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August 6, 2001



**VIA HAND DELIVERY**

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

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

**CSX Quarterly Intermodal Truck Survey Report**

Dear Secretary Williams:

Further to the requirement in Ordering Paragraph No. 22 at page 177 of Decision No. 89 in the above proceeding, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby submit the attached quarterly report reflecting the origins, destinations and cross-Hudson River routings for truck traffic at those intermodal terminals in Northern New Jersey and Massachusetts that were allocated to CSX by virtue of the Conrail transaction or operated by CSX prior to that transaction (Little Ferry, NJ; North Bergen, NJ; Kearny, NJ; Boston, MA; Springfield, MA; and Worcester, MA). This report covers the three month period between March 1, 2001 and May 31, 2001. Traffic was surveyed for six non-consecutive days during those three months, with two of the survey dates falling during each of the three surveyed months.

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

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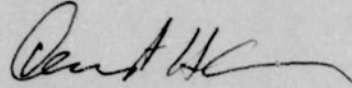


The Honorable Vernon A. Williams  
August 6, 2001  
Page 2

survey reflects the volume of surveyed traffic which crosses the George Washington Bridge and that which does not utilize the George Washington Bridge.

Please direct any questions concerning this report to the undersigned.

Respectfully,



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

DHC:dyj

Attachments

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

CSX CORPORATION  
Intermodal Survey Report No. 10

July 31, 2001

New Jersey Terminals

Survey Results for March 2001 through May 2001

ST	CITY	INBOUND	OUTBOUND	TOTAL
CT	Hikley	1	0	1
CT	Hunkesutl	1	0	1
CT	Milford	1	3	4
CT	New Milfo	5	2	7
CT	Old Saybr	1	0	1
CT	Stamford	5	12	17
CT	Straford	2	0	2
CT	Uncasvill	0	1	1
CT	Windsorloc	1	0	1
MA	Chicope	1	0	1
MA	Danbury	1	0	1
MA	Worcester	0	3	3
MA	Unknown.	0	2	2
ME	Unknown.	1	0	1
NY	Bronx	87	188	275
NY	Brooklyn	15	33	48
NY	Lonisland	12	32	44
NY	Manhattan	3	6	9
NY	Maybrook	1	1	2
NY	Mt Vernon	0	1	1
NY	Queens	7	23	30
NY	Staisland	0	4	4
RI	Unknown.	1	0	1
RI	Providenc	1	0	1
RI	Slottersv	0	1	1
George Washington		147	312	459
George Washington		147	312	459
Tappan Zee		3	22	25
Staten Is. Crossings		19	20	39
Manhattan Tunnels		1	7	8
All Other		4	12	16
East of Hudson		174	373	547
West of Hudson		1130	1737	2867
GRAND TOTAL		1304	2110	3414

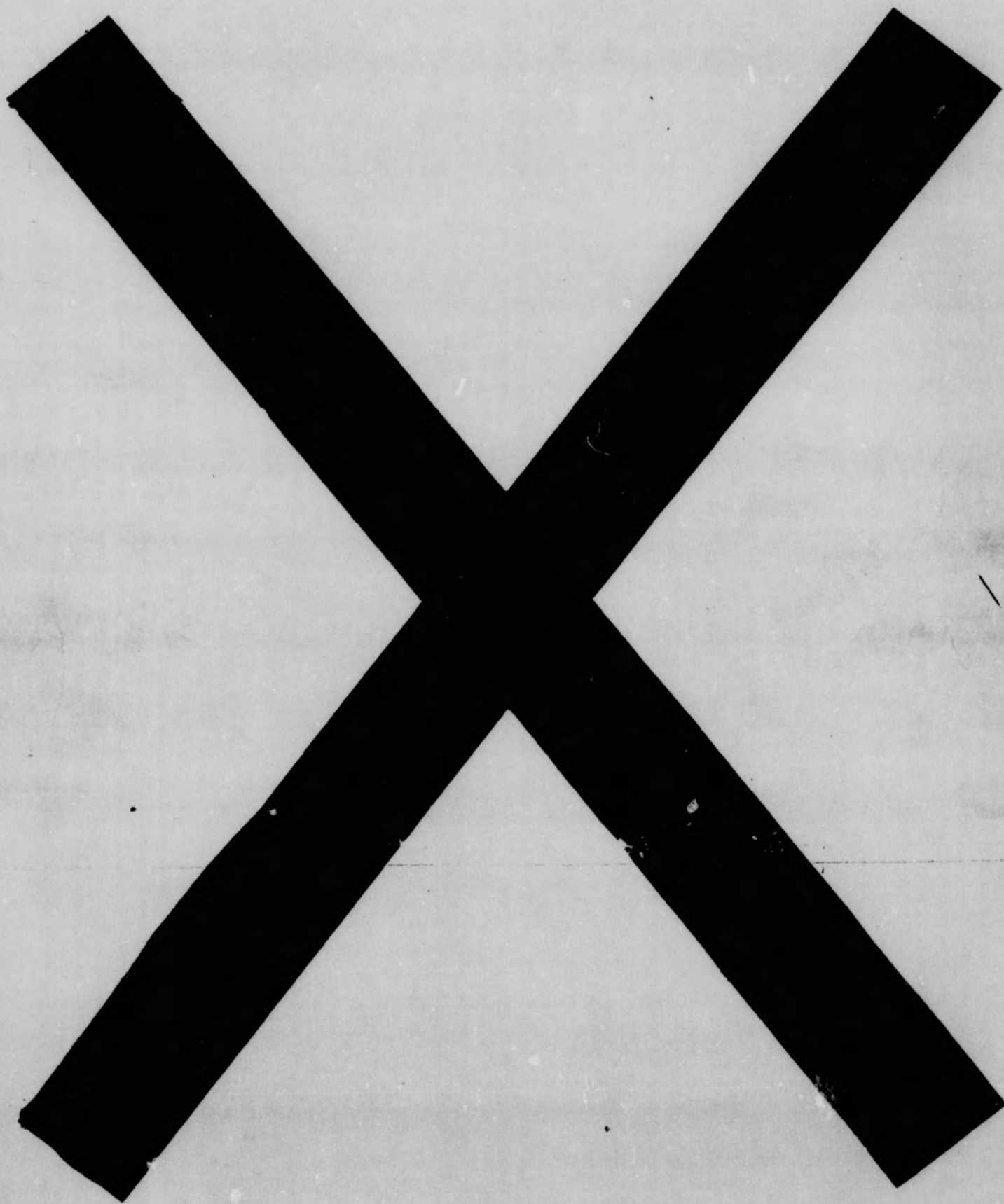
CSX CORPORATION  
Intermodal Survey No. 10

July 31, 2001

Massachusetts Terminals

Survey Results for March 2001 through May 2001

ST CITY	INBOUND	OUTBOUND	TOTAL
George Washington Bridge	9	0	9
All Other	1547	1586	3133
<hr/>			
GRAND TOTAL	1556	1586	3142



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203058



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**BY HAND DELIVERY – Original and 25 Copies**

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



**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**

**Petition for Extension of Time for Completion of Compliance with Environmental Condition 11**

Dear Secretary Williams:

Pursuant to Environmental Condition 11 of Appendix Q to Decision No. 89 in the above proceeding, Applicants are required, with the written concurrence of the responsible local governments, to mitigate train wayside noise at noise-sensitive receptor locations within the noise contour boundaries established by the STB for designated rail line segments. Environmental Condition 11 further provides that the specific requirements of the condition "shall not apply to those communities that have executed Negotiated Agreements with Applicants that satisfy the communities' environmental concerns." In addition, the Board has expressed its general "preference for privately negotiated solutions", Decision No. 89 (slip op. at 153). The amended compliance date established by the Board for Environmental Condition 11 is August 22, 2001. Finance Docket No. 33388, Decision No. 167 (served Aug. 22, 2000).

Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern" or "NS") hereby request a six-month extension of the current August 22, 2001 deadline for completion of implementation of Environmental Condition 11 as it applies to NS rail line segments N-079 (Oak Harbor, OH to Bellevue, OH) and N-085 (Bellevue, OH to

Honorable Vernon A. Williams

August 3, 2001

Page 2

Sandusky Dock, OH). NS also requests a nine-month extension of the current August 22, 2001 deadline for completion of implementation of Environmental Condition 11 as it applies to NS rail line segments N-100 (Riverton Junction, VA to Roanoke, VA) and N-101 (Fola Mine, WV to Deepwater, WV).

Norfolk Southern has continued in the past year to confer with the responsible local governments of the communities located along these NS rail line segments. Those discussions have, to date, resulted in negotiated agreements with eight local governments in Indiana, Virginia and West Virginia. NS has submitted the eight negotiated agreements to the Board and has requested on behalf of the relevant local governments and NS that the Board amend Environmental Condition 11 to delete noise-sensitive receptor locations in those communities from those identified on the relevant NS rail line segments included in Environmental Condition 11 and to amend Environmental Condition 51 to include the eight Negotiated Agreements. The Board has either issued orders incorporating the Negotiated Agreements under Environmental Condition 51 or the requests are currently pending before the Board.

With respect to its Environmental Condition 11 compliance obligations in Ohio, NS asked the Board to verify through a field survey the locations of the structures along N-079 and N-085 eligible for mitigation under Environmental Condition 11. A final report from the Section of Environmental Analysis providing that information was made available to NS by letter dated June 21, 2001. Norfolk Southern has obtained from the responsible local governments for those communities along N-079 and N-085 that contain eligible structures verified by SEA the necessary governmental concurrence to permit NS to contact the owners of those structures to discuss noise mitigation options. As of July 30, 2001, Norfolk Southern has settled or resolved its Environmental Condition 11 mitigation obligations with respect to 89 receptor locations identified by SEA; only 9 receptor locations remain to be resolved. Norfolk Southern is continuing to confer with the owners of those remaining structures and is hopeful that those efforts will soon result in settlements. If settlements are not obtained, Norfolk Southern is prepared to evaluate and implement feasible alternatives that will permit it to complete its Environmental Condition 11 mitigation obligations in Ohio.

In order to complete its negotiations with the owners of the eligible structures or, as necessary, to evaluate and implement feasible alternatives to satisfy its Environmental Condition 11 mitigation obligations, Norfolk Southern believes that a six-month extension of the deadline for completion of compliance with Environmental Condition 11 with respect to N-079 and N-085 will be useful and is warranted. Therefore, Norfolk Southern requests that the Board extend the time for completion of NS' obligations with respect to Environmental Condition 11, as they apply to N-079 and N-085, by six months, or until February 22, 2002.

In Virginia and West Virginia, Norfolk Southern has to date entered into Negotiated Agreements with six local governments of communities located along N-100 and N-101. Norfolk Southern is continuing its discussions with some remaining local communities, and

Honorable Vernon A. Williams

August 3, 2001

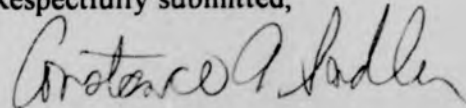
Page 3

in other cases the responsible local governments have informally informed Norfolk Southern that NS should contact the individual owners of structures identified by the STB to discuss mitigation options under Environmental Condition 11. Upon obtaining written concurrence by those local governments authorizing NS to contact individual citizens, Norfolk Southern will commence discussions concerning noise mitigation with the owners of the structures along N-100 and N-101 in Virginia and West Virginia identified by SEA. NS has asked SEA to verify through a field survey the location of receptor locations eligible for noise mitigation under Environmental Condition 11 along N-100 in Virginia, and plans are underway to complete that task. At the same time, Norfolk Southern will continue its discussions with the relevant local governments in Virginia and West Virginia that have not yet decided whether to enter into Negotiated Agreements to address Environmental Condition 11. Because this process necessarily takes some time to complete, Norfolk Southern believes that a period of nine months is an appropriate extension of the deadline for completion of its Environmental Condition 11 obligations applicable to N-100 in Virginia and N-101 in West Virginia. Therefore, Norfolk Southern requests that the Board extend the time for completion of NS' obligations with respect to Environmental Condition 11, as they apply to N-100 and N-101, by nine months, or until May 22, 2002.

An extension of time is required to complete the implementation of Environmental Condition 11 through additional Negotiated Agreements with the remaining communities and a noise mitigation program with individual property owners where appropriate. Norfolk Southern believes that the periods requested for the extensions are reasonable and that such extensions would serve the public interest by providing additional time for the communities and individual property owners to consider the noise mitigation offered by NS.

For these reasons, we respectfully request that the time for completion of compliance with Environmental Condition 11 be extended until February 22, 2002 with respect to N-079 and N-085 and until May 22, 2002 with respect to N-100 and N-101.

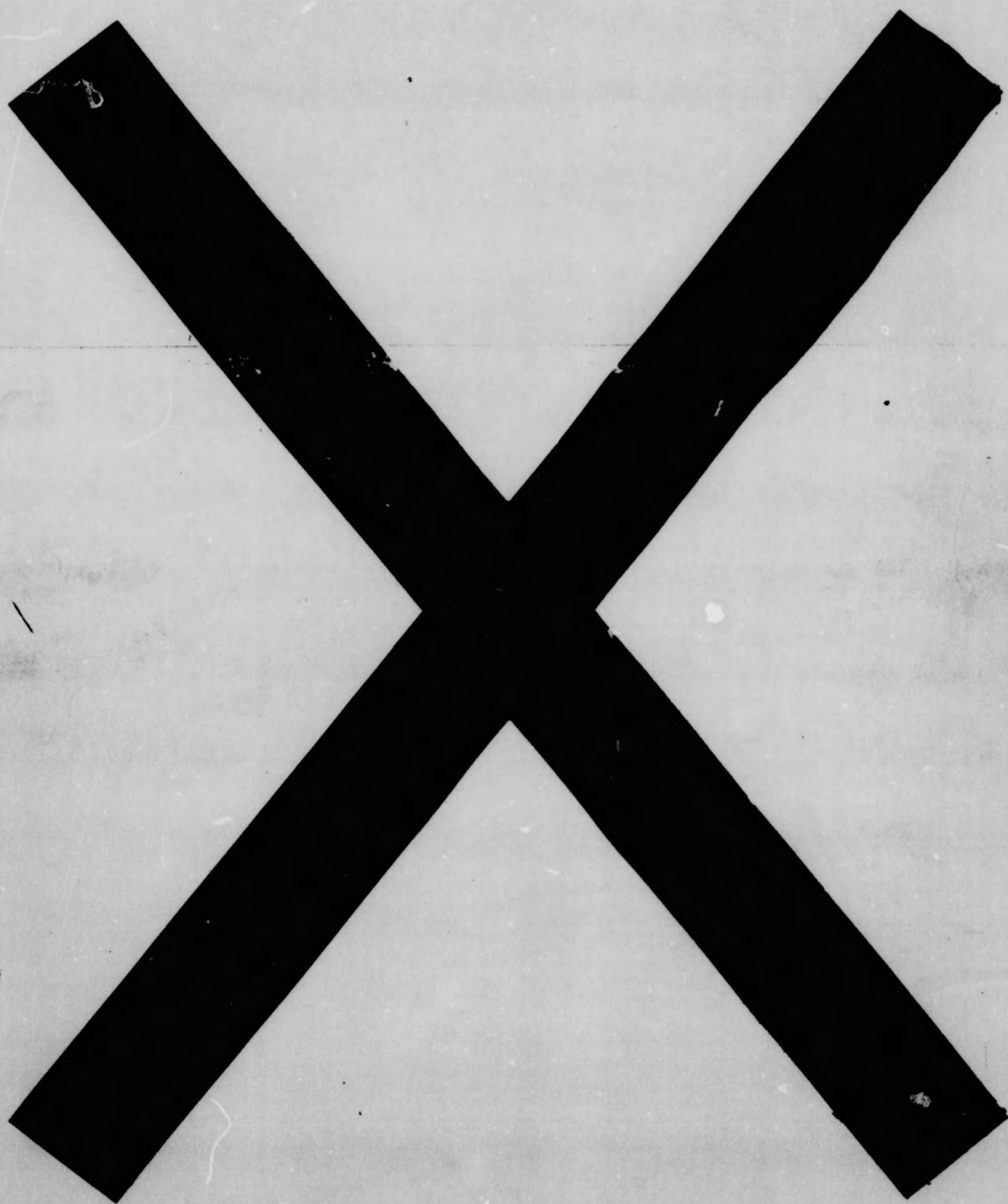
Respectfully submitted,



Constance A. Sadler  
Counsel for Norfolk Southern Corporation  
and Norfolk Southern Railway Company

cc: Victoria J. Rutson, SEA  
Elaine K. Kaiser





STB

FD-33388

8-2-01

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203049

SURFACE TRANSPORTATION BOARD

# Memorandum

203049



DATE: August 2, 2001

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

**FROM** : Mel Clemens, Director  
Office of Compliance and Enforcement

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

Attached are the original and two copies of the latest weekly public data files provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da 2 Da Legal. If there are any questions, please don't hesitate to contact me or Ed Nelson.

**Attachments**

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

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**T. J. Stephenson**  
**Assistant Vice President -**  
**Service Measurements**

August 1, 2001

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

Dear Mr. Clemens:

Enclosed with this transmittal letter are CSX Transportation's operational monitoring reports to the Board for the week ending Friday, July 27th. Our three key service measurements continue to reflect a high level of performance. Cars on-line moved up slightly from 239,845 to 240,752. Train velocity decreased from 21.8 miles-per-hour to 21.4 miles-per-hour. Terminal dwell improved from 25.3 hours to 24.7 hours.

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

### **Chicago Gateway Operations**

After setting a record performance of 93% last week, the on-time-to-two-hours-late measure moved unfavorably 14 percentage points to 79%. The percent of trains in the more-than-six-hours-late category moved unfavorably four percentage points to 4%.

### **Yards and Terminals**

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

### **Corridor Performance**

None of the six measured corridors showed an improvement compared to the prior week. The best performance in the on-time-to-two-hours-late category occurred on the East St. Louis to Northeast corridor with 94%. Overall, the on-time-to-two-hours-late category was 70%, down 13 percentage points from 83% last week. The greater-than-six-hours-late category was 14%, up three percentage points from last week's 11%.

### **Shared Areas**

Daily average on hand cars decreased at all three yards. All volumes still remain within expected or observed norms for comparable periods. Overall terminal dwell time was 27.2 hours, improving from 28.1 hours the prior week.

### **Additional Measurements**

Train Delay Metric: For 755 train starts, weekly train delay totaled 22 hours for Power and 94 hours for Crew. Crew delay and power delay both increased from the previous week.

Train Crew Delay Metric: The percent of crews not departing within two hours of the on-duty time averaged 20.4% for the week, up from 15.2% reported last week.

Daily Crew Availability Percentage: Crew Availability Percentage was 78% for a third consecutive week. This is normal for the high-vacation summer period.

Daily Number of Recrews Required: Of 1979 crew starts, 56 (3%) were recrews, up one percentage point from last week.

Shared Asset Areas Train Delay Metric: SAA Train Delays averaged three trains per day for North Jersey, one for South Jersey, and none for Detroit.

Locomotives: Gross Locomotives = 3746, Average Available = 3380, and Out-of-Service Ratio = 5.1%, improved from 5.6% the previous week.

Cars Offered in Interchange: averaged 109 cars daily, 15 of which were for the Norfolk Southern. The NS-offered decreased and the total-offered increased from the prior week.

On-time performance, passenger trains through Brunswick, MD: 40% for 10 AMTRAK trains (Pittsburgh – Washington) and 89% for 88 MARC trains (West Virginia – Washington). These trains were affected by the derailment in Baltimore's Howard Street tunnel.

Buffalo Customer Service (Hot-Line): the customer service center received no calls this week. This line has not been used by customers for the past 14 weeks.

Last week CSXT met the goal for 9 of the 18 key third quarter service measurements. Goals were met for overall train velocity, merchandise train velocity, slow order miles, crews on duty more than 12 hours, crew delay hours, car dwell, 30-hour cars, hours of locomotive delay, and leased locomotive out of service ratio.



CSXT's service performance was affected by the Howard Street tunnel derailment. A 60-car train enroute to Oak Island, NJ derailed in the tunnel on July 18<sup>th</sup>. The resulting fire and clean-up operations caused over 100 trains to be rerouted over a six-day period. About one-third of those trains were handled by the Norfolk Southern. Train operations through the tunnel resumed at reduced speed on July 24<sup>th</sup>.

Despite the nearly one-week loss of a major north-south route, the overall performance of the network remained at a high level. Operations are fluid and CSXT is able to absorb additional traffic.

Sincerely,

T. J. Stephenson  
Assistant Vice President  
Service Measurements

## Surface Transportation Board

### Performance Measures

For the week ending:

07/27/01

#### Yard Performance

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01
Oak Island, NJ	Fluid Capacity	1200	1200	1200	1200	1200
	Cars On Hand - Loaded	315	257	388	280	461
	Cars On Hand - Empty	249	286	390	440	461
	Cars On Hand - Total	564	543	778	720	922
	Cars Handled	543	358	566	536	684
	Dwell Hours	37.6	28.2	24.7	24.7	26.6
Pavonia, NJ	Fluid Capacity	900	900	900	900	900
	Cars On Hand - Loaded	225	263	263	294	279
	Cars On Hand - Empty	229	235	355	417	385
	Cars On Hand - Total	454	422	618	711	664
	Cars Handled	271	252	457	505	463
	Dwell Hours	44.9	27.8	22.2	21.9	26.0
North Yard, MI	Fluid Capacity	850	850	850	850	850
	Cars On Hand - Loaded	68	167	180	170	191
	Cars On Hand - Empty	45	115	88	115	134
	Cars On Hand - Total	113	282	268	285	325
	Cars Handled	58	153	180	226	238
	Dwell Hours	28.3	20.7	29.8	23.8	22.7

**CSX Comments:** Daily average on hand cars increased at all three yards.  
All volumes still remain within expected norms for comparable periods.

Overall terminal dwell time was 27.2 hours, down from 28.1 hours last week.

## Surface Transportation Board Performance Measures

### Train Originations

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01
North Jersey SAA	Number of Originations	6	7	6	4	9
	% Ontime	50%	43%	0%	50%	44%
	% Late 0-2 Hours	50%	43%	83%	50%	22%
	% Late 2-4 Hours	0%	14%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	22%
	% Late GT 6 Hours	0%	0%	17%	0%	11%
South Jersey SAA	Number of Originations	1	3	3	1	3
	% Ontime	100%	33%	100%	0%	67%
	% Late 0-2 Hours	0%	33%	0%	0%	0%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	33%
	% Late GT 6 Hours	0%	33%	0%	100%	0%
Detroit SAA	Number of Originations	5	6	4	4	8
	% Ontime	80%	67%	100%	25%	50%
	% Late 0-2 Hours	20%	33%	0%	75%	50%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%

**CSX Comments:** Total road train delays were 30 trains. Crew delays were 7 trains for 27 hours; 5 trains were delayed 22 hours for power; originating trains 18 for 114 hours, due to late arrivals.



## Surface Transportation Board

### Performance Measures

#### CSXT Cars Offered in Interchange but not Accepted

(Snapshot at Midnight for Day Measured)

		Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Railroad Offered To	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Average
Cars Offered	NS	13	27	16	18	0	15
	All Other	26	94	195	61	96	94
	Total	39	121	211	79	96	109

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

#### CSXT On Time Passenger Train Performance

##### "Brunswick Line"

Between West Virginia/Washington, DC

		Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Service	Measure	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Totals
AMTK	Trains	2	2	2	2	2	10
	% On Time	50%	0%	0%	100%	50%	40%
MARC	Trains	18	18	16	18	18	88
	% On Time	89%	78%	89%	89%	100%	89%

AMTK measured according to contract with CSXT.

# Surface Transportation Board

## Performance Measures

### CSXT Train Crew Delay

	Causes of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Terminal	Trains / Hours	07/21/01	07/22/01	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Total
Baltimore	Train Crew Starts	6	3	4	9	10	9	14	55
	Crews Delayed +2 Hours	3	3	2	5	4	7	8	32
	% Delayed +2 Hours	50%	100%	50%	56%	40%	78%	57%	58%
Buffalo	Train Crew Starts	52	52	44	57	50	58	57	370
	Crews Delayed +2 Hours	4	19	3	5	8	8	15	62
	% Delayed +2 Hours	8%	37%	7%	9%	16%	14%	26%	17%
Chicago	Train Crew Starts	25	26	25	24	23	24	26	173
	Crews Delayed +2 Hours	7	7	4	4	5	3	10	40
	% Delayed +2 Hours	28%	27%	16%	17%	22%	13%	38%	23%
Cincinnati	Train Crew Starts	36	36	32	39	24	33	32	232
	Crews Delayed +2 Hours	2	1	0	4	1	1	6	15
	% Delayed +2 Hours	6%	3%	0%	10%	4%	3%	19%	6%
Cleveland	Train Crew Starts	32	23	27	26	22	23	32	185
	Crews Delayed +2 Hours	5	4	5	7	5	11	8	45
	% Delayed +2 Hours	16%	17%	19%	27%	23%	48%	25%	24%
Cumberland	Train Crew Starts	26	29	24	20	26	29	29	183
	Crews Delayed +2 Hours	0	5	0	4	1	3	1	14
	% Delayed +2 Hours	0%	17%	0%	20%	4%	10%	3%	8%
Detroit	Train Crew Starts	4	3	1	2	4	3	4	21
	Crews Delayed +2 Hours	0	2	0	1	1	1	1	6
	% Delayed +2 Hours	0%	67%	0%	50%	25%	33%	25%	29%
Philadelphia	Train Crew Starts	5	7	9	9	11	10	13	64
	Crews Delayed +2 Hours	0	1	1	0	3	3	3	11
	% Delayed +2 Hours	0%	14%	11%	0%	27%	30%	23%	17%
Selkirk	Train Crew Starts	51	40	37	46	49	49	49	321
	Crews Delayed +2 Hours	18	3	10	11	19	16	11	88
	% Delayed +2 Hours	35%	8%	27%	24%	39%	33%	22%	27%
Toledo	Train Crew Starts	29	28	26	22	20	28	33	186
	Crews Delayed +2 Hours	1	3	4	3	3	10	7	31
	% Delayed +2 Hours	3%	11%	15%	14%	15%	36%	21%	17%
Willard	Train Crew Starts	39	41	40	36	43	43	44	286
	Crews Delayed +2 Hours	7	12	9	8	6	4	14	60
	% Delayed +2 Hours	18%	29%	23%	22%	14%	9%	32%	21%

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

## Surface Transportation Board Performance Measures

### CSXT Train Delay - Northern Region Lines

	Cause of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Trains / Hours	07/21/01	07/22/01	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Total
Train Delay	Originating Train Starts	112	106	95	106	106	111	119	755
	Delayed Hours - Power	0	10	0	1	0	2	9	22
	Delayed Hours - Crews	46	12	1	4	11	11	9	94

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

### Daily Crew Availability Percentage - Northern Region Lines

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Crew Availability	07/21/01	07/22/01	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Average
Crew Availability		75%	75%	78%	80%	80%	80%	78%	78%

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

### Daily Number of Train Crew Starts and Recrews Required

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Crew/Recrews	07/21/01	07/22/01	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Total
Crews/Recrews	Train Crew Starts	308	251	253	283	281	293	310	1979
	Recrews	9	5	7	4	9	9	13	56
	% Recrewed	3%	2%	3%	1%	3%	3%	4%	3%

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

## Surface Transportation Board Performance Measures

### CSXT Locomotive Fleet Condition

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Locomotives	07/21/01	07/22/01	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Average
Locomotives	Gross Fleet Size	3754	3746	3726	3756	3752	3748	3743	3746
	Avg. Number Available	3389	3364	3357	3391	3388	3382	3389	3380
	OOS Ratio	5.4	5.1	5.0	5.2	5.3	4.8	4.9	5.1

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

### Shared Asset Areas Train Delay

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Shared Area	07/21/01	07/22/01	07/23/01	07/24/01	07/25/01	07/26/01	07/27/01	Average
Train Delay	Philadelphia/South Jersey	2	1	2	0	1	2	0	1
	North Jersey	5	3	3	0	1	4	6	3
	Detroit	0	0	0	0	0	0	0	0

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



**George A. Aspatore**  
**General Solicitor**

(757) 629-2657  
(757) 533-4872  
E-mail [gaaspato@nscorp.com](mailto:gaaspato@nscorp.com)

August 1, 2001

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

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending July 27, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

Another schedule incorporated into this transmittal shows NS Crew Starts and Delays, NS Northern Region Daily Crew Availability Percentage, and NS Northern Region Crew Starts and Recrews.

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

Mr. Melvin F. Clemens, Jr.  
August 1, 2001  
Page 2

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

Sincerely,

George A. Aspatore  
General Solicitor

Enclosures

August 1, 2001

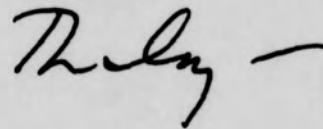
Mr. Melvin F. Clemens, Jr.  
Director, Office of Compliance and Enforcement  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001

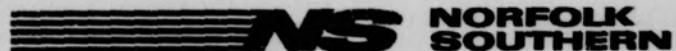
Dear Mr. Clemens:

Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line increased, the average train speed remained constant, and the average terminal dwell increased. On the monitored corridors and Chicago gateway operations, 53 trains were held for terminal delays, 31 trains were held for crews, and 20 trains were held for power.

In the Shared Assets Areas, daily average on-hand car volume increased at North Yard, Pavonia and Oak Island. All volume counts were within expected operating norms. Overall average terminal dwell time decreased. The number of reported road train delays for crews and power increased from last week. Seven trains were delayed 27 hours for lack of crews and 5 trains were delayed 22 hours awaiting power. Eighteen originating trains were delayed a total of 114 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 54% of the delay hours reported in the SAAs.

