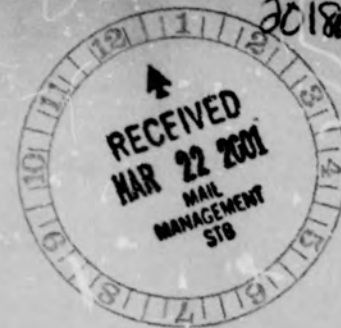
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SURFACE TRANSPORTATION BOARD

Memorandum



ENTERED
Office of the Secretary

MAR 22 2001

Part of
Public Record

DATE: March 22, 2001

TO : Ellen Keys, Assistant Secretary
Section of Publications Records
Office of the Secretary

FROM : Mel Clemens, Director
Office of Compliance and Enforcement

SUBJECT : STB FINANCE DOCKET NO. 33388 - OPERATIONAL MONITORING DATA

Attached are the original and two copies of the latest weekly public data files provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da To Da Office Solutions. If there are any questions, please don't hesitate to contact me or Ed Nelson.

Attachments

cc: Chairman Morgan
Vice Chairman Clyburn
Commissioner Burkes
Richard Armstrong
Ron Douglas
Charles Renninger



500 Water Street (J407)
Jacksonville, FL 32202
Phone (904) 366-4134
Fax (904) 359-1571

T. J. Stephenson
Assistant Vice President -
Service Measurements

March 21, 2001

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
The Mercury Building
1925 K Street, NW, Suite 780
Washington, DC 20423

Dear Mr. Clemens:

Enclosed with this transmittal letter are CSX Transportation's operational monitoring reports to the Board for the week ending Friday, March 16th. Our three key indicators showed no significant trends. Cars on-line increased from 243,339 to 244,082. Terminal dwell decreased from 25.8 to 25.4 hours, and train velocity decreased from 21.5 to 21.3 miles-per-hour.

We would offer the following observations and interpretations regarding the data CSXT provides the STB, Conrail Transaction Council, and the AAR:

Chicago Gateway Operations

During this reporting week, the on-time-to-two-hours-late measure of deliveries to western carriers through Chicago moved favorably six percentage points to 85%. The more-than-six-hours-late category moved favorably one percentage point to 5%.

Yards and Terminals

Car volumes and dwell times changed very little, remaining within expected levels at most terminals across the network. Eight of the 14 measured yards showed an improvement in dwell time compared to the prior week.

Corridor Performance

Three of the six measured corridors showed an improvement compared to the prior week. The best performance in the on-time-to-two-hours-late category was the East St. Louis to Northeast corridor with 100%. Overall, the on-time-to-two-hours-late category moved favorably five percentage points to 87%, and the percent of trains in the greater-than-six-hours-late category moved favorably five percentage points to 5%.

Shared Areas

Daily average on hand cars decreased marginally at Pavonia and increased marginally at Oak Island and North Yard. Oak Island volume was impacted by a one day spike. Overall terminal dwell time was 27.3 hours, compared to 29.4 hours last week. For the week, there were a total of 35 trains delayed for CSXT and NS: 19 for crew, 5 for power, and 11 for late arrivals by CSX and NS.

Additional Measurements

Train Delay Metric: For 736 train starts, weekly train delay totaled 23 hours for Power and 7 hours for Crew. Delay hours for crew decreased, while delay for power increased from the prior week.

Train Crew Delay Metric: The percent of crews not departing within two hours of the on-duty time averaged 18.7% for the week, improved from 20.8% last week.

Daily Crew Availability Percentage: Crew Availability Percentage was 85%, remaining at the same percentage as last week.

Daily Number of Recrews Required: Of 1776 crew starts, 36 (2%) were recrews, down from 3% the prior week.

Shared Asset Areas Train Delay Metric: SAA Train Delays averaged two trains for South Jersey, two trains for North Jersey and one for Detroit.

Locomotives: Gross Locomotives = 3794, Average Available = 3487, and Out-of-Service Ratio = 5.5%, improved from 5.9% the prior week.

Cars Offered in Interchange: averaged 232 cars daily, of which 7 were for the Norfolk Southern. Daily average increased while the NS average decreased from the prior week.

