New Intermodal Service:
Norfolk Southern is introducing improved Intermodal service between Detroit (Delray), MI and Norfolk, VA. This service is improved by 9.5 hours eastbound and 5.25 hours westbound and allows us to establish new service between Stark, OH and Norfolk, VA. The new service begins February 3, 1997 and offers you a two day improvement over current Cleveland service serving Northern Ohio. The Stark, OH facility, commonly called NEOMODAL, is a state of the art facility located in Navarre, OH on S. R. Highway 21. This site is strategically located 54 miles south of Cleveland, 110 miles northeast of Columbus, 110 miles northwest of Pittsburgh.

Stark, OH Ramp Hours: 7 a.m. - 6 p.m. Monday - Friday
7 a.m. - 3 p.m. Saturday

Drayman Contact: GPS Transportation
John Foley
(800) 779-7772
(610) 865-7874 Fax

Stack Container
(216) 531-7555

Container Port Group
(216) 341-4800

Intermodal Service:

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<td>Hoover</td>
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<td>Smuckers</td>
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<tr>
<td>Fleming Foods</td>
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</table>
September 9, 1997

Mr. Steve Paquette, President
Stark Development Board
116 Cleveland Avenue, NW
Canton, Ohio 44702-1730

Dear Steve:

We recently sent out information to over 2,000 of our customers regarding new CSXI services available at the Stark terminal. Enclosed is a copy of last week's communication to our customers. Please use any of the attached information in your group's efforts to publicize the facility. If a local publication would like additional information, please have them contact Mr. Dan Murphy who heads up our Communications Department. He can be reached at 904 633-1070.

We are also planning a direct mailing piece to a group of regional firms who could likely benefit from CSX Intermodal's services in and out of Stark. Ron is providing his mailing list, which will be combined with ours. We plan to have the mailing go out in a couple of weeks. In addition, I am planning a trip to Northeast Ohio sometime during the week of the 23rd of September to meet with the region's intermodal marketing companies. Ron and I are coordinating that effort.

It is our plan to continue to publicize our transportation services available to Northeast Ohio shippers and receivers in an effort to build our freight volumes passing through the Intermodal terminal. We appreciate the effort your organization continues to make in support of the terminal. If you have any questions or would like to investigate any new ideas for increasing the flow of freight through the terminal, please contact me at any time.

Sincerely,

H. Hudson Buzbee
Domestic Market Manager

cc: Mr. John Favor, CSXI Sales, Oak Brook, IL
Mr. David Hoppens, CSXI Sales, Jacksonville, FL

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

<table>
<thead>
<tr>
<th>Location</th>
<th>Location</th>
<th>Location</th>
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<tbody>
<tr>
<td>Calgary, AB</td>
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<td>Vancouver, BC</td>
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<td>Salt Lake City, UT</td>
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<td>Dilworth, MN</td>
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<td>San Bernardino, CA</td>
<td>St. Paul, MN</td>
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<td>San Diego, CA</td>
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<tr>
<td>Miami, FL</td>
<td>Albuquerque, NM</td>
<td>Green River, WY</td>
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</table>

While our new Directory 3 only shows rates for Florida destinations, Plan 250 rates are in our computer system for all of the points shown above. If you would like a copy of the trailer rates to these destinations, please send us your name, company and either your Internet e-mail address or your fax number. Requests for the rate and route document can be faxed to 904 633-1140 or e-mailed to Hudson_Buzbee@csx.com. Please use any of these rates when you have freight going to those cities.

CSX’s interline partners also have rates for trailers going into Stark. Please check with the appropriate carrier for inbound rates and schedules.

For the first few months of this new trailer origin, we would like to have your operations personnel contact Joy Waldner at our Midwest Sales Office (630 571-4830 voice or 630 571-4835 fax) with a forecast of the trailers you will need 48 hours in advance of your pick-up time. This will enable us to make sure the equipment is there when you need it.
Gate cut-off for departures is 1500 Monday through Saturday. Freight being interchanged in Chicago will be delivered to the connecting carrier the afternoon after its departure from Stark. Please contact the appropriate carrier for schedules out of Chicago.

Please note that Stark is now a CSXT location which means Florida destinations have a CSXT routing and interline business will have a CSXT-CHGO-(carrier beyond) routing.

The address for the Stark facility is 4940 Erie Ave. SW, Navarre, OH 44662. Billing for new CSXT routed freight, should be faxed to the CSX Waybilling Center at 800 448-8984 referencing a Stark origin. As always, our 48' domestic container freight has a CSXI routing and is billed through our Service Order group at fax number 904 633-1980. Please contact our EDI specialists at 800 334-4256 if assistance is needed in setting up EDI transmissions of billing documents.

We hope that this expansion of services is valuable to your company. If you have suggestions that would improve our product thereby enabling your company to sell it more often, please let us know what we can do. Contact your CSX Intermodal Sales Representative for more information.
September 9, 1997

Mr. Stephen L. Paquette, President
Stark Development Board, Inc.
116 Cleveland Avenue NW
Suite 600
Canton, Ohio 44702

RE: Neomodal Loan

Dear Steve:

We promised to notify you, with as much advance notice as practicable, when it appeared that the $400,000 to be loaned on an "as needed basis" by Wheeling to Intermodal Operators, Inc. would be expended. We cannot determine exactly when the funds will finally be expended but it now appears that, despite the recent increase in intermodal traffic out of Neomodal, that on or about December 31, 1997, there will no longer be funds to subsidize operations.

We have notified Bank of America and The Bank of New York and requested permission for a waiver for lending an additional $50,000 but the Banks have declined the request. (A breakdown of financial resources and expenditures is attached).

You have discussed with us in the past that other public funding might be available to you if our funding should run out. Please let us know if we can be of assistance in helping you work to receive additional funding. We regret that our loan funds have not been able to bridge to the point of Neomodal's self sufficiency but note that we have been subsidizing operations for over 18 months and have used our best efforts both to market and serve Neomodal. We also hope you can appreciate that the $400,000 loan and the $250,000 purchase of land for the facility were very substantial commitments toward the start up of the facility.

Very truly yours,

[Signature]
Steven W. Wait
**FINANCIAL RESOURCES**

- Current cash balance: $19,206
- Available remain cash: $25,000
- Current receivable balance: $11,094
- Estimated WLE income:
  - Sept: $8,000
  - Oct: $8,000
  - Nov: $8,000

**Approx available cash and income:** $79,300

*conservative-based on average from past 3 months*

**FINANCIAL EXPENDITURES**

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<th>August</th>
<th>September</th>
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<th>November</th>
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**Estimated fixed cash expenses:** $68,104

*Based on past 3 months expenditures & comparison from same months last year
These are also the month's in which the expense occurs, not necessarily the month paid*

**OTHER CONSIDERATIONS:**

When Trailer repairs are done by IOI, we are billed by GPS and have net 30 terms. IOI does not bill the customer when the job is complete. IOI does invoicing in batches during the month. Therefore in addition to the 30 days the customer has to pay, there is also a difference between the date the job was finished and GPS bills IOI, and the period IOI does the invoicing.

In light of this fact, I anticipate additional expenses will have to be paid way before the additional revenue is collected.
### TOTAL OPERATING EXPENSES

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### TOTAL OPERATING EXPENSES

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<td>G &amp; A EXPENSES</td>
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### G & A EXPENSES

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<td>TOTAL G &amp; A EXPENSES</td>
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### NET INCOME

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### Balance Sheet

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<tr>
<td><strong>CURRENT ASSETS</strong></td>
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</tr>
<tr>
<td>Other Current Assets</td>
<td>50,890</td>
<td>42,524</td>
<td>48,253</td>
<td>30,078</td>
<td>49,327</td>
<td>42,204</td>
<td>19,900</td>
<td>26,586</td>
<td>34,461</td>
<td>45,126</td>
<td>36,024</td>
<td>25,684</td>
<td>48,131</td>
<td>54,006</td>
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<td>Total Current Assets</td>
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<td>42,524</td>
<td>48,253</td>
<td>30,078</td>
<td>49,327</td>
<td>42,204</td>
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<td>36,024</td>
<td>25,684</td>
<td>48,131</td>
<td>54,006</td>
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### Liabilities & Stockholders Equity

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<td><strong>CURRENT LIABILITIES</strong></td>
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<td>Total Current Liabilities</td>
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<td>228,450</td>
<td>244,349</td>
<td>242,775</td>
<td>266,174</td>
<td>271,509</td>
<td>266,547</td>
<td>266,820</td>
<td>313,742</td>
<td>349,841</td>
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<td>Long Term Liabilities</td>
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<td>Total Liabilities</td>
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<td>398,579</td>
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| **OWNER'S EQUITY**   |          |         |         |         |         |         |         |         |         |         |         |         |          |         |
| Common Stock (par)   | 1,000    | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000   | 1,000     | 1,000     |
| **TOTAL LIAB/OWNERS E** | 49,890  | 42,524  | 48,253  | 30,078  | 49,327  | 42,204  | 19,900  | 26,586  | 34,461  | 45,126  | 36,024  | 25,684  | 48,131   | 54,006  |
Exhibit K

VERIFIED STATEMENT
OF
MICHAEL D. MOKO Dean

My name is Michael D. Mokodean. I am the Chief Financial Officer of the Wheeling Corporation ("W.C."). The W.C. is the parent corporation of Intermodal Operators, Inc. ("IOPS"), a wholly owned subsidiary which operates the Neomodal Terminal.

The financial statements of IOPS which are appended to the Verified Statement of Joseph R. Stadelman, as Exhibit J, have been prepared by my office in accordance with generally accepted accounting principles. Said statements accurately reflect the financial performance of the Neomodal Terminal for the reporting period recited therein.

STATE OF OHIO:

SS:

COUNTY OF STARK:

VERIFICATION

Michael D. Mokodean, being duly sworn, deposes and says that he is the Chief Financial Officer of the Wheeling Corporation, that he knows the contents of this Verified Statement, and that the contents are true and correct.

Subscribed and sworn to before me by Michael D. Mokodean on this _day of October, 1997.

My Commission expires on ____________________

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

OPERATIONS

By: Joseph R. Stadelman

A White Paper titled "Neomodal Terminal - A State of the Art Intermodal Railroad Terminal (White Paper) which covers all aspects of the Neomodal Project, including its development, design, construction and operation is included as Exhibit F to the Verified Statement of Stephen L. Paquette.

A synopsis of the operations follows.

The NEOMODAL Project officially began on November 22, 1994 at a meeting in Columbus, Ohio between the Stark Development Board, Stadelman & Associates, the Ohio Department of Transportation, and officials from the Federal Highway and Federal Railroad Administration. At this meeting it was agreed that SD3 would start immediately to design and build a "State-of-the-Art" terminal on a site provided at no cost by the Stark County Commissioners to the Stark Development Board, and operated by a private terminal operator.

Project Time Table: The engineering team was assembled and released to proceed with the design work in early December 1994 and instructed to proceed on a "Fast Track" schedule basis (See Exhibit A). A budget of $11,200,000 was established (Exhibit B) and a project schedule and scope of supply/division of responsibility document prepared. The environmental and local concerns were addressed and resolved.

The unique layout and combination of componentry used within the terminal allowed the innovative project team and the public sector participants to expedite political and commercial considerations which allowed the terminal to be designed and built within a one year time frame. Because of North East Ohio's winter weather delays the terminal construction work would need to be completed by December 15, 1995 to be within budget (a delay of completion beyond December 15, 1995 would have resulted in at least a six (6) month winter delay and at least a $2,000,000.00 increase in project costs to complete construction in the summer of 1996). With the help of qualified
suppliers and the timely and efficient performance of the project engineering team the
project was completed within the original budget $11,200,000.00 with only 8% soft costs
(Administration, Engineering, Project Management, Procurement & Construction
Management) and ready to handle cargo on December 15, 1995 (traditionally these soft
costs range from 15% to 25% on a high technology project of this type). In the course
of implementing the project it was necessary to obtain a total of 15 governmental
permits. It was also necessary to rezone the site from residential to industrial. This
involved interactions with local entities, neighbors, the Ohio Department of Transportation
and the Federal Highway Administration. Landscape mounds were created around the
perimeter of the property to absorb sounds and trees were planted to improve aesthetics.
The Project was completed without a single lost time accident.

The NEOMODAL Terminal: The terminal is designed to efficiently handle
the receipt and dispatch of ISO containers and truck trailers and has the capability to
service the interface with double stack railcars, containers or truck trailers on flat cars,
and standard tractor trailer units. It also has the ability to handle NeoBulk cargos such
as steel coils, lumber, bundled steels, etc. and oversized weight project cargos. The
purpose of the NEOMODAL Terminal is to provide an economical means to easily load
and unload railcars with Containers/Trailers for companies located in the North East Ohio
and Western Pennsylvania within a 120 mile radius. This terminal has been designed
to provide the most economical and efficient operations in the minimum amount of real
estate available for handling unit trains while providing maximum service possible to its
local hinterland. This “State of the Art” NEOMODAL Terminal in Ohio offers the most
efficient and lowest operating cost intermodal railroad terminal in the USA. The
NEOMODAL Terminal has included several new developments to raise its capabilities
and levels of service. It has also been designed to permit operations at reduced
manning levels in comparison to conventional intermodal terminals. For example, the
manning of the four (4) gates requires only two (2) employees: one (1) clerk and one (1)
person to check for trailer/container damage. Each of the rubber tired gantry cranes
requires only one (1) operator who serves as the crane operator and who also acts as
a ground person. At a one (1) shift operation, the NEOMODAL Terminal will employ a
total of up to fourteen (14) employees, for two (2) shift operation thirty-seven (37)
employees, and for three (3) shift operations forty-nine (49) employees. At present, the terminal employs these personnel.

**Terminal Design:** Each feature of the NEOMODAL Terminal adds to the efficiency of the terminal operations and allows the terminal operator to offer superior service to the users of the Terminal. The NEOMODAL Terminal is considered to be a "Just in Time" type operation and is capable of operating 24 hours per day seven days per week. The NEOMODAL Terminal represents the most efficient terminal possible with today's technology. It has the capability to provide the highest productivity per man hour of any intermodal terminal currently in existence. This is due in part to the features designed into the NEOMODAL Terminal. Some of the significant features of this Terminal include the following:

a. **Gate House:** The Gate House is designed with features to provide for easy interface with the truckers and to provide the necessary environment for efficient management of the terminal. It is a raised structure to permit observation of yard operations and all incoming and outgoing activities. The raised control room at the third level has TV monitors, computers and all necessary communicating devices that allow for interfacing with all areas of activity. TV camera systems are provided to allow monitoring of yard operations and trucks and trailers. TV monitors are provided at the clerk stations to allow for interfacing with the truckers and to monitor the trailer numbers and the condition of the incoming and outgoing trailers. This information is recorded on a VCR tape. The truck gates are located under the gate house for weather protection and to optimize the use of real estate.

b. **Computerized Yard Management System:** (Exhibit C) The NEOMODAL Terminal has its own yard management system. This SGS/GPI yard management system employs a PC based computer enhanced management and tracking system supported by a hand held and permanently mounted RF Teklogix data communication and voice transmission units which are used to transmit information between the yard and the control center. ADT video camera systems are utilized for security. Separate video cameras are used to inspect containers and trailers for damage and for verification of identification numbers when
entering and exiting the terminal. The yard management system permits the management of the Terminal's yard operations in "real time" and allows for the pre-determination of traffic movement into and out of the Terminal. This system interfaces with external railroad EDI systems, trucking companies, and telephone queries by customers and shippers. This sophisticated SGS-GPI yard management computer system is similar to that utilized in high volume marine terminals. The Terminal's control room planner, by utilizing the pre-programmed train staging and yard management software, EDI (Electronic Data Interchange) and direct radio communications through a Teklogix RF DataVoice terminal located in each gantry crane and yard tractor, can optimize and reduce the time required to load and unload a train. This is a "paperless" system. The entire system, Gantry Cranes, Yard Tractors, Gate and Yard Planning operate in "real time" thereby improving Terminal efficiency dramatically.

c. "Paperless" Automated Gate Operations: The NEOMODAL Terminal utilizes the LA King "unmanned" automated and remote gate operations where one clerk can service four truck gates and the drivers never need to leave their truck, thereby assuring a very fast one minute gate time. The LA King gate system also provides a "paperless" transaction. This system permits the clerk to easily interface with the truckers via a video and telecommunication system equipped with a bar code reader and truckers license reader, ticket printer and speaker unit to allow interfacing with the individual trucker in his truck.

d. EDI Interfaces: A "paperless" management and transaction system EDI (Electronic Data Interchange) is employed to transmit shipping information between the railroads, trucking companies, and the NEOMODAL Terminal operations. This information is transmitted over telephone modems and allows for pre-planning of operations to maximize efficiencies. In addition, the automated gate features EDI (Electronic Data Interchange) capabilities for fast and efficient tracking of incoming and outgoing shipments. The raised office complex includes a control room on the third floor overlooking the yard operations and contain all necessary electronic and communicating equipment to permit the monitoring, directing, and control of yard operations.
e. **Terminal Yard Design Features:** Due to the limited amount of land available for the Terminal at this location, the Terminal design was created as an "inland port" type of terminal employing high density (4 container high) stacking capabilities and incorporating a three load/unload track arrangement with total capability of servicing up to 60 (89 foot) railcars. (Exhibit D)

These service tracks are essentially 2,000 feet in length versus the more conventional 8,000 feet long (one high stack) intermodal terminals in the USA. One of the three tracks is 6,000 feet to allow train staging and blocking and to allow a complete unit train to be positioned without interfering with the main line activities. The NEOMCDAL Terminal has the capability to service and turn a 60 railcar train as pre-staged within a 3 ½ hour time frame by using all three rubber tired gantry cranes. The railcars are delivered to the NEOMODAL Terminal by the Wheeling & Lake Erie Railway with up to 20 railcars placed on each of the three rail load/unload spurs. The 6,000 ft. runaround trackway is adjacent to the main line to allow for easy interchange of railcars without tying up the mainline tracks. The W&LE Railway has two large railcar storage yards, one at Brewster (located 4 miles South) and one at Gambrinus (located 4 miles North) to support fast train turn around and the staging of new unit trains.