Sincerely,



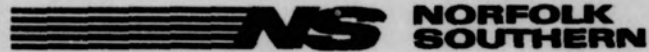


For the week ending 7/27/01

Shared Asset Area - Yard Performance

Yard	date	Fluid Capacity	On hand -Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	7/23/01	850	45	68	113	58	28.3
	7/24/01	850	115	167	282	153	20.7
	7/25/01	850	88	180	268	180	29.8
	7/26/01	850	115	170	285	226	23.8
	7/27/01	850	134	191	325	238	22.7
North Yard MI Average		850	99	155	255	171	24.5
Oak Island NJ	7/23/01	1200	249	315	564	543	37.6
	7/24/01	1200	286	257	543	358	28.2
	7/25/01	1200	390	388	778	566	24.7
	7/26/01	1200	440	280	720	536	24.7
	7/27/01	1200	461	461	922	684	26.6
Oak Island NJ Average		1200	365	340	705	537	28.2
Pavonia NJ	7/23/01	900	229	225	454	271	44.9
	7/24/01	900	235	187	422	252	27.8
	7/25/01	900	355	263	618	457	22.2
	7/26/01	900	417	294	711	505	21.9
	7/27/01	900	385	279	664	463	26.0
Pavonia Average		900	324	250	574	390	26.9

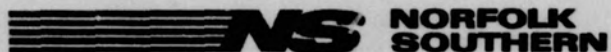




For the week ending 7/27/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	23-Jul	5	80%	20%	0%	0%	0%
	24-Jul	6	67%	33%	0%	0%	0%
	25-Jul	4	100%	0%	0%	0%	0%
	26-Jul	4	25%	75%	0%	0%	0%
	27-Jul	8	50%	50%	0%	0%	0%
Detroit Total		27	63%	37%	0%	0%	0%
North Jersey Total	23-Jul	6	50%	50%	0%	0%	0%
	24-Jul	7	43%	43%	14%	0%	0%
	25-Jul	6	0%	83%	0%	0%	17%
	26-Jul	4	50%	50%	0%	0%	0%
	27-Jul	9	44%	22%	0%	22%	11%
North Jersey Total		32	38%	47%	3%	6%	6%
South Jersey Total	23-Jul	1	100%	0%	0%	0%	0%
	24-Jul	3	33%	33%	0%	0%	33%
	25-Jul	3	100%	0%	0%	0%	0%
	26-Jul	1	0%	0%	0%	0%	100%
	27-Jul	3	67%	0%	0%	33%	0%
South Jersey Total		11	64%	9%	0%	9%	18%
Grand Total		70	51%	37%	1%	4%	6%

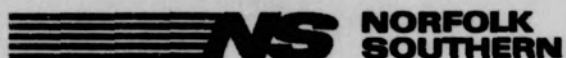


For the week ending 7/27/01

**Shared Asset Area Trains Held**

area	Sat 21-Jul	Sun 22-Jul	Mon 23-Jul	Tue 24-Jul	Wed 25-Jul	Thu 26-Jul	Fri 27-Jul	Grand Total
North Jersey	5	3	3	0	1	4	6	22
South Jersey	2	1	2	0	1	2	0	8
Detroit	0	0	0	0	0	0	0	0

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



#### NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	0	23	0	0	0	23
<b>Total</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>

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

#### NS Northern Region Train Starts and Delays

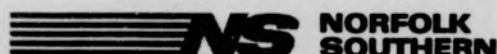
	Saturday 21-Jul	Sunday 22-Jul	Monday 23-Jul	Tuesday 24-Jul	Wednesday 25-Jul	Thursday 26-Jul	Friday 27-Jul	Grand Total
# of Train Starts	166	153	175	164	186	196	195	1235
<b>Delay Cause</b>								
Crew Delays (hrs)	4.2	8.5	10.0	0.0	3.0	9.5	4.5	39.7
Power Delays (hrs)	15.6	5.8	3.0	0.0	12.3	51.7	19.4	107.7

The delay numbers are expressed in hours

#### Locomotive Fleet Statistics

	Saturday 21-Jul	Sunday 22-Jul	Monday 23-Jul	Tuesday 24-Jul	Wednesday 25-Jul	Thursday 26-Jul	Friday 27-Jul	average
<b>Fleet Size</b>	3113	3107	3086	3077	3106	3087	3077	3093
<b>available</b>	2944	2935	2900	2894	2917	2889	2905	2912
<b>out of service %</b>	5.4%	5.5%	6.0%	5.9%	6.1%	6.4%	5.6%	5.9%

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



### NS Crew Starts and Delays

		Saturday 21-Jul	Sunday 22-Jul	Monday 23-Jul	Tuesday 24-Jul	Wednesday 25-Jul	Thursday 26-Jul	Friday 27-Jul	total
Allentown	crew starts	15	14	14	17	16	19	14	109
	crews delayed	5	4	2	4	2	7	4	28
Bellevue	crew starts	36	33	32	35	31	41	35	243
	crews delayed	8	4	10	8	3	5	4	42
Buffalo	crew starts	23	17	21	23	21	22	20	147
	crews delayed	3	2	1	4	5	1	1	17
Chicago	crew starts	32	30	32	31	35	36	37	233
	crews delayed	14	12	11	8	13	10	14	82
Cincinnati	crew starts	37	34	29	32	33	37	38	240
	crews delayed	9	7	3	2	6	10	8	45
Cleveland	crew starts	8	11	4	8	10	8	7	56
	crews delayed	0	4	2	5	3	3	1	18
Conway	crew starts	53	51	42	47	49	50	50	342
	crews delayed	16	9	9	15	12	15	16	92
Detroit	crew starts	16	12	16	19	16	18	17	114
	crews delayed	3	2	2	6	3	2	1	19
Elkhart	crew starts	41	38	33	34	33	33	36	248
	crews delayed	21	10	17	15	12	18	13	106
Harrisburg	crew starts	50	40	42	50	52	49	49	332
	crews delayed	17	11	5	16	12	16	16	93
Toledo	crew starts	61	53	41	52	60	51	60	378
	crews delayed	8	14	9	11	16	11	18	87

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

### NS Northern Region Daily Crew Availability Percentage

	Saturday 21-Jul	Sunday 22-Jul	Monday 23-Jul	Tuesday 24-Jul	Wednesday 25-Jul	Thursday 26-Jul	Friday 27-Jul	average
availability%	73%	72%	74%	76%	77%	77%	76%	75%

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

### NS Northern Region Crew Starts and Recrews

	Saturday 21-Jul	Sunday 22-Jul	Monday 23-Jul	Tuesday 24-Jul	Wednesday 25-Jul	Thursday 26-Jul	Friday 27-Jul	total
crew starts	313	278	252	284	304	303	292	2026
recrews	9	8	12	19	12	15	7	80

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





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BEFORE THE  
SURFACE TRANSPORTATION BOARD

File No. Docket No. 33388

CSX Corporation et al., Norfolk Southern Corp. et al.--Control and Operating  
Leases/Agreements--Conrail Inc. and Consolidated Rail Corp.

JOINT PETITION OF VARIOUS UNIONS  
AND THE COMMONWEALTH OF PENNSYLVANIA  
FOR ENFORCEMENT OF ORDER, OR ALTERNATIVELY TO REOPEN FOR ORDER  
DIRECTING COMPLIANCE WITH COMMITMENTS,  
OR ALTERNATIVELY FOR RELIEF NOT OTHERWISE PROVIDED FOR  
**REPLY OF VARIOUS UNIONS**  
**AND THE COMMONWEALTH OF PENNSYLVANIA TO**  
**NORFOLK SOUTHERN CORPORATION'S**  
**MOTION FOR LEAVE TO FILE A REPLY TO THEIR REPLY**  
**TO NORFOLK SOUTHERN RESPONSE TO DECISION NO. 186**

The Unions<sup>1</sup> and the Commonwealth of Pennsylvania ("Petitioners"), oppose the motion of Norfolk Southern Corp. ("NS") for leave to submit an additional filing in the matter concerning its plans to close the Hollidaysburg Car Shop ("HCS"). Petitioners respectfully submit that an additional filing by NS is inappropriate given the nature of the Board's Order in Decision No. 186, the history of filings in this matter, and the lack of significance of the material NS proposes to submit. Alternatively, if the Board allows NS to file the additional material, Petitioners respectfully submit that they should be allowed to respond to NS' latest filing. In that event, petitioners further submit that the record should then be closed, with an equal number of filings per side, so that the Board can move quickly to rule on the Petition, since NS has stated

<sup>1</sup> Transport Workers Union of America ("TWU") and the National Council of Firemen and Oilers/SEIU ("NCFO"), International Association of Machinists and Aerospace Workers ("IAM"), International Brotherhood of Boilermakers and Blacksmiths ("IBB") International Brotherhood of Electrical Workers ("IBEW") Sheet Metal Workers International Association ("SMWIA") and Transportation Communications International Union ("TCU") (collectively referred to herein as "Unions")

25

that it plans to act on October 1, 2001, unless the Board orders it not to do so.

Petitioners submit that NS' motion fails to demonstrate that it should be allowed to make a fourth filing in this matter. Not only have the parties each had the opportunity to make three filings concerning the Joint Petition, the Board gave NS the opportunity to supplement the record after the Board initially determined that NS' response to the Joint Petition was unpersuasive. Furthermore, NS was allowed an additional two weeks to respond to Decision No. 186. NS had three months from the date of filing of the Joint Petition, six weeks from the filing of the Petitioners' response to NS' reply, and over a month from the issuance of Decision No. 186 to respond to Petitioners' arguments and the Board's show cause order. Since the Board's Order essentially placed a burden on NS to defend its plans, NS had every reason to say whatever it had to say and to produce any evidence it believed would support its position.

Nor can NS claim that the reply evidence Petitioners submitted was improper, or that NS was unfairly surprised by the Petitioners' evidence and arguments on these issues. Since the Board's Decision No. 186 essentially found NS' arguments generally unpersuasive, and since the Board allowed the filing of replies, NS should have said whatever it needed to say to support its claims, and there was nothing improper in Petitioners' filing responsive evidence.

With regard to the issue of insourcing work that NS could have done in 2000 and would have been able to do in 2001, Petitioners had already argued that NS had given up or ignored work that could have been done at the HCS, and NS' response to Decision No. 186 included a long argument addressing that issue, so NS should not have been surprised that the Petitioners' reply included evidence on that issue. Similarly, Petitioners had already asserted that NS appeared to rely on "creative accounting" (May 9 filing at 11 n. 2), so NS can not claim that it was unfairly surprised by the argument in Petitioners' reply to NS' response to Decision No. 186

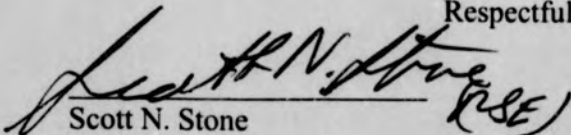


that NS' accounting regarding the HCS seems questionable and without substantiation-- since it appeared that NS counted insourcing labor costs twice and included unexplained labor costs.

NS has suggested that the Petitioners somehow waived the right to submit additional evidence when their May 9 reply to NS's first filing did not answer NS' claims regarding additional insourcing work or challenge NS' accounting for the HCS. The short answer to this argument is that the Board allowed replies to NS' response to Decision No. 186 without any restrictions. However, Petitioners also note that the May 9 filing was a reply to NS' reply filed April 17. Petitioners were not replying as of right, but on motion to leave to file. They therefore focused on the most important points, while noting their differences with NS with respect to the relevance and accuracy of NS' claims of good faith in seeking insourcing work and of financial losses at the HCS. May 9 filing at 10, 11, 14-15.

For all of these reasons, Petitioners respectfully submit that NS' motion for leave to file its reply and additional evidence should be denied. However, if the Board does allow NS' fourth filing, Petitioners submit that they should be allowed to file their response that is attached hereto, and that the record should then be closed with an equal number of filings per side so that the Board can move quickly to rule on the Petition.

Respectfully submitted,



Scott N. Stone  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, D.C. 20037

Counsel for the Commonwealth of  
Pennsylvania



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

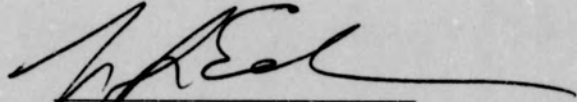
Counsel for the Unions

August 1, 2001

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused to be mailed copies of the foregoing  
Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern  
Corporation's Motion for Leave to File a Reply to Their Response to Decision No. 186  
by First Class Mail upon the persons listed on the current official service list in Finance Docket  
No. 33388. Because of the length of the service list in this proceeding representatives of the  
Applicants and as many other parties as possible were served by mail on August 1, 2001, other  
parties will be served on August 2, 2001.

8/1/01  
Date

  
Richard S. Edelman



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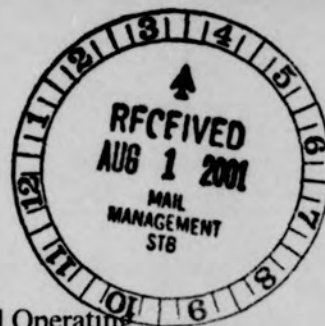
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BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Decision No. 33388



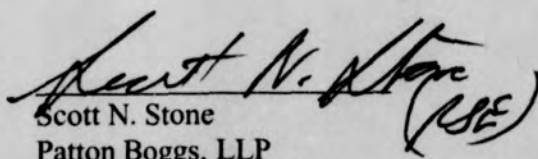
CSX Corporation et al., Norfolk Southern Corp. et al.--Control and Operating  
Leases/Agreements--Conrail Inc. and Consolidated Rail Corp.

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

NOTICE OF FILING OF SIGNED DECLARATION OF ALAN M. SCHEER

Because of time constraints in preparation of the reply of the Union Petitioners and the Commonwealth of Pennsylvania to this Board's Decision No. 186, Petitioners had to file a fax copy of the Declaration of Alan M. Scheer. Petitioners are now filing with this notice the original of Mr. Scheer's declaration.

Respectfully submitted,

  
(SE)

Scott N. Stone  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, D.C. 20037

Counsel for the Commonwealth of  
Pennsylvania

July 31, 2001



Richard S. Edelman  
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& ANDERSON, P.C.  
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Washington, DC 20036  
202-898-1824

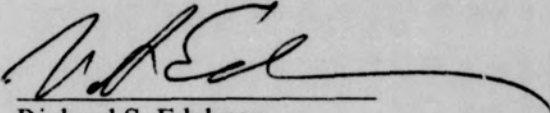
Counsel for the Unions



**CERTIFICATE OF SERVICE**

I hereby certify that I have caused to be mailed copies of the foregoing Notice of Filing of Signed Declaration of Alan M. Scheer by First Class Mail upon the persons listed on the current official service list in Finance Docket No. 33388. Applicants and as many other parties as possible were served by mail on August 1, 2001, other parties will be served on August 2, 2001.

8/1/01  
Date

  
Richard S. Edelman

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**Finance Docket No. 33388**

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

**DECLARATION OF ALAN M. SCHEER**

I, ALAN M. SCHEER, declare under penalty of perjury, and pursuant to 28 U.S.C. § 1746, that the following is true, correct, and based upon personal knowledge.

1. I am an International Representative of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers ("IBB"). The IBB represents employees of Norfolk Southern Ry. ("NSR") at its Hollidaysburg Car Shop ("HCS") who, perform boilermaker and blacksmith work at the Shop. The IBB actively participated in the STB proceedings on the CSX Corp. and Norfolk Southern Corp. acquisition of control and division of the Consolidated Rail Corp. ("Conrail") ("Conrail Transaction").

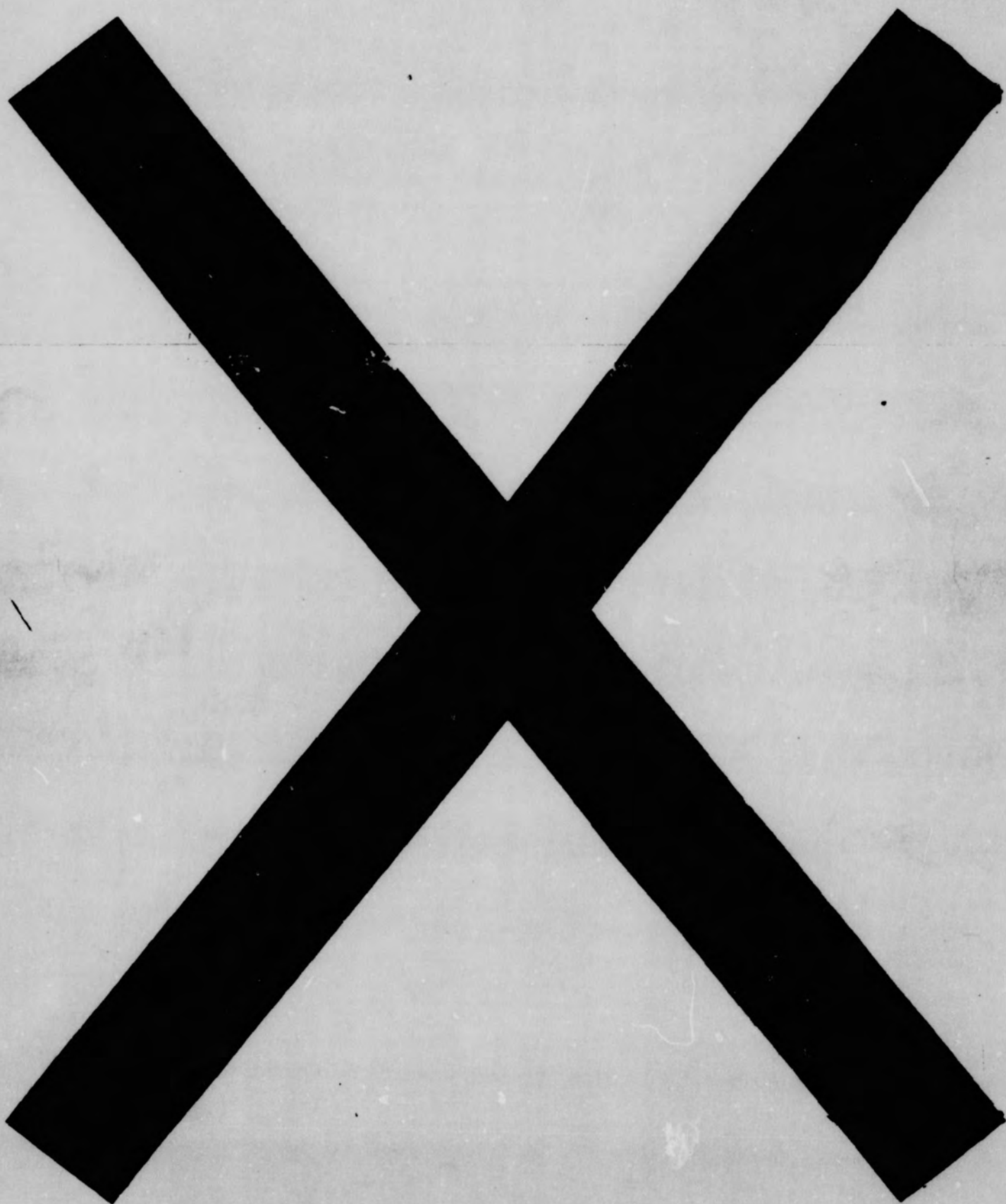
2. Norfolk Southern's response to this Board's Order in Decision No. 186 regarding NS' planned closing of the HCS asserts that this organization did not rely on NS' representations that NS would retain and invest in the HCS and the Juniata Locomotive Shop ("Altoona Shops") because we did not refer to those representations when we withdrew our opposition to approval of the Conrail Transaction. However, we saw no need to explicitly state our reliance on NS' representations about the Altoona Shops because this was not a matter of a private arrangement

between the union and the carrier. In the Application filed with the Board, NS had stated clearly, and in detail, that it would continue to use and invest in the Altoona Shops, and that it expected to increase employment in the Shops. Moreover, NS had been explicit in its public statements about the commitments it had made in the Application and elsewhere about the Shops. We certainly did not understand NS to have said that NS merely thought the Shops would be useful and that it hoped and expected to use them, but for no definite period of time, as NS has claimed in its response to Decision No. 186. And no person at NS ever said that to us. Accordingly, we had no reason to recite NS' representations about the Altoona Shops as part of our reason for withdrawing from opposition to the Transaction.

3. I want to emphasize that NS' representations about the Altoona shops were a key consideration in the union's decision to withdraw from opposition to the Transaction. The Altoona shops were the largest shops on the Conrail system and therefore the largest employers of members of this union workers on the Conrail system. Continued employment, and stability of employment at current work locations for workers represented by this union was necessarily important for us in deciding our positions on the Transaction. There is simply no basis for NS' assertion that this organization did not rely on NS' representations about the Altoona Shops in withdrawing from opposition to the Conrail Transaction. NS' current plan to close the HCS is a clear repudiation of those representations on which we relied.

7/13/01  
Date

Alan M. Scheer  
Alan M. Scheer



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*O'Donnell, Schwartz & Anderson, P.C.*  
*Counselors at Law*

*1900 L Street, N.W., Suite 707*

*Washington, D.C. 20036-5023*

ASHER W. SCHWARTZ  
DARRYL J. ANDERSON  
MARTIN R. GANZGLASS\*  
LEE W. JACKSON\*\*  
ARTHUR M. LUBY  
ANTON G. HAJJAR\*\*\*  
SUSAN L. CATLER  
RICHARD S. EDELMAN\*  
PETER J. LEFF°  
MELINDA K. HOLMES°°  
HOUEIDA SAAD°°  
MURSHED ZAHEED°°°

\*ALSO NY BAR  
\*\*ALSO PA AND MS BAR  
\*\*\*ALSO MD BAR  
°ALSO VA BAR  
°°ALSO PA BAR  
°°°MA BAR ONLY

(202) 898-1824  
FAX (202) 429-8928

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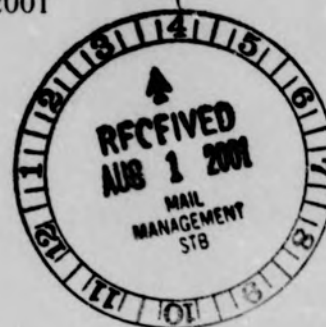
Part of  
Public Record

July 31, 2001

JOHN F. O'DONNELL  
(1907-1993)

*1900 L Street, N.W.*  
*Suite 1200*  
*Washington, D.C. 20005*

(202) 898-1707



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

Re: CSX/NS-Conrail F.D. No. 33388-Norfolk Southern Hollidaysburg Car Shop

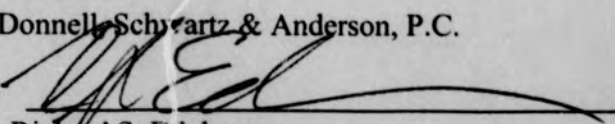
Dear Secretary Williams:

Due to an error in the production of the Unions/Pennsylvania reply to the Board's Decision No. 186, Petitioners' Exhibits 33-38 (beginning with the Declaration of Alan M. Scheer), were not bound with the reply itself as was intended, but were instead separately bound and therefore filed without a caption. This letter will confirm that Exhibits 33-38 are part of the reply. I apologize for any inconvenience this error may have caused the Board or any party to this proceeding. By this letter I am also informing all parties of this error and advising them that I will provide a replacement copy of the reply, with exhibits 33-38 bound together into the reply, to any party upon their request.

Sincerely,

O'Donnell, Schwartz & Anderson, P.C.

By

  
Richard S. Edelman

cc: All parties of record

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BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388



CSX Corporation et al., Norfolk Southern Corp. et al.--Control and Operating  
Leases/Agreements--Conrail Inc. and Consolidated Rail Corp.

JOINT PETITION OF VARIOUS UNIONS  
AND THE COMMONWEALTH OF PENNSYLVANIA  
FOR ENFORCEMENT OF ORDER, OR ALTERNATIVELY TO REOPEN FOR ORDER  
DIRECTING COMPLIANCE WITH COMMITMENTS,  
OR ALTERNATIVELY FOR RELIEF NOT OTHERWISE PROVIDED FOR

**RESPONSE OF VARIOUS UNIONS  
AND THE COMMONWEALTH OF PENNSYLVANIA TO  
NORFOLK SOUTHERN CORPORATION'S REPLY  
TO THEIR REPLY TO NORFOLK SOUTHERN RESPONSE TO DECISION NO. 186**

In the event that the Board allows the parties to submit additional filings in this matter, the Unions<sup>1</sup> and the Commonwealth of Pennsylvania ("Petitioners") provide this response to Norfolk Southern's ("NS") reply to the Petitioners' reply to NS' response to the Board's Decision No. 186 ("Petitioners' July 16 filing") concerning NS' plans to close the Hollidaysburg Car Shop ("HCS").

NS' reply (NS' July 27 filing) purports to submit additional evidence on three subjects: insourcing work that NS could have done in 2000 and would have been able to do in 2001, NS' accounting regarding the HCS, and the failed agreement on reduced rates for new hires. However, NS's additional evidence and argument on those subjects are not really relevant to the

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<sup>1</sup> Transport Workers Union of America ("TWU") and the National Council of Firemen and Oilers/SEIU ("NCFO"), International Association of Machinists and Aerospace Workers ("IAM"), International Brotherhood of Boilermakers and Blacksmiths ("IBB") International Brotherhood of Electrical Workers ("IBEW") Sheet Metal Workers International Association ("SMWIA") and Transportation Communications International Union ("TCU") (collectively referred to herein as "Unions")

key questions before the Board, which are whether NS made representations about the HCS to which it was bound by the Board's Order in Decision No. 89, and whether the Board can enforce its own Order binding NS its representations. NS' contentions that it made good faith efforts to increase insourcing, and that the HCS is losing money as a stand-alone entity under certain accounting assumptions are irrelevant if the Board finds that NS did commit to the HCS, and that its Order binding NS to its representations may be enforced. The circumstances surrounding the rejection of the agreement for reduced rates of pay for new hires are also irrelevant to the key issues. A commitment does not become something less than a commitment merely because the subsequent circumstances of the party making the commitment turn out not to be exactly what that party expected. A party can not choose to honor only the promises that appear to be advantageous in retrospect.

Even if it is assumed that a party might in rare cases obtain relief from a commitment based on substantially changed and unforeseeable circumstances, NS has not even shown that circumstances regarding the HCS have changed substantially from 1995, the base year for NS' application; it certainly has not shown that the changes it has experienced were not foreseeable. Accordingly, even if the evidence showed that NS had experienced bad luck and unfortunate circumstances, that evidence would not be relevant to, and certainly would not be significant to, resolution of the issues before the Board.

Petitioners further submit that NS' additional arguments and evidence do not refute the points made in Petitioners' July 16 filing. Petitioners will briefly address each of the subjects discussed in NS' July 27 filing, and they respectfully refer the Board to the more detailed responses in the Second Declaration of Joseph Letcher and the Third Declaration of Thomas

Lutton that are provided along with this memorandum.<sup>2</sup>

# **I. INSOURCING WORK THAT NS COULD HAVE DONE IN 2000 AND WOULD HAVE BEEN ABLE TO DO IN 2001**

At the outset Petitioners strongly take issue with NS' suggestion that its commitments regarding the HCS were dependent on increasing insourcing at the HCS (NS July 27 filing at 4 fn 1). These contentions are rank revisionism. The NS never said that its commitments to the HCS were dependent on increasing insourcing. The Shop was already doing insourced work and NS noted that it already had a contract to do work for CSXT; NS talked about the possibility of increased insourcing as a bonus, not as a requirement. *See* Application- Goode Statement at 16 (Vol.1 at 338), Mohan Statement at 50-51 (Vol. 3B at 62-63), Operating Plan at 253 258 (Vol. 3B at 321, 326) and the many other statements made by NS committing to retention of the HCS that have been cited by Petitioners. Moreover, Mr. Joseph Letcher showed that insourcing in 2000 actually increased by 25% over the previous year, and was at the highest level ever attained by the HCS. First Letcher Declaration ¶ 7. NS' rebuttal witnesses did not even respond to that statement by Mr. Letcher.

NS' July 27 filing takes issue with assertions by Mr. Letcher that 1) there was insourcing work that was scheduled to have been done at the HCS in 2000, and that could have been done in 2000, but that was not done in 2000, apparently because of a shortage of manpower (first Letcher Declaration ¶8) ; and 2) that there was a substantial amount of insourcing work that would have been available to the HCS for 2001 and into 2002 (first Letcher Declaration ¶¶10-11). NS

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<sup>2</sup> NS claims that it has only provided additional acts and rebuttal on the three subjects described in its motion for leave to file, and that it has not addressed other issues or responded to arguments of the Petitioners (Reply at 1), but that it not true. *See* Reply at 3 fn 1, 6 fn 3, and Licate Declaration ¶6. Petitioners will also respond to the sur-rebuttal arguments presented in NS' July 27 filing.



argues that many of the projects that Mr. Letcher said were available to have been done in 2000 were not turned away but actually were done in 2001, and that there was no certainty that NS would have been successful in obtaining the work referred to by Mr. Letcher in paragraphs 10 and 11 of his first declaration. NS July 27 filing at 2-6 and Veron/Ricciardi Statement. Mr. Letcher's Second Declaration addresses these contentions in detail, but Petitioners note that NS has ignored the main points made by Mr. Letcher in each case.

With respect to the work that could have been done in 2000, Mr. Letcher asserted that there was work that was scheduled to be done in 2000, and that could have been done in 2000, but was not done because of a reduced staffing at the HCS. Letcher Declaration ¶8. In his Second Declaration ¶¶4, 5 and 9 Mr. Letcher has cited a number of specific projects that could have been done in 2000, but that were not begun in 2000 because of reduced staffing. Moreover, he referred to NS' own records that demonstrate that, for a number of these projects, cars were actually at the shops and available to be worked on, but were not worked on for lack of manpower. *Id.*

NS' July 27 filing (at 4) asserted that there was no shortage of manpower and no refusal by NS of HCS requests for increased staffing. However, Mr. Letcher stated that he attended various meetings where the need for additional manpower was discussed, and where it was stated that requests for more staffing were denied by NS. Second Letcher Declaration ¶6. Mr. Lutton similarly stated that there was a shortage of manpower at the HCS because NS had reduced forces at the HCS from 451 at Split Date to 321 in February of 2001; and that he had raised the shortage of staffing with management at the Shop and was told that NS had denied requests for additional manpower. Third Lutton Declaration ¶3.

The point of all of this is that the HCS production numbers for 2000 were lower than they



would have been had NS provided the staffing for the HCS to perform all of the work that was available to it in 2000. Accordingly, to the extent that NS has responded to the first Letcher declaration by asserting that a number of the projects discussed in paragraph 8 were deferred to 2001, NS actually confirms the key point made by Mr. Letcher.

With respect to the work that would have been available in 2001 and into 2002, NS argues that there was no certainty that the HCS would have obtained the work described by Mr. Letcher. NS argues that there were a number of cases where Mr. Letcher said that the HCS would get certain work but the customer did not respond to NS after proposals were sent out in September, October and November of 2000. Mr. Letcher has responded to NS' contentions with respect to particular projects, noted that often there is no contact with a customer until it is ready to have work begin and provided a list of over 100 bids pending at the time NS announced the closing of the HCS (Second Letcher Declaration ¶¶7- 11). Petitioners also note that NS has simply ignored the effect of its November 2000 announcement that it would close the HCS. That obviously would have a negative effect on business for 2001-2002. The announcement of the planned closing in November 2000 certainly affected the plans of potential customers who received bids from NS in September, October and November of 2000. It is just untenable for NS to deny the impact of its own actions on the business prospects of the HCS. Petitioners may not be able to prove that all of NS' prospects for business at the HCS would have turned into contracts, but the declarations of Mr. Lutton and Mr. Letcher do show that there was every reason to believe that the HCS would continue to obtain substantial amounts of insourcing work, and that it would even continue to increase insourcing as occurred in 2000.

In considering NS' July 27 filing, it should be recalled that NS' initial filing in this matter attempted to justify its plan to close the HCS by claiming that the Shop was working at only one-

third of its capacity, comparing production of over 13,000 cars in 1977 and 1978 with production of 4040 cars in 2000. First Veron Statement at 2, 3. Now, in its July 27 filing (at 3-4 fn. 1), NS cites the Record of Production chart (Second Lutton Declaration, Lutton Ex. H, Petitioners' Ex.29) in arguing that there was a substantial reduction in work at the HCS by comparing the 1995 (base year) figure of 4657 cars with a 2000 figure of 3583 cars. This plainly is not the sort of reduction that NS was relying on when it first tried to justify its plan to close the HCS. Moreover, NS has simply ignored the fact that its own reductions in forces caused production in 2000 to be lower than it could have been. Notably, NS has again failed to respond to Petitioners' showing that reduced production at the HCS was also due to NS' decision to defer maintenance on its own fleet. Second Lutton Declaration ¶5 and Lutton Ex. I. And NS has also again failed to address the fact that the Record of Production chart shows that the amount of work is somewhat cyclical, so there is nothing extreme about the numbers for 2000; in 1983 and 1984 the production numbers were 2678 and 2969 respectively, each below the production level in 2000. In essence, the evidence does not show the sort of dramatic reduction in utilization of the HCS that NS initially claimed, and that production for 2000 would have been higher, but for NS' reductions in forces at the HCS due to the need to cut costs because of the results of NS' poor implementation of the Conrail Transaction.

## **II. FINANCES OF THE HCS**

Petitioners' July 16 filing (at 28 and fn 9) noted that NS had not even proven its claim that it lost \$7 million at the HCS, because NS merely supplied a single piece of paper with no back-up that NS claimed was self-explanatory but was not (Belvin Ex. 1), and that the calculation supplied by NS contained numerous classifications of losses that were unexplained. NS has responded with another statement from Mr. Belvin, but it provides no more substantiation or

explanation than his first statement.

The second Belvin statement explains a peculiarly complicated process of deducting certain labor costs from gains twice and adding them back in as credits. Moreover, the second Belvin Statement still leaves many aspects of Belvin Ex. 1 unexplained or under-explained. For example, Mr. Belvin has not explained how the HCS could have costs of \$3.3 million in "All other labor" for vacations, costs of attending meetings, general supervision and costs of repairing the shops themselves. Additionally, NS has not explained the item of \$6.8 million for fringe allocation for items other than "Capital, Insourcing & Billable". The total labor costs for Capital, Insourcing and Billable, including associated fringes, was said to be \$6 million; this means that NS has associated \$6.8 million in fringe costs with the remaining \$11.3 million in labor costs.

Moreover, NS still has not explained the basis for Mr. Blevin's original claim (Belvin Statement at 4) that by assigning all non-insourcing costs for the HCS to NS' own fleet, NS lost the \$9.5 million on its own fleet. Nor has NS provided an accounting explanation of how \$20 million in labor produces only \$9 million in value for NS or how that calculation compares to calculations of stand alone profitability of NS' equipment maintenance shops generally.

Finally in this regard, NS has not answered Petitioners' most important argument in response to NS' claims that its plan is justified by the supposed losses at the HCS—that if production of 3583 cars for 2000 produced a loss of \$7 million under Mr. Belvin's method of accounting, even with an increase in the profit-making insourcing work, then the HCS presumably would have suffered similar losses under that method of accounting based on the production of 4657 cars in 1995, the base year used when NS committed to retain the HCS. Petitioners do not concede that NS can ignore its commitment because of the current reduction in the rate of economic growth, but they note that NS still has not shown that the current finances

of the HCS are different, much less significantly different, from the finances at the HCS when NS committed to retain the Shop.