On-time performance passenger trains through Brunswick, MD: 80% for 10 AMTRAK trains (Pittsburgh – Washington) and 98% for 90 MARC trains (West Virginia – Washington).

Buffalo Customer Service (Hot-Line): the customer service center received no hot-line calls

Last week we met the goal for 16 of the 18 key service measures established for the first quarter. Goals were met for cars on-line, overall velocity, merchandise train velocity, crews on duty over 12 hours, relief crews, hours of crew delay, car dwell, right connection, on-time origin departure, on-time destination arrival, 30-hour cars, industrial switching, hours of locomotive delay, derailments, miles of slow orders and locomotive setback hours.

This week's report indicates continued stable operations at near-record levels, with little movement of any indicators. CSXT's operations are very fluid and able to absorb additional traffic.

Sincerely,

T. J. Stephenson
Assistant Vice President
Service Measurements

Surface Transportation Board

Performance Measures

For the week ending: 03/16/01

Yard Performance

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01
Oak Island, NJ	Fluid Capacity	1200	1200	1200	1200	1200
	Cars On Hand - Loaded	388	357	353	441	377
	Cars On Hand - Empty	321	346	361	369	382
	Cars On Hand - Total	709	703	714	810	759
	Cars Handled	442	449	684	601	476
	Dwell Hours	40.7	32.1	29.4	24.1	25.3
Pavonia, NJ	Fluid Capacity	900	900	900	900	900
	Cars On Hand - Loaded	331	188	264	203	226
	Cars On Hand - Empty	334	253	250	244	266
	Cars On Hand - Total	665	441	514	447	492
	Cars Handled	648	342	293	335	377
	Dwell Hours	36.2	27.4	24.5	27.9	24.3
North Yard, MI	Fluid Capacity	850	850	850	850	850
	Cars On Hand - Loaded	127	207	154	253	141
	Cars On Hand - Empty	128	120	121	84	144
	Cars On Hand - Total	255	327	275	337	285
	Cars Handled	155	295	337	419	380
	Dwell Hours	25.7	24.4	21.8	16.3	17.5

CSX Comments: Daily average on hand cars decreased marginally at Pavonia and increased marginally at Oak Island and North Yard. Oak Island volume was impacted by a one-day spike. Overall terminal dwell time was 27.3 hours, down from 29.4 last week.

Surface Transportation Board

Performance Measures

Train Originations

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01
North Jersey SAA	Number of Originations	4	8	9	8	8
	% Ontime	50%	38%	78%	38%	38%
	% Late 0-2 Hours	25%	50%	56%	63%	50%
	% Late 2-4 Hours	25%	13%	0%	0%	13%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%
South Jersey SAA	Number of Originations	3	3	3	3	3
	% Ontime	33%	33%	100%	100%	33%
	% Late 0-2 Hours	67%	67%	0%	0%	67%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%
Detroit SAA	Number of Originations	5	7	7	7	7
	% Ontime	80%	43%	71%	57%	86%
	% Late 0-2 Hours	20%	57%	14%	29%	0%
	% Late 2-4 Hours	0%	0%	14%	14%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	14%

CSX Comments: Total road train delays were 35 trains. Crew delays were 19 trains for 52 hours; power 5 trains for 21 hours, originating trains 11 for 47 hours, due to late connections.

Surface Transportation Board

Performance Measures

CSXT Cars Offered in Interchange but not Accepted

(Snapshot at Midnight for Day Measured)

		Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Railroad Offered To	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Average
Cars Offered	NS	0	8	0	0	25	7
	All Other	135	202	318	230	240	225
	Total	135	210	318	230	265	232

Measures all cars in offered interchange status on acquired Conrail territory only. Volumes are listed by cars offered to NS (Norfolk Southern) and All Other Railroads.

CSXT On Time Passenger Train Performance

"Brunswick Line"

Between West Virginia/Washington, DC

		Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Service	Measure	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Totals
AMTK	Trains	2	2	2	2	2	10
	% On Time	50%	100%	50%	100%	100%	80%
MARC	Trains	18	18	18	18	18	90
	% On Time	100%	94%	100%	94%	100%	98%

AMTK measured according to contract with CSXT.

