October 14, 1997

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Branch
Attention: STB Finance Docket No. 33388
1925 K Street, N.W.
Washington, D.C. 20423-0001

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

Dear Secretary Williams:

Enclosed are an original and ten (10) copies of the Certificate of Service of the Tennessee Valley Authority (TVA-4) for filing in the above-referenced proceeding. Please note that a copy of this filing is also enclosed on a 3.5-inch diskette in WordPerfect 7.0 format.

Respectfully submitted,

William L. Osteen
Associate General Counsel

Enclosures
cc (Enclosure):
   The Honorable Jacob Leventhal
   Administrative Law Judge
   Federal Energy Regulatory Commission
   Office of Hearings, Suite 11F
   888 First Street, N.E.
   Washington, D.C. 20426
BEFORE THE
SURFACE TRANSPORTATION BOARD -
WASHINGTON, D.C.

FINANCE DOCKET NO. 33388

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

CERTIFICATE OF SERVICE
OF THE TENNESSEE VALLEY AUTHORITY

Pursuant to Decision No. 43 of the Surface Transportation Board, I hereby certify that

on October 14, 1997, the Parties of Record added by Decision No. 43 were served by

first-class U.S. mail, postage prepaid, with the following filing of the Tennessee Valley

Authority submitted thus far in this proceeding:

Notice of Intent to Participate (TVA-1)

Dated: October 14, 1997

William L. Osteen
Associate General Counsel

Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, Tennessee 37902-1499
Telephone No. (423) 632-7304
Facsimile No. (425) 632-2422

Attorney for Tennessee Valley Authority
August 5, 1997

VIA FAXIMILE AND OVERNIGHT MESSENGER

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Case Control Branch
Attention: STB Finance Docket No. 33388
1925 K Street, N.W.
Washington, D.C. 20423-0001

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

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are an original and 25 copies of the
Notice of Intent to Participate of the Tennessee Valley Authority. Also enclosed is a
3.5 inch diskette containing the text of the filing in WordPerfect 7.0 format.

Respectfully submitted,

Edward S. Christenbury

CLY:GFH
Enclosures
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

NOTICE OF INTENT TO PARTICIPATE

Tennessee Valley Authority ("TVA") hereby notifies the Board that it intends to participate in the above-referenced proceeding. Service may be made on the undersigned counsel. TVA adopts the abbreviation "TVA" for identifying its pleadings.

Respectfully submitted,

Edward S. Christenbury
General Counsel

[Signature]

William L. Osteen
Associate General Counsel

Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, Tennessee 37902-1499
Telephone No. (423) 632-7304
Facsimile No. (423) 632-2422

Attorneys for Tennessee Valley Authority
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 5th day of August, 1997, a copy of the foregoing “Notice of Intent to Participate” by first-class mail, postage prepaid, or by more expeditious means, upon each of the following parties of record:

Office of the Secretary
Case Control Branch
Attention: STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Richard A. Allen, Esq.
Zuckert, Scoutt & Rasenberger, L.L.P.
Suite 600
888 Seventeenth Street, N.W.
Washington, D.C. 20006-3939

Paul A. Cunningham, Esq.
Harkins Cunningham
Suite 600
1300 Nineteenth Street, N.W.
Washington, D.C. 20036

The Honorable Jacob Leventhal
Administrative Law Judge
Federal Energy Regulatory Commission
Office of Hearings, Suite 11F
888 First Street, N.E.
Washington, D.C. 20426

Dennis G. Lyons, Esq.
Arnold & Porter
555 Twelfth Street, N.W.
Washington, D.C. 20004-1206

William L. Osteen
Via Hand Delivery
Honorable Vernon A. Williams, Secretary
Case Control Unit
ATTN: STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 33388 CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY—Control and Operating Leases/Agreements—CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

Dear Secretary Williams:

The following entities hereby give notice that they are withdrawing from this proceeding:
- Anker Energy Corporation
- Buffalo Coal Company
- Evergreen Mining Company
- Maryland Coal Association
- Mettiki Coal Corporation
- PBS Coal, Inc.
- Tri-State Coal Association and
- Venture Coal Sales.

Please note that West Virginia Coals, Inc. is not withdrawing from this proceeding.

The above entities had jointly filed documents in this proceeding under the acronym "ANK". West Virginia Coals, Inc. hereby adopts the acronym "WVCI" and, accordingly, has designated this notice as ANK-7/WVCI-1.