### **III. THE PROPOSED REDUCED RATE AGREEMENT**

NS has offered the Statement of Anthony Licate to respond to Mr. Letcher's assertion that NS backed-out of an agreement for a reduced entry rate for new hires at the HCS. Mr. Licate notes that NS withdrew from the agreement because the Brotherhood Railway Carmen declined to sign the agreement, he therefore argues that NS was not to blame for the failure of the agreement. But NS has again missed the point here. Petitioners noted that NS had backed out of the reduced rate agreement as a response to NS' assertions that it is at a competitive disadvantage with respect to other shops with lower labor costs and that it made every effort to retain the HCS. Petitioners' July 16 filing at 19. It is true that BRC would not sign the agreement when it was first negotiated March of 2000. However, it is also true that NS never said that it needed the reduced rates in order for the HCS to remain financially viable, or to remain competitive with other shops. NS never made an effort to revive the proposal before announcing that the HCS would be closed; those circumstances might have resulted in execution of the agreement. Lutton Declaration ¶¶4-5. Accordingly, Mr. Licate's statement does not refute Petitioners recitation of the circumstances surrounding negotiations on the reduced rate agreement as supporting their assertion that NS can not properly argue that its action was necessitated by a disadvantage as to labor costs and that NS did not make every effort to retain the HCS.

Finally, Petitioners note that although NS said it would address only the subjects of insourcing work in 2000 and 2001-2002, accounting at the HCS and the reduced rate agreement, NS and Mr. Licate took the opportunity to laud NS on its supposed good faith by its willingness



to negotiate certification of protective benefits for employees who transfer. Licate Statement ¶6, NS reply p. 6 fn.3. Petitioners had asserted that NS was not acting in good faith because it told the Board that every HCS employee would have the opportunity for continued employment with NS, but NS' *New York Dock* notices identified jobs for only half of the currently active employees. Mr. Licate said nothing to resolve this clear contradiction in NS' positions that was highlighted in Petitioners' July 16 filing. And while Mr. Licate and NS cited NS' willingness to negotiate certification for employees who transfer, NS did not respond to the Petitioners' assertion that if NS was truly acting in good faith, it would say that 1) all HCS employees as of Day One who have not resigned or retired are covered by the *New York Dock* employee protective conditions in connection with the closing of the HCS and transfer of HCS work to other locations; 2) that all those employees for whom there is no job will be protected for up to six years, and NS will not assert that their furloughs were caused by other factors; and 3) for those who transfer, if they are furloughed at a new location, or if less senior employees at a transfer location are furloughed, they will be protected for up to six years and NS will not assert that the *New York Dock* benefits are unavailable because the furloughs are due to other causes. Once again NS has made no such offer, and its supplemental argument about *New York Dock* protections does not address, and certainly does not refute, the Petitioners arguments in this regard.

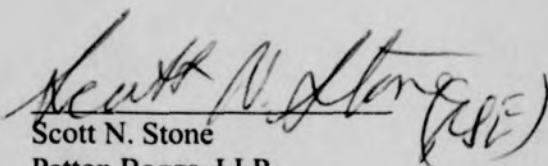
### **CONCLUSION**

NS' supplemental evidence and arguments do not refute the arguments set forth in Petitioners' Reply to NS' response to Decision No. 186, and they do nothing to advance NS' argument that it should be allowed to close the HCS, notwithstanding its many representations



that it would retain, invest in and expand the HCS. In particular, the supplemental evidence and argument offered by NS does not refute Petitioners' showing that if NS did not reduce forces, defer its own equipment maintenance and defer contract work, the Shop could work at roughly the same capacity as it had worked in the years leading up to the Conrail Transaction. The HCS may not work on 13,000 cars as it did in 1977 and 1978, as NS now claims is necessary for the Shop to survive. But the evidence supports Petitioners' assertion that the Shop can work at the level it did when NS drew up its Operating Plan and made its commitments, when NS CEO Goode toured the Shop and assured Senator Specter that based on that tour and other inspections, NS would "keep those shops and keep them operating [because] we are going to need them" (Petitioners' Ex. 6 at 49) and when Mr. Goode went to Altoona on Day One and acknowledged NS' commitments to the Shops and told Shop workers, Altoona residents and Pennsylvania officials that the railroading tradition in Altoona "means something in our business" and that he wanted "people to look back 100 years from now and say that is a tradition that has continued, and that Altoona is still the heart of railroading in the world". Petitioners' Ex. 22 at 6-7.

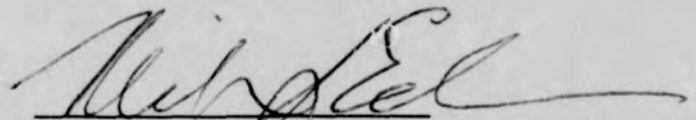
Respectfully submitted,



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Patton Boggs, LLP  
2550 M Street, N.W.  
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Counsel for the Commonwealth of  
Pennsylvania

August 1, 2001



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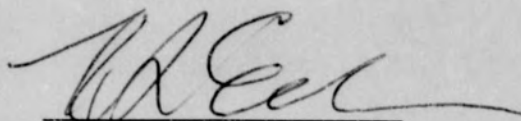
**CERTIFICATE OF SERVICE**

I hereby certify that I have caused to be mailed copies of the foregoing  
Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern  
Corporation's Motion for Leave to File a Reply to Their Response to Decision No. 186  
by First Class Mail upon the persons listed on the current official service list in Finance Docket  
No. 33388. Because of the length of the service list in this proceeding representatives of the  
Applicants and as many other parties as possible were served by mail on August 1, 2001, other  
parties will be served on August 2, 2001.

Date

8/1/01

Richard S. Edelman



**SECOND DECLARATION OF JOSEPH LETCHER**

## SECOND DECLARATION OF JOSEPH H. LETCHER

1. My name is Joseph H. Letcher. I was a Carman employed for Norfolk Southern in Altoona, Pennsylvania until May 04, 2001. Additional information concerning my railroad background was provided in my previous declaration.
2. I have had the opportunity to read the Joint Verified Statement of David L. Veron and Michael Ricciardi submitted with Norfolk Southern's filing with the Surface Transportation Board on Friday July 27, 2001. I am submitting this declaration to respond to point out, at a minimum, allegations made by Mr. Veron and Mr. Ricciardi which are both misleading and incorrect.
3. First, in response to Mr. Ricciardi's statement alleging that my claims are completely wrong, with respect to work scheduled for the shops, I am quite surprised at such a statement from Mr. Ricciardi because on numerous occasions earlier this year ( January / February ) I listened to Mr. Ricciardi tell workers at Hollidaysburg that things were looking good, that insourcing was increasing and that there was sufficient work scheduled to keep the shops busy well into year 2002. Mr. Ricciardi's statements to workers were made when he made it a point to stop in and speak to workers at numerous mandatory safety training classes I was conducting during January and February of this year. Since I was part of the local insourcing team, and was aware of the work which was being scheduled, I never had any reason to question what Mr. Ricciardi was telling the workers.
4. As for Mr. Veron's and Mr. Ricciardi's statements alleging that I was wrong about work certain projects in Table 1 of my initial declaration not being performed. It is quite apparent that what was stated in my declaration was taken completely out context. Mr. Veron and Mr. Ricciardi have ignored that fact that the point of paragraph No.8 of my declaration was in response to the carrier's allegations of under utilized capacity, and I stated that there was work that could have been done in 2000 but that was not done because of lack of manpower. At page 3 paragraph 8 I stated: "Outlined below is a schedule of insourcing projects which were scheduled in the shops beginning in the 4<sup>th</sup> quarter of



2000, any number of which could have begun in year 2000 had there been sufficient manpower in the shops." Although I did state jobs were ultimately turned away, which they were, as I will address later in this declaration, my primary point in paragraph 8 was, as stated, that manpower at the shops had decreased considerably since split date. Although some work discussed in paragraph 8 was ultimately done at the HCS, it was done in 2001, not in 2000, as a result, the production numbers for 2000 are lower than they would have been had NS not reduced man power.

5. I will not address each of the errors I detect in Mr. Veron's and Mr. Ricciardi's joint statement, but I will highlight several examples of inconsistent, misleading and incorrect information they provided.

**A. CSX Box Car – Heavy Repair Program**

At page 3, I find their allegations quite misleading and evasive of certain facts concerning work scheduled. Indeed what they point out on the daily production summary for December 2000, page 2, YTD production 350 cars is correct. However, what they do not point out is that consistent with an arrangement between NS and CSX, the 350 cars referred to represent only one increment of at least 1000 cars which were to be repaired for CSX, by NS at the Hollidaysburg Car Shops. Mr. Veron and Mr. Ricciardi ignore the fact that the daily production summaries for January 2001 through June 2001 indicate 125 CSX Box Cars, with no production completed. In fact, a substantial number of these cars were on hand at the shops and we had already inspected them in preparation for production. Then, shortly after NS' February 21, 2001 second announcement closing the shops these cars, as well as numerous other CSX hopper cars which were scheduled for repair were shipped out. In concluding on this point, my reference to CSX Box Cars had nothing to do with cars already worked, but with the continuation of the CSX Box Car project.



### **B. Rail Trust Covered Hopper Program**

Although the production summary produced indicates 20 cars, as a member of the local insourcing team I was aware that there was going to be an additional 25 of these cars to be cut down for aggregate service.

### **C. Greenbrier Quad Hopper Modification**

Although Mr. Veron and Mr. Ricciardi point out that the Greenbrier cars were completed in March of 2001, what they do not point out is that it was not until sometime in February 2001 that meaningful production is noted on the daily production summaries. As stated previously, and consistent with my previous declaration, paragraph 8, these cars could have been worked in year 2000 had there been sufficient manpower in the shops. Again, what Mr. Veron and Ricciardi fail to point out is that in November of 2000 the daily production summary indicates that 90, out of 100 of these cars were on hand.

#### **D. GCCX Hood Program**

With respect to the GCCX Hood program, the joint statement of Mr. Veron and Ricciardi is once again misleading. Although this project does not appear on the daily production summary until January 2001, this is misleading in that this order did not involve cars being repaired and would not appear in the cars on hand column of the daily production summaries. What they do not state is that the initial approval of this program was received in November 2000, but was temporarily delayed due to NS' announced closing of the shops at that time. Subsequent to the shop closing being cancelled at that time, this order could have commenced in year 2000, however there was not sufficient staffing at the shops. Also, Mr. Veron and Ricciardi fail to mention that there was a bid on an additional 160 hoods, which was being worked out, and was not pursued further due to the second announced closing of the shops in February.

#### **E. Open Top Hopper Fastener Program**

As stated by Mr. Veron and Ricciardi, this was an ongoing program which was not completed. However, consistent with my previous declaration, paragraph No.8, I note that this work was available during year 2000 and was not performed due to insufficient manpower. Although they state this was an ongoing project, what they do not point out is that 34 of these cars were on hand dating back to at least September 2000, and could have been worked at that time had there been sufficient manpower. They go on to state that these cars were worked to fill gaps with scheduled larger programs. Interestingly, what they do not point out is that in September and October of 2000 there were 32 of these cars scheduled, then in November there were 74 cars scheduled, but only a minimal 4 cars worked since September 2000. Again, the fact that

these cars were not only on hand, but scheduled, and not worked further indicates there were no gaps, as alleged, due to insufficient manpower in the shops.

5. Thus, contrary to the statements of Mr. Veron and Mr. Ricciardi, my original declaration and this declaration show that there was not sufficient manpower in the shops to keep up with the insourcing work being scheduled in, and that is the reason why work was sitting in the yard but was not done, and that is why the production numbers for 2000 were lower than they could have been.

6. This brings me to my next point concerning manpower levels in the shops, Mr. Ricciardi's allegation that I am wrong concerning a request for additional manpower in the shops. Contrary to what Mr. Ricciardi asserts, as a member of the local insourcing team, throughout this period of time I knew that there was not sufficient manpower in the shops to keep up with the increased insourcing work. During meetings which took place during this period of time the need for additional manpower was discussed. Consistent with my previous declaration, and contrary to what Mr. Ricciardi alleges I recall these meetings very well and that it was stated that additional manpower was requested, and refused by NS.

7. With respect to Mr. Veron and Ricciardi's statements concerning Mr. Lutton's assertions and my assertions about additional insourcing work that would have been available for work in 2001 and into 2002, as a member of the local insourcing team with knowledge of the insourcing projects which had been bid, and were being negotiated, I disagree with the statements of Mr. Veron and Mr. Ricciardi, and again find them to be incorrect and misleading.

8. For example, with respect to their statement concerning the DOD project consisting of some 2000 cars, it is misleading and incorrect for them to allege that the DOD did not contact NS with approval until just before the announced closing in February 2001. To the contrary, our local insourcing team was aware right along that the shops were going to be awarded this project and was in contact with the DOD representative on a regular basis contrary to what is alleged. In fact, the day of the announced closing of the shops in February, the first of 2000 cars were being shipped to Hollidaysburg from Conway, Pennsylvania.

9. Mr. Veron's and Mr. Ricciardi's statements concerning the GATX SP Flat insourcing project are also misleading. As can be seen by the daily production summaries beginning in September 2000, 73 of these cars were on hand, and could have been worked at that time, had their been sufficient manpower at the shops. Their allegation concerning a request to accelerate production on these cars is completely unfounded, and even if true, would not have been necessary had sufficient manpower been available in the shops in September 2000 when these 73 cars were on hand, and available to be worked. In this regard, it should be pointed out that no meaningful production on this order was commenced until November when a minimal 6 cars were completed.

10. With respect to general prospects for additional insourcing at the shops, there were numerous other bids out, many of which were open files with the potential of being awarded. It should also be pointed out that Mr. Veron and Ricciardi make no attempt to explain that, although we had not received responses on certain bids, that does not mean they are not open or viable bids. The nature of the business does not involve definite time periods for responses to bids. At the time of the announced closing of the shops in November 2000, as indicated by the attachment to this declaration, there were

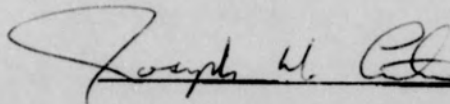


well over 100 bids out, any number of which, at any given time could have been approved, with additional work coming into the shops.

**Verification**

I, Joseph H. Letcher, verify that under penalty of perjury pursuant to 28 U.S.C. §1746 that I was a Carman employed by Norfolk Southern in Altoona, Pennsylvania until May 04, 2001, that I have read the foregoing document and its contents, and that the same is true and correct to the best of my knowledge and belief.

Executed July 30, 2001

A handwritten signature in cursive script, appearing to read "Joseph H. Letcher", is written over a horizontal line.

Joseph H. Letcher



# INSOURCING LIST

Contract  
Request  
Month  
Year  
Numerical  
Order

SPW-01-00-0012	01/17/00 (E)	AK STEEL
SPW-01-00-0013	01/04/00	RAILCAR LTD
SPW-01-00-0014	01/17/00 (E)	AMECO (PERU)
SPW-02-00-0023	02/03/00 (E)	JOHN WEISS
SPW-02-00-0025	02/03/00 (E)	AMECO (MORGAN)
SPW-02-00-0026	02/03/00 (E)	ANDERSON, INC.
SPW-02-00-0027	02/03/00 (E)	GIL L. GIBBS
SPW-02-00-0032	02/04/00	MIKE PAYNE
SPW-02-00-0033	02/09/00 (E)	JUAN GUILLERMO BROISSIN ALVAREZ
SPW-02-00-0034-R1	02/11/00	T.G. SNYDER
SPW-02-00-0035	02/12/00 (E)	THOMAS MCFADDEN
SPW-02-00-0036	02/14/00 (E)	DALE BURMEISTER
SPW-02-00-0038	02/17/00 (E)	T.E. BESSELMAN
SPW-03-00-0071	03/17/00	RAIL TRUST EQUIP-50-75 OPEN TOP COAL HOPPERS
SPW-03-00-0072	03/17/00	O'TOOLE TRANSP-50-75 OPEN TOP COAL HOPPERS
SPW-03-00-0075-1	02/19/00	B&E-REBODY COAL HOPPERS AT ROANOKE
SPW-03-00-0075-2	03/22/00	TRANSTAR (TURN KEY REBODY OR REBODY KITS
SPW-03-00-0076	03/23/00	SUN OIL-WATER DAMAGED CARS -(40CARS)
SPW-04-00-0096	04/05/00	GE COIL STEEL CAR COVERS
SPW-04-00-0096-R	04/08/00	GE COIL STEEL CAR COVERS
SPW-04-00-0096-R2	04/18/00	GE COIL STEEL CAR COVERS
SPW-04-00-0097	04/06/00	REPAIRS TO GE BOX CARS
SPW-05-00-0123	05/01/00 (E)	HOWARD MCCALL-MILL GONS FOR COPPER, LEAD, STEEL & ZINC ORE
SPW-01-00-0187		RAIL TRUST-RAPID DISCHARGE AGGIE CARS
SPW-01-00-0188		ER-BUILD NEW DEPRESSED FLATS
SPW-01-00-0189		ER-BUILD NEW PINE DECKED FLATS

SPW-07-00-0221

SPW-07-00-0227

SPW-07-00-0228

SPW-07-00-0229

SPW-07-00-0230

SPW-07-00-0231

SPW-07-00-0232

SPW-07-00-0233

SPW-07-00-0234

SPW-07-00-0235

SPW-07-00-0236

SPW-07-00-0237

SPW-07-00-0238

SPW-07-00-0239

SPW-07-00-0240

SPW-07-00-0241

SPW-07-00-0242

SPW-07-00-0243

SPW-07-00-0244

SPW-07-00-0245

SPW-07-00-0246

SPW-07-00-0247

SPW-07-00-0248

SPW-07-00-0249

SPW-07-00-0250

SPW-07-00-0251

SPW-07-00-0252

SPW-07-00-0253

SPW-07-00-0254

SPW-07-00-0265

AMECO CONVERT 50' BOX CAR TO  
CONTAINER CAR FOR PERU

GREENBRIER CONVERT FOUR PKT HOPPER  
TO THREE PKT HOPPER

ANDERSON CONVERT 70 TON BOX TO 100  
TON

ANDERSON REBODY AND CONVERT 3 PKT  
TO 2 PKT AGGIE

GATX CONVERT COAL GON TO AGGIE

GATX (FOR MONSANTO) CONVERT BULK  
HEAD FLAT TO BULK TANK SERVICE

GATX CONVERT MED-COVERED HOPPER TO  
SM CH CEMENT

CSXT CONVERT COAL HOPPER TO AGGIE  
FIRST UNION-WARRANTY REPAIR TO RAIL  
CARS

ALTOONA PIPE & STEEL SELL & UPGRADE  
CR COAL PORTERS

BETHLEHEM STEEL NEW COIL STEEL

ANDERSONS REBODY OT HOPPER TO MILL  
GONS

ANDERSONS CONVERT OT HOPPERS TO  
WHEEL CARS

ANDERSONS UPGRADE COVERED HOPPERS  
TO 286 CUBE CARS

ANDERSONS (ALL-TRANSTEK)-UPGRADE  
COVERED HOPPERS TO 286

FIRST UNION RESTENCIL CAR NUMBERS

FINGER LAKES RR-SELL REMFG CABOOSSES  
WITH PAINT

FINGER LAKES RR-SELL REMFG CABOOSSES  
WITHOUT PAINT

FIRST UNION/GREENBRIER RECERTIFY  
DOUBLE STACK

GATX RR FROM LEASE HD FLATS

REDECK WOOD FLOOR FLATS

NATL STEEL CAR NEW COIL HOODS

GATX UPGRADE ALUMINUM TUB CARS

HELMS GENERAL REPAIRS

CSXT GENERAL REPAIRS

GATX MODIFY 45 HI SIDE GONS GCCX

GATX MODIGY 20 HI SIDE GONS MHFX

RAILTRUST REBODY HOPPERS 60 DEG  
SLOPES

RAILTRUST 52.5 DEGREE SLOPE

TRIPLE CROWN WHEEL SETS

SPW-03-00-0190	03/07/00	READING&NORTHERNSELL/REPAIR COAL HOPPERS
SPW-04-00-0191		GREENBRIER-MODIFY 200 HOPPERS TO TRIPS
SPW-03-00-0192	04/03/00	RBMN-REPAIR/REHAB 80 COAL HOPPERS
SPW-07-00-0193-2	07/07/00	GATX-MODIFY WOOD CHIP CARS
SPW-07-00-0194		TTX 100 TON FLAT CARS NEW PIPE
SERVICE		
SPW-07-00-0195		LTV-BUILD NEW ORE CARS
SPW-07-00-0196		DM&I RR 1200 NEW ORE CARS
SPW-07-00-0197		VEPCO-RD ALUMINUM COAL CARS PM
SPW-07-00-0198		RAILTRUST-REBODY & SELL PRR GONS
SPW-07-00-0199		BN-BUILD NEW 66 FT. GONDOLAS
SPW-07-00-0200		FERROMEX-AMECO-SALE OF WHEEL REPAIRS
SPW-07-00-0201	02/14/00	RAILTRUST-SALE & RECONDITION PRR COVER HOPPERS
SPW-07-00-0202		E&D RAILCAR-SALE OF RECONDITIONED CARS
SPW-07-00-0203		G&W RR-SALE OF 300 PR 36" WHEEL SETS
SPW-07-00-0204	09/01/00	GATX-MODIFY COVERED HOPPER CEMENT SERVICE
SPW-07-00-0205		GATX-APPLY LINING TO EP CARS
SPW-07-00-0206-2	03/03/00	GATX-MODIFY SP FLATS FOR CONTAINER SERVICE
SPW-07-00-0207	10/28/98	GATX-REPAIR/PAINT 15-25 CH(WWW)
SPW-07-00-0208		GATX-MODIFY 200 QUAD HOPPER TO TRIPS
SPW-07-00-0209		GATX REPAIR WRECKED FLATS
SPW-07-00-0210		GATX-BUILD 500 NEW COIL STEEL CARS
SPW-07-00-0211		GE RAIL CONVERT 75 TON BOXES TO 100 TON
SPW-07-00-0212		JOHN NICHOLS SALE OF 50-75 REHAB COAL CAR
SPW-07-00-0213		RAILTRUST- SALE OF REHAB COAL HOPPERS
SPW-07-00-0214	04/06/00	TTX BUILD NEW 68' BULK HEAD FLATS
SPW-07-00-0215	04/12/00	PROGRESS RAIL REBODY KITS COAL TO AGGIE
SPW-07-00-0216		SUN OIL-WATER DAMAGED CAR
SPW-07-00-0217		ANDERSONS SALE OF 100 TON GONDOLAS
SPW-07-00-0218	07/18/00	GE RAIL BUILD NEW 1 PC COIL STEEL HOODS
SPW-07-00-0218-R2	07/18/00	GE RAIL BUILD 300 NEW 1 PC COIL STEEL HOODS
SPW-07-00-0219		RAILTRUST BUILD NEW 52' HI SIDE
SPW-07-00-0220		RAILTRUST BUILD NEW 65' HI SIDE

SPW-07-00-0266  
SPW-07-00-0274  
SPW-07-00-0275

SPW-07-00-0276  
SPW-07-00-0277  
SPW-08-00-0282

SPW-08-00-0283  
SPW-08-00-0284  
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SPW-08-00-0331  
SPW-08-00-0332  
SPW-08-00-0333

SPW-09-00-0338

SPW-09-00-0351  
SPW-09-00-0354  
SPW-09-00-0363  
MWT-10-00-0393  
MWT-10-00-0394  
MWT-11-00-0396  
MWT-11-00-0397  
MWT-11-00-0420

GUILFORD SELL OF 50 HOPPERS  
THRALL CAR - COVERED HOPPERS  
SOUTHBOUND CEMENT-MODIFY CEMENT  
CARS

HULCHER-TRACK PANEL SALE  
RJ CORMAN -TRACK PANEL SALE  
SHARED ASSETS - BUILD SHOVE  
PLATFORM

BLE UPPER PATCH KIT  
IEC HOLDEN-MOUNT NEW WHEEL SETS  
RELIANT ENERGY SCALE TEST  
COMET IND-RECOND.DRAFT GEAR  
AMER.EQUIP.MISC.CAR PARTS  
GATX 3-100 TON OT HOPPER REPAIR  
GATX FABRICATE HOOD OT GONDOLA  
GATX MODIFY/INCREASE GRL-GONDOLAS  
KAROL & ASSOCI. REFURBISH CONTAINER  
RELIANT ENERGY REFURBISH TEST  
WEIGHT

PITT PWR & LIGHT REFURBISH TEST  
WEIGHT

GATX 1-100 TON ALUMINUM HOPPER  
GATX-400 DECALS  
RDG BLUE MTN REPAIR 100 TON HOPPER  
VA.PWR.-REPAIR 200 COAL HOPPERS  
RAILTRUST REBODY AGGIES 100 CARS  
ALTOONA PIPE SALE & REPAIR 175 CARS  
GILFORD SALE & RPR 50 COAL CARS  
RDG BLUE MTN RPR 4 CSX HOPPERS  
US ARMY (DODX) TRUCK REPAIRS  
GATX COVERS FOR HI SIDE GONDOLAS  
VEPCO-REHAB TRUCK BOLSTER  
FIRST UNION COAL COVERS  
VEPO UNIT TRAIN REPAIR  
TIMKEN WHEEL SETS/USED AXLES/REAR  
BEARING

ANDERSONS (ALL TRANSTEK) COVERED\_  
HOPPER MODIFICATION  
IND.DRAFT GEAR-RECOND. DRAFT GEARS  
CSX COIL STEEL HOODS  
CSX DRAFT SEALS  
EJ&E 25 89' FLATS  
EJ&E 90 60' FLATS  
FIRST UNION 40 RAPID DISCHARGE CARS  
JAIX LEASING MODIFY CONVER HOPPER  
ANDERSONS COVERED HOPPERS



01/25/2002 00:00:00  
MWT-11-00-0421  
MWT-11-00-0422  
MWT-11-00-0432

RMDI-RAPID DISCHARGE HARDWARE  
S.WILLIAMS-BULK HEAD FLATS  
GREENBRIER CONVERT A END ROTARY TO  
NON-ROTARY



**THIRD DECLARATION OF THOMAS LUTTON**

### **THIRD DECLARATION OF THOMAS LUTTON**

1. My name is Thomas Lutton. I am a Carman employed for Norfolk Southern in Altoona, Pennsylvania, and currently hold the position of President TWU Local 2017. I previously submitted two declarations in this matter.

2. I have had the opportunity to read the Norfolk Southern's July 27, 2001 filing with the Surface Transportation Board, including the Declarations of Messrs. Veron and Ricciardi and Mr. Licate. While I will not respond to many of their statements that are in my view inconsistent, misleading or otherwise inaccurate, I will respond to certain of their allegations.

3. With respect to Mr. Ricciardi's statement alleging that no addition manpower was requested for the shops, simply put this is false. There clearly was a shortage of manpower at the Hollidaysburg Car Shop because of a substantial decrease in manpower levels at the shops since split date (6/1/99). This is illustrated by the Attachment to this declaration, a shop force statement just prior to split date (6/1/99) which indicates a force of 451 employees. In February of 2001 there were 321 employees, or 130 less employees actively employed at the shops, a quite substantial reduction. Again when considering the insourcing work which was scheduled into the shops in late 2000, this reduction in man count was obviously a concern which was discussed quite frequently. On several occasions I approached Mr. Ricciardi concerning the shortage of manpower. The response I received was that requests were made for additional manpower, and refused by Norfolk Southern.

4. With respect to Mr. Licate's statement concerning the potential new hire agreement, I think that the key points were that TWU had agreed to a reduced rate for new hires, and, even if

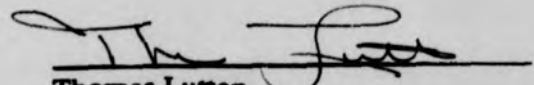
the initial attempt to enter such an agreement failed, it failed in March of 2000 when NS decided not to pursue the matter further. In connection with the proposed agreement for a reduced rate for new hires, NS never said that it needed the reduced rate in order for the HCS to remain financially viable or to remain competitive with other shops. As is reflected in Mr. Licate's declaration, the BRC was concerned about work flowing to the HCS from other NS shops, this was because everyone knew that NS had committed to retain the HCS. So whereas NS said it wanted to equalize rates at the two shops, BRC said it did not want to create an additional incentive for work to flow to the HCS

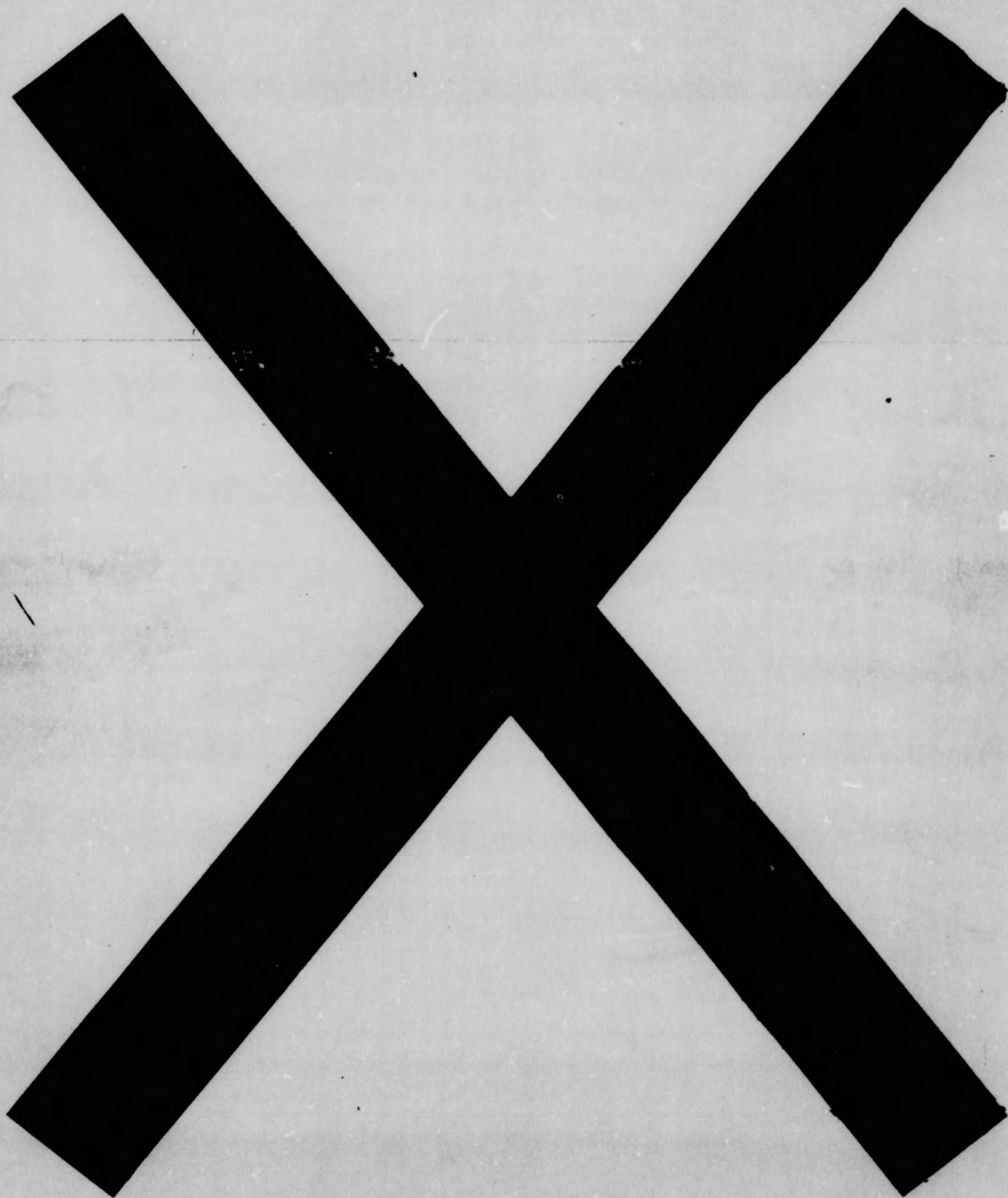
5. It is important to note that NS never raised the proposal again before announcing that the HCS would be closed. At no time prior to either the 1<sup>st</sup> or 2<sup>nd</sup> announced closing did Norfolk Southern representatives from Labor Relations, Mechanical or other departments approach the unions to state that there were any financial or other problems, that survival of the HCS was at stake, or that the HCS was at a competitive labor cost disadvantage with regard to other shops, and NS did not attempt to discuss further the tentative agreement TWU had accepted previously for reduced rates for new hires in the context of such claims.

**Verification**

I, Thomas Lutton, verify that under penalty of perjury pursuant to 29 U.S.C. §1746 that I am a Carman employed by Norfolk Southern in Altoona, Pennsylvania, and President TWU Local 2017, that I have read the foregoing document and its contents, and that the same is true and correct to the best of my knowledge and belief.