**Yard Markings.** The Terminal contains all signs and locating devices to allow for efficiently locating the containers, chassis, trailers, railcars within the Terminal. The Terminal also includes lighting alongside the north side, the western edge, and the south end of the intermodal yard. Visible signs and pavement line markings with identification letters & numbers painted on the pavement are furnished to assist truck drivers to easily locate the designated parking or pickup location while within the intermodal terminal. These also help the yard hostler drivers and crane operators to verify locations when placing or moving trailers or containers as directed by the gate operations and yard controller.

**Terminal Yard Operations:** Each of the three rail spur lines are serviced by one of the three 45 ton capacity rubber tired diesel powered and operator controlled Mi-Jack gantry cranes equipped for intermodal service. These cranes are
equipped with standard container lift beams and special lifting attachments for handling all types of truck trailers, container on chassis, and neo-bulk and heavy lift over size cargos. These cranes have lights, computer assisted tracking and Teklogix radio link communications systems to provide operator assistance for fast and efficient handling operations. The cranes can be operated from the crane cab or by radio control from the ground. Separate yard tractors are utilized to transport containers on chassis and trailers between the active intermodal yard and the temporary storage/staging areas. These yard tractors also have radio communications links to the yard operations computers in the control room. The gantry cranes and yard tractors contain permanently mounted electronic and voice communicating devices to permit the efficient “Real Time” exchange of the necessary data to direct and control the NEOMODAL Terminal operations. Handheld Teklogix units are also provided for communicating with roving ground employees (for example, the radio control crane operator).

Gantry Cranes: The three Mi-Jack gantry cranes are designed for a 45 ton capacity which matches the ship to shore cranes’ capacities in most of the USA and world ports. (Exhibit E) This feature allows local industry to move 40 ton containers to and from the NEOMODAL Terminal with special ODOT overload permits. Many international divisible cargos in North East Ohio weigh out (20 tons is the truck limit) with the container cube only half full of cargo and half air (the most expensive product to ship). By utilizing the NEOMODAL’s 45 ton crane capacity, local companies would be able to reduce their transportation costs by up to 50% when shipping heavier loads. The Mi-Jack cranes are outfitted with load cells to display and record the weight of the lifted loads on the yard management computer screens. The Mi-Jack gantry cranes were designed for a 80 ft. span, 50 ft. lift to allow for high density storage and easy pre-staging of trains. Its duplex lifting beam can handle trailers with trailer arms and containers with standard twist locks. The crane can lift a container over a four (4) high container stack and a trailer over a three (3) high container stack. For the “first time” the Mi-Jack gantry cranes utilize Detroit Diesel series 60 electronic 450 HP diesel engines with full maintenance diagnostics and outfitted with hospital grade
mufflers and 30 ft. high exhausts. These engines are quieter, more reliable, more efficient, and maintenance friendly thus reducing operating costs and diesel fuel consumption.

**Gantry Crane Radio Control:** For the “first time” radio control systems were provided for controlling the rubber tired gantry cranes from the ground. This permits the operator to be close to the interface between the lifting beam and the container, trailer and railcar. Each Mi-Jack gantry crane is controlled from the ground by one person utilizing a Telemotive TMS (Time Multiple Share) radio control system. The TMS system also reduces RF (Radio Frequency) congestion for industrial environments and reduces the number of RF permits for a site. The radio control permits the operator to be out of the trolley cab (which is 65 feet in the air on the gantry bridge) and places the operator on the ground next to the railcar’s fifth wheel trailer stanchion where the operator also acts as a ground man.

Without the radio control, the manual crane would require a minimum of two (2) personnel to operate the crane.

**NeoBulk Lifting Beams:** The Terminal includes three (3) special detachable NeoBulk lifting beams including a 40 ton “C” hook beam, a 15 ton fork beam, and a 40 ton sling beam supplied by Custom Technologies. These beams can be attached to the Mi-Jack cranes to allow the efficient transfer of non-containerized shipments between railcars and trucks. The utilization of these lifting beams increases the flexibility of the Terminal and provides a means to handle all types of NeoBulk cargo to increase the cargo volume and thereby earning additional revenue. Cargos such as 40 ton steel coils, bundled steel, steel slabs, lumber, machinery, crated and palletized cargos can easily be shipped through this railroad Terminal.

**Project Cargos:** The Terminal includes two (2) 40 ton single point lifting beams that can be used singly or in tandem where two (2) cranes can provide an 80 ton heavy lift capability. This is a first for an intermodal terminal in the United States.
Operations: The NECMODAL Terminal is initially operating with one (1) eight (8) hour shift per day and six (6) days per week with capability of expanding operations to 24 hours a day and 7 days per week as the cargo volume increases. The expected volume is 150,000 lifts per year (loaded and empty) within three to four years.
### Stark Intermodal Facility Schedule (Top Level)

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<tbody>
<tr>
<td><strong>Gantry Cranes</strong></td>
<td>1/3 ES</td>
<td>1/3 BD</td>
<td>2/1 BR</td>
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<td><strong>Truck Scales</strong></td>
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<td>4/07 BR</td>
<td>5/1 AC</td>
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<td><strong>Gate Facilities</strong></td>
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<td><strong>Civil Works</strong></td>
<td>2/15 ED</td>
<td>3/1 ES</td>
<td>4/24 BR</td>
<td>5/1 AC</td>
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<td><strong>Site Development</strong></td>
<td>2/15 ED</td>
<td>3/1 ES</td>
<td>4/24 BR</td>
<td>5/1 AC</td>
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<td><strong>Terminal Operator</strong></td>
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<td><strong>Transporters (Lease)</strong></td>
<td>7/14 ES</td>
<td>8/1 BD</td>
<td>8/15 BR</td>
<td>9/1 AC</td>
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<td><strong>&quot;Off Site&quot; Services (Sub Contract)</strong></td>
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**NOTES**
- **ES** = Engineered Specifications Completed
- **AC** = Evaluate AC and Award of Contract
- **CC** = Construction Complete
- **CT** = Commission, Test, and Operate
- **T/9** = Train Terminal Operators
- **BD** = Bid Documents Sent to Bidders
- **MC** = Manufacturing of Equipment & Systems Completed
- **SS** = Shipment from Supplier
- **SO** = Selection of Terminal Operator
- **ED** = Engineered Design Drawings
- **BR** = Bids Received
- **CA** = Construction Activities
- **IN** = Installation
- **MO** = Marketing & Sales Organization
- **CO** = Commercial Operation

**REMARKS/COMMENTS**
- "Off Site" Services = Tire Service, Fuel Delivery, Heavy Maintenance, Computer Service, Lease of Transporters, Hostlers, Chassis, Etc.
## EXHIBIT B

Final Budget $11,200,000.00

**NEOMODAL TERMINAL**

"State of the Art"

**COST ESTIMATE**

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<th>Item/Description</th>
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<td><strong>Property - Land</strong> (28 acres - Stark County Farm)</td>
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<tr>
<td>Land Purchase (South end of property)</td>
<td>N/C from W&amp;LE RR</td>
</tr>
<tr>
<td>Land Purchase (North end of property)</td>
<td>N/C from W&amp;LE RR</td>
</tr>
<tr>
<td><strong>Civil Work - (H&amp;A) Site Engineering and Construction</strong></td>
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<tr>
<td>Services, (Beaver) Grading, Paving, Utilities, Railtracks, Storm &amp; Sanitary Sewers, Sound Barriers, Landscaping, Stone on East Parking Lot.</td>
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<td><strong>Utilities - East Ohio Gas Line Relocation, East 27&quot;</strong></td>
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<td>Sewer Reconstruction.</td>
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<td><strong>Corporate House - (HD) Gate Architect, (Hammond) Construction, (S&amp;A) Office, Landscaping, Signs, Office Furnishings, Partitions, ADT Security System</strong></td>
<td>746,000</td>
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<tr>
<td><strong>Computer Hardware &amp; Software Systems - (SGS-GPI) Yard Management &amp; (LA King) Gate System &amp; Equipment</strong></td>
<td>888,000</td>
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<td><strong>Equipment - Three (MiJack) Rubber Tired Gantry Cranes, with (Telemotive) Radio Control Jns &amp; (CTI) Neobulk Lifting Beams &amp; Stands, Snow Removal Systems</strong></td>
<td>3,196,000</td>
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<tr>
<td><strong>Management &amp; Engineering - (SA Develop Design, Construction, Marketing, Management, Operation, (CTI) Equipment &amp; Systems Engineering, (H&amp;A) Site Inspection Services, (CJB) Railroad Consultant</strong></td>
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<td><strong>Railroad Related Work - (W&amp;LE) Design &amp; Construction, Mainline Railroad Force Account, Ties, Rail, Switches, Misc. Hardware, Timber Crossings, Computer Upgrade</strong></td>
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<td><strong>Misc. Expenses - Legal Fees, insurance, Audit, Operations &amp; Marketing Support</strong></td>
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<tr>
<td><strong>Total Budget</strong></td>
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</table>
SGS-GPI Yard Management & Communication Systems

Status of Operations Kept Current in "Real-Time" with Immediate Updates

GATE OPERATIONS
Information on Cargo & Truckers

OPERATORS of YARD TRACTORS
(Instructions Confirmation of Task Completions)

CRANE OPERATORS
(Instructions Confirmation of Task Completions)

GROUND MEN or ROVERS
(Instructions Confirmation of Task Completions)

CLASS 1 RAILROADS

WHEELING & LAKE ERIE RR

EDI - ELECTRONIC DATA INTERCHANGE
Shipping & Cargo Information

BILLING INFORMATION FOR SALES

OPERATIONAL REPORTS FOR MANAGEMENT

CUSTOMER & SHIPPER ACCESS
Status of Loads

NEOMODAL Terminal
SGS-GPI Computerized Yard Management & Communication System

SGS-GPI INTERACTIVE COMPUTER SOFTWARE
for Pre-planning Yard Activities & Train make-ups

The NEOMODAL Terminal Project
Letters of Support - Public Sector

The following individuals have written letters of support for the Neomodal Terminal and the Wheeling & Lake Erie Railway in their filings before the Surface Transportation Board, regarding the acquisition of Conrail by Norfolk Southern Railway and CSX Corporation.

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Name</th>
<th>Position</th>
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<tbody>
<tr>
<td>A</td>
<td>Bill Clinton, President of the United States of America</td>
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<tr>
<td>B</td>
<td>George Voinovich, Governor, State of Ohio</td>
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<td>C</td>
<td>Ralph Regula, U.S. Congressman, 16th District</td>
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<td>D</td>
<td>Scott Oelslager, State Senator, Ohio 29th District</td>
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Warm greetings to the citizens of Stark County, Ohio, as you celebrate the opening of the Stark County Intermodal Facility. This innovative project will greatly improve freight operations, reduce air pollution, costs, and fuel use, and generate thousands of new jobs.

I commend all those whose vision and hard work brought this project to reality. You can take great pride in the extraordinary cooperative effort at the federal, state, and local levels that helped complete it ahead of schedule. The Stark County Intermodal Facility is an excellent example of the strategic investment of federal resources that the American people expect and deserve, and I am confident that it will benefit the citizens of Ohio for years to come.

I join Secretary Peña in extending best wishes for every future success.

Bill Clinton
October 10, 1997

Mr. Charles H. West  
Chairman  
Stark Development Board  
116 Cleveland Avenue NW, suite 600  
Canton, Ohio 44702

Dear Mr. West:

I am writing to confirm the State of Ohio’s support for increased usage of the NEOMODAL intermodal hub at Navarre.

Ohio spent over $14 million on the NEOMODAL facility and related highway improvements. The result is a state of the art intermodal terminal equal to the best facilities in the nation. As I understand it, the Stark Development Board and the Wheeling & Lake Erie Railway have worked together to steadily increase usage of NEOMODAL every month since it opened nearly two years ago.

Still, usage of NEOMODAL by major railroads like Norfolk Southern and CSX, could be greater. In my recent meetings with the CEOs of these two railroads, I personally urged them to increase their use of this facility.

I understand that the Stark Development Board and Wheeling & Lake Erie will soon file petitions as part of the Conrail acquisition proceedings to request that the Surface Transportation Board mandate increased usage of the NEOMODAL facility by Norfolk Southern and CSX. The State of Ohio is a party to these STB proceedings and will file in support of the Stark Development Board/Wheeling & Lake Erie NEOMODAL requests.

Please do not hesitate to let me know how the State of Ohio can further help with NEOMODAL issues.

Sincerely,

[Signature]

George V. Voinovich  
Governor
Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Case Control Unit  
Attn: STB Finance Docket #33388  

Dear Mr. Williams:

As the Member of Congress representing the 16th district of Ohio in which the Neomodal Terminal is located, I want to express my belief in its importance as a vital piece of transportation infrastructure in our state.

The Neomodal was constructed to serve as an important transportation asset to better serve the needs of our major manufacturers in Stark County and Northeastern Ohio. The facility was designed to assist companies ship their products both domestically and overseas by providing them greater competitive access, lower rates and better reliability and service due to the unique way the terminal was structured to provide access to their shipments to multiple Class I railroads. The site is also part of a Foreign Trade Zone, a status granted by the U.S. Department of Commerce.

The Neomodal represents the joint efforts of federal, state, local public officials as well as private business working together to create this $30 million facility. At the federal level, it received $11.2 million of Congestion Mitigation and Air Quality (CMAQ) program funds as authorized in the Intermodal Surface Transportation Efficiency Act of 1991. The Neomodal was one of the first projects to be completed under the U.S. Department of Transportation’s Innovative Financing program. It was built within budget and on schedule.

The pending acquisition of Conrail by CSX and Norfolk Southern will have a substantial negative impact on the terminal, its customers and local manufacturers, as well as Stark County. Three issues concern me the most: loss of competitive access; safety; and environmental impact.

I am concerned that implementation of the operating plan will result in the elimination of competitive rail service in Northeastern Ohio. The Neomodal was strategically located on the main line of the Wheeling & Lake Erie Railway because it offered direct competitive connections to Conrail, Norfolk Southern, and CSX. Companies using the terminal will lose
EXHIBIT C

competitive access to these three Class I railroads under the proposed merger due to the potential bankruptcy or loss of service by the Wheeling & Lake Erie Railway. The Wheeling & Lake Erie estimates that it will suffer revenue diversions of more than $10 million. Moreover, if the only remaining Class I carriers, Norfolk Southern and CSX are permitted to bypass the Ncomodal and its servicing carrier, this public/private model could be made obsolete. One major business, Fleming Foods, made a $24 million investment based on the existence of the facility. Other businesses are also relocating to the 28 acres abutting the facility in order to maximize their competitiveness.

As a result of this strategic location, truck traffic in Northeast Ohio is being reduced resulting in potentially significant safety benefits. Bypassing the facility would result in increased truck traffic and its corresponding pollution and safety hazards. Moreover, the operating plan submitted by the two railroads will significantly increase train traffic in highly urban areas of Cleveland causing citizens there to be justly concerned about safety.

Regarding its environmental impact, based on projections made at the time of the Innovative Financing application, the existence of the facility will result in the removal of more than 15 tons per year of carbon monoxides and more than 47 tons per year of nitrogen oxides from the air.

The Ohio Department of Transportation estimated that there could be reductions of over 10,000 annual truck trailer trips in Ohio driven an average of 500 miles each per truck trailer trip for a total of 5,000,000 miles. Corresponding diesel fuel consumption would be reduced by 625,000 gallons.

Without the facility being used, these environmental gains will be lost having a very negative impact on an area of the state which is working to achieve attainment status under the Clean Air Act Amendments.

I urge the Surface Transportation Board to take these issues into consideration in your review of the pending Conrail acquisition.

With best wishes, I am

Sincerely,

Ralph Regula, M.C.
Dear Mr. West:

I am writing to provide support to the importance of the Neomodal Terminal to the State of Ohio and particularly to Northeast Ohio. As Chairman of the Senate Highways and Transportation Committee, Ohio has spent over $14 million on the Neomodal Terminal. This Terminal was designed as a “state-of-the-art” facility and located specifically at Navarre, Ohio, to provide Northeast Ohio manufacturing companies with a facility that could offer shippers competitive rates and options by allowing them access to three Class I railroads via the Wheeling & Lake Erie railroad. The Stark Development Board (“SDB”) and the Wheeling and Lake Erie Railroad have worked together to steadily increase the usage of the Neomodal since it opened nearly two years ago.

The Neomodal Terminal is also key to the long-term development strategies that are now in place to help guide the future growth and development of Stark County, and Northeast Ohio. I have been working closely with SDB, the Stark County Commissioners and the members of our state legislative delegation on several initiatives that will create over 15,000 to 20,000 new jobs over the next 10 years. We have already attracted several companies including Sterilite Corporation and Peoples Services, who have already invested over $42 million in new facilities at a new 843 acre business park, NEO Com-Fark that is located adjacent to the Neomodal Terminal.

Part of our efforts also include the construction of key highway improvements to provide greater access to the Neomodal Terminal. In this regard, the State of Ohio is currently completing engineering and right of way acquisition to begin widening of U. S. Highway 21/62 to the Neomodal Terminal from US Highway 30/62 at a cost of over $3.8 million. This project will be constructed in 1998.
The Neomodal Terminal is also a key part of the future transportation infrastructure that will link the major counties in Northeast Ohio. The Ohio Department of Transportation is presently working with the Federal Aviation Administration and the Northeast Ohio Economic Trade Consortium to design and construct a new international jet freight airport at the current Youngstown Regional Airport; and upgrading the Wellsville Port facilities in East Liverpool. These three transportation facilities, once integrated, will form a more competitive transportation system that will help to retain our companies within the state and will provide an incentive to companies seeking to locate within the Midwest market or international firms seeking a U.S. location.

It is for these reasons, I am concerned by the proposed plans by the Norfolk & Southern ("NS") and CSX railroads that may potentially lead to the bankruptcy of the Wheeling & Lake Erie Railroad that serves the Neomodal Terminal. A decision by the NS or CSX to ignore the Terminal, by choosing to construct new intermodal facilities elsewhere in Northeast Ohio would result in the closing of Neomodal.

Please do not hesitate to let me know how the State of Ohio can further help with the Neomodal issues.