In accordance with Decision Nos. 21 and 43 in this proceeding, copies of this document are being served upon Administrative Law Judge Jacob Leventhal and all known parties of record. Also enclosed is a 3.5-inch floppy diskette containing the text of this document in WordPerfect 7.0 format. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely yours,

Nicholas J. DiMichael
Attorney for Anker Energy Corporation, Buffalo Coal Company, Evergreen Mining Company, Maryland Coal Association, Mettiki Coal Corporation, PBS Coal, Inc., Tri-State Coal Association, Venture Coal Sales, and West Virginia Coals, Inc.
The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001  

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

Dear Secretary Williams:

We have enclosed an original and ten copies of a Certificate of Service stating that copies of all pleadings filed in the above proceeding upon the designated Parties of Record that were added to the Service List pursuant to Decision No. 43 dated October 7, 1997.

We did not receive Decision No. 43 in our office until Thursday, October 9, 1997. We were not able to serve the added Parties of Record on the Service List within five days pursuant to Decision No. 43 because of the intervening Saturday, Sunday and Columbus Day holiday, which left us only one day, Friday, October 10, 1997, to perform the service. Therefore, since we did not have sufficient reasonable time to make the service, would appreciate you considering this letter as a Motion for Leave to Serve Late the Parties of Record that were Added to the Service List.

Very truly yours,

BARBIN, LAUFFER & O'CONNELL

Harry C. Barbin

HCB:1pt
Enclosure

cc: The Honorable Jack Leventhal
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 OF
PAUL J. ENGELHART, ET AL.

I hereby certify that, on this 14th day of October, 1997, a
copy of all documents previously filed with the Surface
Transportation Board ("STB") on behalf of Paul J. Engelhart, et al,
namely Notice of Intent to Participate in Proceeding, was served by
first class mail, postage prepaid, upon the designated Parties of
Record that were added to the Service List in accordance with
Decision No. 43, dated October 7, 1997.

I hereby certify that, on this 14th day of October, 1997, a
copy of this certificate of Service (RETR-6) was served by first
class mail, postage prepaid, upon Administrative Law Judge Jacob
Leventhal.

Harry C. Barbin, Esquire
BARBIN, LAUFFER & O'CONNELL
608 Huntingdon Pike
Rockledge, PA 19046
(215)379-3015

Counsel for Paul J. Engelhart, et al.

Dated: October 14, 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 on this 17th day of October, 1997, I served by first-class mail,
postage pre-paid, copies of the United States Department of Agriculture’s “Notice of Intent to
Participate” (dated August 5, 1997) in STB Finance Docket No. 33388 upon each Party of
Record added to the service list as directed by STB Decision No. 43 dated October 7, 1997.

Keith A. Klindworth
Dear Mr. Williams:

We enclose herewith for filing one original and twenty-five copies of the COMMENTS OF THE NEW YORK/NEW JERSEY FOREIGN FREIGHT FORWARDERS & BROKERS ASSOCIATION INC. REQUESTING THAT THE SURFACE TRANSPORTATION BOARD REQUIRE A DETAILED STATEMENT FROM CSX AND NORTHERN SOUTHERN ON THEIR PROPOSED MANAGEMENT PLAN FOR THE “SHARED ASSET AREA”, for filing in the above-referenced matter.

If you have any questions regarding the above, please contact either of the undersigned individuals at your convenience.

Very truly yours,

Carlos Rodriguez & Associates

By: Helen M. Cousineau, Esq.
Carlos Rodriguez, Esq.
BEFORE THE SURFACE TRANSPORTATION BOARD

In the matter of

CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company—Control and Operating Leases/Agreements—Conrail Inc., and Consolidated Rail Corporation

STB Finance Docket No. 33388

COMMENTS OF THE NEW YORK/NEW JERSEY FOREIGN FREIGHT FORWARDERS & BROKERS ASSOCIATION INC.
REQUESTING THAT THE SURFACE TRANSPORTATION BOARD REQUIRE A DETAILED STATEMENT FROM CSX AND NORFOLK SOUTHERN ON THEIR PROPOSED MANAGEMENT PLAN FOR THE "SHARED ASSET AREA"

Submitted on behalf of the New York/New Jersey Foreign Freight Forwarders and Brokers Association by its counsel:

Carlos Rodriguez, Esq.
CARLOS RODRIGUEZ & ASSOCIATES
1710 Rhode Island Avenue, N.W.
Tenth Floor
Washington, D.C. 20036
Tel: 202-293-3300
Fax: 202-293-3307

Dated: October 17, 1997
The New York/New Jersey Foreign Freight Forwarders & Brokers Association, Inc. ("Association") submits these comments in response to CSX, Norfolk Southern, and Conrail's application seeking authority for the acquisition of Conrail by CSX and Norfolk Southern ("Application") filed in the case entitled CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company--Control and Operating Leases/Agreements--Conrail Inc., and Consolidated Rail Corporation, STB Finance Docket No. 33388. Specifically, the Association requests that the Surface Transportation Board ("STB") require CSX and Norfolk Southern to respond to the concerns of the Association, as presented herein, with a written public statement or amendment to the Application that publicly discloses details of the parties' proposed management and operations plan for the New York/New Jersey port area, particularly that area designated as the "shared asset area." These comments present the position of the Association and reflect the views of its collective membership. The Association requests that the STB consider these comments in conjunction with its review of the proposed CSX/Norfolk Southern/Conrail railroad control transaction ("Proposed Railroad Control Transaction").
BACKGROUND