Executed July 31, 2001

  
Thomas Lutton



STB

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7-26-01

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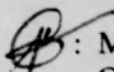


SURFACE TRANSPORTATION BOARD

**Memorandum**

DATE: July 26, 2001

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

**FROM**  : Mel Clemens, Director  
Office of Compliance and Enforcement

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

Attached are the original and two copies of the latest weekly public data files provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da 2 Da Legal. If there are any questions, please don't hesitate to contact me or Ed Nelson.

## Attachments

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

ENTERED  
Office of the Secretary  
JUL 26 2001  
Part of  
Public Record



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

T. J. Stephenson  
Assistant Vice President -  
Service Measurements

July 25, 2001

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

Dear Mr. Clemens:

Enclosed with this transmittal letter are CSX Transportation's operational monitoring reports to the Board for the week ending Friday, July 20th. Most measurements improved this week, reflecting high standards of performance. Cars on-line went down from 240,889 to 239,845. Train velocity increased from 21.5 miles-per-hour to 21.8 miles-per-hour. Terminal dwell decreased from 27.7 hours to 25.3 hours.

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

### **Chicago Gateway Operations**

During this reporting week, deliveries to western carriers through Chicago set records. The on-time-to-two-hours-late measure moved favorably one percentage points to 93%, while for the first time, there were no trains reported in the more-than-six-hours-late category.

### **Yards and Terminals**

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

### **Corridor Performance**

Three of the six measured corridors showed an improvement compared to the prior week. The best performance in the on-time-to-two-hours-late category occurred on the East St. Louis to Northeast corridor with 94%. Overall, the on-time-to-two-hours-late category was 83%, up six percentage points from 77% last week. The greater-than-six-hours-late category was 11%, improving three percentage points from last week's 14%.

### **Shared Areas**

Daily average on hand cars increased at Pavonia, and decreased at North Yard and Oak Island. All volumes still remain within expected or observed norms for comparable periods. Overall terminal dwell time was 28.1 hours, down from 29.3 hours the prior week.

### **Additional Measurements**

Train Delay Metric: For 707 train starts, weekly train delay totaled 6 hours for Power and 64 hours for Crew. Crew delay increased while power delay decreased from the previous week.

Train Crew Delay Metric: The percent of crews not departing within two hours of the on-duty time averaged 15.2% for the week, up from 14.2% reported last week.

Daily Crew Availability Percentage: Crew Availability Percentage was 78% for a second week. This is normal for the high-vacation summer period.

Daily Number of Recrews Required: Of 1756 crew starts, 39 (2%) were recrews; the same percentage recorded for last week.

Shared Asset Areas Train Delay Metric: SAA Train Delays averaged two trains per day for North Jersey, one for South Jersey, and none for Detroit.

Locomotives: Gross Locomotives = 3745, Average Available = 3387, and Out-of-Service Ratio = 5.6%, same percentage as the previous week.

Cars Offered in Interchange: averaged 92 cars daily, 23 of which were for the Norfolk Southern. The NS-offered increased and the total-offered decreased from the prior week.

On-time performance, passenger trains through Brunswick, MD: 80% for 10 AMTRAK trains (Pittsburgh – Washington) and 95% for 88 MARC trains (West Virginia – Washington).

Buffalo Customer Service (Hot-Line): the customer service center received no calls this week. This line has not been used by customers for the past 13 weeks.

Last week CSXT met the goal for 14 of the 18 key third quarter service measurements. Goals were met for cars-on-line, overall train velocity, merchandise train velocity, slow order miles, crews on duty more than 12 hours, relief crews, crew delay hours, car dwell, on-time originations, on-time destination arrivals, 30-hour cars, industrial switching, hours of locomotive delay, and leased locomotive out of service ratio.

CSXT's service performance remains at near-record levels, with continuous, gradual improvement in most indicators. Operations are very fluid and CSXT is able to absorb additional traffic.

Sincerely,

T. J. Stephenson  
Assistant Vice President  
Service Measurements



## Surface Transportation Board

### Performance Measures

For the week ending: 07/20/01

#### Yard Performance

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01
Oak Island, NJ	Fluid Capacity	1200	1200	1200	1200	1200
	Cars On Hand - Loaded	325	314	474	308	469
	Cars On Hand - Empty	222	218	294	322	405
	Cars On Hand - Total	547	532	768	630	874
	Cars Handled	379	461	619	497	671
	Dwell Hours	35.8	31.5	24.7	24.5	25.5
Pavonia, NJ	Fluid Capacity	900	900	900	900	900
	Cars On Hand - Loaded	277	197	230	373	237
	Cars On Hand - Empty	224	245	305	404	292
	Cars On Hand - Total	501	442	535	777	529
	Cars Handled	338	296	250	613	452
	Dwell Hours	45.7	35.0	21.1	22.4	25.5
North Yard, MI	Fluid Capacity	850	850	850	850	850
	Cars On Hand - Loaded	139	133	100	131	160
	Cars On Hand - Empty	76	135	93	147	94
	Cars On Hand - Total	215	268	193	278	254
	Cars Handled	121	181	119	215	156
	Dwell Hours	34.2	30.4	30.0	21.0	27.9

**CSX Comments:** Daily average on hand cars increased at Pavonia, and decreased at North Yard and Oak Island. All volumes still remain within expected norms for comparable periods.  
Overall terminal dwell time was 28.1 hours, down from 29.3 hours last week.



## Surface Transportation Board

### Performance Measures

#### Train Originations

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01
North Jersey SAA	Number of Originations	4	5	10	11	8
	% Ontime	25%	20%	10%	27%	25%
	% Late 0-2 Hours	50%	60%	70%	36%	25%
	% Late 2-4 Hours	0%	20%	20%	27%	25%
	% Late 4-6 Hours	25%	0%	0%	9%	13%
	% Late GT 6 Hours	0%	0%	0%	0%	13%
South Jersey SAA	Number of Originations	1	3	2	2	2
	% Ontime	0%	67%	50%	50%	50%
	% Late 0-2 Hours	100%	0%	0%	50%	0%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	50%
	% Late GT 6 Hours	0%	33%	50%	0%	0%
Detroit SAA	Number of Originations	4	7	7	7	6
	% Ontime	75%	86%	86%	71%	83%
	% Late 0-2 Hours	25%	14%	14%	29%	17%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%

**CSX Comments:** Total road train delays were 30 trains. Crew delays were 2 trains for 19 hours; 6 trains were delayed 31 hours for power; originating trains 22 for 147 hours, due to late arrivals.

## Surface Transportation Board

### Performance Measures

#### CSXT Cars Offered in Interchange but not Accepted

(Snapshot at Midnight for Day Measured)

Measure	Railroad Offered To	Monday 07/16/01	Tuesday 07/17/01	Wednesday 07/18/01	Thursday 07/19/01	Friday 07/20/01	Daily Average
Cars Offered	NS	95	10	9	0	0	23
	All Other	117	123	48	35	21	69
	Total	212	133	57	35	21	92

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

#### CSXT On Time Passenger Train Performance

##### "Brunswick Line"

Between West Virginia/Washington, DC

Service	Measure	Monday 07/16/01	Tuesday 07/17/01	Wednesday 07/18/01	Thursday 07/19/01	Friday 07/20/01	Weekly Totals
AMTK	Trains	2	2	2	2	2	10
	% On Time	100%	50%	50%	100%	100%	80%
MARC	Trains	18	18	16	18	18	88
	% On Time	100%	83%	100%	94%	100%	95%

AMTK measured according to contract with CSXT.

# Surface Transportation Board

## Performance Measures

### CSXT Train Crew Delay

	Causes of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Terminal	Trains / Hours	07/14/01	07/15/01	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01	Total
Baltimore	Train Crew Starts	19	16	17	17	14	6	8	97
	Crews Delayed +2 Hours	2	5	8	4	7	3	4	33
	% Delayed +2 Hours	11%	31%	47%	24%	50%	50%	50%	34%
Buffalo	Train Crew Starts	40	38	29	44	43	53	52	299
	Crews Delayed +2 Hours	2	2	1	4	6	7	6	28
	% Delayed +2 Hours	5%	5%	3%	9%	14%	13%	12%	9%
Chicago	Train Crew Starts	28	29	27	22	21	29	26	182
	Crews Delayed +2 Hours	7	7	3	2	4	6	2	31
	% Delayed +2 Hours	25%	24%	11%	9%	19%	21%	8%	17%
Cincinnati	Train Crew Starts	34	35	30	29	31	36	31	226
	Crews Delayed +2 Hours	1	5	0	1	3	1	3	14
	% Delayed +2 Hours	3%	14%	0%	3%	10%	3%	10%	6%
Cleveland	Train Crew Starts	25	21	19	16	22	18	27	148
	Crews Delayed +2 Hours	5	5	1	1	5	2	4	23
	% Delayed +2 Hours	20%	24%	5%	6%	23%	11%	15%	16%
Cumberland	Train Crew Starts	32	33	27	27	22	20	27	188
	Crews Delayed +2 Hours	11	4	1	1	2	5	3	27
	% Delayed +2 Hours	34%	12%	4%	4%	9%	25%	11%	14%
Detroit	Train Crew Starts	3	0	3	2	1	4	2	15
	Crews Delayed +2 Hours	0	0	0	1	0	0	1	2
	% Delayed +2 Hours	0%	0%	0%	50%	0%	0%	50%	13%
Philadelphia	Train Crew Starts	17	10	13	12	10	5	6	73
	Crews Delayed +2 Hours	2	1	2	2	3	1	2	13
	% Delayed +2 Hours	12%	10%	15%	17%	30%	20%	33%	18%
Selkirk	Train Crew Starts	44	34	30	37	47	48	52	292
	Crews Delayed +2 Hours	12	3	6	6	9	9	12	57
	% Delayed +2 Hours	27%	9%	20%	16%	19%	19%	33%	20%
Toledo	Train Crew Starts	26	21	17	14	22	17	27	144
	Crews Delayed +2 Hours	1	0	3	0	4	2	6	16
	% Delayed +2 Hours	4%	0%	18%	0%	18%	12%	22%	11%
Willard	Train Crew Starts	40	36	32	37	39	40	43	267
	Crews Delayed +2 Hours	9	8	4	4	4	4	5	38
	% Delayed +2 Hours	23%	22%	13%	11%	10%	10%	12%	14%

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

## Surface Transportation Board Performance Measures

### CSXT Train Delay - Northern Region Lines

	Cause of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Trains / Hours	07/14/01	07/15/01	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01	Total
Train Delay	Originating Train Starts	105	98	86	90	103	104	121	707
	Delayed Hours - Power	1	1	4	0	0	0	0	6
	Delayed Hours - Crews	7	31	11	15	0	0	0	64

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

### Daily Crew Availability Percentage - Northern Region Lines

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Crew Availability	07/14/01	07/15/01	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01	Average
Crew Availability		77%	77%	79%	79%	79%	79%	77%	78%

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

### Daily Number of Train Crew Starts and Recrews Required

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Crew/Recrews	07/14/01	07/15/01	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01	Total
Crews/Recrews	Train Crew Starts	258	204	214	235	262	284	299	1756
	Recrews	8	3	2	6	8	7	5	39
	% Recrewed	3%	1%	1%	3%	3%	2%	2%	2%

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



## Surface Transportation Board Performance Measures

### CSXT Locomotive Fleet Condition

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Locomotives	07/14/01	07/15/01	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01	Average
Locomotives	Gross Fleet Size	3774	3761	3739	3710	3748	3746	3739	3745
	Avg. Number Available	3344	3369	3418	3402	3418	3385	3372	3387
	OOS Ratio	5.9	6.0	5.9	5.4	5.2	5.1	5.6	5.6

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

### Shared Asset Areas Train Delay

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Shared Area	07/14/01	07/15/01	07/16/01	07/17/01	07/18/01	07/19/01	07/20/01	Average
Train Delay	Philadelphia/South Jersey	2	1	1	1	2	1	2	1
	North Jersey	5	3	1	3	3	1	1	2
	Detroit	1	0	1	0	0	0	0	0

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



**George A. Aspatore**  
**General Solicitor**

(757) 629-2657  
(757) 533-4872  
E-mail [gaaspato@nscorp.com](mailto:gaaspato@nscorp.com)

July 25, 2001

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

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending July 20, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

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

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

Mr. Melvin F. Clemens, Jr.  
July 25, 2001  
Page 2

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

Sincerely,

George A. Aspatore  
General Solicitor

Enclosures

July 25, 2001

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

Dear Mr. Clemens:

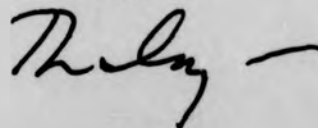
Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line increased, the average train speed decreased, and the average terminal dwell increased. On the monitored corridors and Chicago gateway operations, 29 trains were held for terminal delays, 20 trains were held for crews, and 8 trains were held for power. The format of the Chicago Gateway Interchange Operations table and Chicago Gateway Train Delays table have been updated to reflect all trains currently interchanged at Chicago.

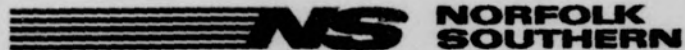
With respect to our customer service hotline in Buffalo, NS did not receive any calls over the two-week period.

In the Shared Assets Areas, daily average on-hand car volume increased at Pavonia and decreased at North Yard and Oak Island. All volume counts were within expected operating norms. Overall average terminal dwell time decreased. Reported road train delays for crews and power increased from the prior week. Two trains were delayed 19 hours for lack of crews and 6 trains were delayed 31 hours for power. Twenty-two originating trains were delayed a total of 147 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 59% of the delay hours reported in the SAAs.

Due to technical difficulties, the Norfolk Southern Yard Performance table included in the report for last week was incomplete. A revised Norfolk Southern Yard Performance table for the week ending July 13, 2001, is appended to this week's reports.

Sincerely,

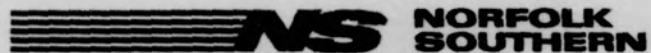




For the week ending 7/20/01

Shared Asset Area - Yard Performance

Yard	date	Fluid Capacity	On hand -Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	7/16/01	850	76	139	215	121	34.2
	7/17/01	850	135	133	268	181	30.4
	7/18/01	850	93	100	193	119	30.0
	7/19/01	850	147	131	278	215	21.0
	7/20/01	850	94	160	254	156	27.9
North Yard MI Average		850	109	133	242	158	27.9
Oak Island NJ	7/16/01	1200	222	325	547	379	35.8
	7/17/01	1200	218	314	532	461	31.5
	7/18/01	1200	294	474	768	619	24.7
	7/19/01	1200	322	308	630	497	24.5
	7/20/01	1200	405	469	874	671	25.5
Oak Island NJ Average		1200	292	378	670	525	27.7
Pavonia NJ	7/16/01	900	224	277	501	338	45.7
	7/17/01	900	245	197	442	296	35.0
	7/18/01	900	305	230	535	250	21.1
	7/19/01	900	404	373	777	613	22.4
	7/20/01	900	292	237	529	452	25.5
Pavonia Average		900	294	263	557	390	28.9

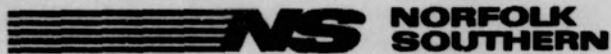


For the week ending 7/20/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	16-Jul	4	75%	25%	0%	0%	0%
	17-Jul	7	86%	14%	0%	0%	0%
	18-Jul	7	86%	14%	0%	0%	0%
	19-Jul	7	71%	29%	0%	0%	0%
	20-Jul	6	83%	17%	0%	0%	0%
Detroit Total		31	81%	19%	0%	0%	0%
North Jersey Total	16-Jul	4	25%	50%	0%	25%	0%
	17-Jul	5	20%	60%	20%	0%	0%
	18-Jul	10	10%	70%	20%	0%	0%
	19-Jul	11	27%	36%	27%	9%	0%
	20-Jul	8	25%	25%	25%	13%	13%
North Jersey Total		38	21%	47%	21%	8%	3%
South Jersey Total	16-Jul	1	0%	100%	0%	0%	0%
	17-Jul	3	67%	0%	0%	0%	33%
	18-Jul	2	50%	0%	0%	0%	50%
	19-Jul	2	50%	50%	0%	0%	0%
	20-Jul	2	50%	0%	0%	50%	0%
South Jersey Total		10	50%	20%	0%	10%	20%
Grand Total		79	48%	33%	10%	5%	4%



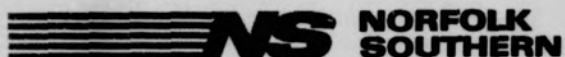


For the week ending 7/20/01

**Shared Asset Area Trains Held**

area	Sat 14-Jul	Sun 15-Jul	Mon 16-Jul	Tue 17-Jul	Wed 18-Jul	Thu 19-Jul	Fri 20-Jul	Grand Total
North Jersey	5	3	1	3	3	1	2	18
South Jersey	2	1	1	1	2	1	2	10
Detroit	1		1					2

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



#### NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	0	76	0	0	0	76
<b>Total</b>	<b>0</b>	<b>76</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>76</b>

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

#### NS Northern Region Train Starts and Delays

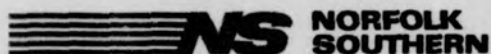
	Saturday 14-Jul	Sunday 15-Jul	Monday 16-Jul	Tuesday 17-Jul	Wednesday 18-Jul	Thursday 19-Jul	Friday 20-Jul	Grand Total
# of Train Starts	173	143	151	154	165	167	163	1116
<b>Delay Cause</b>								
Crew Delays (hrs)	4.5	1.4	0.0	0.2	4.1	5.5	6.4	22.1
Power Delays (hrs)	9.0	5.8	0.3	28.0	68.3	8.8	0.0	120.1

The delay numbers are expressed in hours

#### Locomotive Fleet Statistics

	Saturday 14-Jul	Sunday 15-Jul	Monday 16-Jul	Tuesday 17-Jul	Wednesday 18-Jul	Thursday 19-Jul	Friday 20-Jul	average
<b>Fleet Size</b>	3063	3061	3067	3044	3001	3054	3107	3057
<b>available</b>	2888	2869	2887	2849	2830	2887	2943	2879
<b>out of service %</b>	5.7%	6.3%	5.9%	6.4%	5.7%	5.5%	5.3%	5.8%

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



### NS Crew Starts and Delays

		Saturday 14-Jul	Sunday 15-Jul	Monday 16-Jul	Tuesday 17-Jul	Wednesday 18-Jul	Thursday 19-Jul	Friday 20-Jul	total
Allentown	crew starts	13	15	16	16	18	21	16	115
	crews delayed	3	3	5	3	6	8	5	33
Bellevue	crew starts	39	39	37	41	40	32	42	270
	crews delayed	10	7	4	7	13	8	11	60
Buffalo	crew starts	24	17	20	24	23	25	25	158
	crews delayed	2	2	2	4	1	8	5	24
Chicago	crew starts	37	32	29	34	39	33	32	236
	crews delayed	13	12	9	14	10	13	11	82
Cincinnati	crew starts	38	36	26	35	32	38	34	239
	crews delayed	9	5	2	4	6	3	4	33
Cleveland	crew starts	10	8	11	10	7	9	12	67
	crews delayed	6	1	2	5	3	3	3	23
Conway	crew starts	63	51	43	49	60	52	55	373
	crews delayed	18	9	14	7	21	13	19	101
Detroit	crew starts	17	15	18	17	26	22	20	135
	crews delayed	1	5	2	1	8	8	8	33
Elkhart	crew starts	40	36	36	31	33	38	33	247
	crews delayed	14	15	15	14	12	15	13	98
Harrisburg	crew starts	49	51	37	58	55	61	55	366
	crews delayed	21	17	18	21	22	20	19	138
Toledo	crew starts	61	60	51	50	60	57	60	399
	crews delayed	19	16	14	11	13	22	17	112

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

### NS Northern Region Daily Crew Availability Percentage

	Saturday 14-Jul	Sunday 15-Jul	Monday 16-Jul	Tuesday 17-Jul	Wednesday 18-Jul	Thursday 19-Jul	Friday 20-Jul	average
availability%	75%	73%	76%	80%	81%	79%	79%	78%

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

### NS Northern Region Crew Starts and Recrews

	Saturday 14-Jul	Sunday 15-Jul	Monday 16-Jul	Tuesday 17-Jul	Wednesday 18-Jul	Thursday 19-Jul	Friday 20-Jul	total
crew starts	395	348	313	369	401	394	378	2598
recrews	23	18	29	24	27	30	27	178

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

STB

FD-33388

7-23-01

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ZUCKERT SCOUTT & RASENBERGER, L.L.P.

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raallen@zsrlaw.com

July 23, 2001

**BY HAND**

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

ENTERED  
Office of the Secretary

JUL 23 2001

Part of  
Public Record



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

Dear Secretary Williams:

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

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

Respectfully,

Richard A. Allen

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



Norfolk Southern Corporation  
Intermodal Terminal Report No. 8  
Croxtan Intermodal Terminal  
Months of April, May, June 2001

State	City	In-Gate	Out-Gate	Total
	Unknown	4	2	6
CT	DANBURY	0	0	0
CT	EAST GRANBY	0	0	0
CT	EAST HARTFORD	0	0	0
CT	NEW HAVEN	0	0	0
CT	ORANGE	0	0	0
CT	WALLINGFORD	0	0	0
CT	Unknown	1	0	1
MA	ALSTON	0	0	0
MA	CHELMSFORD	0	0	0
MA	FALL RIVER	0	0	0
MA	LENOX	0	0	0
MA	NORTH DARTHMOUTH	0	0	0
MA	SOUTH BORO	0	0	0
MA	SOUTHLEE	0	0	0
MA	Unknown	0	0	0
MA	WORCESTER	0	0	0
ME	ROCKLAND	0	0	0
NY	BRONX	99	103	202
NY	BROOKLYN	12	16	28
NY	HICKSVILLE	0	0	0
NY	LONG ISLAND	0	1	1
NY	MANHATTAN	5	6	11
NY	PORT CHESTER	0	0	0
NY	QUEENS	12	8	20
NY	STATEN ISLAND	0	0	0
NY	Unknown	0	0	0
RI	Unknown	0	0	0
George Washington		133	136	269
George Washington		133	136	269
Tappan Zee		38	47	85
Staten Island Crossings		27	41	68
Manhattan Tunnels		7	1	8
Other / Unknown		2	1	3
East of Hudson		207	226	433
West of Hudson		1,065	1,141	2,206
GRAND TOTAL		1,272	1,367	2,639

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



STB

FD-33388

7-19-01

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# Memorandum

202927



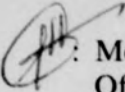
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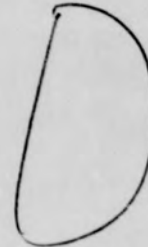
JUL 19 2001

DATE: July 19, 2001

Part of  
Public Record

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

**FROM** :  Mel Clemens, Director  
Office of Compliance and Enforcement



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

Attached are the original and two copies of the latest weekly public data files provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing the three paper copies to Ron Douglas, two for the docket and one for Da 2 Da Legal. If there are any questions, please don't hesitate to contact me or Ed Nelson.

#### Attachments

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



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

**T. J. Stephenson**  
Assistant Vice President -  
Service Measurements

July 18, 2001

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

Dear Mr. Clemens:

Enclosed with this transmittal letter are CSX Transportation's operational monitoring reports to the Board for the week ending Friday, July 13th. Cars on-line went up from 239,628 to 240,889. Train velocity remained at 21.5 miles-per-hour for a second week. Terminal dwell decreased from 29.0 hours to 27.7 hours.

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

### **Chicago Gateway Operations**

During this reporting week, deliveries to western carriers through Chicago set records. The on-time-to-two-hours-late measure moved favorably 16 percentage points to 92%. The more-than-six-hours-late category moved favorably five percentage points to 2%.

### **Yards and Terminals**

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

### **Corridor Performance**

Five of the six measured corridors showed an improvement compared to the prior week. The best performance in the on-time-to-two-hours-late category occurred on the East St. Louis to Northeast corridor with 94%. Overall, the on-time-to-two-hours-late category was 77%, up four percentage points from 73% last week. The greater-than-six-hours-late category was 14 %, improving five percentage points from last week's 19%.

### **Shared Areas**



Daily average on hand cars decreased Pavonia, and increased at North Yard and Oak Island. All volumes still remain within expected or observed norms for comparable periods. Overall terminal dwell time was 29.3 hours, down from 30.6 hours the prior week.

### **Additional Measurements**

Train Delay Metric: For 705 train starts, weekly train delay totaled 11 hours for Power and 45 hours for Crew. Crew delay decreased while power delay increased from the previous week.

Train Crew Delay Metric: The percent of crews not departing within two hours of the on-duty time averaged 14.2% for the week, improving from 22.1% reported last week.

Daily Crew Availability Percentage: Crew Availability Percentage was 78%, up from 77% last week. This is normal for the high-vacation summer period.

Daily Number of Recrews Required: Of 1733 crew starts, 32 (2%) were recrews; the same percentage recorded for last week.

Shared Asset Areas Train Delay Metric: SAA Train Delays averaged three trains per day for North Jersey, one for Detroit and none for South Jersey.

Locomotives: Gross Locomotives = 3809, Average Available = 3458, and Out-of-Service Ratio = 5.6%, up from 5.2% the previous week.

Cars Offered in Interchange: averaged 221 cars daily, 18 of which were for the Norfolk Southern. The NS-offered increased as well as the total-offered from the prior week.

On-time performance, passenger trains through Brunswick, MD: 60% for 10 AMTRAK trains (Pittsburgh – Washington) and 96% for 90 MARC trains (West Virginia – Washington).

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

Last week CSXT met the goal for 9 of the 18 key third quarter service measurements. Goals were met for FRA-reportable derailments, overall train velocity, merchandise train velocity, slow order miles, relief crews, crew delay hours, on-time originations, hours of locomotive delay, and leased locomotive out of service ratio.

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

Sincerely,

T. J. Stephenson  
Assistant Vice President  
Service Measurements

## Surface Transportation Board

### Performance Measures

For the week ending:

07/13/01

#### Yard Performance

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01
Oak Island, NJ	Fluid Capacity	1200	1200	1200	1200	1200
	Cars On Hand - Loaded	451	335	452	393	386
	Cars On Hand - Empty	468	316	417	591	523
	Cars On Hand - Total	919	651	869	984	909
	Cars Handled	546	519	585	643	591
	Dwell Hours	36.8	33.7	28.6	27.5	25.3
Pavonia, NJ	Fluid Capacity	900	900	900	900	900
	Cars On Hand - Loaded	256	202	186	185	203
	Cars On Hand - Empty	185	148	319	241	302
	Cars On Hand - Total	441	350	505	426	505
	Cars Handled	381	346	428	369	397
	Dwell Hours	48.7	26.4	20.3	22.6	20.8
North Yard, MI	Fluid Capacity	850	850	850	850	850
	Cars On Hand - Loaded	176	173	172	138	110
	Cars On Hand - Empty	191	301	203	143	124
	Cars On Hand - Total	367	474	375	281	234
	Cars Handled	139	379	296	195	207
	Dwell Hours	27.9	46.0	22.6	24.1	28.6

**CSX Comments:** Daily average on hand cars decreased at Pavonia, and increased at North Yard and Oak Island. All volumes still remain within expected norms for comparable periods.  
Overall terminal dwell time was 29.3 hours, down from 30.6 hours last week.

## Surface Transportation Board Performance Measures

### Train Originations

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01
North Jersey SAA	Number of Originations	6	6	9	8	9
	% Ontime	50%	83%	56%	38%	44%
	% Late 0-2 Hours	50%	17%	33%	50%	22%
	% Late 2-4 Hours	0%	0%	0%	13%	11%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	11%	0%	22%
South Jersey SAA	Number of Originations	1	3	3	3	3
	% Ontime	100%	100%	100%	67%	67%
	% Late 0-2 Hours	0%	0%	0%	33%	0%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	33%
Detroit SAA	Number of Originations	4	7	8	8	8
	% Ontime	75%	86%	75%	75%	88%
	% Late 0-2 Hours	25%	14%	25%	25%	13%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%

**CSX Comments:** Total road train delays were 26 trains. Crew delays were 7 trains for 30 hours; 1 train was delayed 5 hours for power; originating trains 18 for 147 hours, due to late arrivals.



## Surface Transportation Board Performance Measures

### CSXT Cars Offered in Interchange but not Accepted

(Snapshot at Midnight for Day Measured)

Measure	Railroad Offered To	Monday 07/09/01	Tuesday 07/10/01	Wednesday 07/11/01	Thursday 07/12/01	Friday 07/13/01	Daily Average
Cars Offered	NS	28	40	0	0	24	18
	All Other	240	142	125	252	254	203
	Total	268	182	125	252	278	221

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

### CSXT On Time Passenger Train Performance

"Brunswick Line"

Between West Virginia/Washington, DC

Service	Measure	Monday 07/09/01	Tuesday 07/10/01	Wednesday 07/11/01	Thursday 07/12/01	Friday 07/13/01	Weekly Totals
AMTK	Trains	2	2	2	2	2	10
	% On Time	50%	50%	100%	50%	50%	60%
MARC	Trains	18	18	18	18	18	90
	% On Time	94%	83%	100%	100%	100%	96%

AMTK measured according to contract with CSXT.



**Surface Transportation Board**  
**Performance Measures**  
**CSXT Train Crew Delay**

	Causes of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Terminal	Trains / Hours	07/07/01	07/08/01	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01	Total
Baltimore	Train Crew Starts	18	14	15	14	14	15	17	107
	Crews Delayed +2 Hours	8	5	5	3	1	4	6	32
	% Delayed +2 Hours	44%	36%	33%	21%	7%	27%	35%	30%
Buffalo	Train Crew Starts	49	37	34	44	39	44	49	296
	Crews Delayed +2 Hours	4	1	3	4	5	2	1	20
	% Delayed +2 Hours	8%	3%	9%	9%	13%	5%	2%	7%
Chicago	Train Crew Starts	24	28	25	22	27	25	24	175
	Crews Delayed +2 Hours	5	5	5	3	5	3	2	28
	% Delayed +2 Hours	21%	18%	20%	14%	19%	12%	8%	16%
Cincinnati	Train Crew Starts	35	32	31	32	33	30	24	217
	Crews Delayed +2 Hours	1	6	3	2	2	1	0	15
	% Delayed +2 Hours	3%	19%	10%	6%	6%	3%	0%	7%
Cleveland	Train Crew Starts	23	24	19	14	13	21	22	141
	Crews Delayed +2 Hours	6	2	2	0	0	3	3	16
	% Delayed +2 Hours	26%	8%	11%	0%	0%	14%	14%	11%
Cumberland	Train Crew Starts	26	27	23	21	22	29	29	177
	Crews Delayed +2 Hours	3	1	7	0	5	1	0	17
	% Delayed +2 Hours	12%	4%	30%	0%	23%	3%	0%	10%
Detroit	Train Crew Starts	6	3	3	1	3	3	2	21
	Crews Delayed +2 Hours	1	0	0	0	1	0	1	3
	% Delayed +2 Hours	17%	0%	0%	0%	33%	0%	50%	14%
Philadelphia	Train Crew Starts	17	7	11	13	15	13	13	89
	Crews Delayed +2 Hours	1	1	0	1	3	1	2	9
	% Delayed +2 Hours	6%	14%	0%	8%	20%	8%	15%	10%
Selkirk	Train Crew Starts	46	39	27	37	40	46	51	286
	Crews Delayed +2 Hours	14	8	5	2	6	7	17	59
	% Delayed +2 Hours	30%	21%	19%	5%	15%	15%	33%	21%
Toledo	Train Crew Starts	30	26	20	22	26	31	23	178
	Crews Delayed +2 Hours	0	2	2	1	2	2	3	12
	% Delayed +2 Hours	0%	8%	10%	5%	8%	6%	13%	7%
Willard	Train Crew Starts	41	35	36	38	37	43	40	270
	Crews Delayed +2 Hours	10	5	7	7	7	7	10	53
	% Delayed +2 Hours	24%	14%	19%	18%	19%	16%	25%	20%

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

## Surface Transportation Board Performance Measures

### CSXT Train Delay - Northern Region Lines

	Cause of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Trains / Hours	07/07/01	07/08/01	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01	Total
Train Delay	Originating Train Starts	102	95	95	92	92	110	119	705
	Delayed Hours - Power	0	1	3	3	2	2	0	11
	Delayed Hours - Crews	5	13	4	15	3	4	1	45

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

### Daily Crew Availability Percentage - Northern Region Lines

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Crew Availability	07/07/01	07/08/01	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01	Average
Crew Availability		75%	75%	77%	79%	79%	80%	78%	78%

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

### Daily Number of Train Crew Starts and Recrews Required

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Crew/Recrews	07/07/01	07/08/01	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01	Total
Crews/Recrews	Train Crew Starts	253	232	205	241	246	273	283	1733
	Recrews	2	5	3	6	3	10	3	32
	% Recrewed	1%	2%	1%	2%	1%	4%	1%	2%

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

## Surface Transportation Board Performance Measures

### CSXT Locomotive Fleet Condition

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Locomotives	07/07/01	07/08/01	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01	Average
Locomotives	Gross Fleet Size	3829	3823	3844	3820	3802	3786	3759	3809
	Avg. Number Available	3484	3460	3454	3437	3477	3476	3421	3458
	OOS Ratio	5.8	6.1	6.3	5.8	5.3	4.8	5.2	5.6

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

### Shared Asset Areas Train Delay

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Shared Area	07/07/01	07/08/01	07/09/01	07/10/01	07/11/01	07/12/01	07/13/01	Average
Train Delay	Philadelphia/South Jersey	0	1	0	0	0	2	0	0
	North Jersey	8	4	1	1	1	3	1	3
	Detroit	1	2	0	1	0	0	0	1

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

**George A. Aspatore**  
**General Solicitor**

(757) 629-2657  
(757) 533-4872  
E-mail [gaaspato@nscorp.com](mailto:gaaspato@nscorp.com)

July 18, 2001

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

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending July 13, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

Another schedule incorporated into this transmittal shows NS Crew Starts and Delays, NS Northern Region Daily Crew Availability Percentage, and NS Northern Region Crew Starts and Recrews.