Sincerely,

[Signature]

W. Scott Oelslager
State Senator
29th District

SO/cch
Letters of Support - Private Sector

The following corporations have written letters of support for the Neomodal Terminal and the Wheeling & Lake Erie Railway's filings before the Surface Transportation Board, regarding the acquisition of Conrail by Norfolk Southern Railway and CSX Corporation.

Exhibit A  Diebold, Incorporated
Exhibit B  Fleming Companies, Inc.
Exhibit C  The Hoover Company
Exhibit D  Peoples Services, Inc.
Exhibit E  Republic Engineered Steels
Exhibit F  The Timken Company
October 9, 1997

Mr. Charles H. West  
Chairman  
Stark Development Board, Inc.  
116 Cleveland Avenue, N.W.  
Suite 600  
Canton, OH 44702-1750

Dear Chuck,

Diebold, Incorporated is a highly effective global competitor with corporate roots in Canton, Ohio. Our products are marketed throughout the world. They are manufactured and distributed from a network of many plants located in the United States and a growing list of other countries. Highly efficient and effective logistics and transportation systems are important elements of our competitiveness.

It is our understanding that the divestiture of Conrail may leave Stark County and the surrounding region with competitively disadvantages general freight and intermodal services. It is vital to Diebold, Incorporated that the general railroad system provide these services to our area at competitive rates and with system priorities that will support highly reliable delivery schedules.

We wish to express our support for the Stark Development Board’s filing before the Surface Transportation Board.

Sincerely yours,

DIEBOLD, INCORPORATED

Bob Mahoney  
Chairman of the Board and  
Chief Executive Officer  

RWM/ms
October 10, 1997

Mr. Charles H. West, Chairman  
Stark Development Board  
116 Cleveland Ave. N.W., Suite 600  
Canton, OH 44702-1730

Dear Mr. West:

The Fleming Companies is a national food distributor with a division in Massillon, Ohio. Our products are distributed to our customers via our private fleet. The manufacturers' products that are shipped to our facility are transported by common carrier, contract carrier, private fleets and through the Neomodal terminal.

Our business is dependent upon competitive rates and on time delivery schedules. We anticipate that we will become a larger user of the Neomodal facility in the future as long as competitive rail service is maintained. Food distribution is a very competitive business and we will seek the lowest provider.

We share the development board's concern in this matter and support your filing before the Surface Transportation Board.

Sincerely,

Basil Violand  
Operating Group President

BV:np
October 6, 1997

Mr. Chuck West
Chairman, Stark Development Board
116 Cleveland Avenue N.W.
Suite 600
Canton, OH 44702-1730

Dear Chuck:

The Hoover Company is the leading manufacturer of floorcare appliances. Our manufacturing plants in Stark County provide products which are distributed throughout the United States, Canada, and Mexico. Hoover also exports products which are distributed in Europe, the Middle East, and Asia.

The use of effective logistical support is vital to our business. The Neomodal Terminal provides a distribution transportation option to us, and offers increasing potential for our future business. To this end it is important that cost effective freight and intermodal service to this area be retained.

The Hoover Company supports the position of the Stark Development Board as represented in its filings with the Surface Transportation Board.

Sincerely,

Keith G. Minton
October 7, 1997

Mr. Charles H. West
Chairman - Stark Development Board
116 Cleveland Avenue NW - Suite 600
Canton, Ohio 44702-1730

Dear Mr. West,

We would like to share our thoughts and concerns regarding the planned acquisition and break-up of Conrail Incorporated by Norfolk Southern Corporation and CSX Corporation, and its impact on the service to the NEOMODAI terminal and the Greater North East Ohio Region.

Peoples Services, Inc., is a holding company of related logistic companies providing rail-to-truck transfer, bulk transportation, packaging, drumming, warehousing and related services. We operate almost 3,000,000 square feet of distribution facilities in six states and employ over 250 individuals. Originally started in 1914 as Peoples Cartage, Inc., Peoples Services, Inc., and its related companies rely heavily on rail services to serve our customers. As the Executive Vice President my responsibilities include sales, marketing, operations and community involvement. I also serve on the Board of Directors and am third generation managing the organization.

One of our current projects includes over a $2,000,000 investment in a 62,500 square foot cross-dock facility with direct access to the NEOMODAI terminal in Navarre, Ohio. Our Navarre distribution facility is strategically placed to supplement the services offered at the NEOMODAI terminal. By “stripping and stuffing” containers and staging product for final shipping and delivery, we hope to assist local customers in taking advantage of intermodal services and the related benefits. By receiving and staging product from the NEOMODAI terminal, we plan to enable our customers to maximize their manufacturing space for manufacturing versus the holding of inventory.

Furthermore, because our facility has direct access to the NEOMODAI, we are in a unique position to ship and receive overweight containers. Due to current weight restrictions which are not likely to change, trucks are limited to twenty tons gross vehicle weight. This results in many containers having room for more
cargo but not able to utilize the full capacity of the container. By utilizing the NEOMODAL terminal and our cross-dock facility, we could ship and receive fully loaded 40 ton containers since these containers would ship via rail. Not only would this activity offer significant freight savings to local customers and potentially open new markets, it would greatl. reduce the number of trucks on the road. **Should service to the NEOMODAL terminal be negatively impacted by the break-up, local companies would have to transport their products to alternative locations farther away, thus potentially adding cost, time, congestion at those facilities and reducing local companies competitiveness.**

A significant portion of our business and most active rail provider relationship is with the Wheeling & Lake Erie Railway Company in Brewster, Massillon and Barberton, Ohio. We transload product from rail cars into tank trucks for delivery to customers. We currently have on hand over 100 rail cars amounting to 400 truck loads of product on location. We average almost twenty-five loads each day. Over 50% of our orders are same day or next business day deliveries. Many times we must meet very tight delivery windows or our customers may have to shut down production due to lack of product. Furthermore, this service reduces total transportation costs, thus enabling our customers to compete. Through these rail facilities we serve many large customers and employers including Rubbermaid and its many outside molders, Sterilite, MA Hanna, The Flood Company, US Chemical, Malco Products, Ashland Chemical, Buckeye Paper and many others.

Our concerns revolve around four key areas including but not limited to **service, competition, the environment and congestion.** We will attempt to outline our concerns as follows:

**SERVICE** - Without alternative access, our customers would be at the mercy of the railroad's schedule. Competition encourages customer driven scheduling versus railroad's convenience. We must retain reasonable service schedules for access to markets worldwide. Without this access and consistent service schedules, additional time and costs would be added to the supply chain for many area business and our customers. **As we have seen from direct past experience, deterioration in rail rates and rail service negatively impact our business and our customers.**

**COMPETITION** - Due to the Wheeling & Lake Erie's access to more than one Class I rail provider, our customers are able to obtain competitive rail pricing to the local area. Should this access be limited to one provider, our customers would be at the mercy of the resulting monopoly. Furthermore, should the railroads divert traffic to facilities farther away, it would severely impact transit time and costs. Such costs would obviously hurt local companies and their ability to compete.
THE ENVIRONMENT - Should the local access be diverted to facilities farther away, we would adding significantly to truck traffic and related fuel consumption versus the fuel consumed by rail and our current delivery configuration. Most of our deliveries are within a 50 mile radius. Each rail car we receive is equivalent to four truckloads of product. We estimate fuel consumption could double due to greater distances and more trucks being required to make the same number of deliveries.

CONGESTION - By utilizing the NEOMODAL terminal and our current transload facilities, we avoid traffic and congestion of having to travel to and from similar facilities in larger cities. Furthermore, we would be placing a significant burden on those facilities that could be better handled at more conveniently located facilities. Since much of our equipment makes multiple truckload deliveries in a day, we would have to increase the number of trucks required to make the same number of deliveries if services were relocated to facilities farther away.

Due to the above reasons we are very much concerned with how service would be impacted to our existing facilities and the NEOMODAL terminal. Provided competition and service would be enhanced to our region, we would support the proposed merger of Conrail to Norfolk Southern and CSX. We very much support the efforts of The Stark Development Board and your filing to the Surface Transportation Board. We hope these comments help in your effort to maintain and improve the rail service our customers demand in the Greater North East Ohio Region.

Sincerely yours,

Douglas J. Sibila  
Executive Vice President, PSI

cc: Ronald R. Sibila, CEO, PSI

Sdbraill1.doc
Mr. Charles H. West  
Chairman, Stark Development Board, Inc.  
116 Cleveland Avenue, NW, Suite 600  
Canton, OH 44702-1730

Dear Mr. West:

Republic Engineered Steels, Inc. ("Republic") is a leading producer of high quality steel bars engineered to be used in the most critical manufacturing applications. As a result, we ship our products across the United States and to other parts of the world. Consequently, we are greatly interested in the outcome of the pending Conrail, Norfolk Southern and CSX situation.

To the extent that Stark County Ohio's transportation system is adversely impacted by the ultimate resolution of the proposed merger, and specifically its implications for the Wheeling & Lake Erie Railroad, Republic and its 4,500 employees could be significantly harmed. It is imperative that Republic and other Stark County manufacturing companies have competitive rail service at competitive rates.

Republic, therefore, endorses the Stark Development Board's filing with the Surface Transportation Board.

Sincerely,

Harold V. Kelly

HVK/sa
2235
October 13, 1997

Mr. Charles H. West  
Chairman  
Stark Development Board  
116 Cleveland Avenue, N.W., Suite 600  
Canton, OH 44702-1730

Dear Mr. West:

The Timken Company is a highly effective global competitor with corporate roots in Canton, Ohio. Our products are marketed throughout the world. They are manufactured and distributed from a network of plants located in the United States and a growing list of other countries. Highly efficient and effective logistics and transportation systems are important elements of our competitiveness.

It is our understanding that the divestiture of Conrail may leave Stark County and the surrounding region with competitively disadvantaged general freight and intermodal services. It is vital to The Timken Company that the general railroad system provide these services to our area at competitive rates and with system priorities that will support highly reliable delivery schedules.

We wish to express our support for the Stark Development Board’s filing before the Surface Transportation Board.

Sincerely,

Robert J. Lapp  
kss/west.rjl
Media Support Materials

Surface Transportation Board Filing
Supporting Documents

Exhibit

A. NEOTEC Letter of Support
B. Regula/Pena Photo Independent 07/08/96
C. Letter from Governor Voinovich
E. Teamwork - Repository 11/17/93
F. Earthquake - Repository 07/11/95
G. Fleming - Repository 03/18/94
H. $7 mil - Repository 10/01/94
I. Stark Gets Major - Repository 12/01/94
J. Under Construction - Groundbreaking Flyer
K. Officials Praise - Repository 07/08/95
L. Article - Atlantic Journal of Commerce 02/26/96
M. County Finishes - Repository 06/03/94
N. Rail Giant - Repository 07/25/96
O. Neomodal Magazine Ad
P. Neomodal Diagram - Repository 06/03/96
Q. Railroad Officials Praise - Repository 06/07/96
R. Record Time - Repository 03/23/96
S. Web Site
T. Web Site - Service Providers
U. Article - Traffic World 06/19/95
V. Article - Transportation & Distribution March '96
W. East Ohio Gas Economic Development Award
X. NEOTEC Letter to Surface Transportation Board
Y. Region Means Business, NEOTEC - Repository 02/29/96
Z. Pooling Resources - NEOTEC - Repository 03/11/96
AA. Air Cargo - Repository 07/12/96
BB. NEOTEC Promotional Literature
Mr. Charles H. West, Chairman  
Stark Development Board  
116 Cleveland Avenue N.W., Suite 600  
Canton, Ohio 44702

Dear Mr. West:

I am writing on behalf of the Northeast Ohio Trade & Economic Consortium (NEOTEC), in support of Neomodal, the Northeast Ohio Intermodal Terminal located in Navarre, Stark County Ohio.

As you are aware, the Norfolk Southern Railway and CSX Transportation companies are in the process of dividing up Conrail, which will create a tremendous impact on the rail network and support operations in Northeast Ohio. A negative impact on Neomodal from this acquisition would only undermine the mission and purpose of NEOTEC.

NEOTEC was created in 1996 as a consortium of six counties that include Summit, Stark, Portage, Trumbull, Mahoning and Columbiana. The main mission of NEOTEC is to promote economic growth in Northeast Ohio by building global relationships through an intermodal transportation network. Neomodal is a cornerstone of this network.

The NEOTEC logistics network is connected through a recent expansion of Foreign Trade Zone #181, to other intermodal hubs such as the riverport in East Liverpool and the planned international air cargo hub north of Youngstown. The cooperative effort has resulted in providing a world class logistics system that will position northeast Ohio as a business leader well into the twenty-first century. NEOTEC is already receiving prominent international attention, which validates the importance of these initiatives.

I speak for all six member counties in expressing our concern over the future application of Neomodal in the changed rail network. It is our view that Neomodal will not survive unless both Norfolk Southern Railway and CSX Transportation recognize not only the value it provides shippers throughout northeast Ohio, but the contribution it makes in providing long term economic growth and stability.

Sincerely,

NEOTEC

Dale Gibbons  
Executive Director

DEG:wd
GRAND OPENING — U.S. Rep. Ralph Regula, R-Navarre, left, and U.S. Transportation Secretary Federico Pena try their hand at the controls of one of the giant cranes at the NEO-MODAL freight transfer station in Navarre. The sprawling freight facility was dedicated in ceremonies Friday.

Clinton salutes Stark on new freight center

STAFF AND WIRE REPORTS

U.S. Transportation Secretary Federico Pena today opened the $35.2 million state-of-the-art NEOMODAL rail center, located near the intersection of Ohio 21 and U.S. 30.

The Northeast Ohio Intermodal Terminal is designed to speed the flow of commerce, increase freight capacity and cut truck traffic in the area.

NEOMODAL is operated by Intermodal Operators Inc., a subsidiary of the Wheeling & Lake Erie Corp.

Pena was joined by U.S. Rep Ralph Regula, R-16 Navarre, whose home is just down the road from the facility.

President Clinton, in a letter to citizens of Stark County, commended all those whose vision brought the project to reality.

"This innovative project," Clinton said, "will greatly improve freight operations, reduce air pollution costs and fuel use, and generate thousands of new jobs."

"This new hub of transportation permits containers and trailers to be loaded and unloaded onto rail cars," Secretary Pena said. "This will reduce truck travel, decreasing pollution and helping the environment, and it will also save wear and tear on our highways.

"This facility is an example of common sense government at work, because we now allow states more flexibility in funding. This is the first project in Ohio finished under these new rules and one of the first in the country. It is an example that government can work. And the work that will take place here is good economic news for Stark County."

NEOMODAL uses three 75-foot automated cranes — each capable of lifting 40 tons — to transfer containers from rail cars to truck trailers and vice versa.

See NEOMODAL, Page A-7
FROM THE OFFICE OF THE GOVERNOR
JULY 7, 1995

STARK INTERMODAL FACILITY
Stark County, Ohio

On the occasion of the groundbreaking for the Stark Intermodal Freight Facility. This truck-to-rail facility will bring new industry and job growth in the region. Businesses in Northeast Ohio will have a unique linkage which is essential for maintaining a vital position in the global marketplace.

I acknowledge and commend the work of all whose support made this public-private partnership of truck and rail operations a reality. This state-of-the-art facility is a hallmark addition for the economic development of Stark County and the state of Ohio.

Sincerely,

George V. Voinovich
Governor
Gov. George Voinovich declared the rust is off the "Rust Belt" and the Midwest is now the "Jobs Belt."

Voinovich brought his re-election campaign to Stark County Saturday with tours of the Fleming Co.'s Massillon Division in Navarre and the Republic Engineered Steels plant on Eighth Street NE in Canton. He quoted results of a survey on world productivity that he commissioned as chairman of the Midwest Governor's Association.

"Productivity in the Midwest has increased more than anywhere in the world," he said. "I'm here to tell you the rust if off the 'Rust Belt,' and we are now the 'Jobs Belt,' the 'Opportunity Belt.'"

Voinovich brought with him a very self-confident, very down-to-earth bundle of energy he introduced as Nancy Hollister, his running mate for lieutenant governor. Mrs. Hollister, former mayor of Marietta, said her experiences as mayor of a rural community bring a rural viewpoint to the Voinovich administration.

"The governor stresses teamwork between the public and private sectors and also between urban and rural," she said. "My varied experiences as mayor and my involvement in education will serve well to put those types of coalitions together for the governor."

If elected, she would be the first woman lieutenant governor of the state. Voinovich noted:

"You who know your Ohio history know that the Putnams were among the first pioneering families in the state, and Nancy is a descendant of that family," he said. "She continues to be a pioneer in seeking to become the first woman lieutenant governor."

At the Fleming Co., Voinovich toured the refrigerated section and viewed the construction area where new storage and loading docks are being built. He joked that Fleming's $19 billion in sales last year was $4 billion more than his state budget and acknowledged the company's faith in Ohio and the Navarre community in making another large financial commitment.

CABOOSE CONVERSATION. Gov. George Voinovich (right) chats with Larry H. Parsons, president of Wheeling & Lake Erie Railway Co., Saturday during a train ride from the Fleming Co. facility in Navarre to the Republic Engineered Steels plant on Eighth Street NE in Canton.
**HAIL TO THE CHIEF.** About 125 supporters welcomed Gov. George Voinovich Saturday to the Fleming Co.'s Massillon Division in Navarre. Voinovich and several local and statewide Republican candidates toured the site before taking a train to the Republic Engineered Steels plant in Canton.

**Voinovich**

**CONTINUED FROM A-1**

"It's because of total quality management and the cooperation of management and labor and the partnership with the private and public sector," he said.

Voinovich mentioned, but stopped short of officially announcing, Congress' approval of $7 million for an intermodal railroad station proposed for the Stark County Farm near the Fleming Co. The state will put $2 million into the project, which would be only the second intermodal station in the state. The proposed facility would allow trains to load and unload trailers onto railroad flatbed cars and ship them across the country. That would allow Fleming and other local companies to ship by rail, which is less expensive than by semi-tractor trailers.

Voinovich credited Congressman Ralph Regula, R-Navarre, for getting the legislation passed. Regula said he wrote the legislation to make the money available through the Clean Water Act.

At Republic, Voinovich visited the construction site for a continuous-cast direct-rolled manufacturing area. He was told the new process would protect 1,800 jobs at the old Canton plant, as well as jobs at the Massillon and Chicago plants. Much of the process is computer-operated and the company will spend nearly $20 million of the total cost of $165 million on the project.