Surface Transportation Board

Performance Measures

CSXT Train Crew Delay

	Causes of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Terminal	Trains / Hours	03/10/01	03/11/01	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Total
Baltimore	Train Crew Starts	25	15	16	21	20	22	23	142
	Crews Delayed +2 Hours	7	6	6	7	3	13	9	51
	% Delayed +2 Hours	28%	40%	38%	33%	15%	59%	39%	36%
Buffalo	Train Crew Starts	48	40	33	43	48	51	41	304
	Crews Delayed +2 Hours	6	5	3	4	4	7	8	37
	% Delayed +2 Hours	13%	13%	9%	9%	8%	14%	20%	12%
Chicago	Train Crew Starts	21	25	24	27	26	27	26	176
	Crews Delayed +2 Hours	2	1	8	5	8	9	7	40
	% Delayed +2 Hours	10%	4%	33%	19%	31%	33%	27%	23%
Cincinnati	Train Crew Starts	36	40	32	31	35	34	38	246
	Crews Delayed +2 Hours	2	3	0	1	0	3	3	12
	% Delayed +2 Hours	6%	8%	0%	3%	0%	9%	8%	5%
Cleveland	Train Crew Starts	22	21	22	22	26	23	25	161
	Crews Delayed +2 Hours	8	9	4	3	7	7	9	47
	% Delayed +2 Hours	36%	43%	18%	14%	27%	30%	36%	29%
Cumberland	Train Crew Starts	37	30	31	36	36	33	35	238
	Crews Delayed +2 Hours	4	5	1	8	4	4	3	29
	% Delayed +2 Hours	11%	17%	3%	22%	11%	12%	9%	12%
Detroit	Train Crew Starts	6	4	8	6	8	7	7	46
	Crews Delayed +2 Hours	2	1	2	1	3	2	3	14
	% Delayed +2 Hours	33%	25%	25%	17%	38%	29%	43%	30%
Philadelphia	Train Crew Starts	12	10	12	12	13	12	13	84
	Crews Delayed +2 Hours	1	2	1	0	1	3	1	9
	% Delayed +2 Hours	8%	20%	8%	0%	8%	25%	8%	11%
Selkirk	Train Crew Starts	40	32	29	39	45	43	49	277
	Crews Delayed +2 Hours	9	12	10	13	11	12	14	81
	% Delayed +2 Hours	23%	38%	34%	33%	24%	28%	29%	29%
Toledo	Train Crew Starts	32	30	26	24	26	28	28	194
	Crews Delayed +2 Hours	3	2	0	3	0	5	2	15
	% Delayed +2 Hours	9%	7%	0%	13%	0%	18%	7%	8%
Willard	Train Crew Starts	43	44	33	40	46	40	41	287
	Crews Delayed +2 Hours	10	6	4	2	7	6	10	45
	% Delayed +2 Hours	23%	14%	12%	5%	15%	15%	24%	16%

Daily number of train crew starts from selected yards or terminals and the number of those originating train crews that were delayed in those yards or terminals for two hours or more after going on-duty. The percentage of those delayed starts.

Surface Transportation Board

Performance Measures

CSXT Train Delay - Northern Region Lines

	Cause of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Trains / Hours	03/10/01	03/11/01	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Total
Train Delay	Originating Train Starts	103	97	91	107	116	115	107	736
	Delayed Hours - Power	2	3	1	3	8	4	2	23
	Delayed Hours - Crews	3	0	0	0	0	1	3	7

Daily number of originating train starts on the Northern Region and the hours delayed due to lack of power and crew of those originating train crews. The delayed train starts will be broken down between power and crew delayed hours.

Daily Crew Availability Percentage - Northern Region Lines

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Crew Availability	03/10/01	03/11/01	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Average
Crew Availability		85%	84%	86%	86%	87%	85%	85%	85%

Daily percentage of CSXT road train crews that are available for work on the Northern Region Lines.

Daily Number of Train Crew Starts and Recrews Required

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Crew/Recrews	03/10/01	03/11/01	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Total
Crews/Recrews	Train Crew Starts	254	220	213	259	272	274	274	1766
	Recrews	2	6	5	6	4	3	10	36
	% Recrewed	1%	3%	2%	2%	1%	1%	4%	2%

Daily number of CSXT road train crew starts, the number of recrews and percentage of recrews for the Northern Region Lines.