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



Mr. Melvin F. Clemens, Jr.  
July 18, 2001  
Page 2

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

Sincerely,

George A. Aspatore  
General Solicitor

Enclosures



July 18, 2001

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

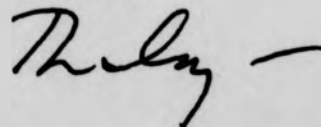
Dear Mr. Clemens:

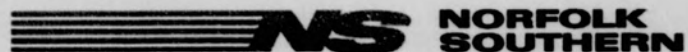
Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line decreased, the average train speed increased, and the average terminal dwell decreased. On the monitored corridors and Chicago gateway operations, 31 trains were held for terminal delays, 16 trains were held for crews, and 3 trains were held for power.

In the Shared Assets Areas, daily average on-hand car volume increased at North Yard and Oak Island and decreased at Pavonia. All volume counts were within expected operating norms. Overall average terminal dwell time decreased. The number of reported road train delays for crews and power decreased from last week. Seven trains were delayed 30 hours for lack of crews and 1 train was delayed 5 hours awaiting power. Eighteen originating trains were delayed a total of 147 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 59% of the delay hours reported in the SAAs.

Due to technical difficulties, the data normally supplied in the Norfolk Southern Yard Performance table for Wednesday of the reporting week is unavailable at this time. An updated Norfolk Southern Yard Performance table for the week ending July 13, 2001, will be appended to next week's reports.

Sincerely,

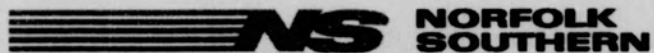




For the week ending 7/13/01

Shared Asset Area - Yard Performance

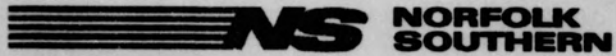
Yard	date	Fluid Capacity	On hand - Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	7/9/01	850	191	176	367	139	27.9
	7/10/01	850	301	173	474	379	46.0
	7/11/01	850	203	172	375	296	22.6
	7/12/01	850	143	138	281	195	24.1
	7/13/01	850	124	110	234	207	28.6
<b>North Yard MI Average</b>		<b>850</b>	<b>192</b>	<b>154</b>	<b>346</b>	<b>243</b>	<b>31.8</b>
Oak Island NJ	7/9/01	1200	468	451	919	546	36.8
	7/10/01	1200	316	335	651	519	33.7
	7/11/01	1200	417	452	869	585	28.6
	7/12/01	1200	591	393	984	643	27.5
	7/13/01	1200	523	386	909	591	25.3
<b>Oak Island NJ Average</b>		<b>1200</b>	<b>463</b>	<b>403</b>	<b>866</b>	<b>577</b>	<b>30.1</b>
Pavonia NJ	7/9/01	900	185	256	441	281	48.7
	7/10/01	900	148	202	350	346	26.4
	7/11/01	900	319	186	505	428	20.3
	7/12/01	900	241	185	426	369	22.6
	7/13/01	900	302	203	505	397	20.8
<b>Pavonia Average</b>		<b>900</b>	<b>239</b>	<b>206</b>	<b>445</b>	<b>364</b>	<b>26.4</b>



For the week ending 7/13/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	9-Jul	4	75%	25%	0%	0%	0%
	10-Jul	7	86%	14%	0%	0%	0%
	11-Jul	8	75%	25%	0%	0%	0%
	12-Jul	8	75%	25%	0%	0%	0%
	13-Jul	8	88%	13%	0%	0%	0%
Detroit Total		35	80%	20%	0%	0%	0%
North Jersey Total	9-Jul	6	50%	50%	0%	0%	0%
	10-Jul	6	83%	17%	0%	0%	0%
	11-Jul	9	56%	33%	0%	0%	11%
	12-Jul	8	38%	50%	13%	0%	0%
	13-Jul	9	44%	22%	11%	0%	22%
North Jersey Total		38	53%	34%	5%	0%	8%
South Jersey Total	9-Jul	1	100%	0%	0%	0%	0%
	10-Jul	3	100%	0%	0%	0%	0%
	11-Jul	3	100%	0%	0%	0%	0%
	12-Jul	3	67%	33%	0%	0%	0%
	13-Jul	3	67%	0%	0%	0%	33%
South Jersey Total		13	85%	8%	0%	0%	8%
Grand Total		86	69%	24%	2%	0%	5%



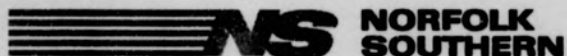
For the week ending 7/13/01

**Shared Asset Area Trains Held**

area	Sat 07-Jul	Sun 08-Jul	Mon 09-Jul	Tue 10-Jul	Wed 11-Jul	Thu 12-Jul	Fri 13-Jul	Grand Total
North Jersey	8	4	1	1	1	3	1	19
South Jersey	0	1	0	0	0	2	0	3
Detroit	1	2	0	1	0	0	0	4

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





#### NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	10	13	0	23
other	43	58	14	26	0	141
<b>Total</b>	<b>43</b>	<b>58</b>	<b>24</b>	<b>39</b>	<b>0</b>	<b>164</b>

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

#### NS Northern Region Train Starts and Delays

	Saturday 7-Jul	Sunday 8-Jul	Monday 9-Jul	Tuesday 10-Jul	Wednesday 11-Jul	Thursday 12-Jul	Friday 13-Jul	Grand Total
# of Train Starts	145	125	146	159	170	166	176	1087
<b>Delay Cause</b>								
Crew Delays (hrs)	9.1	5.9	1.9	4.0	9.9	2.3	0.0	33.2
Power Delays (hrs)	5.5	0.0	0.0	0.3	0.0	1.5	2.7	10.0

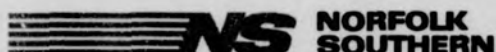
The delay numbers are expressed in hours

#### Locomotive Fleet Statistics

	Saturday 7-Jul	Sunday 8-Jul	Monday 9-Jul	Tuesday 10-Jul	Wednesday 11-Jul	Thursday 12-Jul	Friday 13-Jul	average
<b>Fleet Size</b>	3032	2996	3014	3060	3031	3019	3016	3024
<b>available</b>	2845	2816	2840	2893	2884	2853	2851	2855
<b>out of service %</b>	6.2%	6.0%	5.8%	5.5%	4.8%	5.3%	5.5%	5.6%

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





### NS Crew Starts and Delays

		Saturday 7-Jul	Sunday 8-Jul	Monday 9-Jul	Tuesday 10-Jul	Wednesday 11-Jul	Thursday 12-Jul	Friday 13-Jul	Grand Total
Allentown	crew starts	12	13	16	15	18	18	16	106
	crews delayed	3	4	5	0	4	6	5	27
Bellevue	crew starts	29	19	22	24	26	30	25	175
	crews delayed	2	0	4	3	2	4	7	22
Buffalo	crew starts	18	21	17	20	21	21	18	136
	crews delayed	2	3	0	0	1	1	1	8
Chicago	crew starts	32	25	21	29	30	32	30	199
	crews delayed	12	6	7	5	11	11	10	62
Cincinnati	crew starts	28	30	24	29	28	33	31	203
	crews delayed	3	3	4	5	8	7	7	37
Cleveland	crew starts	10	4	5	5	8	8	9	49
	crews delayed	2	1	2	2	2	4	4	17
Conway	crew starts	56	46	41	43	57	50	59	352
	crews delayed	10	10	11	8	17	9	14	79
Detroit	crew starts	12	10	21	14	13	16	15	101
	crews delayed	1	2	6	2	2	4	2	19
Elkhart	crew starts	28	36	34	30	35	38	36	237
	crews delayed	12	16	11	14	12	15	12	92
Harrisburg	crew starts	49	48	41	45	48	50	50	331
	crews delayed	18	16	11	10	12	15	14	96
Toledo	crew starts	46	59	40	46	51	58	52	352
	crews delayed	6	10	5	6	9	10	10	56

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

### NS Northern Region Daily Crew Availability Percentage

	Saturday 7-Jul	Sunday 8-Jul	Monday 9-Jul	Tuesday 10-Jul	Wednesday 11-Jul	Thursday 12-Jul	Friday 13-Jul	average
availability%	70%	69%	73%	76%	76%	76%	75%	74%

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

### NS Northern Region Crew Starts and Recrews

	Saturday 7-Jul	Sunday 8-Jul	Monday 9-Jul	Tuesday 10-Jul	Wednesday 11-Jul	Thursday 12-Jul	Friday 13-Jul	Grand Total
crew starts	314	299	288	308	336	346	357	2248
recrews	9	9	13	20	14	16	14	95

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



STB

FD-33388

7-13-01

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SURFACE TRANSPORTATION BOARD

**Memorandum**



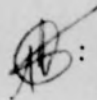
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ENTERED  
Office of the Secretary  
JUL 13 2001

Part of  
Public Record

DATE: July 13, 2001

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

**FROM**  : Mel Clemens, Director  
Office of Compliance and Enforcement



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

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

**Attachments**

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

**SPECIAL NOTE:** This is a supplement to the data distributed July 12, 2001. The original data submitted by NS contained numerous errors which have been corrected. The attachments were resubmitted by NS for inclusion in the docket.

**George A. Aspatore**  
**General Solicitor**

(757) 629-2657  
(757) 533-4872  
E-mail [gaaspato@nscorp.com](mailto:gaaspato@nscorp.com)

July 11, 2001

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

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending July 6, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

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

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



Mr. Melvin F. Clemens, Jr.  
July 11, 2001  
Page 2

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

Sincerely,

George A. Aspatore  
General Solicitor

Enclosures

July 11, 2001

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

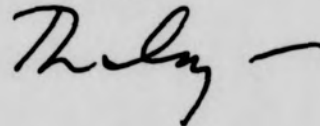
Dear Mr. Clemens:

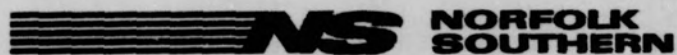
Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line decreased, the average train speed increased, and the average terminal dwell increased. On the monitored corridors and Chicago gateway operations, 41 trains were held for terminal delays, 17 trains were held for crews, and 19 trains were held for power.

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

In the Shared Assets Areas, daily average on-hand car volume increased at Oak Island and decreased at North Yard and Pavonia. All volume counts were within expected operating norms. Overall average terminal dwell time increased. Reported road train delays for crews and power decreased from the prior week. Two trains were delayed 2 hours for lack of crews and 4 trains were delayed 25 hours for power. Twenty-one originating trains were delayed a total of 176 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 53% of the delay hours reported in the SAAs.

Sincerely,

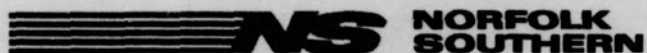
A handwritten signature in dark ink, appearing to read "Thelma", followed by a horizontal line.



For the week ending 7/6/01

Shared Asset Area - Yard Performance

Yard	date	Fluid Capacity	On hand -Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	7/2/01	850	79	86	165	326	9.5
	7/3/01	850	223	103	326	188	18.9
	7/4/01	850	231	135	366	92	22.9
	7/5/01	850	185	183	368	131	27.2
	7/6/01	850	140	345	485	292	30.4
North Yard MI Average		850	172	170	342	206	20.6
Oak Island NJ	7/2/01	1200	204	330	534	452	35.4
	7/3/01	1200	397	342	739	378	29.9
	7/4/01	1200	486	453	939	312	22.0
	7/5/01	1200	442	466	908	534	43.2
	7/6/01	1200	520	369	889	583	38.7
Oak Island NJ Average		1200	410	392	802	452	35.3
Pavonia NJ	7/2/01	900	219	96	315	290	31.7
	7/3/01	900	285	225	510	471	19.8
	7/4/01	900	332	208	540	117	29.0
	7/5/01	900	393	264	657	260	43.0
	7/6/01	900	340	241	581	397	33.7
Pavonia Average		900	314	207	521	307	30.3

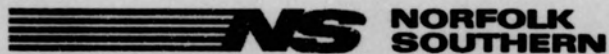


For the week ending 7/6/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	2-Jul	5	80%	20%	0%	0%	0%
	3-Jul	7	86%	14%	0%	0%	0%
	4-Jul	2	50%	50%	0%	0%	0%
	5-Jul	3	67%	33%	0%	0%	0%
	6-Jul	8	63%	38%	0%	0%	0%
Detroit Total		25	72%	28%	0%	0%	0%
North Jersey Total	2-Jul	4	75%	25%	0%	0%	0%
	3-Jul	6	67%	33%	0%	0%	0%
	4-Jul	4	75%	0%	25%	0%	0%
	5-Jul	8	38%	38%	13%	0%	13%
	6-Jul	8	38%	25%	13%	0%	25%
North Jersey Total		30	53%	27%	10%	0%	10%
South Jersey Total	2-Jul	0	0%	0%	0%	0%	0%
	3-Jul	3	100%	0%	0%	0%	0%
	4-Jul	1	100%	0%	0%	0%	0%
	5-Jul	3	100%	0%	0%	0%	0%
	6-Jul	3	67%	0%	0%	0%	33%
South Jersey Total		10	90%	0%	0%	0%	10%
Grand Total		65	66%	23%	5%	0%	6%





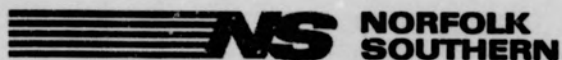
For the week ending 7/6/01

Shared Asset Area Trains Held

area	Sat 30-Jun	Sun 01-Jul	Mon 02-Jul	Tue 03-Jul	Wed 04-Jul	Thu 05-Jul	Fri 06-Jul	Grand Total
North Jersey	5	4	4	4	1	1	4	23
South Jersey	1	0	1	1	0	0	0	3
Detroit	1	0	0	0	0	0	0	1

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





#### NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	0	110	0	37	0	147
<b>Total</b>	<b>0</b>	<b>110</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>147</b>

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

#### NS Northern Region Train Starts and Delays

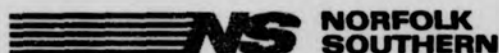
	Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	Grand Total
# of Train Starts	172	137	147	160	143	153	163	1075
<b>Delay Cause</b>								
Crew Delays (hrs)	6.0	4.2	0.0	0.0	3.2	0.0	6.0	19.4
Power Delays (hrs)	28.0	4.8	13.5	5.5	20.3	8.9	13.3	94.2

The delay numbers are expressed in hours

#### Locomotive Fleet Statistics

	Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	average
<b>Fleet Size</b>	3157	3126	3083	3040	3056	3053	3063	3083
<b>available</b>	2981	2928	2895	2868	2876	2868	2874	2899
<b>out of service %</b>	5.6%	6.3%	6.1%	5.7%	5.9%	6.1%	6.2%	6.0%

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



### NS Crew Starts and Delays

		Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	Grand Total
Allentown	crew starts	13	12	15	15	13	13	15	96
	crews delayed	4	3	3	2	3	2	2	19
Bellevue	crew starts	40	32	32	35	22	24	27	212
	crews delayed	10	5	6	4	3	2	3	33
Buffalo	crew starts	25	19	18	22	10	17	20	131
	crews delayed	7	2	2	2	1	1	2	17
Chicago	crew starts	34	33	30	30	29	29	25	210
	crews delayed	14	7	8	10	9	11	6	65
Cincinnati	crew starts	38	36	26	31	35	23	31	220
	crews delayed	8	5	6	4	5	1	3	32
Cleveland	crew starts	12	10	9	11	3	6	6	57
	crews delayed	5	4	3	3	1	1	1	18
Conway	crew starts	60	54	46	48	45	38	46	337
	crews delayed	12	19	11	10	7	10	11	80
Detroit	crew starts	15	14	13	19	13	15	19	108
	crews delayed	6	3	5	5	3	4	4	30
Elkhart	crew starts	33	41	40	37	39	35	38	263
	crews delayed	17	20	14	17	12	10	8	98
Harrisburg	crew starts	52	53	41	48	51	32	50	327
	crews delayed	20	13	10	10	21	9	13	96
Toledo	crew starts	55	60	51	50	53	43	50	362
	crews delayed	10	12	17	15	7	2	14	77

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

### NS Northern Region Daily Crew Availability Percentage

	Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	average
availability%	76%	73%	71%	73%	72%	73%	72%	73%

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

### NS Northern Region Crew Starts and Recrews

	Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	Grand Total
crew starts	330	309	276	288	257	231	289	1980
recrews	12	9	9	12	13	14	10	79

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



STB

FD-33388

7-12-01

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SURFACE TRANSPORTATION BOARD

# Memorandum

ENTERED  
Office of the Secretary

JUL 12 2001

Part of  
Public Record



DATE: July 12, 2001

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

**FROM** : Mel Clemens, Director  
Office of Compliance and Enforcement

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

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

**Attachments**

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





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

**T. J. Stephenson**  
Assistant Vice President -  
Service Measurements

July 11, 2001

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

Dear Mr. Clemens:

Enclosed with this transmittal letter are CSX Transportation's operational monitoring reports to the Board for the week ending Friday, July 6th. Cars on-line improved from 240,876 to 239,628. Train velocity also improved from 20.8 to 21.5 miles-per-hour. Terminal dwell increased from 25.0 hours to 29.0 hours. This increase was due to the curtailment of operations on the 4<sup>th</sup> of July and the maintenance "blitz" last week between New Orleans and Montgomery.

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

### **Chicago Gateway Operations**

During this reporting week, the on-time-to-two-hours-late measure of deliveries to western carriers through Chicago moved unfavorably ten percentage points to 76%. The more-than-six-hours-late category remained the same as last week at 7%.

### **Yards and Terminals**

Car volumes and dwell times changed as expected (volumes down, dwell times up) following the Independence Day holiday. One of the 14 measured yards showed an improvement in dwell time compared to the prior week.

### **Corridor Performance**

Two of the six measured corridors showed an improvement compared to the prior week. The best performance in the on-time-to-two-hours-late category occurred on the Chicago to Northeast corridor with 88%. Overall, the on-time-to-two-hours-late category was 73%, up one percentage point from 72% last week. The greater-than-six-hours-late category was 19 %, up three percentage points from last week.

### **Shared Areas**

Daily average on hand cars decreased at North Yard and Pavonia, and increased at Oak Island. All volumes still remain within expected or observed norms for comparable periods. Overall terminal dwell time was 30.6 hours, up from 26.9 hours the prior week.

### **Additional Measurements**

Train Delay Metric: For 632 train starts, weekly train delay totaled 14 hours for Power and 62 hours for Crew. Crew delay decreased while power delay increased from the previous week.

Train Crew Delay Metric: The percent of crews not departing within two hours of the on-duty time averaged 22.1% for the week, improving slightly from 22.6% reported last week.

Daily Crew Availability Percentage: Crew Availability Percentage was 77%, down from 79% last week. This is normal for the high-vacation summer period.

Daily Number of Recrews Required: Of 1622 crew starts, 29 (2%) were recrews; the same percentage recorded for last week.

Shared Asset Areas Train Delay Metric: SAA Train Delays averaged three trains per day for North Jersey, and none for South Jersey or Detroit.

Locomotives: Gross Locomotives = 3816, Average Available = 3473, and Out-of-Service Ratio = 5.2%, improved from 5.5% the previous week.

Cars Offered in Interchange: averaged 200 cars daily, 12 of which were for the Norfolk Southern. The NS-offered decreased and total-offered increased from the prior week.

On-time performance, passenger trains through Brunswick, MD: 50% for 10 AMTRAK trains (Pittsburgh – Washington) and 92% for 72 MARC trains (West Virginia – Washington).

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

Last week CSXT met the goal for 10 of the 18 key third quarter service measurements. Goals were met for FRA-reportable injuries, FRA-reportable derailments, cars on-line, overall train velocity, merchandise train velocity, slow order miles, relief crews, crew delay hours, hours of locomotive delay, and leased locomotive out of service ratio. The targets were raised on all but two measurements for the third quarter.

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

Sincerely,

L.L. Hayes  
Director  
Service Measurements

## Surface Transportation Board

### Performance Measures

For the week ending:

07/06/01

#### Yard Performance

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01
Oak Island, NJ	Fluid Capacity	1200	1200	1200	1200	1200
	Cars On Hand - Loaded	330	342	453	466	369
	Cars On Hand - Empty	204	397	486	442	520
	Cars On Hand - Total	534	739	939	908	889
	Cars Handled	452	378	312	534	583
	Dwell Hours	35.4	29.9	22.0	43.2	38.7
Pavonia, NJ	Fluid Capacity	900	900	900	900	900
	Cars On Hand - Loaded	96	225	208	264	241
	Cars On Hand - Empty	219	285	332	393	340
	Cars On Hand - Total	315	510	540	657	581
	Cars Handled	290	471	117	260	397
	Dwell Hours	31.7	19.8	29.0	43.0	33.7
North Yard, MI	Fluid Capacity	850	850	850	850	850
	Cars On Hand - Loaded	86	103	135	183	345
	Cars On Hand - Empty	79	223	231	185	140
	Cars On Hand - Total	165	326	366	368	485
	Cars Handled	326	188	92	131	292
	Dwell Hours	9.5	18.9	22.9	27.2	30.4

**CSX Comments:** Daily average on hand cars decreased at North Yard and Pavonia, and increased at Oak Island. All volumes still remain within expected norms for comparable periods.  
Overall terminal dwell time was 30.6 hours, up from 26.9 hours last week.



## Surface Transportation Board

### Performance Measures

#### Train Originations

(Composite of NS/CSX Traffic)

		Monday	Tuesday	Wednesday	Thursday	Friday
Location	Measure	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01
North Jersey SAA	Number of Originations	4	6	4	8	8
	% Ontime	75%	67%	75%	38%	38%
	% Late 0-2 Hours	25%	33%	0%	38%	25%
	% Late 2-4 Hours	0%	0%	25%	13%	13%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	13%	25%
South Jersey SAA	Number of Originations	0	3	1	3	3
	% Ontime	0%	100%	100%	100%	67%
	% Late 0-2 Hours	0%	0%	0%	0%	0%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	33%
Detroit SAA	Number of Originations	5	7	2	3	8
	% Ontime	80%	86%	50%	67%	63%
	% Late 0-2 Hours	20%	14%	50%	33%	38%
	% Late 2-4 Hours	0%	0%	0%	0%	0%
	% Late 4-6 Hours	0%	0%	0%	0%	0%
	% Late GT 6 Hours	0%	0%	0%	0%	0%

**CSX Comments:** Total road train delays were 27 trains. Crew delays were 2 trains for 2 hours; 4 trains were delayed 25 hours for power; originating trains 21 for 176 hours, due to late arrivals.



## Surface Transportation Board

### Performance Measures

#### CSXT Cars Offered in Interchange but not Accepted

(Snapshot at Midnight for Day Measured)

Measure	Railroad Offered To	Monday 07/02/01	Tuesday 07/03/01	Wednesday 07/04/01	Thursday 07/05/01	Friday 07/06/01	Daily Average
Cars Offered	NS	10	25	24	0	0	12
	All Other	250	257	220	119	97	189
	Total	260	282	244	119	97	200

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

#### CSXT On Time Passenger Train Performance

##### "Brunswick Line"

Between West Virginia/Washington, DC

Service	Measure	Monday 07/02/01	Tuesday 07/03/01	Wednesday 07/04/01	Thursday 07/05/01	Friday 07/06/01	Weekly Totals
AMTK	Trains	2	2	2	2	2	10
	% On Time	0%	100%	100%	0%	50%	50%
MARC	Trains	18	18	0	18	15	72
	% On Time	89%	94%	0%	89%	94%	92%

AMTK measured according to contract with CSXT.

**Surface Transportation Board**  
**Performance Measures**  
**CSXT Train Crew Delay**

	Causes of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Terminal	Trains / Hours	06/30/01	07/01/01	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01	Total
Baltimore	Train Crew Starts	19	17	22	12	0	19	16	105
	Crews Delayed +2 Hours	8	12	17	5	0	11	7	60
	% Delayed +2 Hours	42%	71%	77%	42%	0%	58%	44%	57%
Buffalo	Train Crew Starts	42	35	33	41	26	3	49	259
	Crews Delayed +2 Hours	4	5	1	6	1		7	29
	% Delayed +2 Hours	10%	14%	3%	15%	4%	15%	14%	11%
Chicago	Train Crew Starts	26	25	22	20	11	25	25	154
	Crews Delayed +2 Hours	8	5	4	4	3	8	4	36
	% Delayed +2 Hours	31%	20%	18%	20%	27%	32%	16%	23%
Cincinnati	Train Crew Starts	39	41	37	33	3	32	31	216
	Crews Delayed +2 Hours	5	7	3	3	0	3	12	33
	% Delayed +2 Hours	13%	17%	8%	9%	0%	9%	39%	15%
Cleveland	Train Crew Starts	26	25	22	14	6	25	17	135
	Crews Delayed +2 Hours	8	9	5	2	1	8	8	41
	% Delayed +2 Hours	31%	36%	23%	14%	17%	32%	47%	30%
Cumberland	Train Crew Starts	29	32	23	23	3	24	30	164
	Crews Delayed +2 Hours	0	1	0	0	0	4	3	8
	% Delayed +2 Hours	0%	3%	0%	0%	0%	17%	10%	5%
Detroit	Train Crew Starts	4	5	6	6	0	5	3	29
	Crews Delayed +2 Hours	1	2	1	1	0	2	0	7
	% Delayed +2 Hours	25%	40%	17%	17%	0%	40%	0%	24%
Philadelphia	Train Crew Starts	13	13	12	12	2	13	13	78
	Crews Delayed +2 Hours	2	0	2	3	0	7	4	18
	% Delayed +2 Hours	15%	0%	17%	25%	0%	54%	31%	23%
Selkirk	Train Crew Starts	44	38	26	36	22	39	45	250
	Crews Delayed +2 Hours	9	15	7	8	0	5	13	57
	% Delayed +2 Hours	20%	39%	27%	22%	0%	13%	29%	23%
Toledo	Train Crew Starts	28	41	29	22	0	32	29	181
	Crews Delayed +2 Hours	12	10	4	3	0	5	3	37
	% Delayed +2 Hours	43%	24%	14%	14%	0%	16%	10%	20%
Willard	Train Crew Starts	39	37	36	30	23	26	46	237
	Crews Delayed +2 Hours	9	9	7	13	5	8	9	60
	% Delayed +2 Hours	23%	24%	19%	43%	22%	31%	20%	25%

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

## Surface Transportation Board Performance Measures

### CSXT Train Delay - Northern Region Lines

	Cause of Delay	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Trains / Hours	06/30/01	07/01/01	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01	Total
Train Delay	Originating Train Starts	106	104	87	98	47	85	105	632
	Delayed Hours - Power	0	4	6	0	4	0	0	14
	Delayed Hours - Crews	13	15	1	22	2	0	9	62

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

### Daily Crew Availability Percentage - Northern Region Lines

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Crew Availability	06/30/01	07/01/01	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01	Average
Crew Availability		78%	76%	77%	77%	77%	77%	77%	77%

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

### Daily Number of Train Crew Starts and Recrews Required

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Weekly
Measure	Crew/Recrews	06/30/01	07/01/01	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01	Total
Crews/Recrews	Train Crew Starts	278	233	209	254	148	240	260	1622
	Recrews	5	3	3	4	3	6	5	29
	% Recrewed	2%	1%	1%	2%	2%	2%	2%	2%

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

## Surface Transportation Board Performance Measures

### CSXT Locomotive Fleet Condition

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Locomotives	06/30/01	07/01/01	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01	Average
Locomotives	Gross Fleet Size	3858	3826	3778	3796	3792	3818	3843	3816
	Avg. Number Available	3541	3472	3427	3396	3467	3508	3503	3473
	OOS Ratio	5.4	5.3	5.5	5.5	4.7	4.6	5.3	5.2

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

### Shared Asset Areas Train Delay

		Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Daily
Measure	Shared Area	06/30/01	07/01/01	07/02/01	07/03/01	07/04/01	07/05/01	07/06/01	Average
Train Delay	Philadelphia/South Jersey	1	0	1	1	0	0	0	0
	North Jersey	5	4	4	4	1	1	4	3
	Detroit	1	0	0	0	0	0	0	0

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



**George A. Aspatore**  
**General Solicitor**

(757) 629-2657  
(757) 533-4872  
E-mail [gaaspato@nscorp.com](mailto:gaaspato@nscorp.com)

July 11, 2001

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

Dear Mr. Clemens:

Pursuant to Decision No. 89 issued in STB Finance Docket No. 33388, for the week ending July 6, 2001, enclosed are schedules reporting Train Origination Performance, Yard Performance, and Trains Held in the Shared Assets Areas. Also enclosed is a schedule showing a daily snapshot of NS Cars Offered in Interchange but not Accepted, and our Locomotive Fleet Statistics. This schedule also includes NS Northern Region Train Starts and Delays that are not limited to a snapshot period.

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

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



Mr. Melvin F. Clemens, Jr.  
July 11, 2001  
Page 2

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

Sincerely,

George A. Aspatore  
General Solicitor

Enclosures

July 11, 2001

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

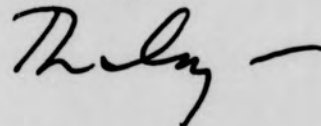
Dear Mr. Clemens:

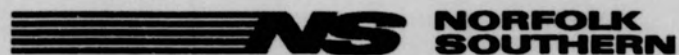
Norfolk Southern's performance metrics remain within normal operating range. The number of cars on line decreased, the average train speed increased, and the average terminal dwell increased. On the monitored corridors and Chicago gateway operations, 41 trains were held for terminal delays, 17 trains were held for crews, and 19 trains were held for power.

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

In the Shared Assets Areas, daily average on-hand car volume increased at Oak Island and decreased at North Yard and Pavonia. All volume counts were within expected operating norms. Overall average terminal dwell time increased. Reported road train delays for crews and power decreased from the prior week. Two trains were delayed 2 hours for lack of crews and 4 trains were delayed 25 hours for power. Twenty-one originating trains were delayed a total of 176 hours due to late arrivals from CSXT and/or NS. Together, these delays accounted for 53% of the delay hours reported in the SAAs.