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**Students**

**CONTINUED FROM A-1**

"We can't give in to easy promises," he said in the address taped Friday.

In a Republican response, Rep. John Kyl, who is seeking the Senate seat in Arizona, accused the Clinton administration of trying to solve America's problems "through higher taxes and big government spending.

Clinton planned to camp out 12 hours a day Saturday with an evening fund-raiser for Democratic gubernatorial candidate Kathleen Brown, whose once-commanding lead in the polls has evaporated in the face of perceptions that Gov. Pete Wilson would do a better job fighting crime and illegal immigration and reviving the economy.

Wilson overcame Brown in the polls by linking her to Clinton's policies at a time when the president is perceived to have a low approval rating among California voters. Clinton was expected to raise $700,000 for the Brown campaign.

Sacramento GOP consultant Steve Merksamer said Brown was taking a risk by inviting Clinton to California.
Teamwork helps Stark lure freight facility

Large industries, County Farm site prove attractive

By EDD PRITCHARD
Repository West Bureau

MASSILLON — John Piatt knows the advantages of Stark County, and that is why he never hesitated to push for establishing a true rail freight facility in Perry Township.

Piatt said Tuesday after a program in which he officially unveiled the facility.

As assistant director of modes for the Ohio Department of Transportation, Piatt has been working on ways to improve freight and passenger rail service throughout the state. His knowledge of Stark County and its industry made the decision to locate the rail freight facility here easy.

"I know the county's strengths," Platt said Tuesday after a program in which he officially unveiled the facility.

Large industry is important, Piatt said, but so is location. The new facility is at the junction of routes 21 and 30. Interstate 77 is easily accessible. Akron-Canton Regional Airport is close by.

"This is basically building on those transportation strengths and tying them to industry," Platt said.

The intermodal freight facility will occupy 20 acres of County Farm land. It will be built along an existing stretch of Wheeling & Lake Erie Railway Co. track.

Intermodal facilities are loading areas for tractor-trailers and large containers hauled cross-country on flatbed rail cars.

Most carry raw materials such as chemicals, plastics or minerals needed for industry, but food, equipment parts and other items can be hauled. The trailers and containers are unloaded by cranes and delivered to the customer by trucks.

Piatt said Stark County's intermodal facility was born in a discussion with state Sen. Scott Oelslager, R-Canton, who was looking for state help in an expansion by Fleming Foods Co.

To expand, Fleming needed Wheeling & Lake Erie track moved. Oelslager suggested the state fund the relocation of the rail line and at the same time build the intermodal facility, Platt said. That is what the state has done.

Work on the new rail line should start in February or March and be finished by May. Once the new line is in place, portions of the old line will be torn up to allow Fleming to expand. Another section will be converted into the freight station.

"This is a fun project," said Larry Parsons, Wheeling & Lake Erie chief executive officer. "It has a lot of potential for the area, the county and us." Platt said a lot of teamwork among the county, state government, Stark Development Board, the railroad and Fleming made the project a reality.

Oelslager and Platt noted that the state's participation ensured the security of 500 jobs at Fleming, and made 180 new jobs possible. They expect more jobs, including about 20 at the facility, will be created.

"We need more developments like this," Stark County Commissioner Mary Cirelli said at Tuesday's meeting.

Steve Paquette, Stark Development Board president, added: "Most winning is because of teamwork. This kind of teamwork is what's going to put Stark County well ahead in the future."
Economic earthquake for Stark County

What would happen if local business interests and local, state, and federal officials worked shoulder to shoulder on an economic project?

In our neck of the woods, the result is Stark Intermodal, a rail-truck transfer center that will provide both immediate and long-term benefit to the Stark County area.

The job-saving, job-creating effort succeeded in an incredibly short time because the goal was clear, timing was important, and cooperation had a higher priority than negativism.

The whole thing was kicked off a couple of years back when Fleming Foods let officials know of their need for a closer railroad link to accommodate their expanded distribution plans. The response was immediate, and the search for a solution began.

At stake were the 500 jobs provided by Fleming and the possibility of another 150 jobs if Fleming were able to put its plans into high gear.

A little luck came into play at this point. First, Stark County had some land available. Second, President Clinton had issued orders to the transportation department to lend financial support to infrastructure projects important to the nation's economy. Bingo!

Stark Intermodal will begin operations Dec. 15. This would be an impressive story if it were to end at this point.

But it isn't going to end here. Stark Intermodal will be a magnet to other businesses. They will be drawn to the strategically located center that can reduce trucking time and cut costs. The new manufacturing and product-handling businesses will bring more jobs, more revenue to Stark County. Interest is building.

The future may hold a duty-free zone designation for the area and perhaps a customs operation. These are being actively pursued.

The fact is that no one can say at this point just what the eventual impact of Stark Intermodal will be on this county and region. But there is agreement that the potential is nearly unlimited.

We believe this facility is nothing short of an economic earthquake for Stark County, with positive aftershocks that will be felt for years.
GETTING STARTED. Basil Violand, president of the Massillon Division of Fleming Cos., talks with other Fleming executives and a few local dignitaries during ground-breaking at the company’s $24 million expansion. Work on the project actually had started last week.

Fleming to create jobs, double space with project

Breaks ground on Perry facility

BY EDD RITCHARD
Repository West Bureau 3/18/94

PERRY TWP. — The official ground-breaking featured 10 men in suits and hardhats who don’t include shovels among their regular work-day tools.

The real groundbreaking took place last week, when crews from Beaver Excavating Co. started clearing trees and pushing dirt north and east of the dairy building at Fleming Cos.’ Massillon Division.

Fleming’s $24 million expansion will more than double the size of the warehousing operation along S. Erie Street to 17 million cubic feet. The project would create 180 jobs over the next five years at the facility, which is a division of Oklahoma-based Fleming Cos.

Basil Violand, division president, said Fleming has added 30 jobs in the past month. The company, which provides grocery items to stores in Ohio, western Pennsylvania and northern West Virginia, has 470 employees and expects to have more than 500 before the year ends, Violand said.

The expansion couldn’t be coming soon enough, Violand said.

“I wish we had it three years ago,” he said. “We need the space.”

To meet customer needs, Fleming has been leasing space from local warehousing companies, Violand said.

The expansion will occur in two phases. Work to enlarge the warehouse for dairy products starts immediately and should be finished by fall, Violand said. An addition for storing grocery dry goods begins in early summer, after a Wheeling & Lake Erie Railway line has been moved.

Moving the railroad tracks, which is Wheeling & Lake Erie’s main line, made the project possible, Violand said.

Neither company had the $1.5 million needed to move the line. Fleming Cos. would have moved the operation to Pennsylvania before kicking in more money to move the rail line, Violand said.

Local and state government officials stepped in and came up with the cash, after realizing there could be additional benefits if the line is moved. The tracks will move east and some of the existing line will be used for an intermodal terminal, which will unload semi-trailers from flatbed rail cars.

“People are excited here at Fleming and in the community,” said Jeff Fairless, manager for the expansion project and supervisor of the company’s local frozen foods operations.
$7 million freight site is on track
Stark facility will mean jobs for area

By TIM BOTOS
Independent Staff Writer

A $7 million project that promises to save old jobs and create new ones in western Stark County apparently is just one step from reality.

An announcement on a proposed intermodal freight facility near Fleming Foods in Perry Township is imminent, according to a government official.

Congress already has approved the project as part of a U.S. Department of Transportation appropriations bill for 1995. It now awaits the signature of President Bill Clinton.


Though the freight station would be funded in large part by federal grants and state loans, it's just part of a larger project in the Ohio 21-U.S. 30 area.

Fleming Foods is in the midst of a $24 million expansion that will keep 450 jobs in the area and ultimately create 160 more. It ties in with the intermodal because the Wheeling & Lake Erie Railway's main track in that area had to be moved to make room for the company's new distribution center and warehouse facility.

Intermodals are interchanges between railroads and highways that enable freight to be transferred quickly and easily.

For example, food products from the south and west coast would be the primary inbound freight. Machinery and manufactured goods for the Pacific Northwest and Mexico would be the primary outbound cargo.

If the project goes as scheduled, the facility could be open by August of next year. One of the most expensive aspects of the facility is $2 million needed to buy a pair of massive cranes to lift the cargo from truck to train.

The intermodal itself — comprised of two rail sidings on the 25-acre tract south of Fleming — would be owned by the Stark Development Board. The board would lease it to a for-profit operator. Lease payments would pay off the loan.

The project site is part of a 53-acre plot of land owned by the county. The additional 28 acres may be used to complement the intermodal, with broker warehouses, federal customs facilities and broker sales.

More than $650,000 of improvements to Ohio 21 are slated as part of the project. A one-mile portion of the road, from the intermodal south to U.S. 30 will be widened and new traffic signals and curbs will be added at the Ohio 21 entrance to the facility.

The intermodal will be constructed with a combination of state and county Congestion Mitigation/Air Quality money.

The money is being loaned instead of granted, because the facility will generate its own revenue.

The project was eligible for the air quality dollars because it is estimated the intermodal will reduce truck trips in Ohio by about 10,000 a year; reduce diesel fuel consumption by 625,000 gallons; and reduce traffic congestion.

Federal approval was needed to appropriate the money and to clear the way for the innovative financing.

See FREIGHT, Page A-12
Stark gets major cargo facility

- Federal, state money will build station that will speed transfer of freight between trucks and rail

By-David Knox
KNOX JOURNAL-NEWS

CANTON: Stark County has been chosen as the site of a major federal highway project aimed at speeding the transfer of freight between trucks and trains.

The $7.5 million project will be built south of Massillon, east of Route 21 on 52 acres of the former Stark County Farm, just north of Navarre.

The "intermodal transportation" facility will use two gantry cranes to provide quick loading and unloading of truck trailers from flat cars on Wheeling and Lake Erie Railroad tracks.

The nearby Flemming Foods plant, which recently announced a $25 million expansion, will be an obvious customer of the facility, according to Fletcher Wykoff, spokesman for the Ohio Department of Transportation. But other area businesses such as the Timken Co. and U.S. Chemicals and Plastics also will benefit.

Wykoff pointed out that the Stark project is one of only two in Ohio and 20 across the nation approved as part of the federal 1994 Innovative Financing Award program. The awards were announced Tuesday in Washington.

"Ohio was the only state to win approval for more than one project," he said.

The other Ohio project is Mid State Route 129 in Butler County.

Wykoff said the federal program is unusual because it is designed to encourage new ways of financing highway projects.

The Stark County project, for example, is a cooperative effort of the government, a private group and business: Federal grant money will be given by the state to the nonprofit Stark County Development Board, which will build and own the facility. The grant will be repaid from fees collected from the businesses using the facility.

"We think this is an example of how an economic development project ought to work," said Stephen L. Paquette, president of the Stark Development Board. "When you work together, you can really get something done.

"We will go out and select a private operator who is an expert in intermodal transfers," he said.

Paquette said the facility is designed to handle as many as 38,000 transfers a year.

"This will be a resource not only for Stark County but for Northeast Ohio."
On July 7, 1995, a groundbreaking ceremony was held on the site of the new Stark Intermodal Transportation Facility. Federal rail and highway officials got together with State Transportation officials, State Development officials, Stark County elected officials, political entities and businesses to celebrate a unique partnership which oversaw the development of this facility. The $33 million transportation project creates a facility where truck transported trailers and containers are loaded on and off railcars for long distance shipping. The interface of these two transportation systems translates into cost savings for goods hauled around the country.

Senator Scott Oelslager, along with John Platt, Chief of Staff for the Ohio Department of Transportation (ODOT), have championed the local project. With vigorous support from Congressman Ralph Regula, federal officials encouraged the development of the Stark Intermodal Facility. The project moved so quickly that Mr. Platt dubbed it a "nanosecond" in ODOT parlance, during the groundbreaking ceremony.

The project began on November 22, 1994, at a meeting in Columbus, Ohio between the Stark Development Board, the Ohio Department of Transportation and officials from the Federal Highway Administration. It was agreed the Stark Intermodal Facility would be owned by the Stark Development Board, and a private operator would be selected to run the freight terminal.

In order to facilitate the process, a management team was put together by the Stark Development Board to oversee all aspects of the project. The team includes representatives of ODOT; the Stark County Commissioners; Wheeling
Lake Erie Railway Company; Massillon Development Foundation; Stadelman & Associates; Krugliak, Wilkins, Griffiths and Dougherty; and the Stark Development Board. This team selected Hammontree and Associates to lead the design team, under the direction of Stadelman & Associates (project coordinator), and with the assistance of Chuck Burroughs (Vice President of Engineering for Wheeling & Lake Erie Railway Company), Harris-Day Architects (project gate house architect), and Custom Technologies, Inc. (operations and gantry crane designers). The challenge the design team faced was to complete the Intermodal design, obtain approvals and construct the facility within one year. This task has never been accomplished in the private or public sector in the United States.

Hammontree & Associates was responsible for the design and approvals of the civil works package. Before authorization to proceed with final design was granted by the State Controlling Board, environmental impacts had to be addressed. Clearances for hazardous waste, wetland impacts and historical properties had to be granted by ODOT, the Federal Highway Administration, State Historical Preservation Society, U.S. Army Corps of Engineers and Ohio EPA. Local permits included rezoning the project site from residential to industrial district in Perry Township, which also required Stark County Regional Planning Commission approval.

The civil works design was completed by integrating the ideas from all the members on the design team. After our firm obtained the environmental clearances and completed the surveying and mapping, final design commenced. The civil works design package included 26 acres of paving, traffic control, drainage, utility extensions and relocations, 12,000 linear feet of new railroad track, new traffic signals at the entrance of the facility, structural engineering for the gate house and box culvert, and over 300,000 cubic yards of earthwork. Hammontree Engineers were also responsible for coordinating the geotechnical design by B&B&M Engineering, Inc. and the electrical and lighting design by Electro-Mech Engineering, Inc.

Hammontree’s involvement on the project did not stop at the completion of the civil works design. We also conducted the bidding process, evaluated the bids and are responsible for construction management and observation. Beaver Excavating was awarded the contract to construct the Stark Intermodal Transportation Facility in June of 1995. It is quite a feat to face the challenge of an aggressive schedule, complex design and stay within the budget constraints. With the facility set to be operational in December of 1995, we are proud to have been part of the team that has successfully tackled the challenge that will establish Stark County as a hub of intermodal commerce.
Officials praise cooperation in railroad project

Politicians all smiles at site

By EDC PRITCHARD
Repository staff writer

Business people and politicians celebrated Friday morning.

The party recognized their successful effort to create Stark Intermodal, a railroad station between Navarre and Massillon that will transfer truck trailers and freight containers from flatcars to trucks.

Revelers agreed that Stark Intermodal exists because politicians in federal, state and local government set aside differences to get a job done.

The effort saw Republican U.S. Rep. Ralph Regula of Navarre and state agencies staffed by Republicans sit down with Democrats appointed by President Clinton. Meanwhile, local politicians from Massillon, Navarre, Perry and Bethlehem townships and the county set aside bickering over the County Farm to develop the site.

Teamwork involving six elected officials: 10 political entities and 18 businesses took the intermodal station from an idea to reality in less than two years. That's barely a "nanosecond" when you consider that federal and state government were involved, said John Platt, chief of staff for the Ohio Department of Transportation.

The Stark Intermodal is scheduled to open Dec. 15.

U.S. Department of Transportation officials embraced the project from the start. Friday morning, Clinton Democrats had no qualms about acknowledging the work they did with Regula and Ohio's Republican contingent.

Federal officials wanted to get the job done quickly, said Jolene M. Molitoris, who directs the Federal Railroad Administration.

Ms. Molitoris said transportation department staff followed a January 1994 Clinton directive that infrastructure investment is crucial to the economy. Clinton wanted the department to find new ways to finance improvements.

"This event and your project ... sort of matched a team of people at the Department of Transportation in the Clinton administration who said they wanted to do business in a new way," Ms. Molitoris said.

The intermodal proposal fit the calculus for new ways of financing, she said.

Federal money earmarked for clean-air programs are being used for the intermodal because carrying cargo on trains reduces truck traffic and air pollution, Ms. Molitoris said.

The project marks the first time federal rail and highway officials have gotten together, and federal transportation officials have learned that teamwork can lead to success.

"We know it works if we partner with the state and local community," she said.

TEAM WORK. John Platt, chief of staff of Ohio Department of Transportation, gives credit Friday to politicians and business leaders who helped make the Stark Intermodal railroad station a reality. The facility will be built between Navarre and Massillon.
Regula called Friday a great day for jobs and economic growth. The intermodal station assures current and future jobs, he said. That translates into a strong tax base for schools and local government.

"I think we can all take some satisfaction that this team effort really is going to produce something worthwhile for the future and it'll mean growth. It'll mean jobs, it'll mean communities will be stronger because of the economic impact," Regula said.

It is unknown how many jobs will be created.

The intermodal already has saved more than 500 jobs at Fleming Foods, which promises to add 150 jobs as its new warehouse opens. Now, the facility will be added to a package used to draw business to the area, said Steve Paquette, Stark Development Board executive director.

It is hoped the intermodal will attract big business. Mike Gill, Stark Development chairman, expects plenty of business development in the corridor between Stark and Summit counties.

"This is our time in the sun, and I think we need to take advantage of it," Gill said. "Projects like this will help us realize that reality in the future."

The intermodal establishes Stark County "as the hub of economic development, of growth."
NEOMODAL providing manufacturers ready access to rail network

Construction is completed and NEOMODAL's state-of-the-art intermodal transportation facility is now open for business. The 28-acre facility, located on State Route 21 south of Massillon, Ohio, is designed to help businesses meet their transportation needs through the 21st century by providing ready access to the rail network.

"With this operation, truckloads of a company's product can be placed in an intermodal container in less than ten minutes and be on its way across the country," said Janet Stewart, terminal manager of Intermodal Operators, Inc. "We also have a computerized inventory control system which points the shipment as it comes to the terminal or moves to its destination."

NEOMODAL provides direct access to three class one railroads Norfolk Southern, CSX, and Conrail. This makes it more efficient to ship products to both domestic and international markets by providing immediate rail access within the Northeast Ohio/Western Pennsylvania.