**Surface Transportation Board
Performance Measures**

CSXT Locomotive Fleet Condition

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Locomotives	03/10/01	03/11/01	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Average
Locomotives	Gross Fleet Size	3787	3782	3785	3781	3807	3809	3804	3794
	Avg. Number Available	3497	3471	3487	3513	3503	3463	3473	3487
	OOS Ratio	5.8	6.0	5.9	5.1	4.9	5.1	5.8	5.5

The measure for Gross Fleet will consist of CSX owned, leased, and foreign locomotives on-line. The Average Number Available will be the number of net fleet available to move traffic. The Out-of-Service Ratio (OOS) is the ratio of CSXT owned locomotives not available.

Shared Asset Areas Train Delay

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Shared Area	03/10/01	03/11/01	03/12/01	03/13/01	03/14/01	03/15/01	03/16/01	Average
Train Delay	Philadelphia/South Jersey	2	5	3	3	0	0	0	2
	North Jersey	5	4	0	2	1	2	0	2
	Detroit	1	1	3	1	2	0	0	1

Daily number of outbound trains ready for departure that are held for line haul carriers in each of the shared asset areas for more than one hour after notification. The measure will be a composite of CSX and NS trains.

George A. Aspatore
General Solicitor

(757) 629-2657
(757) 533-4872
E-mail gaaspato@nscorp.com

March 21, 2001

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending March 16, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

Another schedule incorporated into this transmittal shows NS Crew Starts and Delays, NS Northern Region Daily Crew Availability Percentage, and NS Northern Region Crew Starts and Recrews. Also included is the bi-weekly Buffalo update.

Additionally, this transmittal includes confidential reports containing performance statistics for NS's Chicago Gateway Interchange Operations, Corridor Train Performance and Yard Performance. In an effort to provide you with more detailed information regarding delays, I have included two schedules supporting NS's Chicago Gateway and Corridor Train Performance reports, which identify the number and total time for delays due to crew, power, or other issues. I also have supplied the Public Reporting Measures that we provide to the Conrail Transaction Council and the AAR.

Mr. Melvin F. Clemens, Jr.
March 21, 2001
Page 2

This transmittal also includes a revision to the report for the week ending March 9, 2001. Due to a computer error, the power delay figures reported on the NS Northern Region Train Starts and Delays table were incorrectly carried over from the table for the prior week. In addition, the fleet size for March 9, 2001, was understated in the Locomotive Fleet Statistics table. These problems are corrected on the attached schedule.

As always, I am including a letter written by Tony L. Ingram, Vice President Transportation – Operations, which discusses delays in our rail operations. If you have any questions or need additional information, please call me.

Sincerely,

George A. Aspatore
General Solicitor

Enclosures

March 21, 2001

Mr. Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

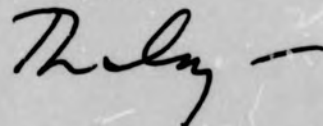
Dear Mr. Clemens:

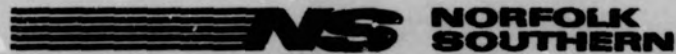
Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line decreased, the average train speed decreased, and the average terminal dwell decreased. On the monitored corridors and Chicago gateway operations, 53 trains were held for terminal delays, 16 trains were held for crews, and 8 trains were held for power.

With respect to our customer service hotline in Buffalo, NS did not receive any calls over the two-week period.

In the Shared Assets Areas, daily average on-hand car volume decreased at Pavonia and increased at North Yard and Oak Island. All volume counts were within expected operating norms. Overall average terminal dwell time decreased. Reported road train delays for crews and power increased slightly from the prior week. Nineteen trains were delayed 52 hours for lack of crews and 5 trains were delayed for 21 hours awaiting power. Eleven originating trains were delayed a total of 47 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 32% of the delay hours reported in the SAAs.