The New York/New Jersey Foreign Freight Forwarders & Brokers Association is an association of over 100 ocean freight forwarders and customhouse brokers that has served the New York/New Jersey port area for over eighty years. Members of the Association provide a variety of ocean and intermodal transportation services in the New York/New Jersey port area and nationwide, including the services of ocean freight forwarders, non-vessel-operating common carriers (NVOCCs), and customhouse brokers. Through their services, members of the Association have been instrumental in building, promoting, and ensuring an infrastructure for the professional handling and transporting of, among other things, intermodal import and export cargoes in the New York/New Jersey port area.

The services provided by members of the Association that the Proposed Railroad Control Transaction would most significantly impact would include those services of the Association’s ocean freight forwarders and NVOCCs. The nature of these services may be briefly described as follows.

An ocean freight forwarder is a transportation intermediary that, by the most simple definition, acts as a travel agent for cargo and, by the most sophisticated definition, may be the catalyst for an international sales transaction itself as well as for its payment. A freight forwarder books an exporter’s (shipper’s) cargo for shipment by an ocean carrier, prepares that ocean carrier’s bill of lading, arranges for inland transportation involving the initial pick up or ultimate delivery of cargo, processes letters of credit for the payment of goods, and is generally responsible for all of the commercial and regulatory technicalities of getting shipments from origin to destination without incident. Ocean freight forwarders are indispensable team members with United States exporters, especially small and medium-sized exporters.

In contrast, an NVOCC is a transportation intermediary that acts as a common carrier,
especially to "less than containerload" ("LCL") shippers or smaller shippers of full containerloads ("FCL"). While an NVOCC does not own or operate actual vessels, it commits to provide the transportation of a shipper's cargo as a common carrier by issuing its own bill of lading to the underlying small shipper. In turn, the NVOCC, acting itself as a "shipper", books the underlying shipper's cargo with an ocean carrier. LCL shipments are consolidated with the cargo of other local underlying shippers in order to fill containers—a practice known as "topping off."

"Topping off" creates substantial volume and loading efficiencies for NVOCCs that translate into significant cost and service benefits to small shippers. It allows NVOCCs to remove from rail terminals in New Jersey containers partially-filled with LCL cargo that has been loaded in the mid-west or other hinterland regions, and to "top it off" with the cargo of small shippers from the New York/New Jersey port area. Once the cargo is "topped off," the full consolidated container is then forwarded to ocean port locations for export. This practice absolutely depends upon the careful coordination of schedules, the timely arrival of containers at rail terminals, and the efficient handling of containers once they have arrived at the rail terminals. Such cargoes must arrive at certain locations at certain times to ensure sufficient time for consolidation and loading on the ocean vessel for which the bills of lading have been issued. In this regard, since the formation of Conrail in 1976, Association members have built their businesses in reliance upon the service of Conrail—a single railroad that has controlled all of the main rail access routes and rail terminals in the New York/New Jersey port area for nearly 22 years. As such, the continued efficient operation and management of the rail terminals in the New York/New Jersey port area is of vital importance to this industry segment.

Several facts and statistics regarding the New York/New Jersey port area further underscore the importance of detailed public disclosure of the parties’ proposed management and operations plan for the area. The port area represents one of the most urbanized areas of the
country. It is comprised of over 15 million residents who receive over 400 billion dollars a year in personal income and earn over 7.2 million dollars in salaried income. The area generates more than 100 billion dollars in annual retail sales. In addition, the area handles the highest volume of containerized cargo of all east coast ports, which container volume is projected to grow over the next several years. Intermodal shipments comprise a significant portion of this overall volume, with over 225,000 TEUs being handled annually, and with volume growing rapidly. Moreover, the demand for rail intermodal facilities is expected to more than double over the next 15 years.

CONCERNS OF THE ASSOCIATION

The services provided by members of the Association will absolutely depend upon, and will be directly impacted by, the structure, management, and operations of those rail services in the New York/New Jersey port area that are subject of the Proposed Railroad Control Transaction. In this regard, the Association is seriously concerned with the absence of certain public information with respect to the proposed management and operations of the area. The Application discusses control of the rail lines within the New York/New Jersey port district, as well as rail terminal facilities at Croxton/Jersey City, S. Kearney, and E-rail, E-port Elizabeth. However, the Application provides no detailed guidance as to how CSX and Norfolk Southern intend to, among other things, operate and manage the tracks and property within the New York/New Jersey port area, ensure unrestricted cargo growth in the area, invest in the expansion and development of rail terminals and other facilities within the area that are already overutilized, manage the growth of the facilities within the area, address environmental concerns in the area, and ensure safety within the area. Such information is vital not only to the future commercial success of Association members and their customers, but also to the STB to ensure that it meets its own stated objective of evaluating the Application to determine that, among other things, the public in the area will continue to receive adequate transportation services, that competition in the
area will not be harmed unduly, that employees in the area will be afforded appropriate protection, and that environmental issues in the area are fully addressed.