Sincerely,

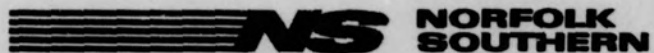




For the week ending 7/6/01

**Shared Asset Area - Yard Performance**

Yard	date	Fluid Capacity	On hand -Empty	On hand - Loaded	On hand - Total	Cars handled	Average dwell
North Yard MI	6/25/01	850	164	192	356	330	23.7
	6/26/01	850	99	238	337	357	23.0
	6/27/01	850	202	166	368	383	23.2
	6/28/01	850	181	179	360	364	19.5
	6/29/01	850	120	259	379	304	25.0
<b>North Yard MI Average</b>		<b>850</b>	<b>153</b>	<b>207</b>	<b>360</b>	<b>348</b>	<b>22.8</b>
Oak Island NJ	6/25/01	1200	279	247	526	366	29.8
	6/26/01	1200	219	370	589	422	33.8
	6/27/01	1200	328	336	664	572	26.5
	6/28/01	1200	468	426	894	620	27.8
	6/29/01	1200	373	459	832	623	25.1
<b>Oak Island NJ Average</b>		<b>1200</b>	<b>333</b>	<b>368</b>	<b>701</b>	<b>521</b>	<b>28.1</b>
Pavonia NJ	6/25/01	900	328	223	551	353	41.4
	6/26/01	900	207	158	365	269	31.2
	6/27/01	900	296	340	636	441	23.7
	6/28/01	900	379	243	622	511	26.2
	6/29/01	900	321	250	571	385	25.3
<b>Pavonia Average</b>		<b>900</b>	<b>306</b>	<b>243</b>	<b>549</b>	<b>392</b>	<b>28.9</b>

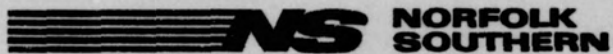


For the week ending 6/29/01

Shared Asset Train Origination Performance

location	date	Trains	On time	0-2 hours late	2-4 hours late	4-6 hours late	6+ hours late
Detroit Total	25-Jun	5	100%	0%	0%	0%	0%
	26-Jun	7	57%	43%	0%	0%	0%
	27-Jun	8	50%	38%	13%	0%	0%
	28-Jun	8	50%	50%	0%	0%	0%
	29-Jun	4	50%	50%	0%	0%	0%
Detroit Total		32	59%	38%	3%	0%	0%
North Jersey Total	25-Jun	5	40%	60%	0%	0%	0%
	26-Jun	6	33%	33%	33%	0%	0%
	27-Jun	10	20%	40%	10%	20%	10%
	28-Jun	10	30%	30%	20%	0%	20%
	29-Jun	4	50%	50%	0%	0%	0%
North Jersey Total		35	31%	40%	14%	6%	9%
South Jersey Total	25-Jun	1	0%	100%	0%	0%	0%
	26-Jun	3	67%	0%	0%	0%	33%
	27-Jun	3	100%	0%	0%	0%	0%
	28-Jun	3	33%	33%	0%	0%	33%
	29-Jun	3	67%	33%	0%	0%	0%
South Jersey Total		13	62%	23%	0%	0%	15%
Grand Total		80	48%	36%	8%	3%	6%





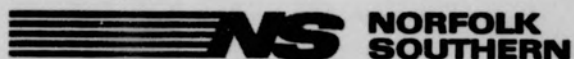
For the week ending 7/6/01

Shared Asset Area Trains Held

area	Sat 30-Jun	Sun 01-Jul	Mon 02-Jul	Tue 03-Jul	Wed 04-Jul	Thu 05-Jul	Fri 06-Jul	Grand Total
North Jersey	5	4	4	4	1	1	4	23
South Jersey	1	0	1	1	0	0	0	3
Detroit	1	0	0	0	0	0	0	1

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





#### NS Cars Offered in Interchange but not Accepted

offered	Monday	Tuesday	Wednesday	Thursday	Friday	Total
CSX	0	0	0	0	0	0
other	97	110	27	37	0	271
<b>Total</b>	<b>97</b>	<b>110</b>	<b>27</b>	<b>37</b>	<b>0</b>	<b>271</b>

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

#### NS Northern Region Train Starts and Delays

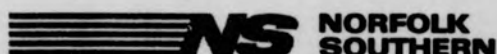
	Saturday 23-Jun	Sunday 24-Jun	Monday 25-Jun	Tuesday 26-Jun	Wednesday 27-Jun	Thursday 28-Jun	Friday 29-Jun	Grand Total
# of Train Starts	162	140	158	164	174	164	162	1124
<b>Delay Cause</b>								
Crew Delays (hrs)	1.9	4.8	0.8	2.8	3.2	5.8	6.0	19.4
Power Delays (hrs)	21.5	15.5	70.3	62.8	65.2	26.8	10.5	272.5

The delay numbers are expressed in hours

#### Locomotive Fleet Statistics

	Saturday 23-Jun	Sunday 24-Jun	Monday 25-Jun	Tuesday 26-Jun	Wednesday 27-Jun	Thursday 28-Jun	Friday 29-Jun	average
<b>Fleet Size</b>	3171	3188	3220	3210	3210	3185	3176	3194
<b>available</b>	2998	2982	3034	3027	3015	3005	2992	3008
<b>out of service %</b>	5.5%	6.5%	5.8%	5.7%	6.1%	5.7%	5.8%	5.8%

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



### NS Crew Starts and Delays

		Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	Grand Total
Allentown	crew starts	15	13	14	13	15	16	18	104
	crews delayed	5	5	3	4	5	5	4	31
Bellevue	crew starts	40	42	31	40	43	43	41	280
	crews delayed	7	14	4	10	10	12	7	64
Buffalo	crew starts	19	22	22	22	21	25	25	156
	crews delayed	3	3	5	3	2	3	3	22
Chicago	crew starts	33	32	31	35	36	31	34	232
	crews delayed	11	9	11	12	9	10	11	73
Cincinnati	crew starts	37	35	25	37	31	38	36	239
	crews delayed	6	6	8	6	2	8	8	44
Cleveland	crew starts	10	8	12	8	11	5	9	63
	crews delayed	4	2	3	3	1	1	3	17
Conway	crew starts	59	54	46	52	57	51	59	378
	crews delayed	25	13	18	13	16	9	15	109
Detroit	crew starts	15	14	20	21	17	19	19	125
	crews delayed	1	4	5	7	5	3	6	31
Elkhart	crew starts	29	43	38	28	37	40	36	251
	crews delayed	14	21	16	13	15	21	13	113
Harrisburg	crew starts	48	45	37	56	46	52	52	336
	crews delayed	15	11	8	20	10	18	16	98
Toledo	crew starts	52	66	47	47	58	57	58	385
	crews delayed	15	22	19	11	11	14	13	105

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

### NS Northern Region Daily Crew Availability Percentage

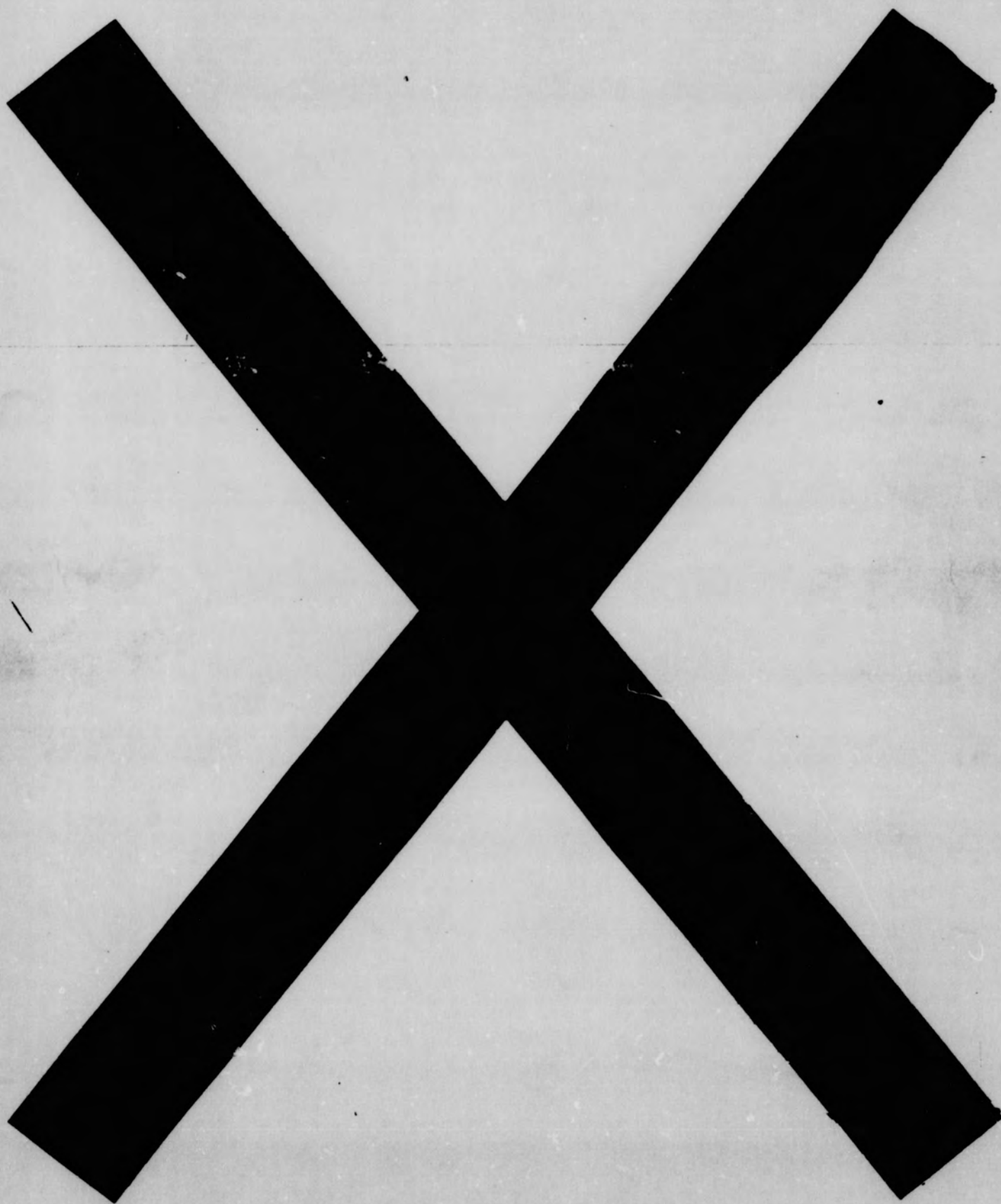
	Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	average
availability%	73%	72%	75%	78%	79%	78%	76%	76%

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

### NS Northern Region Crew Starts and Recrews

	Saturday 30-Jun	Sunday 1-Jul	Monday 2-Jul	Tuesday 3-Jul	Wednesday 4-Jul	Thursday 5-Jul	Friday 6-Jul	Grand Total
crew starts	290	302	273	290	316	306	326	2103
recrews	15	13	7	17	19	17	10	98

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



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July 27, 2001

**BY HAND**

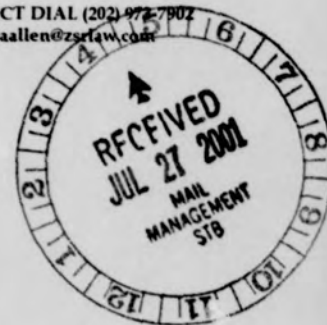
Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423-0001

ENTERED  
Office of the Secretary

JUL 27 2001

Part of  
Public Record

D



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

Dear Secretary Williams:

I enclose herewith for filing in the above-referenced docket originals and 25 copies each of NS-85, Norfolk Southern's Motion for Leave to File a Reply, and NS-86, Norfolk Southern's Reply to "Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern's Response to Decision No. 186."

A 3-1/2" computer disk of containing the text of NS-85 and NS-86 Wordperfect 5.1 format, which is capable of being read by Wordperfect for Windows 7.0 is also enclosed.

Sincerely,

*Richard A. Allen*  
Richard A. Allen

Enclosures

cc: Hon. Linda J. Morgan  
Hon. Wayne O. Burkes  
Hon. William Clyburn, Jr.  
Julia Farr, Esq.  
All parties of record in Finance Docket No. 33388



203014

NS-86

BEFORE THE  
SURFACE TRANSPORTATION BOARD

ENTERED  
Office of the Secretary

JUL 27 2001

Part of  
Public Record

Finance Docket No. 33388



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

---

**NORFOLK SOUTHERN'S REPLY TO "REPLY OF  
VARIOUS UNIONS AND THE COMMONWEALTH OF PENNSYLVANIA TO  
NORFOLK SOUTHERN CORPORATION'S RESPONSE TO DECISION NO. 186"**

---

J. Gary Lane  
Henry D. Light  
Joseph C. Dimino  
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*Attorneys for Norfolk Southern Corporation  
and Norfolk Southern Railway Company*

July 27, 2001

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

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**NORFOLK SOUTHERN'S REPLY TO "REPLY OF VARIOUS UNIONS AND THE  
COMMONWEALTH OF PENNSYLVANIA TO NORFOLK SOUTHERN  
CORPORATION'S RESPONSE TO DECISION NO. 186"**

---

Norfolk Southern Corporation and Norfolk Southern Railway Company (together, "NS") submit this reply for the limited purpose of responding to certain incorrect assertions of fact contained in the Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern Corporation's Response to Decision No. 186 filed on July 16, 2001 ("Petitioners' July 16, 2001 Reply") that have not been addressed in previous pleadings. This reply does not attempt to reply to the arguments contained in Petitioners' July 16, 2001 Reply, erroneous as we believe those arguments to be.

The factual assertions addressed in this reply relate to two matters: 1) the amount of insourcing work performed and available at the Hollidaysburg Car Shops ("Shops") after Split Date, and 2) the profitability of the Shops. NS' reply to the initial petition (NS-79) included verified statements of David L. Veron and Robert H. Belvin discussing these matters and, in the case of Mr. Veron's statement, refuting, point by point, various assertions made by

petitioners' witness Thomas Lutton in support of the initial petition. Petitioners submitted a reply to NS-79 on May 9, 2001, which made no attempt to respond to or refute the facts set forth in Mr. Veron's or Mr. Belvin's statements. NS' response to Decision No. 186 (NS-84) included Mr. Veron's and Mr. Belvin's statements as Exhibits 2 and 3 and noted that the facts set forth in them had not been refuted. Petitioners' July 16, 2001 Reply included a Declaration of Joseph H. Letcher, which addresses, for the first time, Mr. Veron's statements about the insourcing work available for the Shops. Mr. Letcher disputes those statements, claims that there was much more such work available than Mr. Veron said there was and claims that NS turned away work because of insufficient manpower. Petitioners' July 16, 2001 Reply also disputes, for the first time, Mr. Belvin's statement showing that the Shops lost almost \$7 million in 2000; petitioners claim that Mr. Belvin's calculations were unexplained and appear to count certain costs twice. Reply at 27-28 and n. 9.

As we show below, most of Mr. Letcher's statements are incorrect and are refuted by the business records of the Shops, and petitioners' claims about Mr. Belvin's calculations are completely unfounded.

**1. Insourcing Work at the Shops after Split Date.**

Mr. Veron is NS' Director Insourcing, in charge of all efforts to obtain business from other railroads and other companies for all NS mechanical facilities. In his statement, Mr. Veron described the history of insourcing at the Shops and the substantial efforts made to increase insourcing at the Shops after Split Date. Mr. Veron described the success of those efforts, but explained that they were "unfortunately, not nearly enough to justify continued operation of the Shops economically." Veron V.S. at 5. Mr. Veron also showed that many of

the claims made by Mr. Lutton regarding work supposedly available for the Shops were incorrect.

Mr. Letcher is a carman who worked at the Shops as an estimator with the Hollidaysburg insourcing team until May 4, 2001. Mr. Letcher's job entailed estimating the price of performing various car service jobs. Mr. Letcher's statements about the efforts of NS to increase insourcing after Split Date generally concur with Mr. Veron's; he says he "can comfortably state that our efforts to increase insourcing were quite aggressive." Letcher Dec. at ¶ 12. Mr. Letcher, however, goes on to claim that there was much more insourcing work available than Mr. Veron said there was and that NS turned away much of the work because of insufficient staffing. He also disputes a number of Mr. Veron's statements regarding specific jobs.

Mr. Letcher's statements attesting to the aggressive insourcing efforts made by NS after Split Date serve further to confirm a basic point made in NS-84: that NS's statements in the Application concerning its intent to use the Shops were made entirely in good faith and that its subsequent actions regarding the Shops have likewise been in good faith. The statements of Mr. Letcher, Mr. Lutton and Mr. Veron describing the very substantial insourcing efforts by NS all show that there is no basis whatsoever for claims that NS lied when it expressed its intention to use the Shops after Split Date and to develop business for them.<sup>1</sup>

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<sup>1</sup> In this regard, however, petitioners are incorrect in repeatedly asserting in their reply that "current utilization of the [Shops] is not substantially below its level of utilization in 1995, the base year for the financial analyses and Operating Plans, and its level of utilization in the years when NS made its commitments ." Reply at 1-2; see also 19, 26. For this claim, petitioners rely on a "Record of Production" chart attached at Exhibit H of Mr. Lutton's Second Declaration filed with their May 9, 2001 pleading. But petitioners' claim is refuted by the very figures they cite. Those figures show that the total cars worked on in the Shops in 1995 were 4667; in 1997 (continued...)



However, Mr. Letcher's statements disputing Mr. Veron's testimony about the work available at the Shops are simply wrong, as shown in the attached joint verified statement of Mr. Veron and Michael A. Ricciardi, the General Superintendent of the Shops, and the business records attached as exhibits thereto. See Exhibit 1, below. Mr. Letcher's most glaring error is in his Table 1, reproduced in Paragraph 8 of his statement, which purports to identify eight insourcing projects that he asserts "could have begun in year 2000 had there been sufficient manpower in the shops" and "were held back due to insufficient staffing in the shops, then ultimately turned away by Norfolk Southern." As the business records attached to the Veron/Ricciardi statement show, six of those projects were *not* turned away but were in fact performed by NS in 2000 and the first part of 2001! A seventh alleged project – the "Open Top Hopper Replacement Program" – was a 4 year project for Johnstown America involving work on a total of 2,400 cars, almost 2,200 of which have, in fact, been completed. The eighth project was cancelled with the concurrence of the customer, CSX, because of the announced shop closure – not because of any lack of manpower. Mr. Letcher's error on this matter is particularly astounding because, as a member of the insourcing team, he must have been aware of the work performed, and in any event he had full access to the work schedules, which were regularly circulated to the team.

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(...continued)

were 6398; and in 2000 were 3583. The figure for 2000 thus is 23% lower than for 1995, the base year for the Application, and 44% lower than for 1997, the year the Application was filed – a substantial difference in both cases. Furthermore, petitioners' claim in this regard overlooks the fact that NS in the Application expressed its intention and expectation to substantially *increase* the work performed at the Shops after Split Date – an expectation NS was unable to fulfill despite vigorous efforts that petitioners fully acknowledge NS made.



Mr. Letcher also states that it was his "understanding" that NS management refused a request from the Shops' management to hire additional employees to keep up with the insourcing work and also refused to accept a union offer of an agreement to permit hiring new employees at a 75% rate of pay. Letcher V.S. ¶¶ 8, 9. Mr. Letcher's understanding was wrong. Mr. Ricciardi, the General Superintendent of the Shops, states that the Shops never made such a request, that the Shops did not need additional employees, and that he merely made an inquiry last October as to whether the Shops would have to absorb furloughed employees from Roanoke. Veron/Ricciardi J.V.S. at 5. As to the supposed union agreement, Mr. Anthony J. Licate, NS Director, Labor Relations, explains in his attached verified statement (Exhibit 3) that NS had reached a tentative reduced wage agreement for new hires with the Transportation Workers Union ("TWU"), the union that formerly represented Conrail's carmen employees at the Shops. The tentative agreement, however, was not acceptable to the Brotherhood Railway Carmen Division of the Transportation Communications Union ("BRC") (the exclusive bargaining representative after Split Date of carmen employed at the Shops<sup>2</sup>) unless NS were willing to accept two plainly unreasonable conditions: 1) BRC wanted an agreement to maintain current employment levels at the Shops

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<sup>2</sup> BRC is the exclusive representative of all NSR carmen for purposes of collective bargaining under the Railway Labor Act (including those at Hollidaysburg), and thus no labor agreement applicable to Hollidaysburg carmen can become effective without BRC consent. BRC has, however, agreed to TWU's involvement in negotiations on behalf of carmen working at former Conrail facilities who were formerly represented by TWU, and thus NSR worked initially with TWU to develop such an agreement. An agreement acceptable to both NSR and TWU was developed in November, 1999, and then submitted to BRC for its approval.

for 30 years; and 2) BRC wanted NS to agree *not* to transfer certain work to Hollidaysburg. It was for that reason the agreement was not concluded.<sup>3</sup>

In paragraph 10, Mr. Letcher discusses a number of specific insourcing projects as to which petitioners' witness Thomas Lutton had claimed that NS had "commitments" – claims that Mr. Veron later refuted point by point. Although Mr. Letcher purports to support Mr. Lutton on these matters, what is most noteworthy about Mr. Letcher's version is that it squarely *contradicts* Mr. Lutton's characterization of most of the projects. Whereas Mr. Lutton claimed, unequivocally, that NS had "commitments" for every project (Lutton Declaration, ¶ 12), Mr. Letcher, a member of the insourcing team, states that NS and the customer were only "in negotiation," or "in discussion" with respect to most of the identified projects. See Letcher VS, ¶ 10 (b), (d), (e) and (g). Mr. Letcher makes no claim that NS had "commitments" from customers on any of the projects.

Although correct that NS had no commitments on any of the projects (directly contradicting Petitioner's other main witness on these projects), Mr. Letcher's recollection of the facts about the several potential projects he discusses is generally in error, as Mr. Veron details in the attached joint verified statement.

## **2. The Losses Incurred at the Shops.**

Petitioner's initial petition claimed that NS was closing the Shops even though they had been and would continue to be profitable. They based this claim on the supporting declaration of Thomas Lutton. Because petitioners made this claim, which was completely incorrect, NS'

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<sup>3</sup> Mr. Licate also refutes Petitioners' allegations that certification of transferring employees under New York Dock is of questionable value, and that NS effected a "taking of employee rights" in reaching implementing agreements with the carmen in the Conrail transaction.

response included a verified statement of Robert Belvin, Manager – Budget Planning and operations. Mr. Belvin's statement showed that, if the Shops were considered as a stand-alone operation, "the shops have operated at a substantial loss since Day One. For year 2000, the only year for which I have complete numbers, they operated at a loss of at least \$6,824,211. (As I explain below, this is a very conservative estimate.)" NS-79, Ex. 2 at 2 (also NS-84, Ex. 3 at 2).<sup>4</sup>

In their May 9, 2000 response to NS-79, petitioners stated they had no basis for disputing Mr. Belvin's calculations. May 9, 2001 Response at 11, n. 2. In their July 16, 2001 Reply, however, petitioners assert, for the first time, that Mr. Belvin's calculations contain "numerous classifications of losses that are unexplained," and include certain costs that "appear[]" to be counted twice. Reply at 27 and n. 9. Petitioners are wrong that Mr. Belvin's statement failed to explain the loss classifications, and their suggestion that certain losses were counted twice is refuted by his supplemental statement, attached hereto as Exhibit 2.

## CONCLUSION

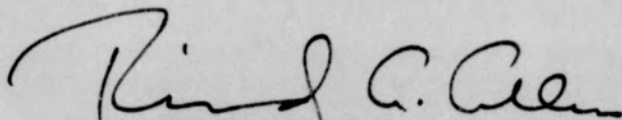
The factual assertions contained in the Declaration of Joseph Letcher, attached to Petitioners' July 16, 2001 Reply concerning the insourcing work performed and/or available at the Shops are largely incorrect, as shown by the attached joint verified statement of David L. Veron and Michael A. Ricciardi and the attached verified statement of Anthony J. Licate. The

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<sup>4</sup> Mr. Belvin provided these calculations not to suggest that profit and loss considerations are the only or dispositive consideration in facility utilization decisions, but solely to correct petitioners' completely erroneous claim on this matter. As NS explained in NS-84, such decisions must be made on the basis of a large number of system-wide business and economic considerations. See NS-84 at 33-34.

statements in Petitioners' July 16, 2001 Reply disputing or questioning the calculations of the Shops' losses in the year 2000 contained in a previous verified statement of Robert H. Belvin are refuted by the attached supplemental verified statement of Mr. Belvin.

Respectfully submitted,



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Scott M. Zimmerman  
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*Attorneys for Norfolk Southern Corporation  
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July 27, 2001



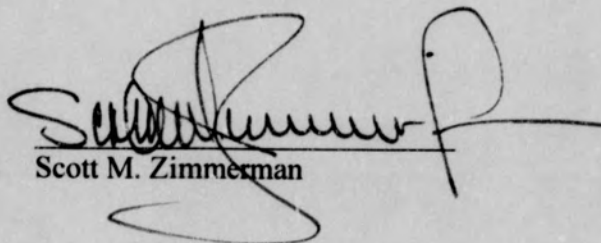
### CERTIFICATE OF SERVICE

I certify that on July 27, 2001, a true copy of NS-86, Norfolk Southern's Reply to the Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern Corporation's Response to Decision No 186 was served by hand delivery upon:

Richard S. Edelman  
O'Donnell, Schwartz & Anderson, P.C.  
1900 L Street, N.W.  
Suite 707  
Washington, D.C. 20036

Scott N. Stone  
Patton Boggs, LLP  
2550 M Street, N.W.  
Washington, D.C. 20037

I further certify that the foregoing pleading has been served on July 27, 2001 by first class U.S. Mail, postage prepaid, or more expeditious means, upon all other known parties of record in Finance Docket No. 33388 or will be so served by the next business day, July 30, 2001.



Scott M. Zimmerman



US OFFICE PRODUCTS

**Joint Verified Statement of  
David L. Veron and Michael A. Ricciardi**

We are David L. Veron, Director Insourcing of Norfolk Southern Corporation ("NS") and Michael A. Ricciardi, Hollidaysburg Car Shops General Superintendent since April 1994, first with Conrail and then with NS.

As discussed in the verified statement submitted with NS-79, I, Dave Veron, am in charge of all efforts to obtain business from other railroads and other companies (known as "insourcing") for all NS mechanical facilities. I have held that position since July 1999. My educational and employment background has been set forth in my earlier verified statement.

I, Michael Ricciardi, graduated from the Penn State Management Program in 1989 and Darden School of Business Administration in 1994 (Manufacturing Management). I began my railroad career in 1976 as a Carman with Conrail, and I have held various management positions for the past 23 years including Division Superintendent (two different divisions).

We are submitting this Joint Verified Statement in response to several matters discussed by Joseph Letcher in his Declaration, submitted with the Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern Corporation's Response to Decision No. 186. Although we do not address every matter discussed by Mr. Letcher, we do address many of the most glaring errors that pervade that declaration. When appropriate, we will indicate in this Joint Verified Statement where a particular statement is made by one, but not both, of us.

Mr. Letcher's Declaration suggests that NS management has turned work away from the Shops and that numerous potential insourcing projects were pending that would

have kept the Shops operational at current employment levels beyond 2002. With respect to work that Mr. Letcher claims was scheduled in the Shops that NS subsequently "turned away" (Mr. Letcher's Table 1), we submit documentary evidence (much of which Mr. Letcher helped prepare) that demonstrates that many of Mr. Letcher's claims are completely wrong. We cannot submit the same kind of documentary evidence with respect to work only discussed or proposed, but which did not result in a contract or business deal (the proposals Mr. Lutton originally claimed were commitments and further those set forth in Mr. Letcher's Table 2), because these unconcluded proposals rarely result in formal documentation when the proposal is dropped. With regard to these proposals, we (the two individuals most directly responsible for insourcing at the Shops) do submit, however, what documentary evidence is available and relate in detail what the proposals were and when they were under consideration (one dates back to 1999). The fact is that, contrary to Mr. Letcher's assertions, these proposals did not comprise a mass of work that NS would have secured.

#### **Programs That Were Completed At The Shops**

Mr. Letcher presents in his "Table 1 – Scheduled Insourcing Work for 4<sup>th</sup> Quarter of Year 2000 into Year 2001" a list of eight programs concerning which he asserts:

Outlined below is a schedule of insourcing projects which were scheduled in the shops beginning the 4<sup>th</sup> quarter of 2000, any number of which could have begun in year 2000 had there been sufficient manpower in the shops. The programs outlined in Table 1 above were all scheduled in for the shops with preparations being made to order materials. Many of these programs could have been performed, at a substantial profit in the shops during year 2000, but were held back due to insufficient staffing in the shops, then ultimately turned away by Norfolk Southern.

Declaration ¶ 8. That is false. In fact, *six of these eight programs were not turned away, but were scheduled, performed and completed* in the last quarter of 2000 and first two quarters of 2001. These six programs and the documentation evidencing their completion are discussed below.

The second item on Mr. Letcher's Table 1 of work available to NS, "CSX Box Car – Heavy Repair Program – 333 cars," was completed in the 4<sup>th</sup> quarter of 2000. We attach as Exhibit 1 various production summaries prepared by the Shops. On the second page of the December 1, 2000 Hollidaysburg Car Shop Daily Production Summary, under the "Insourcing" Subheading, is a listing for "CSXT Box Cars." The document demonstrates that 350 cars were completed by December 1 for the CSX Box Car – Heavy Repair Program.

The fourth item on Mr. Letcher's Table 1 refers to "CCX (4300) Wood Chip Gondola Program – 150 cars." This appears in the "GPSX – Wood Sided – Blue" row of the Insourcing Table of the Daily Production Sheets in Exhibit 1. The cars covered by this project have been sited at Hollidaysburg since well before Split Date. GATX rejected the original proposal for repair of these cars, and instead asked us to store the cars for them until GATX found a need for the cars that would justify the repair cost. That need arose and in February work began, based upon a revised repair proposal. GATX asked us not to perform the work on the final 10 cars because it could not find a customer for those particular cars.

The fifth item on Mr. Letcher's Table 1 refers to a "Rail Trust Covered Hopper Car Program" for 25 cars. The program covered only 20 – not 25 – cars. The October 2,



2000 Hollidaysburg Car Shop Daily Production Summary (contained in Exhibit 1) demonstrates that by the end of September 2000 all of these cars were completed.

The sixth item on Mr. Letcher's Table 1 is "Greenbrier Quad Hopper Modification Program – 100 cars." This program consisted of converting 100 Greenbrier quad hopper (4 pocket) cars to 3 pocket hopper cars. As is evident from the March 1, 2001 Hollidaysburg Car Shop Daily Production Summary set forth in Exhibit 1, the program was completed in February, 2001 (the relevant entry is listed under "Greenbrier OT Hopper – FEC").

The seventh item on Mr. Letcher's Table 1 is "Greenbrier Quad Hopper Heavy Repair Program – 75 cars." There was no such program. If Mr. Letcher intended to refer to the Greenbrier Light Hopper Car Program, the fact is that 73 cars were repaired in that program, as reflected in the November 1, 2000 Hollidaysburg Car Shop Daily Production Summary, found in Exhibit 1.

The eighth item listed is "GCCX Hood Program – 160 Hoods." As is evident from the April 2, 2001 Hollidaysburg Car Shop Daily Production Summary, the bulk of the 166 hoods produced under this program (158) were produced by the beginning of April 2001, and, as reflected in the June 1, 2001 Hollidaysburg Car Shop Daily Production Summary, the job was completed in May (the relevant entry is listed under "GATX Covers Built").

Of the eight programs listed by Mr. Letcher in Table 1, only two have not been completed; in neither case was the program held back because of insufficient staffing, as Mr. Letcher incorrectly asserts. One of these, the "Open Top Hopper Fastener Replacement Program," is a long-term (at least 4 years), ongoing program to replace



fasteners on cars owned by Conrail (operated by NS) and constructed by Johnstown America. NS is performing the replacement work for Johnstown America. To date, work has been completed on 2,140 of the 2,400 cars involved. The remaining 260 cars (of the 2,400 total to have been done), have been used to fill in the gaps of scheduled, larger programs that we have performed for other insourcing customers. The eighth program listed – the “CSX Aggregate Rebody Program” – was not performed not because of insufficient staffing but because of the announced closure of the Shops.

Mr. Letcher also claims that each of the programs listed in his Table 1 “would generate a substantial profit for the shops.” Declaration ¶ 9. All insourcing programs were billed in a way as to contribute to the bottom line financially, but because the Shops run at such a low capacity, the contribution of these programs did not provide nearly enough of a contribution to offset the enormous cost of the excess shop capacity.

#### **Agreement for New Hires**

Mr. Letcher claims that TWU Local 2017 had negotiated a reduced rate agreement for new hires. Declaration ¶ 9. In his verified statement, Tony Licate addresses the specifics of this agreement, and demonstrates that Mr. Letcher simply is wrong when he states that “Norfolk Southern management, not the organization, backed out of the agreement.” But Mr. Letcher also states that this agreement “would have resulted in even substantially higher profits on these insourcing programs.” He further claims that we asked for additional employees and that we were turned down. On both of these points, I, Mike Ricciardi, attest that Mr. Letcher is wrong.

We did not seek new employees, despite Mr. Letcher’s claim to the contrary. Instead, an inquiry was made to senior management in October, 2000 as to whether

existing employees furloughed at Roanoke were to be transferred to Hollidaysburg. We did have a sufficient number of employees at the Shops at that time, and were merely making the inquiry to determine whether we would have to absorb more. The Roanoke employees were not to be transferred. With regard to the proposed agreement for reduced pay for new hires, because we were not seeking new employees, the new hire agreement would not have made any difference in the profitability of the Shops.

#### **Additional Work Available to NS**

Petitioners have listed several million dollars of programs that, according to the March 28, 2001 Declaration of Thomas Lutton, represented "commitments" from customers that Norfolk Southern simply turned away and that allegedly "would have kept the shops fully operational well into 2002." In Norfolk Southern's initial response to the Joint Petition (NS-79), I, David Veron, submitted a verified statement that refuted those claims and showed that the listed programs either did not exist or were merely proposals. In discussing these programs in his verified statement, Mr. Letcher appears to repudiate Mr. Lutton's claim that they represented "commitments" – saying instead that the parties were merely "in negotiations" or "in discussions" about them – but also takes issue with my discussion of these matters in my previous verified statement. Many of Mr. Letcher's assertions about these matters, however, are incorrect, as I discuss below.