Sincerely,

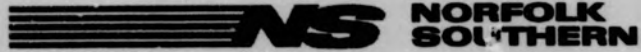




For the week ending 3/16/01

Shared Asset Area - Yard Performance

Yard	date	Fluid Capacity	On hand -Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	3/12/01	850	128	127	255	155	25.7
	3/13/01	850	120	207	327	295	24.4
	3/14/01	850	121	154	275	237	21.8
	3/15/01	850	84	253	337	419	16.3
	3/16/01	850	144	141	285	380	17.5
North Yard MI Average		850	119	176	296	297	20.1
Oak Island NJ	3/12/01	1200	321	388	709	442	40.7
	3/13/01	1200	346	357	703	449	32.1
	3/14/01	1200	361	353	714	684	29.4
	3/15/01	1200	369	441	810	601	24.1
	3/16/01	1200	382	377	759	476	25.3
Oak Island NJ Average		1200	356	383	739	530	29.8
Pavonia NJ	3/12/01	900	334	331	665	646	36.2
	3/13/01	900	253	188	441	342	27.4
	3/14/01	900	250	264	514	293	24.5
	3/15/01	900	244	203	447	335	27.9
	3/16/01	900	266	226	492	377	24.3
Pavonia Average		900	269	242	512	399	29.3

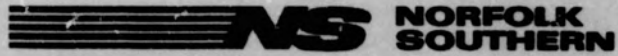


**NORFOLK
SOUTHERN**

For the week ending 3/16/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	12-Mar	5	80%	20%	0%	0%	0%
	13-Mar	7	43%	57%	0%	0%	0%
	14-Mar	7	71%	14%	14%	0%	0%
	15-Mar	7	57%	29%	14%	0%	0%
	16-Mar	7	86%	0%	0%	0%	14%
Detroit Total		33	67%	24%	6%	0%	3%
North Jersey Total	12-Mar	4	50%	25%	25%	0%	0%
	13-Mar	8	38%	50%	13%	0%	0%
	14-Mar	9	44%	56%	0%	0%	0%
	15-Mar	8	38%	63%	0%	0%	0%
	16-Mar	8	38%	50%	13%	0%	0%
North Jersey Total		37	41%	51%	8%	0%	0%
South Jersey Total	12-Mar	3	33%	67%	0%	0%	0%
	13-Mar	3	33%	67%	0%	0%	0%
	14-Mar	3	100%	0%	0%	0%	0%
	15-Mar	3	100%	0%	0%	0%	0%
	16-Mar	3	33%	67%	0%	0%	0%
South Jersey Total		15	60%	40%	0%	0%	0%
Grand Total		85	54%	39%	6%	0%	1%

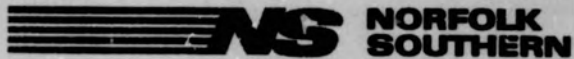


For the week ending 3/16/01

Shared Asset Area Trains Held

area	Sat 10-Mar	Sun 11-Mar	Mon 12-Mar	Tue 13-Mar	Wed 14-Mar	Thu 15-Mar	Fri 16-Mar	Grand Total
North Jersey	5	4	0	2	1	2	0	14
South Jersey	2	5	3	3	0	0	0	13
Detroit	1	1	3	1	2	0	0	8

Daily number of outbound trains ready for departure that are held for line haul carriers in each of the shared asset areas for more than one hour after notification.



NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	91	0	100	91	0	282
Total	91	0	100	91	0	282

Snapshot taken between 2:00 and 3:00 each day
 NS acquired territory only

NS Northern Region Train Starts and Delays

	Saturday 10-Mar	Sunday 11-Mar	Monday 12-Mar	Tuesday 13-Mar	Wednesday 14-Mar	Thursday 15-Mar	Friday 16-Mar	Grand Total
# of Train Starts	168	142	149	165	165	175	163	1127
Delay Cause								
Crew Delays (hrs)	0.8	5.7	0.0	22.9	0.6	0.0	0.0	30.0
Power Delays (hrs)	0.0	0.0	0.0	0.0	0.0	8.3	0.0	8.3

The delay numbers are expressed in hours

Locomotive Fleet Statistics

	Saturday 10-Mar	Sunday 11-Mar	Monday 12-Mar	Tuesday 13-Mar	Wednesday 14-Mar	Thursday 15-Mar	Friday 16-Mar	average
Fleet Size	3434	3438	3453	3446	3443	3450	3430	3442
available	3239	3240	3241	3242	3243	3244	3245	3242
out of service %	5.7%	5.8%	6.1%	5.9%	5.8%	6.0%	5.4%	5.8%

Snapshot taken at midnight
 Fleet size is all locomotives on line. Includes owned, leased and foreign.



NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	173	0	0	128	17	318
Total	173	0	0	128	17	318

Snapshot taken between 2:00 and 3:00 each day
 NS acquired territory only

NS Northern Region Train Starts and Delays

	Saturday 3-Mar	Sunday 4-Mar	Monday 5-Mar	Tuesday 6-Mar	Wednesday 7-Mar	Thursday 8-Mar	Friday 9-Mar	Grand Total
# of Train Starts	161	146	146	158	158	163	162	1094
Delay Cause								
Crew Delays (hrs)	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9
Power Delays (hrs)	18.9	9.1	0.0	0.0	0.0	8.7	3.3	39.9

The delay numbers are expressed in hours

Locomotive Fleet Statistics

	Saturday 3-Mar	Sunday 4-Mar	Monday 5-Mar	Tuesday 6-Mar	Wednesday 7-Mar	Thursday 8-Mar	Friday 9-Mar	average
Fleet Size	3399	3412	3406	3422	3423	3417	3433	3416
available	3232	3233	3234	3235	3236	3237	3238	3235
out of service %	4.9%	5.2%	5.0%	5.5%	5.5%	5.3%	5.7%	5.3%

Snapshot taken at midnight
 Fleet size is all locomotives on line. Includes owned, leased and foreign.



NS Crew Starts and Delays

		Saturday 10-Mar	Sunday 11-Mar	Monday 12-Mar	Tuesday 13-Mar	Wednesday 14-Mar	Thursday 15-Mar	Friday 16-Mar	Grand Total
Allentown	crew starts	13	11	14	15	14	15	14	96
	crews delayed	1	5	5	4	5	3	5	28
Bellevue	crew starts	37	40	32	35	40	39	40	263
	crews delayed	6	5	6	9	9	12	11	58
Buffalo	crew starts	21	17	21	22	20	24	25	150
	crews delayed	4	5	4	2	3	5	4	27
Chicago	crew starts	34	37	31	35	33	31	34	241
	crews delayed	13	10	6	11	11	11	13	75
Cincinnati	crew starts	43	35	26	30	44	37	41	256
	crews delayed	10	2	2	2	7	4	5	32
Cleveland	crew starts	12	9	12	14	12	14	12	85
	crews delayed	4	4	6	6	7	5	7	39
Conway	crew starts	57	44	46	41	59	62	53	362
	crews delayed	14	13	11	8	14	14	9	83
Detroit	crew starts	18	17	21	20	18	20	27	141
	crews delayed	5	7	8	7	6	7	9	49
Elkhart	crew starts	41	39	38	38	36	38	36	266
	crews delayed	12	14	19	16	15	11	15	102
Harrisburg	crew starts	47	51	46	48	57	53	54	356
	crews delayed	17	21	9	14	15	11	23	110
Toledo	crew starts	54	54	52	49	56	52	56	373
	crews delayed	14	11	8	12	10	16	14	85

Notes: Data source is T&E employees' "End of Trip" reporting
 A summary of all "E-O-T's" where departure time is reported as two or more hours after time crew ordered.
 Includes all trains for location, whether originating or run-through.
 A delayed crew is one delayed two hours or more after coming on duty