"We designed this terminal with businesses in mind," said Ron DeBarr, vice president of Business Development with the Stark Development Board, one of the 30 public and private agencies responsible for turning the idea of the intermodal facility into reality. "This will be a great asset for our local manufacturers as well as those throughout Northeast Ohio.

The newness will be most beneficial for companies who ship and receive large loads, according to DeBarr. The terminal is equipped with three Mi-Jack overhead cranes capable of lifting 40-ton loads. The rail cars have double stack capabilities providing smoother transportation with articulated ride and limited harmonics while avoiding highway potholes.

"This facility is well-suited for all products including refrigerated and dryfreight," said Reggie Thompson of Intermodal Operators, Inc. "The facility limits wear and tear on the over-the-road unit, tires, powertrain, and so forth, while offering safe and consistent handling."

Other benefits of the facility include a 21-acre support area for empty units and chassis, high speed receipt and dispatch of containers/trailers, computerized inventory control, and electronic data interchange for fast tracking of shipments. The facility will initially operate with overlapping shifts, five days a week, but will expand operations to 24 hours a day, seven days a week as volume and transportation requirements increase.

Companies who would like to learn more about the benefits of Stark County's intermodal facility can stop by the NEOMODAL booth at the International Intermodal Expo, March 26-28 in Atlanta, Georgia.
CANTON — Fifty-two acres of the Stark County Farm now belong to the Stark Development Board as a project to keep a business and build train station, moves closer to reality.

In its first phase, the project will move the Wheeling and Lake Erie Railway's line out of Fleming Foods' way, keeping it in Perry Township and allowing it to expand.

Later, a facility will be built near the railroad, allowing for easy truck-to-train transfer of goods. This is known as an intermodal station.

To work, the project needs the county-owned land — where the railroad will relocate and where the intermodal facility will be built.

On Tuesday, Stark County commissioners transferred the land to the nonprofit Community Improvement Corp., which then Thursday transferred it to the development board.

The board will lease the land to the Ohio Department of Transportation, which plans to operate the transfer station. ODOT's rent payments will allow the board to repay a $1.2 million Ohio Department of Development loan being used to move the railroad.

The county had until Thursday to complete these transactions. Otherwise, the state threatened to pull its loan. That would have jeopardized plans to move the railroad, which would have endangered Fleming Foods' expansion plans.

The intermodal facility only needs half of the land being donated by the county. The other half might be sold to a private industry, said Eddie Elm, attorney for the development board. Interest in refrigerated warehouses has been expressed, though no commitments have been made, he said.

County finishes business

BY LAURA MECKLER
Repository staff writer

The state plans to build an intermodal freight facility in Stark County, the Repository reported Wednesday.

The facility will be on 20 acres donated by the county. The state will finance the facility and it will be operated by a private company, the newspaper said.

An intermodal freight facility allows companies to ship materials using piggyback rail cars. Semitrailers loaded with goods are carried across the country by train, then unloaded to be hauled to their destination by truck. Use of rail reduces shipping costs.

Neither the price of the facility nor the number of new jobs it might create have been revealed, the newspaper said.

Massillon

New freight facility would reduce costs

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Rail giant wants business to grow at Neomodal site

Wine from California's Napa Valley is making its way to Pennsylvania liquor stores after passing through the Neomodal rail facility in Navarre.

Officials with CSX Intermodal, a division of one of the nation's largest railroads, are convinced the wine shipments are just the beginning.

CSX is pushing to bring more traffic into the rail station, which opened earlier this year. The railroad hopes to become competitive with trucking companies that provide overnight services to Chicago.

Neomodal is a transfer site where semi-trailers and containers are moved from trucks to trains. Instead of trucks hauling trailers and containers across country, they are loaded onto trains and moved by rail.

The facility is shipping about 40 loads per week, and CSX officials expect to see more growth. This week, the site started handling loads for Schneider National Carriers, a national trucking operation with a terminal in Medina County.

Neomodal gives CSX a facility in Northeast Ohio, said Frank N. Turner, vice president of operations for CSX Intermodal.

"It makes our presence here as strong as if it were one of our own terminals," Turner said.

CSX and Norfolk Southern are the two railroad companies with agreements to use Neomodal. The facility, which is owned by Stark Development Board and managed by a unit of Wheeling & Lake Erie Railway Co., is trying to ink a deal with Conrail.

CSX knows it is sharing Neomodal with other railroads, but doesn't mind the competition, Turner said. "We want to have the best service. We look forward to competing."

So far, CSX is drumming up the most business at the facility. Turner's staff netted the deal with Schneider. CSX also arranged the deal to haul wine and other alcohol from California to Neomodal for the Pennsylvania Liquor Control Board.

Wheeling officials are excited by CSX's efforts to promote Neomodal.

The larger railroad has reached into the Pittsburgh market, which was a Neomodal target area. The deal with Schneider brings in a major trucking company.

"It's a real good opportunity for us to get tied in with such a large trucking operation," said Steve Waite, Wheeling & Lake Erie president.

Wheeling is trying to focus on outbound shipping through CSX and Norfolk Southern. A number of local companies, including Hoover and Rubbermaid's Little Tikes operation, are taking advantage of the facility, said Reginald Thompson, vice president for marketing and sales.
Your Global Connection

**NEOMODAL**, an ultramodern state-of-the-art facility, located in Stark County, Navarre, Ohio is designed to move your products to domestic and international markets more efficiently and consistently than your current method. With access to three class-one railroads – Norfolk Southern, CSX, and Conrail – you are offered:

- Fast and direct entry: in-gate / out-gate under 10 minutes
- A 28-acre fully paved facility
- A 21-acre staging area for empty units, and chassis
- Three Mi-Jack overhead cranes
- High-speed receipt and dispatch of containers and trailers
- Computerized inventory control
- Electronic Data Interchange for fast tracking of in/out shipments
- 24-hour access
- Traffic light for ease in entry/exit off U.S. Highway 21

Put this ultramodern facility to work for you by contacting your intermodal account manager or call 216-879-1473/fax 216-879-1475.
Neomodal lifts off

Neomodal is a high-tech, automated facility designed to provide an alternative to long-distance trucking. By using local railways, truck containers, or other cargo can be shipped cross-country more efficiently. Built in nine months at a cost of $11.2 million, the facility will be open 24 hours a day and will be staffed by 50 to 65 full-time employees. Neomodal is expected to handle 150,000 cargo lifts a year.

Facility ready for business

By EDD PRITCHARD

SAVARIE - Like most businesses, the Neomodal rail transportation facility has sold a fine line before finding its grand opening presentation.

The rail facility has been able, with an accepting hand Nixon Nixonman and handled its first shipment in 24 hours after the joint planning. Neomodal has been working on the project and preparing for an open house.

President Donaldson's decision is to open the new facility in the coming weeks to market the facility. Neomodal is building a new terminal for the rail shipment.

The facility will have a state-of-the-art facility that can handle intermodal trucks and railcars. The facility has shipping and receiving access to the Northfield Southern Railway and CSX Transportation, making it a versatile spot for transportation.

TRUCK PARKING

A truck from the dock is parked and is available for loading. The facility has been designed for the truck to be loaded and unloaded in one hour. The facility has a 10-ton capacity truck, and the facility has a 20-ton capacity truck.

TRAIN JUNCTION

Three trains arrive from three different rail lines. The trains are divided into four sections and then the rail cars are separated into the different tracks.

GATEHOUSE

The facility has three gates and a gatehouse. It was designed to get through the gate in one minute. The facility has a ranking in 10 minutes. For safety reasons, the gatehouse has a 10-minute unattended time and is operated by one person. A video camera records all events and the gatehouse is equipped with a microphone and intercom system.

CRANES

The facility has a 45-ton crane capable of lifting a 40-foot container. The crane is 20 feet high and is moved by a 40-ton motor. Each crane is capable of lifting 40 feet and has a 20-ton capacity.

RADIO CONTROL

The radio can be fitted with a Neomodal radio system to do a job not on the ground. The radio has an R3 frequency and weighs only eight pounds. The radio is used in the field or by the driver.
Railroad officials praise Neomodal

Location, financing should aid success at Stark County facility

By EDD PFITC/HARD
Repository Business Writer

NAVARRE — Officials from two of the nation's largest railroad companies are impressed by Neomodal and confident the facility will be profitable.

"Of any intermodal facility in the United States, this is the nest," said Frank K. Turner, CSX Intermodal vice president of operations. "There's just no reason it won't be successful."

Turner led a CSX contingent Thursday that visited Neomodal during "grand opening" ceremonies for the facility. Representatives from Norfolk Southern, Conrail and several shipping companies also attended Thursday's dinner sponsored by Wheeling & Lake Erie Railway Co.

Ceremonies continue today with U.S. Transportation Secretary Federico Pena leading a team of elected officials on a tour of the site.

Federal dollars accounted for much of the $11.2 million used to build Neomodal. The site is owned by the Stark Development Board and operated by Wheeling & Lake Erie.

Semi-trailers and special containers are loaded on or removed from rail cars at the facility. Wheeling & Lake Erie moves the trailers to CSX and Norfolk Southern rail yards, and from there shipments go across the country.

Brian J. Ahern, Norfolk Southern's assistant vice president for intermodal marketing, said the facility is in a perfect location to service the Canton and Akron area, Youngstown and Pittsburgh.

Ahern applauded the government's decision to help finance Neomodal. Federal officials used money set aside for clean air projects. Using rails to move semi-trailers cuts the number of trucks on highways and that helps to reduce air pollution.

"The government should get behind more of these projects," Ahern said.

Neomodal is increasing its business with CSX and Norfolk Southern, said Steven W. Wa... Wheeling & Lake Erie's vice president of operations. The facility still is hoping for a shipping agreement with Conrail.

"We're excited that traffic has started to move," Wa... said.

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RADIO ACTION. Neomodal yard worker Aaron Davies uses radio controls to lift a semi-trailer from a railroad car at the new terminal in Navarre. The radio controls, developed by Telemotive Industrial Controls in Chicago, allow one person to move trailers while standing on the ground.
Neomodal facility unloads railroad cars in record time

By JAMES F. WEBER
Repository staff writer

NAVARRE — The first Norfolk Southern intermodal train rolled into Neomodal Friday and was unloaded in record time.

Actually, it was a partial train — seven cars — and the record was based on the number of man-hours it took to take the 24 truck-trailers off the train. Twenty of the trailers were on four of the latest-model “spine” railroad cars, so-called because they are hooked together like vertebrae.

Janet Stewart, director of intermodal operations at Neomodal, said the cars were the first to arrive since a working agreement was signed by the Wheeling & Lake Erie Railway at Brewster and the Norfolk, Va.-based Class I carrier.

The reason there is an asterisk next to the record for unloading 10 trailers from an intermodal train is because the operation was carried out by only one person, according to Joe Stadelman, project coordinator for development.

Other intermodal terminals use three or four persons in loading-unloading operations. At Neomodal, the nation’s state-of-the-art facility, one man on the ground uses a radio panel to operate the 75-foot-tall gantry crane that picked the trailers off the train. The time was three minutes per trailer, said Stadelman.

Mrs. Stewart confirmed Friday that an agreement also has been signed by W&LE with CSX, another Class I railroad. The agreements provide Neomodal with cross-country connections through interchanges at Norwalk and Bellevue in North Central Ohio.

Water quality concerns Alliance

By MALCOLM HALL
Repository staff writer

ALLIANCE — City officials might dredge the community’s two drinking water reservoirs of unwanted sediment to preserve the lakes’ useful life.

Algae and silt are building up in 42-year-old Deer Creek and 25-year-old Walborn Reservoirs, officials say. A buildup of plants in lakes often results from eutrophication, or influx of nutrients such as farm fertilizer.

“We’re going to have a sedimentary survey done,” said James Butler, water system superintendent. “Based on results of that, we’ll see if the reservoirs need dredging. I’ve looked at all the files, and I am not aware of anyone having these reservoirs dredged.”

For the survey, city officials will use a geologist from the Natural Resources Conservation Service, a land-use advisory agency affiliated with the U.S. Department of Agriculture.

“There are certain times a year when you can notice the sediment affecting the water quality,” Butler said. “We’ve been noticing it over the past few years that the water quality suggests the reservoirs should be studied.”

One sign, according to Butler, is water discoloration. Bacteria in the city water supply prompted officials here to issue an advisory for a few days in 1993.

Sediment samples taken by a conservation service geologist will go to a laboratory to be analyzed.

“When we are done, they (city officials) will have an idea how much tons of sediment are coming into the lakes,” said Andrew Bayham, a district conservationist for the conservation service. “Over a period of time, lakes turn into swamps, and swamps into bogs.”

City Council President John Benincasa said a water cleanup would be funded by water revenues. Dredging can be expensive. For example, Stark County Park District anticipates spending near $1 million to dredge Sippo Lake in Perry Township.

Deer Creek, over two miles north of Alliance, has a 1-billion-gallon capacity. Walborn, about four and a half miles northwest of here, holds 1.9 billion gallons. Both reservoirs attract water from a drainage watershed over 35 square miles.

The group sends the package with students studying in the States to avoid large handling and to make sure it gets to the recipients.

“We meet all costs, whether it calls or shipping,” said “Sometimes with charities, money is spent trying to get it used. If we raise enough money all the costs, then it is truly given. They’ve conducted raffles.”

Clear s brilliant
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Location, financing should aid success at Stark County facility

By EDD PRITCHARD
Repository business writer

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Repository editor-at-large

NAVARRE — The first Norfolk Southern intermodal train rolled into Neomodal Friday and was unloaded in record time.

Actually, it was a partial train — seven cars — and the record was based on the number of man-hours it took to take the 24 truck-trailers off the train. Twenty of the trailers were on four of the latest-model “spine” railroad cars, so-called because they are hooked together like vertebrae.

Janet Stewart, director of intermodal operations at Neomodal, said the cars were the first to arrive since a working agreement was signed by the Wheeling & Lake Erie Railway at Brewster and the Norfolk, Va.,-based Class I carrier.

The reason there is an asterisk next to the record for unloading 10 trailers from an intermodal train is because the operation was carried out by only one person, according to Joe Stadelman, project coordinator for development.

Other intermodal terminals use three or four persons in loading-unloading operations.

At Neomodal, the nation’s state-of-the-art facility, one man on the ground uses a radio panel to operate the 75-foot-tall gantry crane that picked the trailers off the train. The time was three minutes per trailer, said Stadelman.

Mrs. Stewart confirmed Friday that an agreement also has been signed by W&LE with CSX, another Class I railroad. The agreements provide Neomodal with cross-country connections through interchanges at Norwalk and Bellevue in North Central Ohio.

Water quality concerns Alliance

By MALCOLM HALL
Repository staff writer

ALLIANCE — City officials might dredge the community’s two drinking water reservoirs of unwanted sediment to preserve the lakes’ useful life.

Algae and silt are building up in 42-year-old Deer Creek and 25-year-old Walborn Reservoirs, officials say. A buildup of plants in lakes often results from eutrophication, or influx of nutrients such as farm fertilizer.

“We’re going to have a sedimentary survey done,” said James Butler, water system superintendent. “Based on results of that, we’ll see if the reservoirs need dredging. I’ve looked at all the files, and I am not aware of anyone having these reservoirs dredged.”

For the survey, city officials will use a geologist from the Natural Resources Conservation Service, a land-use advisory agency affiliated with the U.S. Department of Agriculture.

“There are certain times a year when you can notice the sediment affecting the water quality,” Butler said. “We’ve been noticing it over the past few years that the water quality suggests the reservoirs should be studied.”

One sign, according to Butler, is water discoloration. Bacteria in the city water supply prompted officials here to issue an advisory for a few days in 1993.

Sediment samples taken by a conservation service geologist will go to a laboratory to be analyzed.

“When we are done, they (city officials) will have an idea how many tons of sediment are coming into the lakes,” said Andrew Bayham, a district conservationist for the conservation service. “Over a period of time, lakes turn into swamps, and swamps into bogs.”

City Council President John Benincasa said a water cleanup would be funded by water revenues. Dredging can be expensive. For example, Stark County Park District anticipates spending near $1 million to dredge Sippo Lake in Perry Township.

Deer Creek, over two miles north of Alliance, has a 1-billion-gallon capacity. Walborn, about four and a half miles northwest of here, holds 1.9 billion gallons. Both reservoirs attract water from a drainage watershed over 35 square miles.
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that the buyer, Illinois-based Iron Horse Resources, bought the line with the intention of scrapping it.

A spokesman for Iron Horse Resources, which bought the line in May of 1994, denied those charges, and the ICC earlier this month granted the abandonment after shippers failed to protest.

The prospect for line sales by Conrail and BN, in particular, creates the possibility that properties up for sale will not be traditional shorterlines but sizable lines with $20 million or more a year in revenue.

Those involved in spin-offs at Class Ones agree that the pool of potential bidders for all spin-offs has narrowed to a group of no more than 15 companies with industry experience. In the case of larger sales, contenders could be an even smaller group.

Montana Rail Link "keeps popping up," in the words of one competitor, in contests such as that for two SP properties in Oregon taken over by RailTex on the last day of 1994. MRI is considered a potential bidder for larger properties and might even be a bidder for part of Ferrocarriles Nacionales de Mexico.

Wisconsin Central has a natural interest in parts of C&NW that UP might be shedding, particularly those that connect with its own lines. WC has looked as far as New Zealand for acquisition opportunities and would bring both size and past success to a major spin-off.

Guilford's Pease said his company has been kept busy in its home territory of New England, but could look farther afield. He points to a new AS 400 computer with excess capacity as just one way his company could leverage its existing capability through expansion.

Central Vermont, finally acquired by RailTex this February, and renamed the New England Central, propelled RailTex into contention for larger lines as well. NECR ranks as the largest of that company's 25 properties in terms of revenue at $20 million per year. After years of losses as CV, the railroad recorded a profit in its first quarter as NECR.

Public-private partnership
Facility helps put intermodal on regional rail map

by Ken Cottrill
Special to Traffic World

With fewer federal dollars available in almost every area of spending, politicians emphasize that future projects must rely more on public-private partnerships that leverage tax-dollar investments.

A new 26-acre intermodal facility due to open next month near Stark County Farm in Stark County, Ohio, has done just that.