#### **Bombardier Proposal**

Mr. Lutton claimed that Norfolk Southern had a commitment to convert 250 gondola cars for Bombardier at \$4.5 million. Lutton Declaration ¶ 12. I explained in my initial verified statement that we did have some initial discussions with Bombardier to

build and apply a drop-in trough to 225 gondolas, but that the price was not acceptable to Bombardier. Veron V.S. at 6. Now, Mr. Letcher claims that the proposal consisted of other work on the cars and construction of a hood – apparently not the drop-in trough identified by Mr. Lutton – amounting to a total of \$3,875,000, consisting of \$2,075,000 (\$8,300 per car for modification of 250 cars) plus \$1,800,000 (\$7,200 per hood for 250 hoods), with additional work being discussed. Letcher Declaration ¶ 10(b).

Mr. Letcher's claims are incorrect. We attach as Exhibit 2 the preliminary estimate sent on December 1, 2000 to Bombardier covering this proposal. Indeed, Mr. Letcher helped prepare this estimate. As can be seen, the preliminary price quoted was \$8,306.00 for each of the drop in coil steel troughs to be constructed for the 225 gondola cars that were located at the facility. If the proposal had been accepted, it would have amounted to \$1,868,850.00. The project, however, was not accepted by Bombardier.

#### Johnstown America

Mr. Lutton also claimed that Norfolk Southern had a "commitment" for "a 200 car covered hopper car order for Johnstown America (\$5 million)...." Lutton Declaration ¶ 12. Mr. Letcher appears now to acknowledge that there was no such commitment, and does not dispute my statement that Johnstown America advised us in February that it would have the work done elsewhere. Mr. Letcher now attributes Johnstown's decision to the announcement that NS intends to close the Hollidaysburg facility, and claims that Johnstown America subsequently contracted with Millennium to do the work.

A very preliminary quote was developed for this project in January, 2001. Often companies ask for preliminary quotes to determine the feasibility of a proposal, which in

this case would have been the conversion of a three-pocket hopper car to a two-pocket hopper car. We do know that Millennium did a prototype for Johnstown America, just as we did, but we do not know that Millennium actually received a contract to do the work covered by the quote. NS serves the Millennium yard, and we have not seen these cars in that yard.

#### Greenbrier

Mr. Lutton also claims that NS had a "commitment" to fabricate "1000 container car covers for Greenbrier (\$1 million)." Lutton Declaration ¶ 12. In his declaration, Mr. Letcher asserts that "we were in negotiation with Greenbrier for an order to build covers for CRLE cars." Letcher Declaration ¶ 10(d). Both Mr. Lutton and Mr. Letcher are incorrect: we had no such order or proposal. In fact, an intermodal flat car does not have a cover, and neither does a double-stack car of the type in the 1,000 car fleet owned by COE Rail, Inc. (a company with the CRLE reporting marks, and which is owned by Greenbrier).

As a result of our insourcing efforts, we are often in contact with Greenbrier. With particular regard to the CRLE fleet, we quoted a price to perform modifications, preventive maintenance, and some truck maintenance on this fleet on an ongoing basis whenever the cars could be captured from the system. Although a few cars were captured and repaired, the cars worked under this program are sent through the shops on Greenbrier's request, according to their preventive maintenance schedule.

#### First Union



Mr. Lutton claimed that Norfolk Southern had a commitment to do "warranty work on 400 gondola cars for First Union (\$800,000)." Lutton Declaration ¶ 12. Mr. Letcher states that he "do[es] not recall all the particulars of this particular insourcing proposal," but that he is "quite certain that we were in discussions with First Union to perform warranty work on cars as stated in Mr. Lutton's declaration." Letcher Declaration ¶ 10(e). That is simply incorrect. The only warranty work we have done for First Union has been done on covered hoppers, and not only did we not have a commitment to do warranty work on gondolas, we have received no requests for such work.

#### Department of Defense

Mr. Letcher states that he was "confident that we were going to get" the job to perform work on the Department of Defense ("DOD") fleet. Letcher Declaration ¶ 10(f). As I, Dave Veron, explained in my initial verified statement, I seriously doubt that the work would have been worth even close to \$8 million per year. DOD initially wanted to have the work done over a period of years, cycling its fleet at various times through other NS car repair facilities that would be closer to the office of the DOD inspector assigned to review the work as it progressed. We convinced DOD to have the work done at Hollidaysburg nonetheless, and were hopeful that we were going to obtain the program. Unfortunately, DOD did not contact us again until just before the announced closing.



### Finger Lakes

Finger Lakes approached NS back in April, 2000 concerning the acquisition and refurbishment of an assortment of cars. The discussions ended a long time ago on this proposal, primarily because we did not have all of the cars the Finger Lakes sought.

### GATX

Mr. Letcher also discusses an insourcing order for GATX for SP Flat cars, and states that "Norfolk Southern ... farmed the work out" after fabricating the material for the cars and beginning the work. Letcher Declaration ¶ 10, at p. 8. This description of events, however, is incomplete and misleading. The SP Flat car project is reflected on the Hollidaysburg Car Shop Daily Production Summary sheets found in Exhibit 1 beginning with the September 1, 2000 summary sheet. At the same time that Norfolk Southern was working on the 73 SP Flat cars, we were also converting a much larger number of cement cars (over 300) for GATX (listed as well on the summary sheets as "Covered Hop - Cement Car" or, in sheets beginning with that of March 1, 2001, as "Covered Hop - Cement Car - CNW").

We were well on our way with both jobs, when the customer wanted an acceleration of the SP Flat car work in order to get the cars to market faster than GATX had originally anticipated. Despite the fact that this work was committed to NS, we agreed to the GATX request to let GATX take the last few SP Flat cars to let Millennium finish the conversions. GATX is a valued NS customer and NS has completed work on 49 of the 73 cars originally scheduled. The remaining SP Flat car work to be released to GATX for their transfer to Millennium consisted of only 24 cars, and the work would be performed with a majority of the material for the conversion created by NS

## **Letcher Table 2**

Mr. Letcher presents in his "Table 2 – Insourcing Projects Being Actively Negotiated" nine other projects<sup>1</sup> "being considered" and "actively pursued" by the Hollidaysburg insourcing team. Mr. Letcher claims that "much, if not all of the work outlined in Table 2 would have been secured." The facts, however, do not support that assertion. Generally, the inquiries, some dating back to 1999, reflect the normal operations of a facility that performs work for others – preliminary inquiries are made for several purposes including determining whether the customer wants to proceed with the work, the development of budgets and priorities, and competitive bidding. In the case of the inquiries listed on Table 2, generally the work was not subsequently pursued by the customer with Norfolk Southern.

The first item on Table 2 is the "Greenbrier CRLE Container Well Car PM [Preventive Maintenance] Program" discussed above on page 7. This was a program that was already in place; it was not potential new work, as Mr. Letcher claims.

The second item on Table 2 is listed as "GATX-FURX High Side Gondola Mod Program," consisting of the modification of 200 cars. We attach as Exhibit 3 the June 28, 2000 proposal for this project. We have received no response to this proposal, and we were not in active negotiation on this item when NS announced in February of this year its intentions to close the Shops.

The third item on Table 2 is listed as "GATX-Flat Car Container Repair Project," consisting of modification to 200 to 300 containers. A preliminary proposal was

developed and sent to GATX in August, 2000. We have received no response to this initial estimate, and we were not in active negotiation on this item in February of this year.

There is no fourth item on the list.

The fifth item on Table 2 is listed as "Andersons – Covered Hopper Mod Program (Cut Down)," which consisted of modifying several covered hopper cars. A preliminary proposal was developed in September of 2000. We have not heard anything on this proposal since it was made.

The sixth item on Table 2 is listed as "Andersons – Box Car Conversion 70T-To 100T," which refers to a November 17, 1999 proposal to convert 91 70 ton box cars to 100 ton box cars, as reflected in Exhibit 4. This proposal was requested at a time when the market looked strong for this type of car. Since late 1999, the market has dropped for the cars, and Anderson did not pursue the proposal. This proposal has not been in active negotiation for well over a year.

The seventh item on Table 2 is listed as "Andersons – Twin Aggregate Re-Body Program," and purports to cover 200 cars. As can be seen in the October 2, 2000 proposal set forth in Exhibit 5, we developed a proposal that would cover either 50 or 100 triple hopper aggregate cars. We have not received a response from this proposal, and the program was not in active negotiation in February.

The eighth item on Table 2 is listed as "1<sup>st</sup> Union Rail – Rapid Discharge Car Modification Program." The preliminary estimate for this proposal, set forth in Exhibit 6,

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<sup>1</sup> Although the Table purports to list "10 Additional Insourcing Projects involving 2832 Cars and 3000 Containers", only nine proposals are listed.

was sent out on November 30, 2000. We received no response to this preliminary estimate.

The ninth item on Table 2 is listed as "Gilford Rail – Sell & Refurbish Open Top Hoppers (Tubs). Initial inquiries were made in early September, 2000 on this matter, but Guilford's interest did not rise to the level to require a formal proposal.

The tenth item on Table 2 is listed as "Altoona P/S – Sell & Refurbish Open Top Hoppers (Tubs)." This July 2000 proposal was not pursued by Altoona Pipe and Steel.

### **Conclusion**

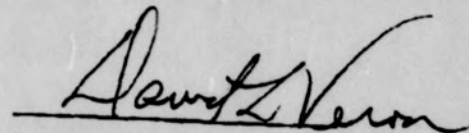
Mr. Letcher's declaration contains several assertions that demonstrate that he does not know all of the facts concerning NS' insourcing efforts and the status of the individual proposals discussed. Many of the programs he claims were turned away by NS were not – they were completed by NS. Many of the proposals he claims were in active negotiation and would have kept the Shops busy long into the future in fact were not in active negotiation and failed to materialize in the normal course of business, as many potential proposals routinely do.



VERIFICATION

I, David L. Veron, verify under penalty of perjury that I am Director Insourcing of Norfolk Southern Corporation, that I have read the foregoing Joint Verified Statement of David L. Veron and Michael A. Ricciardi and know its contents, and that the portions of it attributable to me are true and correct to the best of my knowledge and belief.

Excuted on July 26, 2001

A handwritten signature in cursive script, reading "David L. Veron", written over a horizontal line.

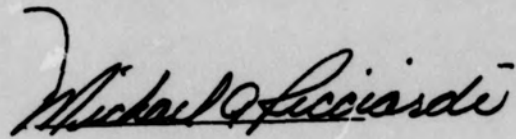
David L. Veron



VERIFICATION

I, Michael A. Ricciardi, verify under penalty of perjury that I am the General Superintendent of the Hollidaysburg Car Shops, that I have read the foregoing Joint Verified Statement of David L. Veron and Michael A. Ricciardi and know its contents, and that the portions of it attributable to me are true and correct to the best of my knowledge and belief.

Executed on July 27, 2001

A handwritten signature in black ink, appearing to read "Michael A. Ricciardi". The signature is written in a cursive style with a large initial "M".

Michael A. Ricciardi

# 2000 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

9/1/00

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKL Y PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	117	0					87	87
50 FT MEDIUM BOX CARS - AUTO	S20297	14	2	0						1
60 FT MEDIUM BOX CARS - AUTO	S20297	14	90	0				25	78	80
86 FT MEDIUM BOX CARS - AUTO	S20297	14	15	0					12	12
86 FT EQUIPPED BOX (AAR REBL)	991738	5153	21	0					6	6
86 FT EQUIPPED BOX (CAPTL)	991739	5153	1	0					1	1
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	30	0					63	63
GONDOLA - TURN BACK LEASE	S50134	915	0	0					1	1
GONDOLA - TBL - G00039	S50716	915	1	2					2	2
GONDOLA - TBL - NS TO TR	S20362	235	14	10		10		75	375	358
GONDOLA - 70 TO 100 TON +TROUGH	1112	5153	115	23	3	15	3	83	250	152
GONDOLA - 190500 SERIES + "			42	1		4			150	27
<b>COIL STEEL</b>										
OPEN COIL STEEL - AK STEEL MOD1	990813	5153	1	1				1	19	19
OPEN COIL STEEL - AK STEEL MOD2	990560	5153	24	7	2	11	2	40	184	129
MEDIUM COIL STEEL	S20298	15	21	0						
LIGHT COIL STEEL	S20320	235	54	0					8	8
COIL STEEL CARS - CAPITAL	991733	5253							6	6
NS COIL STEEL CARS - HOOD PROJ	S20366	235	17	14	9	23	9	100	200	156
<b>COVERED HOPPERS</b>										
ALUMINUM COVERED HOPPERS			41	1					50	
LIGHT COVERED HOPPERS	S20225	235	19	4					231	231
SMALL/MED. COV. HOP. - HEAVY	S20299	27	32	0						
<b>OPEN TOP HOPPERS</b>										
LIGHT HOPPER	S20311	235	2	0					25	25
NS 153000 SERIES HOPPERS - LTB	S20350	235	3	0				0	100	100
<b>FLAT</b>										
LIGHT FLAT	S20312	235	0	0	1	1	1		1	2
<b>MW</b>										
MW RADIO CONTROL BALLAST	S20294	407	1	1					63	108
MEDIUM BALLAST CARS	S20304	16	37	0					4	4
MW SIDE DUMP	S20308	407	0	0						
MW SCALE TEST	S20309	407	0	1					4	4
MW GONDOLAS - MEDIUM	S20327	407	31	0						
MW WHEEL FLATS - LIGHT	S20341	235		0					8	8
NON REVENUE GONDOLAS	S20327	407	28	0						
RAIL TRAIN 'N'	S20344	235	35	0					35	35

Form: HCSDP1(NS9025)

Exhibit 1

<b>LIGHTS</b>										
ROSE LIGHTS	S20326	235		0					65	65
<b>W/D</b>										
MISC. W/D CARS	S20197	235		0					24	24
<b>NSOURCING</b>										
GONDOLA REBODY - FIRST UNION	S50196	915	0	0					159	159
GCCX - 83000 SERIES - MHFX MOD.	S50549	915	0	0					20	20
GCCX - 83000 SERIES	S50566	915	1	0				1	48	115
GPSX - WOOD SIDED - BLUE	S50608	915	153	5					2	2
100 TON O T HOPPER - TOP CHORD	S50042	915	34	0				32	4	4
SIDE DUMP - CR FIRST UNION	S50214	915	0	0					1	1
GONDOLA 52 FT 100 TON - NSHR	S50133	915	3	0	3	3	3		16	20
RAIL TRUST COVERED HOPPER	S50664	915	1	1				0	20	19
GATX - KCS 60 FT BOX CARS	S50132	915	1	1				1	2	2
CSXT BOX CARS	S50674	915	137	29	2	12	2	46	300	208
VW COVERED HOPPERS	S50750	915	0	0					13	13
READING & NORTHERN HOP - RDG	S50696	915	3	1		2		38	200	189
READING & NORTHERN HOP - CSXT	S50885	915	1	1				31	92	45
COVERED HOP RAIL TRUST - C13A	S50852	915	10	11				10		
COVERED HOP - CEMENT CAR	S50760	915	1	0		1		1	1	1
SP FLAT CARS	S50851	915	73	5						
FEC - OPEN TOP HOPPER FEC 15650	S50993	915	0						1	1
GCCX 601000 - OPEN TOP HOPPER	S50462	915	1						1	1
COV HOP WTS - WARRANTY WORK	S51135	915	2	2					2	
<b>LIGHTS</b>										
MISC. CSX CARS - LIGHT REPAIR	S50675	915		0				20	77	77
<b>FLOOD CARS</b>										
FLOOD CARS - EPSILON HOPPERS	S50744	915		0					81	81
FLOOD CARS - NS RESPONSIBILITY	S20348	235		0					65	65
FLOOD CARS - SUN OIL	S50749	915		0					40	40
<b>TOTALS</b>			<b>1215</b>	<b>121</b>	<b>20</b>	<b>82</b>	<b>20</b>	<b>504</b>	<b>3107</b>	<b>2777</b>
NEW HOODS	S50807				0	8	0	99	200	170
NEW TROUGHS	983				3	17	3	88	400	194



# 2000 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

10/2/00

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	113	0					87	87
50 FT MEDIUM BOX CARS - AUTO	S20297	14	2	0						1
50 FT MEDIUM BOX CARS - AUTO	S20297	14	91	5	2	2	2	25	78	94
86 FT MEDIUM BOX CARS - AUTO	S20297	14	15	0					12	12
86 FT EQUIPPED BOX (AAR REBL)	991738	5153	21	0					6	6
86 FT EQUIPPED BOX (CAPTL)	991739	5153	1	0					1	1
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	30	0					63	63
GONDOLA - TURN BACK LEASE	S50134	915	0	0					1	1
GONDOLA - TBL - G00039	S50716	915	1	2					2	2
GONDOLA - TBL - NS TO TR	S20362	235	2	4				75	375	365
GONDOLA - 70 TO 100 TON +TROUGH	1112	5153	55	29	3	3	3	83	250	212
GONDOLA - 190500 SERIES + "			48	9					150	35
<b>COIL STEEL</b>										
OPEN COIL STEEL - AK STEEL MOD1	990813	5153	0	0				1	19	20
OPEN COIL STEEL - AK STEEL MOD2	990560	5153	20	10	2	2	2	40	184	149
MEDIUM COIL STEEL	S20298	15	21	0						
LIGHT COIL STEEL	S20320	235	54	0					8	8
COIL STEEL CARS - CAPITAL	991733	5253							6	6
NS COIL STEEL CARS - HOOD PROJ	S20366	235	16	13				100	200	183
<b>COVERED HOPPERS</b>										
ALUMINUM COVERED HOPPERS			41	1					50	
LIGHT COVERED HOPPERS	S20225	235	19	4					231	231
SMALL/MED. COV. HOP. - HEAVY	S20299	27	32	0						
<b>OPEN TOP HOPPERS</b>										
LIGHT HOPPER	S20311	235	2	0					25	25
NS 153000 SERIES HOPPERS - LTB	S20350	235	3	0				0	100	100
<b>FLAT</b>										
LIGHT FLAT	S20312	235	0	0					1	2
<b>MW</b>										
MW RADIO CONTROL BALLAST	S20294	407	1	1					63	108
MEDIUM BALLAST CARS	S20304	16	37	0					4	4
MW SIDE DUMP	S20308	407	0	0						
MW SCALE TEST	S20309	407	0	1					4	4
MW GONDOLAS - MEDIUM	S20327	407	31	0						
MW WHEEL FLATS - LIGHT	S20341	235		0					8	8
NON REVENUE GONDOLAS	S20327	407	28	0						
RAIL TRAIN 'N'	S20344	235	35	0					35	35

*1-10-00 Page 2*

<b>LIGHTS</b>										
ROSE LIGHTS	S20326	235		0					65	65
<b>W/D</b>										
MISC. W/D CARS	S20197	235		0					24	26
<b>INSOURCING</b>										
GONDOLA REBODY- FIRST UNION	S50196	915	0	0					159	159
GCCX - 83000 SERIES - MHFX MOD.	S50549	915	0	0					20	20
GCCX - 83000 SERIES	S50566	915	1	0				1	48	115
GPSX - WOOD SIDED - BLUE ✓	S50608	915	153	10					2	2
100 TON O T HOPPER - TOP CHORD ✓	S50042	915	34	0				32	4	4
SIDE DUMP - CR FIRST UNION	S50214	915	0	0					1	1
GONDOLA 52 FT 100 TON - NSHR	S50133	915	0	0					16	20
RAIL TRUST COVERED HOPPER ✓	S50664	915	1	0				0	20	20
GATX - KCS 60 FT BOX CARS	S50132	915	1	1				1	2	2
CSXT BOX CARS ✓	S50674	915	94	23	3	3	3	46	333	270
WW COVERED HOPPERS	S50750	915	0	0					13	13
READING & NORTHERN HOP - RDG	S50696	915	0	0				38	200	192
READING & NORTHERN HOP - CSXT	S50885	915	24	0				31	92	46
COVERED HOP RAIL TRUST - C13A	S50852	915	17	15				10		
COVERED HOP - CEMENT CAR	S50760	915	1	0				1	1	1
SP FLAT CARS	S50851	915	72	5						1
FEC - OPEN TOP HOPPER FEC 15650X	S50993	915	0						1	1
GCCX 601000 - OPEN TOP HOPPER	S50462	915	1						1	1
COV HOP WTS - WARRANTY WORK	S51135	915	2	0					2	2
<b>LIGHTS</b>										
MISC. CSX CARS - LIGHT REPAIR	S50675	915		0				20	77	77
<b>FLOOD CARS</b>										
FLOOD CARS - EPSILON HOPPERS	S50744	915		0					81	81
FLOOD CARS - NS RESPONSIBILITY	S20348	235		0					65	65
FLOOD CARS - SUN OIL	S50749	915		0					40	40
<b>TOTALS</b>			<b>1120</b>	<b>133</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>504</b>	<b>3230</b>	<b>2986</b>
NEW HOODS	S50807				0	0	0	99	200	200
NEW TROUGHS	983				4	4	4	88	400	267



# 2000 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

11/1/00

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKL Y PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	111	0					87	87
50 FT MEDIUM BOX CARS - AUTO	S20297	14	3	0						1
60 FT MEDIUM BOX CARS - AUTO	S20297	14	108	13	2	4	2	28	78	104
86 FT MEDIUM BOX CARS - AUTO	S20297	14	16	0					12	12
86 FT EQUIPPED BOX (AAR REBL)	991738	5153	21	0					6	6
86 FT EQUIPPED BOX (CAPTL)	991739	5153	1	0					1	1
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	30	0					63	64
GONDOLA - TURN BACK LEASE	S50134	915	0	0					1	1
GONDOLA - TBL - G00039	S50716	915	1	2					2	2
GONDOLA - TBL - NS TO TR	S20362	235	1	5				10	375	372
GONDOLA - 70 TO 100 TON +TROUGH	1112	5153	0	0				41	250	250
GONDOLA - 190500 SERIES + "			44	17	1	4	1	47	150	64
<b>COIL STEEL</b>										
OPEN COIL STEEL - AK STEEL MOD1	990813	5153	0	0				1	19	20
OPEN COIL STEEL - AK STEEL MOD2	990560	5153	11	3		3		20	184	172
MEDIUM COIL STEEL	S20298	15	21	0						
LIGHT COIL STEEL	S20320	235	54	0	1	1	1		8	9
COIL STEEL CARS - CAPITAL	991733	5253							6	6
NS COIL STEEL CARS - HOOD PROJ	S20366	235	0	10				17	200	199
<b>COVERED HOPPERS</b>										
ALUMINUM COVERED HOPPERS			41	1					50	
LIGHT COVERED HOPPERS	S20225	235	19	8					231	235
SMALL/MED. COV. HOP. - HEAVY	S20299	27	32	0						
<b>OPEN TOP HOPPERS</b>										
LIGHT HOPPER	S20311	235	2	0					25	25
NS 153000 SERIES HOPPERS - LTB	S20350	235	3	0				0	100	100
<b>FLAT</b>										
LIGHT FLAT	S20312	235	0	0					1	2
<b>MW</b>										
MW RADIO CONTROL BALLAST	S20294	407	1	1					63	108
MEDIUM BALLAST CARS	S20304	16	38	0					4	4
MW SIDE DUMP	S20308	407	0	0				1	1	
MW SCALE TEST	S20309	407	0	1					4	4
MW GONDOLAS - MEDIUM	S20327	407	31	0						
MW WHEEL FLATS - LIGHT	S20341	235		0					8	8
NON REVENUE GONDOLAS	S20327	407	31	0						
RAIL TRAIN 'N'	S20344	235	35	0					35	35

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>LIGHTS</b>										
ROSE LIGHTS	S20326	235		0					65	65
<b>W/D</b>										
MISC. W/D CARS	S20197	235		0					24	26
<b>NSOURCING</b>										
GONDOLA REBODY- FIRST UNION	S50196	915	0	0					159	159
GCCX - 83000 SERIES - MHFX MOD.	S50549	915	0	0					20	20
GCCX - 83000 SERIES	S50566	915	1	0				0	48	115
GPSX - WOOD SIDED - BLUE ✓	S50608	915	153	10				4	2	2
100 TON O T HOPPER - TOP CHORD X	S50042	915	34	0				74	4	4
SIDE DUMP - CR FIRST UNION	S50214	915	0	0					1	1
GONDOLA 52 FT 100 TON - NSHR	S50133	915	0	0				0	16	20
RAIL TRUST COVERED HOPPER X	S50664	915	1	0					20	20
GATX - KCS 60 FT BOX CARS	S50132	915	0	0				1	2	3
CSXT BOX CARS X	S50674	915	19	13	3	11	3	66	350	337
VW COVERED HOPPERS	S50750	915	0	0					13	13
READING & NORTHERN HOP - RDG	S50696	915	4	0				0	200	192
READING & NORTHERN HOP - CSXT	S50885	915	42	0				0	92	46
COVERED HOP RAIL TRUST - C13A	S50852	915	17	15				15		
COVERED HOP - CEMENT CAR	S50760	915	1	0				1	1	1
SP FLAT CARS	S50851	915	66	9						6
FEC - OPEN TOP HOPPER FEC 15650	S50993	915	0						1	1
GCCX 601000 - OPEN TOP HOPPER	S50462	915	1						1	1
COV HOP WTS - WARRANTY WORK	S51135	915	2	0					2	2
GREENBRIER LIGHT HOPPER CARS X	S51192	915	90	0					73	73
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	110	33	2	9	2		135	13
GREENBRIER OT HOPPER - FEC X	S51113	915	90	1					100	
<b>LIGHTS</b>										
MISC. CSX CARS - LIGHT REPAIR	S50675	915		0				20	77	77
<b>FLOOD CARS</b>										
FLOOD CARS - EPSILON HOPPERS	S50744	915		0					81	81
FLOOD CARS - NS RESPONSIBILITY	S20348	235		0					65	65
FLOOD CARS - SUN OIL	S50749	915		0					40	40
<b>TOTALS</b>			<b>1286</b>	<b>142</b>	<b>9</b>	<b>32</b>	<b>9</b>	<b>346</b>	<b>3556</b>	<b>3274</b>
<b>NEW HOODS</b>	S50807				0	0	0		200	200
<b>NEW TROUGHS</b>	983				4	12	4	88	400	352

# 2000 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

12/1/00

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	111	0					87	87
50 FT MEDIUM BOX CARS - AUTO	S20297	14	2	7						1
60 FT MEDIUM BOX CARS - AUTO	S20297	14	93	7					82	82
86 FT MEDIUM BOX CARS - AUTO	S20297	14	16	0					12	12
86 FT EQUIPPED BOX (AAR REBL)	991738	5153	21	0					6	6
86 FT EQUIPPED BOX (CAPTL)	991739	5153	1	0					1	1
50 FT ALCOA BOX CARS	S20297	14	8							9
60 FT ALCOA BOX CARS	S20297	14	2			1		23		28
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	30	0					63	64
GONDOLA - TURN BACK LEASE	S50134	915	0	0					1	1
GONDOLA - TBL - G00039	S50716	915	1	2					2	2
GONDOLA - TBL - NS TO TR	S20362	235	2	6				135	600	373
GONDOLA - 70 TO 100 TON +TROUGH	1112	5153	0	0					250	250
GONDOLA - 190500 SERIES + "			31	18	5	23	5	67	150	134
<b>COIL STEEL</b>										
OPEN COIL STEEL - AK STEEL MOD1	990813	5153	0	0					20	20
OPEN COIL STEEL - AK STEEL MOD2	990560	5153	0	0				12	184	181
MEDIUM COIL STEEL	S20298	15	21	0						
LIGHT COIL STEEL	S20320	235	54	0					8	9
COIL STEEL CARS - CAPITAL	991733	5253							6	6
NS COIL STEEL CARS - HOOD PROJ	S20366	235	1	11				1	200	200
<b>COVERED HOPPERS</b>										
ALUMINUM COVERED HOPPERS			41	1					50	
LIGHT COVERED HOPPERS	S20225	235	19	7				19	231	236
SMALL/MED. COV. HOP. - HEAVY	S20299	27	32	0						
<b>OPEN TOP HOPPERS</b>										
LIGHT HOPPER	S20311	235	2	0					25	25
NS 153000 SERIES HOPPERS - LTB	S20350	235	3	0				0	100	100
<b>FLAT</b>										
LIGHT FLAT	S20312	235	0	0					1	2
<b>MW</b>										
MW RADIO CONTROL BALLAST	S20294	407	1	1					63	108
MEDIUM BALLAST CARS	S20304	16	38	0					4	4
MW SIDE DUMP	S20308	407	0	0				1	1	
MW SCALE TEST	S20309	407	0	1					4	4
MW GONDOLAS - MEDIUM	S20327	407	31	0						
MW WHEEL FLATS - LIGHT	S20341	235		0					8	8



PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHD	YTD PROD
NON REVENUE GONDOLAS	S20327	407	31	0						
RAIL TRAIN 'N'	S20344	235	35	0					35	35
LIGHTS										
ROSE LIGHTS	S20326	235		0					65	65
W/D										
MISC. W/D CARS	S20197	235		0					24	27
INSOURCING										
GONDOLA REBODY- FIRST UNION	S50196	915	0	0					159	159
GCCX - 83000 SERIES - MHFX MOD.	S50549	915	0	0					20	20
GCCX - 83000 SERIES	S50566	915	1	0				0	48	115
GPSX - WOOD SIDED - BLUE X	S50608	915	153	10				0	2	2
100 TON O T HOPPER - TOP CHORD X	S50042	915	34	0				0	4	4
SIDE DUMP - CR FIRST UNION	S50214	915	0	0					1	1
GONDOLA 52 FT 100 TON - NSHR	S50133	915	0	0				0	16	20
RAIL TRUST COVERED HOPPER X	S50664	915	1	0					20	20
GATX - KCS 60 FT BOX CARS	S50132	915	0	0				0	2	3
CSXT BOX CARS X	S50674	915	0	0				16	350	350
WW COVERED HOPPERS	S50750	915	0	0					13	13
READING & NORTHERN HOP - RDG	S50696	915	7	0				0	200	192
READING & NORTHERN HOP - CSXT	S50885	915	42	0				24	92	46
COVERED HOP RAIL TRUST - C13A	S50852	915	2	0				15		15
COVERED HOP - CEMENT CAR	S50760	915	1	0				1	1	1
SP FLAT CARS	S50851	915	61	15		10		14	30	16
FEC - OPEN TOP HOPPER FEC 15650	S50993	915	0						1	1
GCCX 601000 - OPEN TOP HOPPER	S50462	915	1						1	1
COV HOP WTS - WARRANTY WORK	S51135	915	2	0					2	2
GREENBRIER LIGHT HOPPER CARS X	S51192	915	90	0					73	73
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	84	37	3	11	3	76	135	70
GREENBRIER OT HOPPER - FEC X	S51113	915	101	18				12	100	
LIGHTS										
MISC. CSX CARS - LIGHT REPAIR	S50675	915		0				6	77	77
FLOOD CARS										
FLOOD CARS - EPSILON HOPPERS	S50744	915		0					81	81
FLOOD CARS - NS RESPONSIBILITY	S20348	235		0					65	65
FLOOD CARS - SUN OIL	S50749	915		0					40	40
TOTALS			1207	141	8	45	8	422	3816	3467
NEW HOODS	S50807				0	0	0	0	200	200
NEW TROUGHS	983				0	0	52	46	400	400

## 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

1/4/01

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PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHD	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283		48	0		0	0	0	0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0			1	1		20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	94						40	
86 FT MEDIUM BOX CARS - AUTO	S20433	14	21						40	
50 FT ALCOA BOX CARS	S20434	21	7						25	
60 FT ALCOA BOX CARS	S20434	21	0						25	
60 FT - LTB - PAPER BOX	S20435	41	30						131	
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	30			6	6			6
GONDOLA - TBL - NS TO TR 585000	S20437	45	79		11	17	17		490	17
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320		54							
COVERED COIL STEEL - LTB	S20436	43							24	
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB		44	43						100	
<b>OPEN TOP HOPPERS</b>										
<b>MW</b>										
MW SCALE TEST	S20309	48							5	
<b>W/D</b>										
MISC. W/D CARS	S20197									
<b>INSOURCING</b>										
GCCX - 83000 SERIES	S50566	915	1						1	
GPSX - WOOD SIDED - BLUE X	S50682	915	153						150	
100 TON O T HOPPER - TOP CHORD X	S50042	915	34						260	
CSXT BOX CARS		915							125	
READING & NORTHERN HOP - RDG	S50696	915	7						7	
READING & NORTHERN HOP - CSXT	S50885	915	40						40	
COVERED HOP - CEMENT CAR	S50760	915							1	
SP FLAT CARS	S50851	915	49	9					73	
GREENBRIER PM FLATS - CRLE 5100	S51311	915	1						30	
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	15		2	2	2		15	?
GREENBRIER OT HOPPER - FEC X	S51113	915	98		3	7	7		100	7
GATX - O.T. HOPPER HOOD										
<b>TOTALS</b>			804	9	16	33	33	0	1702	33