NS Northern Region Daily Crew Availability Percentage

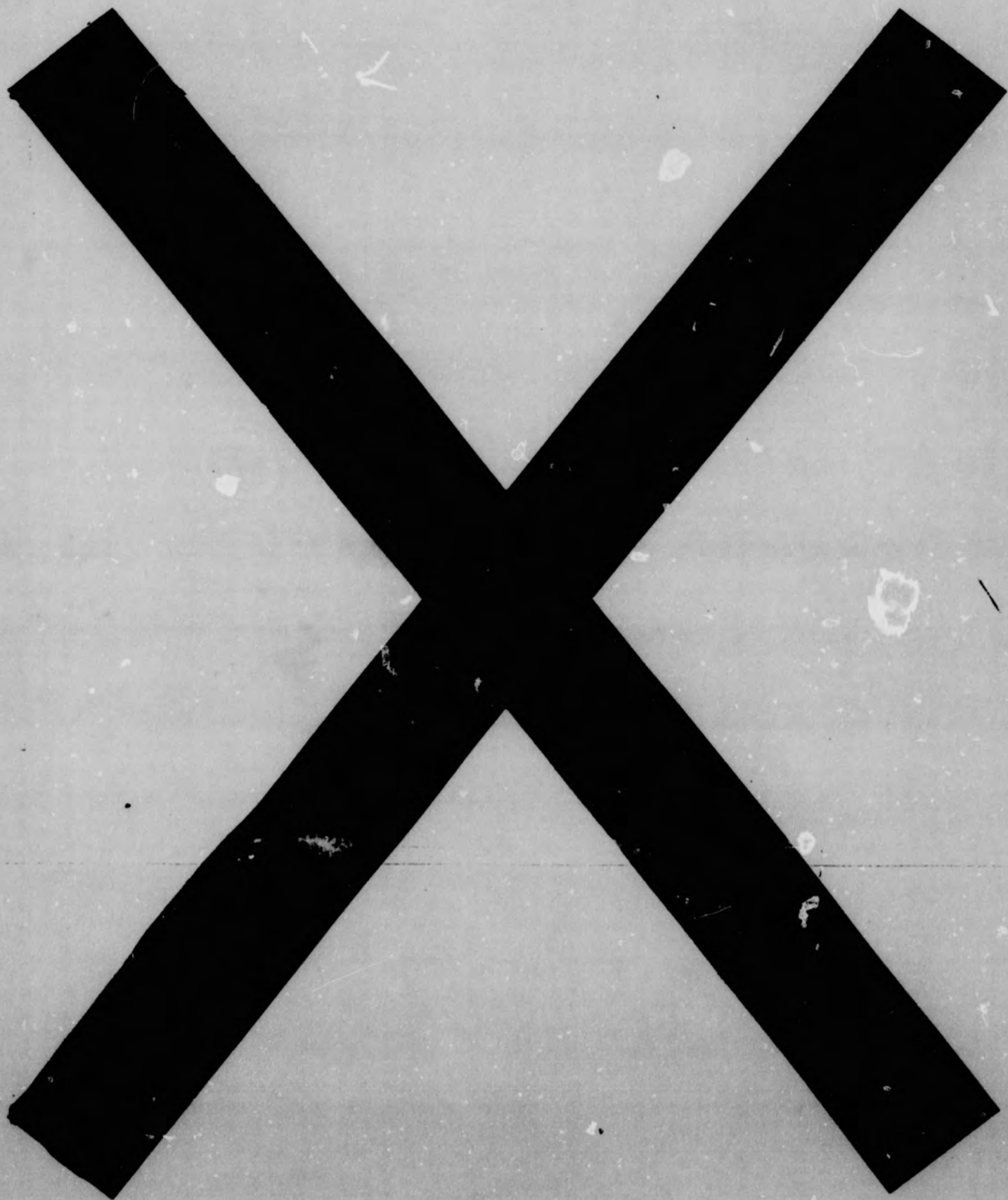
	Saturday 10-Mar	Sunday 11-Mar	Monday 12-Mar	Tuesday 13-Mar	Wednesday 14-Mar	Thursday 15-Mar	Friday 16-Mar	average
availability%	80%	78%	80%	83%	82%	83%	82%	81%

Notes: A "snapshot" of percent of Train and Engineman available at approximately 5:00 AM

NS Northern Region Crew Starts and Recrews

	Saturday 10-Mar	Sunday 11-Mar	Monday 12-Mar	Tuesday 13-Mar	Wednesday 14-Mar	Thursday 15-Mar	Friday 16-Mar	Grand Total
crew starts	328	298	285	304	318	340	315	2188
recrews	4	8	6	9	11	8	7	53

Notes: A summary of trains ordered by field transportation using relief crew (recrew) train symbol
 Does not include recrews/trains pulled into terminals by yard crews or road crews called and used in regular service



STB

FD-33388

3-15-01

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201802

201802

ARNOLD & PORTER

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MARY GABRIELLE SPRAGUE
(202) 942-5773