Of primary concern to the Association is the potential detrimental impact that the approval of the Proposed Railroad Control Transaction, absent a detailed management and operations plan for the New York/New Jersey port area, may have on the carriers, shippers, and transportation intermediaries within the area. Specifically, the Association fears that the same problems that are presently being encountered as a result of last year's Union Pacific acquisition of Southern Pacific will repeat themselves in the New York/New Jersey port area. These problems include congested rail lines and bottlenecks at rail terminals, lengthy transportation delays, the untimely delivery of cargo, a shortage in equipment and track capacity, derailments, labor problems, and other general service breakdowns. In addition to the contractual liability stemming from contracts with shippers to which Association members may become exposed as a result of such problems, the ultimate commercial threat to Association members would stem from any diversion of cargo from the New York/New Jersey port area by ocean carriers and shippers in an attempt to circumvent such problems in the area. Such diversions of cargo and other negative consequences relating to safety, the cost of transportation, and lost business, are presently being experienced in the Union Pacific crisis as a result of track congestion, unacceptable delivery performance, and other problems. Without the disclosure of any detailed management and operations plan for the New York/New Jersey port area, it is impossible for the STB and Association members to determine whether such problems will occur in the area or, in effect, whether meaningful, competent rail service will continue to be provided should the STB approve the Proposed Railroad Control Transaction.

Most of the intermodal cargo shipped in the New York/New Jersey port area is shipped utilizing the resources of New York/New Jersey area ocean freight forwarders and NVOCCs,
including those who are members of the Association. Since the demand for rail intermodal facilities is expected to more than double over the next 15 years, the New York/New Jersey port area’s future success relies significantly on its ability to maintain its intermodal cargo volume in the short run and see to its growth in the future. Increased ocean port usage and customer demand as a result of competition will only create greater demands on port infrastructure. Since market access via inland transportation, including rail carrier services, represents a key factor impacting carriers’ and shippers’ decisions in arranging cargo shipments, it ultimately drives the success of a port area. As such, it is critical that shippers, carriers, and transportation intermediaries understand, in detail, prior to any approval of the Proposed Railroad Control Transaction, the type of market access and operating infrastructure that will be available in order to meet current needs and projected growth. Without the proper market access, carriers and shippers may opt to select other ports outside the New York/New Jersey port area, which would result in significant business losses to ocean freight forwarders, NVOCCs, and shippers within the area.

**CONCLUSION**

For the reasons discussed above, the Association requests that the STB require CSX and Norfolk Southern to produce a written public statement or amendment to the Application that publicly discloses details as to the parties’ proposed management and operations plan for those assets located within the New York/New Jersey port area, especially within the area designated in the Application as the shared asset area.
Should you have any questions regarding this matter, please contact the Association or its counsel at the coordinates presented below.

Respectfully submitted,

Mr. Stewart Hauser                      Mr. Louis Policastro
President                             Vice President Export

NEW YORK/NEW JERSEY FOREIGN FREIGHT FORWARDERS
AND BROKERS ASSOCIATION
28 Vesey Street, Suite 2120
New York City, New York  10007
212-268-6960

By:  
Carlos Rodriguez, Esq.

CARLOS RODRIGUEZ & ASSOCIATES
Counsel to the New York/New Jersey Foreign
Freight Forwarders and Brokers Association
1710 Rhode Island Avenue, N.W.
Tenth Floor
Washington, D.C.  20036
Tel:  202-293-3300
Fax:  202-293-3307

Dated: October 17, 1997
CERTIFICATE OF SERVICE

I certify that I have this day served, by first class U.S. mail, postage prepaid, copies of the COMMENTS OF THE NEW YORK/NEW JERSEY FOREIGN FREIGHT FORWARDERS & BROKERS ASSOCIATION INC. REQUESTING THAT THE SURFACE TRANSPORTATION BOARD REQUIRE A DETAILED STATEMENT FROM CSX AND NORFOLK SOUTHERN ON THEIR PROPOSED MANAGEMENT PLAN FOR THE “SHARED ASSET AREA” upon all parties of record in this proceeding as named in the service list maintained by the Surface Transportation Board.

Carlos Rodriguez, Esq.

Dated: October 17, 1997