The Stark facility grew out of a local firm's expansion plans. The Fleming Co., a national distributor of food products, wanted to extend its warehousing space. The problem was that the Wheeling & Lake Erie Railroad's main line to Cleveland was in the way. But neither organization was able to fund the line relocation. The prospect of Fleming relocating instead brought local development boards into the picture.

At the same time, the Ohio Department of Transportation was interested in building a state-of-the-art intermodal handling facility. The plan, first introduced in 1992, involved a regional rail carrier big enough to link up with the three major railroads in the area: Norfolk Southern, Conrail and CSX Transportation.

A common solution was found: the track relocation would become Phase One of the intermodal project. Fleming would be one of the facility's main customers, and Wheeling would provide the vital rail link to major carriers. This pragmatic approach, which brought together a number of disparate interests, set the tone for the rest of the project.

ODOT secured federal funding and Stark County donated the land. A total of $1.8 million was spent on moving the track, and $11.2 million was allocated for building the facility. ODOT, the recipient of the government grant, made the funds available to the Stark Development Board in the form of a loan.

The project's environmental benefits were key to obtaining the federal money, said Joe Stadelman, consultant.
to the development board, with special responsibility for developing the intermodal terminal. Stadelman, with a background in the ports sector, has much experience of designing cargo handling facilities.

According to Stadelman, ODOT's studies identified significant cuts in pollution levels, because fewer trucks would use the region's congested highways. "There's a lot of industrial development in this area, but it wasn't served by an intermodal facility," points out Stadelman. "The nearest one was in Columbus," he said, some 110 miles away. As a result, the project was able to qualify for funds under the clean-air provisions of the Intermodal Surface Transportation Efficiency Act.

Serving the needs of just-in-time delivery schedules is another key feature of the project. The terminal can handle ISO containers or truck trailers. Loaded trains — which include doublestack rail cars — can be turned around in 2.5 hours, claims Stadelman. Inbound and outbound trains are worked simultaneously, using three 40-ton intermodal gantries equipped with computer-assisted tracking. The extensive use of electronic data interchange enables cargo information to be exchanged on-line. Stadelman said that the facility should achieve 150,000 lifts a year.

Three rail spur lines are fed by the Wheeling & Lake Erie Railroad. "We'll be able to unload 60 89-foot cars at a time and we'll have 6,000 feet of siding to make additional switches without having to come out onto the main line," explained Steve Wait, recently appointed as the railroad's president and CEO. There is a minimum of storage space at the facility, he pointed out, because the emphasis is on moving cargo in and out of the terminal as fast as possible. The project has attracted the interest of regional manufacturers such as Hoover, the vacuum-cleaner maker. Two steel mills in the area are interested in using the facility to ship specialized steel products to ports and on to overseas markets.

"The real focus is on a 100-mile radius from the facility, which includes Cleveland, Pittsburgh and Akron," said Wait.

Wait believes that the Stark facility makes a strong case for regional rail links as an alternative to road transportation, "particularly with our working relationship with major carriers such as CSX Intermodal," he said. Stadelman agrees, and points to the flexibility of shortline operations in being able to interconnect with major railroads at various points.

The environmental advantage of regional rail links will become increasingly important, maintains Wait. Moreover, he foresees fuel prices increasing, thereby enhancing cost advantages of intermodal.

"I think we'll see more of these regional facilities as the competition gets keener and our abilities get better. Over the last year or two there has been some congestion, but that's tapered off and we're fighting for more market share," said Wait. The introduction of flexible labor contracts helps smaller railways compete, he added.

But Wait admits that Wheeling's involvement in the Stark facility was made possible by the availability of public money, which paid for the new track. "The real benefit to a carrier like ours is that there was no capital investment going into the project," he said.

Stadelman said the Stark facility has wider lessons for projects of this kind. "It took 14 months from the start of the project to commercial operation — which is unheard of," he noted. The reason, said Stadelman, is that the various public and private sector interests involved worked together. "That's the key. I really think we've set the standard."

The achievement is described in more graphic terms by Wait. As the Stark facility is built on what was once cornfields, Wait uses a well-known movie tag to sum up his view of its future: "If you build it, they will come."

— Cottrill is a freelance writer based in Yardley, Pa.
INTERMODAL PROJECT ERASES RED TAPE

WILL-FOWER AND TEAM-WORK WERE THE MAIN REASONS A NORTHEAST OHIO INTERMODAL FACILITY JUMPED FROM THE DRAWING BOARD INTO REALITY WITHIN A YEAR—AND WITHIN ITS $11 MILLION BUDGET.

By Tom Andel, senior editor

In bureaucratic parlance, a year is a nanosecond. So the prospect of designing and building a state-of-the-art intermodal facility with public funds in this timeframe seemed impossible. But this time public officials wanted to prove a point—that they can work with the private sector if all parties on the project share a goal and travel the same road to get there.

In this case the road led to Stark County, a region in Ohio targeted as the home of the new Northeast Ohio Intermodal (NEOMODAL) facility. Why here? Because the Stark Development Board (SDB) wanted to keep the Fleming cold and dry storage facilities from moving out of the region.

“We heard they were looking for another site outside this area because they couldn't expand on the present site,” explains Ron DeBarr, vice president of business development for the Stark Development Board. “The Wheeling & Lake Erie Railway Co.’s track ran through Fleming’s back yard, right where the storage company needed to expand. Our main concern was to keep a very important client in Stark county and preserve those 450 jobs.”

SDB put a team together to solve this problem. They determined it would take about $1.6 million to move this track and allow for the expansion. Neither Stark County nor Fleming had the budget for that. So SDB approached John Platt, deputy director of the Ohio Dept. of Transportation (ODOT). Platt said there was money available through Intermodal Surface Transportation Efficiency Act (ISTEA) legislation, which set aside federal funds to beef up the transportation infrastructure. The program would allow for some type of unique financing to move the track back 100 yards. That's how they kept Fleming in Stark County. But there's more.

John Platt told SDB that while they're moving the track, take the project a step further and put in an intermodal yard south of the site. This added another projected $10 million to the project. These dollars were made available to the state in the form of a grant and Ohio in turn loaned the funds to SDB. The loan is to be paid back through the operations of the NEOMODAL facility.

The immediate market for this facility is within a 120-mile radius of the site. DeBarr says it will change the face of logistics in the region.

“A seven-county port authority has just been created to promote this as a region,” he continues. “NEOMODAL will be the Northeast Ohio link to the proposed jet port up in Vienna, north of Youngstown, and of course with the water capabilities in Cleveland. We’re tying all that through a foreign trade zone. This is an important leg in promoting Northeast Ohio, not just Stark County.”

DeBarr says the timing for this facility is right. As the US economy becomes more export driven, companies will be shipping more containers and they'll need a way to get them on and off railcars and to and from the ports. Other factors driving the facility's success will be the shortage of truck drivers and the rising price of diesel fuel.

The Federal Highway Commission projects NEOMODAL will save an annual three quarters of a million gallons of diesel fuel, based on the truck traffic replaced by rail.

The NEOMODAL Facility's office complex includes a control room overlooking and controlling yard operations. The computer system lines up trains and tells operators where inbound trucks should park to match freight to the appropriate railcars.
Handling high volumes

The NEOMODAL facilities take up half of the 52-acre site. Before the project, this property was zoned residential and its expansion was restricted by surrounding residences. The Wheeling & Lake Erie Railway Co. bought the houses on either end of the property. Eleven-thousand feet of track now give this facility the capability to handle sixty 90-ft railcars at a time.

Technology also plays a part in handling this volume. The terminal features a computer system for yard management which maintains inventory control of all materials delivered to the facility. The gate house is unmanned and controlled from within the terminal. Based on information obtained from the railroads via electronic data interchange (EDI), the computer system goes through a series of algorithms to line up the trains and direct operators in the terminal where inbound trucks should park to match freight to the appropriate railcars. The EDI connection to the Class 1 carriers also means that when a truck comes in, the shipment will be processed in 10 minutes. Documentation is processed before the truck arrives.

Three 40-ton-capacity Mi-Jack gantry cranes are used to place the intermodal containers onto the trains. The cranes are equipped with communications equipment permitting the exchange of the necessary data to direct and control operations. Two of the cranes can be operated from the ground via radio control units.

Getting cooperation

In just 12 months it took to develop this site, 14 permits had to be attained. The only way this could have been accomplished in such a short time was through unprecedented cooperation between the federal and state governments and the private sector.

"The state wanted to prove that the public and private sectors could work together and accomplish a project on time and within budget," says Joseph Stadelman, project manager and principal with Stadelman & Associates. "If you look at anything the Fed or the state does, this would have normally been a seven- to 10-year project. It normally takes 18 to 24 weeks to put a traffic light in. We put one in in five weeks. A building permit normally takes 18 to 20 weeks. We had one in two weeks.

Clearances for hazardous waste, wetland impacts, and historical properties had to be granted from ODOT, the Federal Highway Administration, the State Historical Preservation Society, the US Army Corps of Engineers, and the Ohio EPA. As for cooperation from the railroad, Stadelman says it was just a phone call away.

"When we had a problem on the railroad we called Steve Wait, president of the Wheeling & Lake Erie Railway," Stadelman adds. "When you get everybody on board at one time and everybody agrees, a project like this can be replicated anywhere."

It also helps if you're persistent. Barbara Bennett, the land development manager on the project team representing Hammondtree & Associates, Ltd., says there were a lot of skeptics in Columbus and in ODOT District 4 in Ravenna who said this project could never succeed.

"I think the people involved in the permitting were astounded," she says. "It took one person to follow up with these permitting agencies so they wouldn't let this sit on desks for two weeks—calling every day if we had to."

Targeted customers

Who's targeted to use the site? Take the case of a local concrete supplier, for example. It is the exclusive supplier to a manufacturer of concrete vaults for ATM banking machines. The manufacturer ships these all over the world. But in transporting these 20-ton vaults to a port, they're limited to one truckload. With demand for product increasing the need for more volume, this makes rail look more attractive to both the vault manufacturer and the concrete supplier.

Then there's the case of a livestock feed supplier. Reginald Thompson, vice president, marketing, sales, and real estate for the Wheeling & Lake Erie Railway Co., says his railroad didn't have enough customers to keep the line serving the supplier alive, so they had to take up the rail. But with a new international market for its products, the feed supplier may be able to make good use of this new intermodal terminal.

This company makes a special supplemental feed mix for thoroughbred race horses in Kentucky. One of the company's biggest customers for this product moved to England. This product doesn't exist there. Now that the product is established in the UK, the feed supplier has added the Middle East and Czeckoslovakia to its marketing mix. The feed is trucked from Northeast Ohio to Chicago. There it is put on an intermodal train and shipped to the West Coast.

"The feed company could bring their trucks up here instead of going all the way to Chicago and paying $600 a truckload," says Thompson. "You can be out to the West Coast from here in five days. And with companies like Georgia Pacific and UPS getting rid of many of their smaller satellite operations and flowing shipments into one large DC, places like this will be essential."

Stadelman is hopeful that within 18 months the NEOMODAL Facility will be designated a foreign trade zone with an on-site customs agent. The site can accommodate another terminal and three more rail spurs can be brought in from the main line to double capacity.

T&D will keep you posted on this new facility's progress.

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In 1993, officials of The Fleming Companies, a major food distribution firm headquartered in Oklahoma City, came to the Stark Development Board with a proposal to spend about $25 million of the company’s money to expand its frozen foods and dairy distribution facility in Perry Township, south of Massillon. The company also said it would add a 250,000-square-foot dry storage warehouse to its existing Perry Township complex, boosting its existing payroll of more than 100 employees to around 600.

There was a flipside to this business bonanza. The main line of the Wheeling & Lake Railroad ran directly across the property Fleming needed to carry out its expansion. Without that access, the company said it would be forced to close down its Perry Township facility and move, possibly to an out-of-state location. Without immediate action, the situation could easily have deteriorated into a textbook definition of the space between a rock and a hard place.

How the Stark Development Board – along with a host of interested parties – resolved this problem, and then used that solution as a launching pad to create many more new jobs, has resulted in its being declared a co-winner of the East Ohio Gas Co.-Cleveland Magazine Super Suburb Economic Development Award for 1995.

The immediate challenge was to find a way to use state and federal funds to relocate the Wheeling & Lake Erie main line so the Fleming Companies could proceed with their planned expansion.

The Stark County development board’s first response was to enlist the help of all the parties who might benefit from the track relocation.

That group included U.S. Rep. Ralph Regula and his staff, state Sen. Scott Oelslager, state Reps. Johnnie Maier Jr. and J. Kirk Schuring, the Stark County Commissioners, the Stark County Regional Planning Commission, officials from Perry and Bethlehem townships and the cities of Navarre and Massillon, representatives of Wheeling and Lake Erie Railroad, as well as executives from nearly a dozen area service and engineering firms committed to assisting with the project.

John Platt, now chief of staff of the Ohio Department of Transportation,
ECONOMIC DEVELOPMENT AWARDS

Gene Boerner, president of the Massillon Development Foundation; Michael Gill, chairman of the Stark County Development Board; and Ron DeBarr, Stark County Development Board vice president of business development, created the award-winning plan that kept The Fleming Companies in Northeast Ohio and paved the way for future industrial development.

(CDOT), then proposed a possible solution: Just south of the existing Fleming facility, immediately west of the Wheeling rail line, was a vacant 50-acre site owned by Stark County. Why couldn’t this land be used, he asked, to build a much-needed intermodal rail-truck facility, for which federal funds might be available.

Congressman Regula took that proposal to the U.S. Department of Transportation, Federal Highway Administration, and sought to seek funding using “Congestion Mitigation/ Air Quality” monies provided under the Interstate Surface Transportation Efficiency Act (ISTEA). These funds are available for demonstration projects that can provide innovative solutions to help reduce road traffic and air pollution associated with the interstate highway system. Stark County’s plan was ultimately chosen as one of the top demonstration projects in the country to be funded by the Federal Highway Administration.

As it evolved, the project was divided into two phases. The first was a realignment of the Wheeling & Lake Erie main line, completed in October 1994. To expedite construction, ODOT loaned the Stark Development Board $1.5 million, and the Fleming Companies put in another $500,000.

Phase Two began last November at a setting involving the Stark Development Board, ODOT and officials of the Federal Highway Administration. It was agreed that the new Stark intermodal truck-rail loading facility expected to be complete by year’s end will be owned by the Stark Development Board and operated by a private contractor. Federal funds for construction, amounting to more than $11 million, were given to ODOT, which then loaned this money to the Stark Development Board. Profits accruing to Stark Development from the operation will be used to amortize the loan over a 20-year period. ODOT will then use this money for subsequent economic development within the state. The intermodal loading facility construction is expected to be complete by year’s end.

What this gives Stark County, in the words of Stark Development Board vice president of business development Ron DeBarr, is a “state-of-the-art intermodal loading and unloading facility second to none in the country.”

The facility is located on approximately 28 acres immediately west of the railroad right-of-way, and just south of the Fleming Companies complex. It will contain three rail spurs and truck lanes with designated space for trailer or chassis parking locations. An adjacent 21-acre plot is also available as a temporary storage yard for parking and staging containers and trailers. The facility will be able to load and off-load double-stacked containers, trailers on flat cars, as well as certain neo-bulk cargoes such as steel coils.

The three rail spurs will each be served by a 40-ton capacity, rubber-tired, diesel-powered, operator-controlled gantry crane. Each crane will be equipped with container lift beams for all types of loading and unloading. Each will have lights and computer-assisted tracking and communications systems to assist speedily handling. All operations will be supervised from an office complex including a control room to monitor all yard operations.

Each rail spur will accommodate a maximum of 20 90-foot rail cars, capable of holding two trailers or up to four containers if double-stacked. The facility has the capability to unload and reload a 60-car train in about four hours.

According to DeBarr, the terminal will operate initially on a two-shift per day basis five days a week, with the capability of operating three shifts a day seven days a week.

Shippers in Northeast Ohio will be able to reach three different Class One railroad carriers, including Norfolk & Southern, CSX and Conrail through the Stark intermodal facility and the Wheeling & Lake Erie railroad. The system is unique in that it’s located on a short haul line. Most U.S. intermodal facilities are located on a single, large Class One railroad such as the Union Pacific or the Southern Pacific. The Stark facility will provide prospective shippers and consignees greater shipping flexibility within a 150-mile radius of the terminal.

“We believe this facility will offer businesses shipping goods by truck from Northeastern Ohio a distinct cost advantage when their destinations are at least 300 to 400 miles away,” DeBarr says.

But Stark County’s biggest bonus from this new facility may lie in the future. Directly across the railroad tracks from the new intermodal terminal is a vacant, 300-acre, county-owned parcel known as the Stark County Farm. Stark Development Board officials believe the new intermodal facility paves the way for future development of this huge tract. Potentially, DeBarr estimates, development of this land could dwarfi anything now underway. “The employment potential alone could offer as many as 6,000 new jobs to the area,” he says.

Which shows what can happen when you really understand the concept of piggybacking.
June 12, 1997

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docket No. 33388
192 K Street NW
Washington DC 20423-0001

RE: CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and Norfolk Southern Railway Co.
- Control and Operating Leases/Agreements-
Conrail Inc. and Consolidated Rail Corporation

VERIFIED STATEMENT

On behalf of the North East Ohio Trade & Economic Consortium ("NEOTEC")
Finance Docket No. 33388

My name is Dale E. Gibbons and I serve as Executive Director of NEOTEC, 175 South Main Street, Suite 207, Akron, OH 44308. NEOTEC is a six county Joint Office of Economic Development created by the legislative action of the Commissioners for Trumbull, Summit, Stark, Portage, Mahoning and Columbiana Counties. NEOTEC's mission is to: (1) Develop Northeast Ohio's intermodal infrastructure resources into a seamless transportation system which offers time, cost and flexibility options to firms shipping to and from Northeast Ohio; (2) Promote the resources of Northeast Ohio on a national and international basis to improve the region's position and participation in the world economy; (3) Work with entities in the region to improve the competitive position of the region and enhance the region's capability to support business. NEOTEC brings a "system" approach to infrastructure development with priority projects chosen based on their contribution to the "system". The "system" benefits the region, state and national economies.