March 15, 2001



BY HAND DELIVERY - Original and 25 Copies

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

ENTERED
Office of the Secretary

MAR 15 2001

Part of
Public Record

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 - Negotiated Agreement with Huron Township, Michigan



Dear Secretary Williams:

At the request of Consolidated Rail Corporation, I hereby submit a Negotiated Agreement with Huron Township pursuant to Environmental Condition 11 of Decision No. 89 (slip op. at 401-02). This Negotiated Agreement effectuates the Board's preference for privately negotiated solutions stated in Decision No. 89 (slip op. at 153): "[To] give effect to privately negotiated solutions whenever possible, we clarify that negotiated agreements will remain available as an alternative to the local and site-specific mitigation imposed here (for example, specific grade crossing upgrade mitigation, real time monitoring, for emergency response delay, or noise mitigation)." Environmental Condition 11 similarly provides that the specific terms of the condition may be superseded by a Negotiated Agreement with the responsible local government that satisfies that community's environmental concerns.

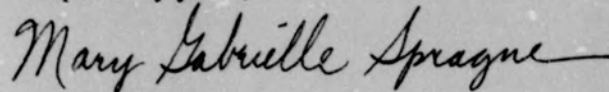
As stated in the enclosed Negotiated Agreement, the parties request that Environmental Condition 11 be amended by deleting Huron Township from the list of communities on the Carleton, MI to Ecorse, MI line segment and that Environmental Condition 51 be amended by adding this Negotiated Agreement with Huron Township, dated January 15, 2001, and accepted by Huron Township on February 15, 2001, to the list of Negotiated Agreements.

ARNOLD & PORTER

Hon. Vernon A. Williams
March 15, 2001
Page 2

Thank you for your assistance in this matter. Please contact me (202-942-5773) or
Craig Curry of Conrail (856-231-2008) if you have any questions about this submission.

Respectfully yours,



Mary Gabrielle Sprague
*Counsel for CSX Corporation and
CSX Transportation, Inc.*

Enclosure

cc: Elaine K. Kaiser, SEA
Craig Curry, Conrail
John Mitchell, Supervisor, Huron Township

CONRAIL



January 15, 2001

Mr. John Mitchell
Supervisor, Huron Township
P. O. Box 218
New Boston, MI 48164-0218

Re: Negotiated Agreement Relating to CSX/NS Acquisition of Conrail

Dear Mr. Mitchell,

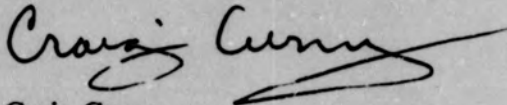
Thank you for the time you dedicated to the opportunities and environmental issues associated with CSX/NS Shared Asset Area operations through your community. CSX, on behalf of Conrail ("CR"), consulted with Huron Township regarding the environmental effects identified by the Surface Transportation Board of increased train traffic, including wayside noise, through Huron Township. Huron Township and CR have jointly developed this Negotiated Agreement to satisfy Huron Township's environmental concerns. In exchange for a payment from Conrail of \$20,000.00, Huron Township agrees to utilize the settlement amount in its sole discretion for the benefit of the citizens of Huron Township, for appropriate public purposes including noise mitigation.

This Negotiated Agreement replaces the agreement previously submitted to Huron Township on January 27, 2000 by Conrail. The Agreement will be filed with the Surface Transportation Board to document satisfaction of Environmental Condition 11 with respect to Huron Township, and is intended to supersede any other obligations under Environmental Condition 11. The parties jointly request the Board's approval by requesting that this Negotiated Agreement be incorporated into Environmental Condition 51 of Finance Docket No. 33388, Decision No. 89. This Negotiated Agreement will become effective upon an order of the Board accepting this agreement.

Mr. John Mitchell
January 15, 2001
Page 2

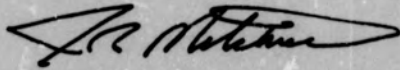
Please countersign this letter to indicate your agreement and return it to my attention. If you have any questions, I can be reached at phone number 856-231-2008.

Sincerely,



Craig Curry
Chief Environmental & Safety Officer

Accepted and Agreed to:



Mr. John Mitchell
Supervisor, Huron Township

Date: 2-15-01

CC: Thomas G. Drake - CSX
James D. McGeehan