Based upon the system approach NEOTEC has identified industrial sites in our region suitable to primary metal production, steel fabrication, precision machining, plastics manufacture, aggregate and coal production or use, military applications, automobile manufacturer and multimodal cargo distribution. Many of those sites are connected to one another and the outside world by railroad track.

Much of the region's track is owned or operated by the Wheeling and Lake Erie ("WLE") or one of the operating units of the Ohio Central Railroad ("OC"). These short lines emerged to fill service gaps resulting from previous abandonment's by the Class I's, primarily Conrail. Some of the track is publicly owned by virtue of public or community investment. The balance is owned by Conrail, Norfolk Southern ("NS") or CSX Transportation ("CSX").
We believe that NEOTEC is unique in our approach to re-developing the industrial area of North East Ohio which is critical to the long term economic and strategic health of heavy industry in the United States. We believe that our success is directly tied to the fortunes of the shortline railroads. And we believe that those shortline operators who have invested their time and money in our area should realize their rightful share of traffic generated through our combined efforts.

In regard to money invested, one of the State’s and Region’s most important new intermodal projects may be adversely impacted by the merger. NEOMODAL (Northeast Ohio Intermodal Terminal) is owned by the Stark Development Board, Inc. (“SDB”) and is a $13.2 Million state-of-the-art highway/rail transfer terminal located in Navarre, Stark County, Ohio. NEOMODAL was constructed in 1995 with Federal funds from the ISTEA program. The project received prominent national attention as the first project to be completed under ISTEA initiative. It won a national award for innovative financing as a demonstration project under the Congestion Mitigation Air Quality (CMAC) program. The terminal was officially dedicated on June 6, 1997 by U.S. Congressman Ralph Regula, and then Secretary of Transportation Federico Pena.

NEOMODAL is a “cutting edge” example of what a public-private partnership should be, with involvement by key Federal agencies such as the Department of Transportation, Federal Highway Administration, Federal Railroad Administration, Members of Congress, as well as involvement at the state level with the Governor’s office, ODOT and ORC.

The proposed acquisition of Conrail by CSX and NS raises concerns over the potential negative impact on NEOMODAL. The following issues need to be addressed by both CSX and NS in evaluating the impact of the merger:

- NEOMODAL (Northeast Ohio Intermodal Terminal) was designed to insure competitive service and rates for shippers in Northeast Ohio and Western Pennsylvania by way of independent ownership of the facility (SDB). With the Conrail acquisition, what commitments are CSX and NS willing to make regarding the use of the facility? Are there any plans by either railroad to construct a competing terminal in the NEOMODAL service area, which is defined as a 120 mile radius?

- NEOMODAL is located on the WLE connecting to CSX and NS at several points in Ohio and Pennsylvania. The merger, as proposed, would give NS the Conrail line and assets from Hagerstown, through Pittsburgh and Canton, on to western Ohio, which would parallel the WLE system. This merger plan, in effect, would transform NS from the WLE’s largest interchange partner to their largest competitor. What commitments will NS make to insure a competitive balance with WLE, which serves as a feeder system for NEOMODAL to the Class I railroads? A negative effect on the WLE system would virtually eliminate the “dual-access” advantage for shippers in Stark County.
NEOTEC and local jurisdiction short line owners are dependent upon the continued existence of knowledgeable, community-conscious operators to actually run the rail service. In our opinion, the proposed division of Conrail threatens the viability of the WLE and OC by diverting traffic now moving via WLE and OC in direct competition with Conrail and/or the carrier scheduled to acquire the involved Conrail line. The diversion of overhead traffic and longer-haul traffic will have a detrimental effect on the WLE and OC. This cannot be allowed.

The Board must not lose sight of the unique needs of our shortline rail partners in the division of Conrail's track and the instant case must include protections and enhancements of their competitive positions. We believe that this requires the establishment of a CSX-NS Joint Commercial Area, embracing all current CSX, Conrail and NS lines in the involved counties, with all terminal operations handled through long-term operating agreements between CSX-NS, NEOTEC/local jurisdictions and local shortline operators. Each Class 1 carrier will continue unimpeded operations over its local jurisdictions own track for overhead traffic provided that the designated local switching carrier is given reasonable access to industries on that track. Such a solution would protect and extend the competitive access of both CSX and NS to industries in the NEOTEC area while insuring our shortline partners sufficient traffic to remain a viable asset in the completion of NEOTEC's mission.

Some protective provisions should also be made for traffic which is currently originated or terminated on one of the local shortline railroads through interchanges with CSX or NS to reduce the potential for rapid revenue depletion. Additionally, in order to protect NEOTEC's future interests we request the Board direct the applicants to grant NEOTEC or designated local jurisdictions right of first refusal on the acquisition of all abandoned track within and contingent to our geographical area; particularly that track rescued by taxpayer money from the default of Conrail's predecessors. We believe that a three year notification requirement should be imposed for future abandonments.

The existing steel industry in the NEOTEC area has raised several issues which we would like to present to the Board for answer by CSX and NS in their operational plans. These issues are:

- Many steel companies in NEOTEC are classified as integrated steel companies; they use raw materials including coal, iron ore, lime stone and scrap to make steel. Will rail competition be maintained from the existing West Virginia, Kentucky and Ohio coal mines to coke producers located in West Virginia, Pennsylvania, New York and Ohio? If there is no competition, will coke rates rise resulting in a chain reaction of other cost increases in the steel-making process? Further, if there is limited rail competition from the coal mines, will the cost of coal rise for electric utilities, and will that increase be passed along to steel companies which purchase massive amounts of power?
For steel companies with no access to water ports, iron ore pellets have to be either railed or trucked to the steel plant. Will all existing rail lines be maintained? If not, what role will short line railroads be able to play? Any significant rail change could mean rate changes thereby impacting a company's competitive position. If the merger results in higher coal or iron ore costs, integrated steel makers would be put at a competitive disadvantage to those mills which primarily use scrap.

How will Conrail's rail equipment currently used by the steel industry be distributed between CSX and NS? For example, LTV Steel in Cleveland has an assignment of several hundred cars from Conrail to deliver steel from its Cleveland plant to Mennenin, Illinois. Although discussion has occurred with the railroads as to whom will furnish cars for this movement, no agreement has been verified in writing.

NS and CSX need to understand that increased freight from increased production of Northeast Ohio firms is dependent on the ability of these firms to hire the workers they need. Commuter rail links are an essential component of a transportation system designed to benefit the total economic growth of Northeast Ohio.

While the railroads have traditionally rejected the idea of joint use of track by passenger and freight trains, changes in the existing system resulting from the merger may provide significant opportunities to re-evaluate this position. We would like the operational plans being developed to recognize that commuter service access to track in several key corridors in Northeast Ohio is critical to expansion of industrial production. These specific opportunities have been detailed by the Greater Cleveland Regional Transit Authority ("GCRTA") and NEOTEC endorses these suggestions.

We encourage the Board to require that NS and CSX develop an operational plan that facilitates a partnership with NEOTEC and GCRTA that will promote both passenger and freight operations.

I, Dale E. Gibbons, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed this day of , 1997.

Dale E. Gibbons
Region means business

Six-county group to pool resources for economic gain

By ZOE PRITCHARD
Repository business writer

GREEN — Northeast Ohio's newest sales team became official Wednesday morning.

Elected officials from six counties, including Stark, inked agreements that create the Northeast Ohio Trade and Economic Consortium.

Companies no longer will look at a potential factory site in Canton or Akron or Youngstown. NEOTEC will show what the entire region has to offer.

Joining Stark are Columbiana, Mahoning, Portage, Summit and Trumbull counties. Ashtabula and Cuyahoga counties have expressed an interest in NEOTEC membership.

The consortium will pool resources to attract new companies and jobs, while retaining the business base already here. Officials hope to take advantage of development tools already in place, especially the airports, railroads, water ports and highways.

"I believe this effort we are starting ultimately will be the economic future of Northeast Ohio," Summit County Executive Tim Davis told the crowd of about 100 people who attended signing ceremonies for the NEOTEC pact.

The consortium won't necessarily create jobs, but it will create an atmosphere to help retain jobs and attract business, said Donald R. Watkins, Stark County commissioner.

Marketing will be an important NEOTEC duty. Members will lead the Ohio delegation in April to an international trade fair in Hanover, Germany. Staff already is developing information for a site on the Internet as part of the Ohio home page.

"As one, we've done great things for this state," Columbiana County Commissioner Michael P. Hallock said of the consortium's efforts.

NEOTEC has been in place since last summer, and already is pushing projects on the state and national level.

Earlier this week, officials from NEOTEC descended on Washington seeking approval for a plan to expand the foreign trade zone at Akron-Canton Regional Airport to the Neomodal railroad facility in Perry Township, the Youngstown-Warren Regional Airport and port facilities along the Ohio River near East Liverpool.

Davis, who is credited with leading efforts to create NEOTEC, is confident that federal officials will approve the proposed foreign trade zone changes. That could translate into more jobs.

Foreign trade zones allow companies to avoid or reduce import duties. Extending foreign trade zone status to Neomodal or the Youngstown-Warren airport turns both into an attractive port-of-entry for businesses that want to manufacture in the United States.

Davis said there could be instances where — because of high labor costs in Europe — companies can save money by shipping parts to Northeast Ohio, making a product and sending it back to Europe.

The area's transportation services will be a key part in the sales pitch.

Interstate highways are an obvious tool. Neotech also intends to take advantage of the rail system, two airports and the Ohio River port. Adding Ashtabula and Cuyahoga counties brings Lake Erie and the St. Lawrence Seaway into the mix.

**What is NEOTEC?**

NEOTEC stands for the Northeast Ohio Trade and Economic Consortium. It is composed of Stark and five other counties.

The six counties have joined in a bid to attract new businesses to the area, leading to more jobs, a stronger local economy and an improved tax base. Some of NEOTEC's economic assets include:

- Neomodal train terminal
- Youngstown-Warren Regional Airport
- Akron-Canton Regional Airport
- Access to water ports in East Liverpool on the Ohio River
Pooling resources to compete

Northeastern Ohio counties champion consortium for trade

By EDWARD R. STRIMLER
Repository business editor

The idea is brilliant in its simplicity. Instead of competing against one another for jobs, officials from six counties have decided to work together to help one another grow.

On Feb. 28, officials from Stark, Summit, Columbiana, Portage, Trumbull and Mahoning counties gathered at the Akron-Canton Regional Airport to sign an historic agreement.

The agreement allows the counties to pool resources to form a joint office of economic development; the office is called the Northeast Ohio Trade and Economic Consortium.

The idea of combining resources for the betterment of the region has had its advocates through the years. Most recently, Akron industrialist David Brennan dreamed of a large cargo airport that could handle international flights and help companies in the region better compete in a global economy.

But after it became clear that the idea of building an expensive, new airport would never fly, Paul E. Misfud, chief of staff for Gov. George Voinovich, offered a different idea.

Misfud suggested that the region should consider making use of existing assets such as the Youngstown-Warren Regional Airport. He also felt that counties had to stop fighting one another and instead focus on working together.

"Most companies that are looking for a new location don't start with a single site, but with a region," said Misfud. "And one of the most important things they're looking for is a seamless transportation system."

Misfud said that Northeast Ohio is stronger than the sum of its parts. Each county might have a few assets, but the region has deep water ports along Lake Erie, a river port in East Liverpool, and the Akron-Canton Regional Airport, the Northeast Ohio's largest airport.

The county where the idea of combining resources was born is Stark County. Over about two years ago, Misfud and Davis decided the county could stand to improve its export capabilities. They set in motion a plan to look at the assets of the other counties and to figure out a way to make it work.

"The idea was a stroke of political genius and courage," said Misfud, who also credited Stark County Commissioner Donald R. Watkins, U.S. Rep. Ralph Regula, R-Navarre, and other early champions of the idea.

Davis said NEOTEC is built on the idea of moving people and goods. "Economic development and transportation can't be separated," he said.

"I think NEOTEC is important to ensure the long-term growth of the area. For the first time, there is one entity accountable for Northeast Ohio as a whole," Dale E. Gibbons, executive director of the Summit County Department of Development and interim executive director of NEOTEC, said.

"NEOTEC is going to be tremendously important to Stark County. It will market the region nationally and internationally," Donald R. Watkins, Stark County commissioner.

"Portage County is located in the heart of the NEOTEC region with natural resources to accommodate future growth and research and development capabilities at Kent State University and the Liquid Crystal Institute," Christopher Sneiles, Portage County commissioner.

"NEOTEC is about cooperating as a region so that we can grow together. Northeast Ohio is the future growth area of the U.S." Canton Mayor Richard D. Watkins.
Staff will channel projects to regional organizations

By EDD PRITCHARD
Repository business writer

Dale E. Gibbons likens the Northeast Ohio Trade and Economic Consortium to a “virtual organization.”

That would be virtual as in virtual reality. It’s there, but then again, it isn’t.

Six Northeast Ohio counties — Stark, Summit, Columbiana, Portage, Mahoning and Trumbull — have banded together to form NEOTEC. The goal is to market all six counties as a unit in a bid to attract new businesses to the area.

Ms. Gibbons has been involved with NEOTEC because of her duties as executive director of the Summit County Department of Development. She is interim executive director of NEOTEC and serves on the organization’s board.

Right now, NEOTEC falls under the “virtual organization” description.

Most of the agency’s “staff” work for Summit County’s development department and County Executive Tim Davis. Tasks are split between government and development agencies, or farmed out to experts.

Ms. Gibbons envisions a small operation with few employees, possibly in an office at the Akron-Canton Regional Airport. Day-to-day operations might be handled by the port authority in each county. The staff would channel projects to regional development groups and chambers of commerce.

“We don’t want to have a big staff. We want to rely on the expertise we already have and fill in the holes,” Ms. Gibbons said.

NEOTEC’s board meets monthly. Each participating county has a board representative and a single vote.

Funding for NEOTEC has come from each county — $15,000 this year and $20,000 next year. The Ohio Department of Transportation also has kicked in support with a $750,000 grant.

After two years, NEOTEC wants to be self-supporting, Ms. Gibbons said. The agency is considering a plan to collect fees for services provided within the region’s foreign trade zone. The zone is at the Akron-Canton airport, but NEOTEC proponents have asked that it be extended to the Neomodal railroad facility in Perry Township, Youngstown-Warren Regional Airport and the Ohio River port in East Liverpool.

NEOTEC isn’t spending all of its time trying to figure out how it will operate in the future.

Current projects are looking at ways the organization can develop what the area offers, Ms. Gibbons said. Studies are under way to compare the area’s assets with other parts of the United States and the world. Experts are compiling information about land force, labor costs and transportation.

The information will be used to develop a regional plan that will benefit all six counties. A single county will not be able to dominate the agency.

“This is going to enhance, not duplicate efforts,” Ms. Gibbons said. “It will be the infrastructure to allow us to work better among ourselves.”

PAQUETTE

PAQUETTE

“NEOTEC’s goals are clear cut. The purpose is to take what we have and make people aware of it, to market the area around the existing infrastructure and build upon it.” Tracy V. Drake, executive director of the Columbiana County Port Authority and member of the NEOTEC board.

NEOTEC’s goals are clear cut. The purpose is to take what we have and make people aware of it, to market the area around the existing infrastructure and build upon it.” Tracy V. Drake, executive director of the Columbiana County Port Authority and member of the NEOTEC board.

BOYD

BOYD

“The competition is among regions, not counties. Regional cooperation is absolutely essential to succeed today. NEOTEC is government recognizing that reality.” Theodore Boyd, chairman of WHBC radio and vice chairman of the NEOTEC board.
Reid Dulberger sees a potential gold mine in the air-cargo center envisioned for the Youngstown-Warren area.

Dulberger, senior vice president for economic development at the Youngstown Warren Regional Chamber of Commerce, is one of many northeast Ohioans eager to jumpstart an economically ravaged area by attracting the trade that comes with such a center.

President Clinton gave the proposal a big boost last week when he recommended that $47 million in federal funds go toward making it a cargo airpark. The money will be spent on land acquisition, runway extension and other aviation improvements.

The Clinton administration will request the money in the next budget.

“We view it as the largest economic development project in the Youngstown-Warren area,” said Dulberger. “It’s our No. 1 priority.”

Based on examples of similar airparks in Columbus, Ohio, and Alliance, Texas, Dulberger says 7,000 to 10,000 jobs could be created over a decade.

The project is a priority for a region seeking a bigger share of foreign trade.

Meanwhile, Cleveland Hopkins International Airport plans to start a five-month survey by the end of the month to help determine air cargo demand throughout the region. The airport’s immediate expansion plans focus on passengers.

Currently, cargo throughout the region is moved via truck from as far away as New York, Chicago, Toronto and even Miami.

John Osmond, manager of air trade development at Hopkins, said the $100,000 survey is necessary to get a handle on the types of cargo shipped throughout the region, which companies are shipping it, and how it's being shipped. The airport has wanted to conduct the survey for five years but has not had funding until this year, when the Ohio Department of Transportation decided to co-sponsor it.

“Basically, what we’re looking at is trying to define how much demand there really is for movement of air cargo. One of the things we’ve asked the consultants to determine is how much effect the Youngstown cargo expansion will have on us,” Osmond said. “They’re also going to look at all the other airports in northern Ohio that are also trying to attract cargo business.”

Federal Express and United Parcel Service are the largest cargo carriers at Hopkins. Meanwhile, state officials don’t agree that Hopkins should pursue more cargo business.

Reid E. Dulberger, senior vice president of economic development of the Youngstown Warren Chamber of Commerce, is one of several community and economic leaders who see potential in turning the Youngstown-Warren Regional Airport into a cargo specialty airport that would create thousands of jobs for the region.
Air-cargo center moving forward

CARGO FROM I-C

They are pushing the Youngstown-Warren alternative.

Paul Mifsud, Gov. George V. Voinovich's recently retired chief of staff, said recently state consultants determined that Hopkins was too small and too close to residential areas to be a major cargo airport.

He noted that community leaders are focusing on becoming a center for conventions and tourism, not cargo. However, Cleveland Mayor Michael R. White's administration doesn't want Hopkins to ignore cargo business, which means more revenue for an airport.

Plans to turn the Youngstown-Warren Regional Airport into an international air-cargo hub are gaining momentum.

The first sign of hope came in November when local leaders formed the Northeast Ohio Trade and Economic Consortium. Regional cooperation is necessary in developing transportation systems and foreign-trade zones.

Participating in NEOTEC are Summit, Portage, Stark, Trumbull, Mahoning and Columbiana counties. The airport is in Trumbull County north of Youngstown.

"People have viewed what we're trying to do as purely an air-cargo project. Therefore, they've seen it as competition when in fact none exists," Dulberger said. "Ours is actually an industrial park project where the airport, rail line and highways create the amenities which we believe will help us attract thousands of new jobs.

"The bang for the buck in this project is not coming from traditional air-cargo services. It's coming from those manufacturing and distributional facilities that will choose to locate at the airport."

Facilities that locate there would be under a foreign trade zone. With that designation, products stored there and equipment used to manufacture goods there would not be taxed.

The second boost occurred in April when the Federal Aviation Administration awarded a $590,000 grant to the Youngstown airport to conduct studies on lengthening the runway to accommodate major airline-cargo operations.

The FAA grant enabled the airport to launch the last three studies necessary before it can apply for federal construction money. The studies are expected to be completed by October.

Dulberger said regional support has been crucial to the success so far. Within the last two months, community leaders from western Pennsylvania have taken three of the 15 seats on the planning committee that is plotting the airport expansion.

Since the airport is only a few miles from the state line, Pennsylvania county commissioners and economic development officials see a direct economic impact on their state. Expansion plans not only mean more jobs, but also would help Pennsylvania companies compete in the global marketplace since it will be much cheaper to ship products from the Youngstown airport than from New York and other states.

Dulberger, president of NEOTEC, said he's optimistic the airport will be awarded the money in early 1997. "If not, we'll keep moving forward."

"We don't need $47 million to start the project. We can extend the runway and begin to realize some of the benefits for as little as $15 million," he said.
Seven interstate highways and hundreds of miles of rail crisscross the region. Top left, train/truck traffic flows through the new Neomodal facility in Stark County. Center, barges laden with Appalachian coal, Midwest grain and Gulf states plastic resins ply the Ohio in and out of Columbiana County's river ports. Deep water Lake Erie ports and two major Ohio River ports provide ocean freighters and river barges access to the manufacturing heartland of America.

Networked to the World

Pittsburgh, Akron/Canton regional airport (below) and Youngstown/Warren feed passengers and freight into the global marketplace.

Northeast Ohio is in the midst of an active and rich industrial and consumer market. At the heart of the region are six counties which are building global relationships through an intermodal transportation network.
Neomodal Terminal a "State of the Art" Intermodal Railroad Terminal is available upon request by writing to:

Randall C. Hunt, Esq.
Krugliak, Wilkins, Griffiths & Dougherty Co., L.P.A.
4775 Munson Street, N.W.
Canton, Ohio 44718
UNited States of America
Department of Transportation
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

Comments, Evidence, and Request for Conditions
Of American Electric Power Service Corporation

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Attorneys for American Electric
Power Service Corporation

Due Date: October 21, 1997
Dated: October 20, 1997
American Electric Power Service Corporation ("AEP") hereby submits its Comments concerning the Application of CSX Corporation and CSX Transportation, Inc. (collectively, "CSX") Norfolk Southern Inc. and Norfolk Southern Railway Inc. (collectively, "NS"), Conrail Inc. and the Consolidated Rail Corporation (collectively, "Conrail") to acquire and divide among themselves the assets of Conrail. (We use the terms "merger," or "acquisition," or "contract" synonymously, unless otherwise indicated.)

The purpose of these Comments is to request that the Board impose a condition on the proposed transaction concerning
AEP’s Cardinal Plant, a large coal-fired electric generating station located in Brilliant, Ohio on the Ohio River.

Today, AEP’s Cardinal Plant has access to two rail carriers: the Wheeling & Lake Erie Railroad ("WLE"), directly and Conrail (see AEP Ex. 3 (TDC-2)), via

See AEP Ex. 4 (TDC-3) at 2. As a result of the proposed transaction, Norfolk Southern will acquire Conrail’s rights and access to AEP’s Cardinal Plant, and the obligations therewith. So far as that goes, the two-carrier access that the Cardinal Plant currently enjoys will not be affected.

AEP’s concerns, however, center on WLE and continued dual access to its Cardinal Plant if the Board approves the Application. Separately, WLE has announced that it may not survive as a result of the proposed transaction. AEP is not privy to evidence regarding whether WLE will or will not survive if the Board approves the Application. However, if the proposed transaction causes WLE to go out of business or be unable to serve AEP, AEP will lose one of its two carriers serving the Cardinal Plant. Thus, the Board should ensure continued dual access to AEP’s Cardinal Plant, if AEP loses its delivery carrier as a result of the proposed transaction. See AEP Ex. 1.
Although technically the Cardinal Plant may not fall within the definition of a "2 to 1" shipper as previously defined by the Board, see, Union Pacific Corp., et al.--Control and Merger--Southern Pacific Corp., et al., Finance Docket No. 32760 (served Aug. 12, '796), AEP should be given the same relief that "2 to 1" destinations have received in prior merger and acquisition proceedings because it may lose access to its second carrier, WLE, as a result of the proposed transaction and thus literally would be a "2 to 1" shipper under those circumstances.

The Board can and should safeguard AEP's dual access by requiring CSX to assume the rights and obligations of WLE, including the requirement to serve the Cardinal Plant as a common and contract carrier, should WLE no longer be able to serve the Cardinal Plant. See AEP Ex. 1.

REQUEST FOR CONDITION

Accordingly, AEP requests that the Board adopt the following protective condition if it approves the proposed transaction:

If WLE is unable to perform its obligations to serve AEP's Cardinal Plant, CSX Transportation, Inc. is required to assume WLE's common and contract obligations to do so, and is further required to provide the Board with a specific proposal for carrying out those obligations forthwith. NS is required to permit CSX to have access to the Conrail line serving AEP's Cardinal Plant, at a trackage rights fee at the
same terms and conditions as provided in the current WLE/Conrail agreement, if WLE's line is not capable of carrying CSX's trains into the Cardinal Plant.

Respectfully submitted,

Michael F. McBride
Brenda Durham
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
Suite 1200
1875 Connecticut Ave., N.W.
Washington, D.C. 20009-5728
(202) 986-8003 (Telephone)
(202) 986-8103 (Fax)

Attorneys for American Electric Power Service Corporation

Dated: October 20, 1997
BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

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

CERTIFICATE OF SERVICE

I hereby certify that I have served this 20th day of October, 1997, a copy of the foregoing “Comments, Evidence, and Request for Conditions of American Electric Power Service Corporation” (AEP-5) by first-class mail, postage prepaid, or by more expeditious means, upon all parties of record. The “highly confidential” version was served on persons on the Highly Confidential Restricted Service List only; a redacted version was served on all other parties of record. The following persons were served by hand delivery:

Office of the Secretary
Case Control Unit
ATTN: STB Finance Dkt. 33388
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, DC 20423-0001
VIA HAND DELIVERY

David M. Konschriek, Director
Office of Proceedings
Surface Transportation Board
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John V. Edwards, Esq.
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Washington, DC 20006-3939
VIA HAND DELIVERY

Mr. Vernon Williams, Secretary
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, DC 20423-0001
VIA HAND DELIVERY
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

Verified Statement
of
Thomas D. Crowley
President
L. E. Peabody & Associates, Inc.

On Behalf of
American Electric Power Service Corporation

Due Date: October 21, 1997
INTRODUCTION

My name is Thomas D. Crowley. I am an economist and President of the economic consulting firm of L. E. Peabody & Associates, Inc. The firm's offices are located at 1501 Duke Street, Suite 200, Alexandria, Virginia 22314. My qualifications and experience are attached as Exhibit 2 (TDC-1) to this Verified Statement.

I have been asked by American Electric Power Service Corporation ("AEP") to review the Railroad Control Application filed by CSX Transportation Inc. ("CSX") and Norfolk Southern Railway Company ("NS") in Surface Transportation Board ("STB") Finance Docket No. 33388. This application specifies the terms of the purchase of the assets of Consolidated Rail Corporation ("Conrail") by CSX and NS. Specifically, I have been asked to determine the impact that this transaction will have on coal deliveries to AEP's Cardinal plant located in Brilliant, Ohio. In making my evaluation, I have reviewed the CSX/NS/Conrail Control Application, the workpapers supporting the railroads' Application, the deposition of the various witnesses supporting the Application, and the Applicants' responses to interrogatory and document requests.

My comments are organized below under the following topical headings:

II. Summary and Findings

III. Railroad Access to Cardinal Plant
II. SUMMARY AND FINDINGS

Based on my review of the Railroad Control Application filed by CSX, NS and Conrail as well as the workpapers, depositions and Applicants' responses to discovery, my findings regarding the acquisition of Conrail by CSX and NS are as follows:

1. AEP’s Cardinal plant receives coal from CSX origins for interchange with the Wheeling and Lake Erie Railway Company ("WLE");

2. In addition to access by the WLE, the Cardinal plant is accessible by Conrail

3. After the acquisition of Conrail by CSX and NS, the Conrail rail line ( ) will be the responsibility of NS;

4. WLE has publicly stated that its viability is in doubt because of the acquisition of Conrail by CSX and NS. The elimination of WLE would result in NS becoming the only railroad serving AEP’s Cardinal plant; and,

5. If the acquisition of Conrail by the CSX and NS is approved and WLE is unable to serve the Cardinal plant, then CSX should be granted access to the Cardinal plant via Benwood, West Virginia or the nearest practical interchange with NS. Compensation for these trackage rights should be based on the same level as

The basis for my findings are addressed below.
III. RAILROAD ACCESS TO CARDINAL PLANT

AEP's Cardinal plant is located in Brilliant, Ohio. Based on the 1995 plant traffic data furnished by the railroads in response to AEP's discovery requests tons originated at CSX origins and moved to the Cardinal plant via interchange with the WLE\(^1\). Additional coal delivered to the Cardinal plant was transported via truck or barge movement.

Both Conrail and WLE have access to the plant. Exhibit 3(TDC-2) is a schematic of the rail lines serving the Cardinal plant, including the WLE interchange location with the CSX at Benwood, West Virginia. The schematic was prepared by Conrail or WLE and obtained in discovery from Conrail. The Cardinal plant is located approximately miles from the Benwood interchange.

WLE has publicly stated that the acquisition of Conrail by CSX and NS will jeopardize the viability of that railroad. On August 22, 1997, WLE filed its "Description of Responsive Application of Wheeling & Lake Erie Railway Company", identified as WLE-2 ("Responsive Application"). In the Responsive Application, WLE stated that the acquisition of Conrail by CSX and NS places WLE in a "unique and highly vulnerable position" (Responsive Application,\(^1\)

\(^1\) In 1996, 298,537 tons moved from CSX origins to the Cardinal plant (via the WLE). In 1997, CSX originated 169,986 tons of which 160,896 tons moved via WLE and 9,090 moved via Conrail through the interchange at Potomac Yard.
WLE went on to state that the Conrail transaction will "lead to WLE's bankruptcy within a year of the merger..." (Responsive Application, page 2).

In order to maintain the dual railroad access at the plant (and thus preserve the pre-merger level of competition) the Surface Transportation Board ("STB") should require that, as a condition of the merger, CSX be granted trackage rights to the Cardinal plant if WLE is not able to provide the service. Specifically, the STB should allow CSX trackage rights from Benwood, West Virginia (the current CSX/WLE interchange) to the Cardinal plant over the WLE line.

If the trackage connecting that interchange to the Cardinal plant is eliminated, or not maintained at a level that allows coal traffic to traverse it, then CSX should be granted trackage rights over the current Conrail lines that serve the Cardinal plant\(^2\). The alternative routing over Conrail trackage is consistent with the WLE's planned operation shown in Exhibit 3(TDC-2) where WLE would eliminate several sections of WLE track to the Cardinal plant and operate over trackage rights on the Conrail line.

If service cannot be performed via Benwood, West Virginia, CSX should be granted trackage rights from the nearest interchange between the post-acquisition NS and CSX. I suggest that Martins Ferry, West Virginia, on the current Conrail line shown in Exhibit 3(TDC-2), is a suitable alternative interchange.

Finally, compensation for the CSX trackage rights lines to the Cardinal plant should follow the same terms and conditions as

\(^2\) The Conrail line can be accessed at Bellaire, Ohio utilizing 2.9 miles of the existing WLE line.
VERIFICATION

COMMONWEALTH OF VIRGINIA

CITY OF ALEXANDRIA

THOMAS D. CROWLEY, being duly sworn, deposes and says that he has read the foregoing statement, knows the contents thereof and that the same are true as stated.

Sworn to and subscribed
before me this 15\textsuperscript{th} day

Witness my hand and official seal.
STATEMENT OF QUALIFICATIONS

My name is Thomas D. Crowley. I am an economist and President of the economic consulting firm of L. E. Peabody & Associates, Inc. The firm's offices are located at 1501 Duke Street, Suite 200, Alexandria, Virginia 22314.

I am a graduate of the University of Maine from which I obtained a Bachelor of Science degree in Economics. I have also taken graduate courses in transportation at George Washington University in Washington, D.C. I spent three years in the United States Army and since February 1971 have been employed by L. E. Peabody & Associates, Inc.

I am a member of the American Economic Association, the Transportation Research Forum, and the American Railway Engineering Association.

The firm of L. E. Peabody & Associates, Inc. specializes in solving economic, marketing and transportation problems. As an economic consultant, I have organized and directed economic studies and prepared reports for railroads, freight forwarders and other carriers, for shippers, for associations and for state governments and other public bodies dealing with transportation and related economic problems. Examples of studies I have participated in include organizing and directing traffic, operational and cost analyses in connection with multiple car movements, unit train operations for coal and other commodities, freight forwarder facilities, TOFC/COFC rail facilities, divisions of through rail rates, operating commuter passenger service, and other studies dealing with markets and the transportation by different modes of various commodities from both eastern and western origins to various destinations in the United
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States. The nature of these studies enabled me to become familiar with the operating and accounting procedures utilized by railroads in the normal course of business.

Additionally, I have inspected both railroad terminal and line-haul facilities used in handling various commodities to various destinations in all portions of the United States. These field trips were used as a basis for the determination of the traffic and operating characteristics for specific movements of coal, both inbound raw materials and outbound paper products to and from paper mills, crushed stone, soda ash, aluminum, fresh fruits and vegetables, TOFC/COFC traffic and numerous other commodities handled by rail.

I have presented evidence before the Interstate Commerce Commission ("ICC") in Ex Parte No. 347 (Sub-No. 1), Coal Rate Guidelines - Nationwide which is the proceeding that established the methodology for developing a maximum rail rate based on stand-alone costs.

Moreover, I have developed numerous variable cost calculations utilizing the various formulas employed by the ICC for the development of variable costs for common carriers with particular emphasis on the basis and use of Rail Form A. I have utilized Rail Form A costing principles since the beginning of my career with L. E. Peabody & Associates Inc. in 1971.1

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1/ Rail cost finding has been the cornerstone of this firm. Dr. Ford K. Edwards, the senior partner of the firm Edwards & Peabody*, was the major architect in the development of Rail Form A. Mr. Peabody carried on this tradition of innovative cost finding until his retirement in 1983. Mr. Peabody's work included participation in the Tennessee Valley Authority's ("TVA") computerization of Rail Form A. Mr. Peabody was a member of a committee of transportation consultants which was organized to assess the TVA procedure in order to make available more complete and simplified input data for the Rail Form A computer program.

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* Subsequent to the retirement of Dr. Edwards in 1965, the firm name was changed to L. E. Peabody & Associates, Inc.
STATEMENT OF QUALIFICATIONS

I have also analyzed in detail the Uniform Railroad Costing System ("URCS") and presented the results of my findings to the ICC in Ex Parte No. 431, Adoption of the Uniform Railroad Costing System for Determining Variable Costs for the Purposes of Surcharge and Jurisdictional Threshold Calculations. I have been involved in the URCS process, either directly or indirectly, since the first interim report of the contractors was released.

I have frequently presented both oral and written testimony before the Surface Transportation Board (and its predecessor, the Interstate Commerce Commission), Federal Energy Regulatory Commission, Railroad Accounting Principles Board, Postal Rate Commission and numerous state regulatory commissions, federal courts and state courts. This testimony was generally related to the development of variable cost of service calculations, fuel supply economics, contract interpretations, economic principles concerning the maximum level of rates, implementation of maximum rate principles, and calculation of reparations, including interest. I have also presented testimony in a number of court and arbitration proceedings concerning the level of rates and rate adjustment procedures in specific contracts.

Since the implementation of the Staggers Rail Act of 1980, which clarified that rail carriers could enter into transportation contracts with shippers, I have been actively involved in negotiating transportation contracts on behalf of shippers. Specifically, I have advised shippers concerning transportation rates based on market conditions and carrier competition, movement specific service commitments, specific cost-based rate adjustment provisions, contract reopeners that recognize changes in productivity, and cost-based ancillary charges. In particular, I have advised shippers on the theory and application of different types of rate adjustment mechanisms
for inclusion in transportation contracts. As a result of assisting shippers in the eastern and western portions of the United States, I have become familiar with operations and practices of the rail carriers that move traffic over the major rail routes in the United States as well as their cost and pricing practices.

In the two recent Western rail mergers that resulted in the creation of BNSF and UP/SP, I reviewed the railroads' applications including their supporting traffic, cost and operating data and provided detailed evidence supporting requests for conditions designed to maintain the competitive rail environment that existed before the proposed mergers. In these proceedings, I represented shipper interests, including plastic, chemical, coal, paper and steel shippers.

I have participated in various proceedings involved with the division of through rates. For example, I participated in ICC Docket No. 35585, *Akron, Canton & Youngstown Railroad Company, et al. v. Aberdeen and Rockfish Railroad Company, et al.* which was a complaint filed by the northern and midwestern rail lines to change the primary north-south divisions. I was personally involved in all traffic, operating and cost aspects of this proceeding on behalf of the northern and midwestern rail lines. I was the lead witness on behalf of the Long Island Railroad in ICC Docket No. 36874, *Notice of Intent to File Division Complaint by the Long Island Rail Road Company.*