# 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

2/1/01

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	48	1				0	0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0						20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	94	5	1	2	1	6	40	3
86 FT MEDIUM BOX CARS - AUTO	S20433	14	27						40	
50 FT ALCOA BOX CARS	S20434	21	9						25	2
60 FT ALCOA BOX CARS	S20434	21	0						25	
60 FT - LTB - PAPER BOX	S20435	41	65					36	131	
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	15							6
GONDOLA - TBL - CR TO TR 585000	S20437	45	61	0	10	32	10	130	490	161
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320		54							
COVERED COIL STEEL - LTB (NOKL)	S20436	43	17	2				24	24	3
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB		44	48						100	
<b>OPEN TOP HOPPERS</b>										
<b>MW</b>										
MW SCALE TEST	S20309	48							5	
<b>W/D</b>										
MISC. W/D CARS	S20197	235								1
<b>INSOURCING</b>										
GCCX - 83000 SERIES	S50566	915	1						1	
GPSX - WOOD SIDED - BLUE ✕	S50682	915	156	11					150	
100 TON O T HOPPER - TOP CHORD ✕	S50042	915	34						260	
CSXT BOX CARS		915							125	
READING & NORTHERN HOP - RDG	S50696	915	8						7	
READING & NORTHERN HOP - CSXT	S50885	915	40	21				10	40	
COVERED HOP - CEMENT CAR	S50760	915						1	1	
SP FLAT CARS	S50851	915	49	6		3		8	73	3
GREENBRIER PM FLATS - CRLE 5100	S51311	915	5	4		1			30	2
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	0	0				15	15	15
GREENBRIER OT HOPPER - FEC ✕	S51113	915	25	5	5	25	5	100	100	95
GATX O.T.COVER - CAR REPAIRS ✕	S51363	915	68	10				40	160	2
RAIL CAR LTD. COV HOPPER PIPES	S51320	915	15	0	1	4	1	10	15	4
60 FT LTB HELMS TINPLATE 223 series	S51372	915							24	
<b>TOTALS</b>			<b>839</b>	<b>65</b>	<b>17</b>	<b>67</b>	<b>17</b>	<b>380</b>	<b>1901</b>	<b>298</b>

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PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
GATX COVERS BUILT	S51289	915				2	2		160	2

# 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

3/1/01

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKL Y PROD	MONTH PROD	MONTH SCHED	YR SCHD	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	52	1				0	0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0						20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	47	4		3	22	28	40	24
86 FT MEDIUM BOX CARS - AUTO	S20433	14	27						40	
50 FT ALCOA BOX CARS	S20434	21	8						25	2
60 FT ALCOA BOX CARS	S20434	21	0						25	
60 FT - LTB - PAPER BOX - 470 series	S20435	41	69	12	8	23	69	68	131	69
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	15		1	1	1	7		7
GONDOLA - TBL - CR TO TR 585000	S20437	45	0	0			54	140	490	205
GONDOLA - TBL - NS TO TR 195000	S20437	45	50						300	
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320		54					0		
COVERED COIL STEEL - LTB (NOKL)	S20436	43	3	0		3	18	21	24	21
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB		44	50					0	100	
<b>OPEN TOP HOPPERS</b>										
<b>MW</b>										
MW SCALE TEST	S20309	48							5	
<b>W/D</b>										
MISC. W/D CARS	S20197	235								1
<b>NSOURCING</b>										
GCCX - 83000 SERIES	S50566	915	0						1	
GPSX - WOOD SIDED - BLUE X	S50682	915	137	25	2	8	25	52	150	25
100 TON O T HOPPER - TOP CHORD X	S50042	915	34					0	260	
CSXT BOX CARS		915						0	125	
READING & NORTHERN HOP - RDG	S50696	915	8	4	2	4	4		7	4
READING & NORTHERN HOP - CSXT	S50885	915	2	9		3	39	48	40	39
COVERED HOP - CEMENT CAR-CNW	S50760	915	183					0	1	
SP FLAT CARS	S50851	915	45	6			1	5	73	4
GREENBRIER PM FLATS - CRLE 5100	S51311	915	0	0			4	20	30	6
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	0	0				0	15	15
GREENBRIER OT HOPPER - FEC X	S51113	915	1	0			10	10	100	100
GATX O.T.COVER - CAR REPAIRS X	S51363	915	95	43	6	21	98	48	160	100
RAIL CAR LTD. COV HOPPER PIPES	S51320	915	0	0			12	12	15	15
60 FT LTB HELMS TINPLATE 223 series	S51372	915	13	3		2	11	24	24	11



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PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKL Y PROD	MONTH PROD	MONTH SCHED	YR SCHD	YTD PROD
TOTALS			893	107	19	68	368	483	2201	649
GATX COVERS BUILT	S51289	915			6	21	98		160	100

# 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

4/2/01

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	52	1				0	0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0						20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	41	4				22	100	38
86 FT MEDIUM BOX CARS - AUTO	S20433	14	27					0	40	
50 FT ALCOA BOX CARS	S20434	21	8					0	25	2
60 FT ALCOA BOX CARS	S20434	21	0					0	25	
60 FT - LTB - PAPER BOX - 470 series	S20435	41	7	2				70	131	124
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	16					6	20	9
GONDOLA - TBL - CR TO TR 585000	S20437	45	1	1				140	490	210
GONDOLA - TBL - NS TO TR 195000	S20437	45	103	10	5	5	5	225	300	57
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320	235	54					0		
COVERED COIL STEEL - LTB (NOKL)	S20436	43	4	0				3	24	24
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB	S51438	44	48	9				0	100	10
<b>OPEN TOP HOPPERS</b>										
<b>MW</b>										
MW SCALE TEST	S20309	407		2				1	5	1
<b>W/D</b>										
MISC. W/D CARS	S20197	235								19
<b>INSOURCING</b>										
GCCX - 83000 SERIES	S50566	915	0						1	
GPSX - WOOD SIDED - BLUE ✓	S50682	915	87	22	3	3	3	62	156	87
100 TON O T HOPPER - TOP CHORD ✓	S50042	915	34					0	260	
CSXT BOX CARS		915							125	
READING & NORTHERN HOP - RDG	S50696	915	0	0				7	7	8
READING & NORTHERN HOP - CSXT	S50885	915	0	0				8	40	40
COVERED HOP - CEMENT CAR-CNW	S50760	915	264	16				3	300	
SP FLAT CARS	S50851	915	44	5				6	49	6
GREENBRIER PM FLATS - CRLE 5100	S51311	915	0	0				12	32	6
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	0	0				0	15	15
GREENBRIER OT HOPPER - FEC X	S51113	915	1	0				0	100	100
GATX O.T.COVER - CAR REPAIRS X	S51363	915	1	1				66	160	158
GATX O.T. CONSOL W/O COVER	S51363	915	0	0				19	19	19
RAIL CAR LTD. COV HOPPER PIPES	S51320	915	0	0					15	15
60 FT LTB HELMS TINPLATE 223 series	S51372	915	9	9				13	24	13



PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKL Y PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
RESIDE 2 GCCX CARS 579 & 596	S51287	915	0	0					2	2
TOTALS			801	82	8	8	8	663	2585	964
GATX COVERS BUILT	S51289	915			0	0	64		160	158

# 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

5/1/01

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHD	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	52	1					0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0						20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	50	5	1	1	1		100	50
86 FT MEDIUM BOX CARS - AUTO	S20433	14	27						40	
50 FT ALCOA BOX CARS	S20434	21	8						25	2
60 FT ALCOA BOX CARS	S20434	21	0						25	
60 FT - LTB - PAPER BOX - 470 series	S20435	41	3	3					131	127
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	16		1	1	1		20	10
GONDOLA - TBL - CR TO TR 585000	S20437	45	1	1					490	210
GONDOLA - TBL - NS TO TR 195000	S20437	45	116	46	7	7	7		300	158
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320	235	33							
COVERED COIL STEEL - LTB (NOKL)	S20436	43	0	0					24	24
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB (GE C.H.)	S51438	44	34	5					100	18
<b>OPEN TOP HOPPERS</b>										
<b>MW</b>										
MW SCALE TEST	S20309	407		0					5	3
<b>W/D</b>										
MISC. W/D CARS	S20197	235		1						20
<b>INSOURCING</b>										
CSX LIGHT REPAIRS	S50675	915	38	8					100	22
GCCX - 83000 SERIES	S50566	915	0						1	
GPSX - WOOD SIDED - BLUE	S50682	915	33	5	2	2	2		156	143
100 TON O T HOPPER - TOP CHORD	S50042	915	35						260	
CSXT BOX CARS		915							125	
READING & NORTHERN HOP - RDG	S50696	915	0	0					7	8
READING & NORTHERN HOP - CSXT	S50885	915	0	0					40	40
COVERED HOP - CEMENT CAR-CNW	S51348	915	271	45	2	2	2		300	9
SP FLAT CARS	S50851	915	40	3					49	12
GREENBRIER PM FLATS - CRLE 5100	S51311	915	0	0					32	6
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	0	0					15	15
GREENBRIER OT HOPPER - FEC	S51113	915	1	0					100	100
GATX O.T. COVER - CAR REPAIRS	S51363	915	1	0					160	159
GATX O.T. CONSOL W/O COVER	S51363	915	0	0					19	19
RAIL CAR LTD. COV HOPPER PIPES	S51320	915	0	0					15	15

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKL Y PROD	MONTH PROD	MONTH SCHED	YR SCHD	YTD PROD
60 FT LTB HELMS TINPLATE 223 series	S51372	915	6	6					24	18
RESIDE 2 GCCX CARS 579 & 596	S51287	915	0	0					2	2
TOTALS			765	129	13	13	13	0	2685	1191
GATX COVERS BUILT	S51289	915			0	0	1		160	159



# 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

6/1/01

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	18						0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0						20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	51						100	52
86 FT MEDIUM BOX CARS - AUTO	S20433	14	17						40	
50 FT ALCOA BOX CARS	S20434	21	8						25	2
60 FT ALCOA BOX CARS	S20434	21	0						25	
60 FT - LT3 - PAPER BOX - 470 series	S20435	41	0					4	131	131
60 FT - LTB - BOMBARDIER - XXX series	S20459	23	44					50	100	
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	16					7	20	13
GONDOLA - TBL - CR TO TR 585000	S20437	45	0						490	211
GONDOLA - TBL - NS TO TR 195000	S20437	45	75	39	4	15	4	300	672	255
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320	235	33							
COVERED COIL STEEL - LTB (NOKL)	S20436	43	0						24	24
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB (GE C.H.)	S51438	44	32	2		1		34	52	21
<b>OPEN TOP HOPPERS</b>										
WOOD CHIP CARS - RULE 88 REBUILD			9					2	9	
<b>MW</b>										
MW SCALE TEST	S20309	407	0						5	3
<b>W/D</b>										
MISC. W/D CARS	S20197	235	0							21
<b>INSOURCING</b>										
CSX LIGHT REPAIRS	S50675	915	34	2				27	109	22
GCCX - 83000 SERIES	S50566	915	0						1	
GPSX - WOOD SIDED - BLUE ✕	S50682	915	10					5	156	146
100 TON O T HOPPER - TOP CHORD ✕	S50042	915	35						260	
CSXT BOX CARS		915							125	
READING & NORTHERN HOP - RDG	S50696	915	0	0					7	8
READING & NORTHERN HOP - CSXT	S50885	915	0	0					40	40
COVERED HOP - CEMENT CAR-CNW	S51348	915	256	39	4	13	4	79	300	62
SP FLAT CARS	S50851	915	37	5		1		12	49	17
GREENBRIER PM FLATS - CRLE 5100	S51311	915	0	0					32	6
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	0	0					15	15
GREENBRIER OT HOPPER - FEC ✕	S51113	915	1	0					100	100
GATX O.T.COVER - CAR REPAIRS ✕	S51363	915	1	0				1	160	160



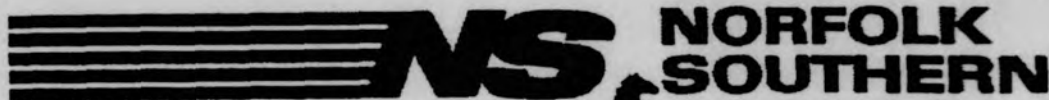
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PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
GATX O.T. CONSOL W/O COVER	S51363	915	0	0					19	19
RAIL CAR LTD. COV HOPPER PIPES	S51320	915	0	0					15	15
60 FT LTB HELMS TINPLATE 223 series	S51372	915	0	1				6	24	23
RESIDE 2 GCCX CARS 579 & 596	S51287	915	0	0					2	2
TOTALS			677	88	8	30	8	527	3127	1369
GATX COVERS BUILT	S51289	915							166	166

# 2001 HOLLIDAYSBURG CAR SHOP DAILY PRODUCTION SUMMARY

7/2/01

PROJECT DESCRIPTION	SHOP ORDER	FUNC CODE	ON HAND	IN SHOP	DAILY PROD	WEEKLY PROD	MONTH PROD	MONTH SCHED	YR SCHED	YTD PROD
<b>BOX CARS</b>										
MISC LIGHT BOX CARS	S20283	235	18						0	0
50 FT MEDIUM BOX CARS - AUTO	S20433	14	0						20	1
60 FT MEDIUM BOX CARS - AUTO	S20433	14	51						100	52
86 FT MEDIUM BOX CARS - AUTO	S20433	14	17							
50 FT ALCOA BOX CARS	S20434	21	8						25	2
60 FT ALCOA BOX CARS	S20434	21	0						25	
60 FT - LTB - PAPER BOX - 470 series	S20435	41	0						131	131
60 FT - LTB - BOMBARDIER - XXX series	S20459	23	44					44	100	
86 FT - LTB - HELM		22						17	76	
<b>GONDOLAS</b>										
LIGHT GONDOLAS	S20233	235	16						20	17
GONDOLA - TBL - CR TO TR 585000	S20437	45	0					161	372	211
GONDOLA - TBL - NS TO TR 195000	S20437	45	75	0				49	300	293
<b>COIL STEEL</b>										
LIGHT COIL STEEL	S20320	235	33							
COVERED COIL STEEL - LTB (NOKL)	S20436	43	0						24	24
<b>COVERED HOPPERS</b>										
COVERED HOPPERS - LTB (GE C.H.)	S51438	44	32	25	1	1	1	10	52	27
<b>OPEN TOP HOPPERS</b>										
WOOD CHIP CARS - RULE 88 REBUILD			9							
<b>MW</b>										
MW SCALE TEST	S20309	407	0						5	3
<b>W/D</b>										
MISC. W/D CARS	S20197	235	0							21
<b>INSOURCING</b>										
CSX LIGHT REPAIRS	S50675	915	34	2				20	109	22
GCCX - 83000 SERIES	S50566	915	0							
GPSX - WOOD SIDED - BLUE	S50682	915	10						156	146
100 TON O T HOPPER - TOP CHORD	S50042	915	35							
CSXT BOX CARS		915								
READING & NORTHERN HOP - RDG	S50696	915	0	0					7	8
READING & NORTHERN HOP - CSXT	S50885	915	0	0					40	40
COVERED HOP - CEMENT CAR-CNW	S51348	915	256	44	4	4	4	84	299	144
SP FLAT CARS	S50851	915	37	6				10	49	19
GREENBRIER PM FLATS - CRLE 5100	S51311	915	0	0					48	6
RAPID DISCHARGE (Rail Trusts)-135 CARS	S51049	915	0	0					15	15
GREENBRIER OT HOPPER - FEC	S51113	915	1	0					100	100



December 1, 2000

Preliminary Estimate

Doug Johnson  
Manager, Field Services  
Bombardier Capital Rail Inc.  
4849 West 167<sup>th</sup> Street, Suite 103  
Oak Forest, IL 60452

Dear Mr. Johnson,

On behalf of Norfolk Southern, we would like to thank you for giving us the opportunity to furnish a preliminary estimate on the fabrication, building and application of drop in coil steel troughs for your two hundred and twenty-five (225) gondola cars that are presently located at our facility.

The following preliminary price is based on a coil/slab design that is presently being built at our repair facility. This trough meets the requirements of the AAR Open Top Loading Rules Manual. Our customers, allowing better utilization of their equipment have preferred this versatility in hauling steel coils and/or slab steel.

This trough is made up of two (2) pipes running the length of the car and is supported by a wide flange beam (split in half). The ends are made from tube steel, doubled up and reinforced at the top with a wide flange beam. The troughs are positioned in the center of the car and stabilized at nine (9) locations by using tube steel running from the support pipes to the sides of the car.

The preliminary price for each steel coil/slab trough and application to car is \$ 8,306.00.

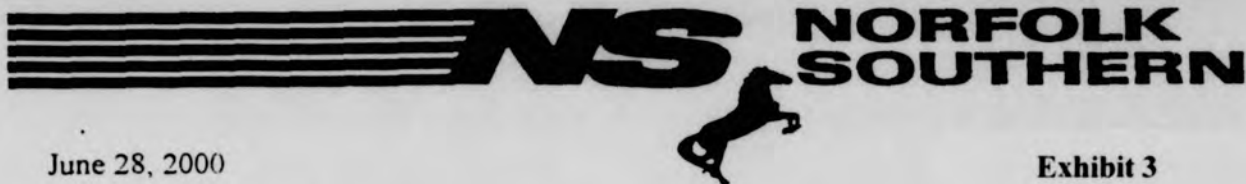
Production of troughs will commence with your acceptance of our offer, shop space availability and material delivery.

If you should accept our offer, a contractual letterform and three page "Agreement" with considerations of mutual promises and conditions will be forwarded for signatures.

If you should need any further information, please do not hesitate to call.

Sincerely,

M. A. Ricciardi  
Shop Manager  
Hollidaysburg Car Shop  
Hollidaysburg, PA 16648



June 28, 2000

Exhibit 3

Paul Dyson, Vice President  
General American Transportation Corporation  
Four Embarcadero Center - Suite 2200  
San Francisco, CA 94111

Dear Mr. Dyson,

The following is our proposal to repair, modify and increase the gross rail load to 286,000 on the 100-ton high side Rotary gondolas that are stenciled FURX and are of the 45000 series. This estimate is based on a recent sampling of ten (10) cars in Kalamazoo, MI on May 16, 2000.

The following work content will meet or exceed the requirements of Rule 88 for Modified and Increased Gross Rail Load and will be completed for a base price of \$ 19,282.00.

1. Complete Stress Analysis and Documentation.
2. Car Body:
  - a. Shorten length to 44' 2 1/2" (Over Strikers) and lower the inside height to 6' 4" to achieve an estimated Cubic Feet of 2454. (Presently 4000)
  - b. Apply New 6" x 6" Top Chords.
  - c. Splice Center Sill, Side Sill, Floor Sheets and Side Sheets according to verbal specifications (Per D. L. Beecher).
  - d. Remove Diagonal/Crossridge Bracing.
  - e. Apply 3/8" floor overlay & secure by skip welding 6" on 12" off.
  - f. Apply 2 ea. drain pipes.
3. Underframe:
  - a. Raise car and inspect according to Rule 88 B.2.b.
  - b. Application of sixteen (16) floor supports to the A & B ends.
  - c. Repair or Renew all worn out or defective center plates.
4. Air Brake:
  - a. Perform Repair Track Air Test/Single Car Test.
  - b. Repair or replace all defective components.
  - c. Application of Empty Load Device and Piping.
  - d. Application of Brake Cylinder Pressure Tap.
  - e. Reconditioning of two (2) WABCO Cylinders.
5. Safety Appliance: Repair or Replace as required.
6. Draft System:
  - a. Inspect according to Rule 88 and repair or replace all defective components.
  - b. Eliminate the A-End from Rotating by a Blocking Device or Component replacement.



7. Trucks:
  - a. Inspect according to Rule 88.B.2.b.8.a.
  - b. M-214 Bolsters & Truck Sides as required.
  - c. Application of WABCO II Brake System.
  - d. Repair or Replace all defective components.
  - e. 25% Wheel Replacement.
8. Blast, Paint & Stencil:
  - a. Commercial (SP6) Blast Car.
  - b. Paint car 4 mils DFT.
  - c. Stencil (Paint) car to meet minimal requirements of AAR Rule 88.B.1.d.

As per information supplied by WABCO representatives, the existing Bolsters should accept the WABCO II Slack Adjuster. Any required modifications will be billed separate from the base price.

The base price includes the sixteen (16) floor supports for the A & B ends. All other required car body betterment's resulting from the Stress Analysis will be billed separate from the base price.

All Rule 95/Wreck Damage will be billed separate from the base price.

For this additional work, the labor rate will be negotiated.

The base price does not include transportation.

This price is valid for thirty (30) days.

Production of cars will commence with your acceptance of our offer, material delivery and shop space availability.

Sincerely,

*M. A. Ricciardi* <sup>IAF</sup>

M. A. Ricciardi  
Shop Manager  
Hollidaysburg Car Shop  
Hollidaysburg, PA 16648

Accepted for Customer By: \_\_\_\_\_

Date: \_\_\_\_\_

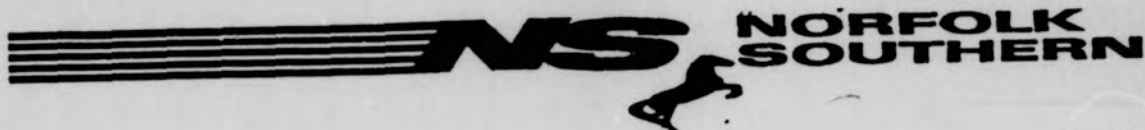


Exhibit 4

Date: November 17, 1999

To: Bob Ward  
The Anderson  
480 W. Dussel Dr.  
Maumee, OH 43537

Phone 419-891-6687  
Fax 419-891-2749

Mr. Ward:

The following is a revised proposal to convert 91 each 70 ton box cars to 100 ton box car and to do only the base price listed below. The cost would be \$21,698 per car for a base price. As discussed three options are also being provided which are not included in the above work content and price.

The first option would be to blast, paint and stencil the exterior only of the car. This cost would be an additional \$1,701 per car.

The second option would be to replace the existing wood floor with new laminated wood. This would cost an additional \$6,127 per car.

The third option would be to use the existing wood floor with a 3/16 steel floor overlay. This cost would be an additional \$3,001 per car.

The base price includes:

1. Upgrade of underframe from 70 ton to 100 ton complete with stress analysis and documentation.
2. Conversion of trucks from 70 ton to 100 ton.
3. Remove Hydro-Cushion units (20-14), apply and replace with new Keystone single action unit and all required modifications.
4. Reweigh car and stencil new weight and load limit.

No interior work is in price and will be billed at additional cost per Bob Ward.

This price does not include transportation.

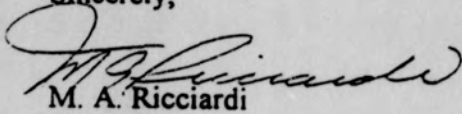
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This price does not include any Rule 95 damage.

This price is valid for thirty (30) days.

This voids any previous offer.

Sincerely,



M. A. Ricciardi  
Shop Manager  
Hollidaysburg Car Shop  
Hollidaysburg, PA 16648

Proposal #2

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_



Exhibit 5

Date: October 2, 2000

To: Mr. Rich Vath  
AllTranstek, LLC.  
120 E. Ogden Ave., Suite 128  
Hinsdale, Illinois 60521

From: M. A. Ricciardi  
Shop Manager  
Hollidaysburg Car Shop  
Hollidaysburg, PA 16648

Dear Mr. Vath,

On behalf of Norfolk Southern, we would like to thank you for giving us the opportunity to quote on fifty (50) and one hundred (100) triple hopper aggregate cars.

If you should elect to use the Trinity Industries Inc. supplied car body kit; our base price for fifty (50) triples would be \$36,469 per unit. The base price for one hundred (100) triples would be \$33,488 per unit.

As of this date Johnstown America Corporation has not provided us with a kit price. Therefore, we cannot quote a price using a Johnstown America kit.

The base prices listed above include the following:

1. Triple hopper Car Body Kit with 45-degree slope sheets designed and built for 286,000 Gross Rail Load and approximately 2500 cubic foot capacity.
2. Shorten total length of the center sill approximately 7'3" and apply the required splice plates according to AAR Rule 57.
3. Blast, Paint & Stencil
  - a. Commercial SP7 Blast exterior of car.
  - b. Paint exterior of car to achieve 4 mils DFT.
  - c. Apply Decals according to AAR Rule 80 minimal requirements.
4. Rule 88.B.2.b inspection.
5. Single car air test.



Car owner is responsible for the Stress Analysis, Engineering and all related costs. This cost is not included in the above quoted price.

The above mentioned Car Body Kits from Trinity Industries Inc. include standard Wine door operating mechanisms.

Underframe betterment and modifications that may be required as a result of the Stress Analysis for 286,000 Gross Rail Load will be billed separate from the base price.

All Rule 95/Wreck Damage will be billed separately.

The base price does not include transportation.

This price is valid for thirty (30) days.

Production of cars will commence with your acceptance of our offer, material delivery and shop space availability.

This proposal replaces all previous offers concerning triple hopper aggregate cars.

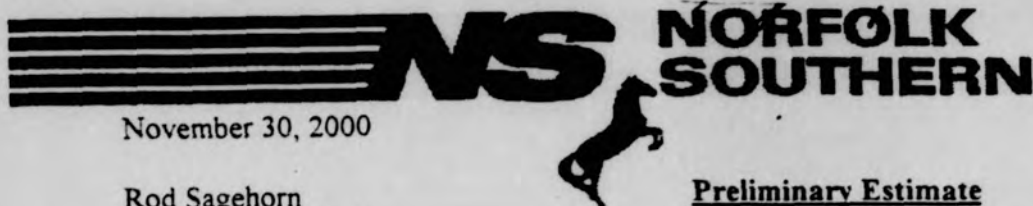
Please indicate your acceptance of our offer by signature in the area provided below and return signed copy with your purchase order.

Sincerely,

M. A. Ricciardi  
Shop Manager  
Hollidaysburg Car Shop  
Hollidaysburg, PA 16648

Accepted For Customer by: \_\_\_\_\_

Date: \_\_\_\_\_



November 30, 2000

Rod Sagehorn  
A.V.P. Mechanical  
First Union Rail Corporation  
One O'Hare Center  
6250 River Road, Suite 5000  
Rosemont, IL 60018-4214

Preliminary Estimate

The following is the preliminary price to modify forty (40) Ortner built rapid discharge open top hoppers from 4 pocket to 3 pocket and applying 60 degree slope sheets to the A & B ends (Existing 45 degree slopes would remain intact). Reporting marks unknown at this time.

This preliminary price is based on the like kind program presently being worked in our facility and following directly behind this program that is in process as of December 1, 2000. A final price to do the work stated below will be given, once the cars are inspected and verification is made that all forty (40) candidates are of the same builders lot, etc as the program that is presently running at the Hollidaysburg Car Shop.

The preliminary price will be \$ 23,900 per unit.

This price includes the following:

1. Remove approximately 9' - 7 1/2" from the total length of the car.
2. Butt welding the center sill, side sill, top chord and applying splice plates.
3. Repair by patching (Overlay) intermediate slope sheets, hopper chutes, and longitudinal hoods, as required.
4. Apply new door (Formed Overlay) sheets and secure by Huck.
5. Perform all necessary mechanical repairs to the air brake system, draft system and trucks. (Including Wheels).
6. Apply new 60-degree slope sheets to the interior A & B ends.
7. Complete Stress Analysis and submit documentation.
8. Increase gross rail load to 286,000.
9. Single Car Air Test
10. Reprogram AEI Tags

STB

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203014

2 of 2

11. Commercial (SP 7) blast exterior of car. Paint exterior of car to achieve 4 mils DFT, Stencil (Paint) car according to AAR Rule 80.

This price does not include transportation.

All Rule 95/Wreck damage will be billed separate from the base price.

Cc: William Karol



US OFFICE PRODUCTS

SUPPLEMENTAL VERIFIED STATEMENT OF

ROBERT H. BELVIN

My name is Robert H. Belvin. I am Manager -- Budget Planning and Operations of Norfolk Southern Corporation. I am submitting this supplemental verified statement in support of Norfolk Southern's reply to the "Reply of Various Unions and the Commonwealth of Pennsylvania to Norfolk Southern Corporation's Response to Decision No. 186" filed on July 16, 2001.

I previously submitted a verified statement dated April 17, 2001 in support of Norfolk Southern's response (NS-79) to the initial petition of the unions and Pennsylvania concerning the Hollidaysburg car repair shops (the "Shops"). In that statement I showed that the unions' witness, Thomas Lutton, was incorrect in stating that the Shops have been operating at a profit. In fact, if the Shops were considered as a stand-alone facility, my very conservative estimate was that "the shops have operated at a substantial loss since Day One. For the year 2000, the only year for which I have complete numbers, they operated at a loss of at least \$6,824,211." I attached a summary of my calculations as Exhibit 1 to my statement.

I am submitting this supplemental statement to respond to statements in the petitioners' July 16, 2001 reply that dispute or question the calculations in my previous statement.

Specifically, the reply states Reply at 27-28):

Indeed the calculation supplied by NS contains numerous classifications that are unexplained and earnings that are discounted. 9/

9/ For example, NS has deducted \$7,613,497 from its earnings on insourcing for labor and other costs, but NS has also cited \$4,144,472 as labor costs attributable to insourcing, NS appears to have counted labor costs for insourcing twice. And NS has identified a cost of \$2,474,963 for labor for "freight car repairs," but then it also identified a labor cost of \$1,890,163 for capital programs, \$3,431,020 for shop labor expenses, and another \$3,321,660 for "all other labor". Since NS already accounted for insourcing labor costs and shop

labor expenses, it is not clear what the separate labor costs are for freight car repairs, capital programs and all other labor; nor is it clear what is included in all other labor at \$3,321,660.

Although I believe my previous statement did explain the various classifications, I will explain them further in this statement and will show that there was no double counting of labor or any other costs.<sup>1</sup>

My previous Exhibit 1 was intended to explain my calculation of the Shops' losses in 2000 in a reasonably understandable format by identifying the various categories of the Shops' revenues, credits and expenses. It does not double count any expense.

Exhibit 1 begins by looking at the total contribution to the Shops from Insourcing. This contribution, \$2,653,769, consists of total revenues from Insourcing Sales - \$10,267,266 minus the \$7,613,497 variable costs to produce that insourcing work, Insourcing Costs of Goods Sold. The \$7,613,497 includes the labor component of the insourcing work - \$4,144,472.

Exhibit 1 then lists all of the categories of labor expenses. One of those is "Insourcing projects (including fringe allocation)." The amount for this category (\$4,144,472) is the *same* amount included as the labor component in the Insourcing Costs of Goods Sold, but as I explain below, I "reverse out" or credit this same amount to avoid double counting of this expense.

The listing of labor expenses also includes "Billable (including fringe allocation)" (\$3,595) and "Capital programs (including fringe allocation)" (\$1,890,163). Each of these expenses, as well as the insourcing labor, insourcing materials and insourcing other expenses, produces a directly associated benefit. Therefore, I added these expenses back in as a credit under the category "Billable, Insourcing and Capital Program Work in Process Credits" to ensure

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<sup>1</sup> I note that petitioners' reply to NS-79, filed on May 9, 2001, raised none of these issues. If it had, I would have submitted this statement with NS-84, NS' response to Decision No. 186.

that the benefit was reflected, and to ensure that no expense was double counted. The total labor credit listed, \$6,038,230, is the sum of \$4,144,472 ("Insourcing Projects (including fringe allocation)") and \$3,595 ("Billable (including fringe allocation)") and \$1,890,163 ("Capital programs (including fringe allocation)").

Petitioners also state in footnote 9 that it is not clear what are the various labor costs identified in my Exhibit 1 other than insourcing labor costs. These are all distinct categories of labor costs incurred by the Shops in the year 2000 that cannot be attributed directly to the insourcing work. "Freight car repairs" (\$2,474,963) are labor costs incurred in repairing NS cars. "Capital programs (including fringe allocation)" (\$1,890,163) are expenditures for work on freight cars that are capitalized as a result of extending the useful lives of the cars. "Shop expense" (\$3,431,020) are the costs of employees in the shops not assigned to specific car repair positions, for example, material handling personnel and personnel involved in cleaning the Shops. "All other labor" includes a variety of other labor costs that cannot be assigned to specific car repair work, such as vacation costs, costs of attending meetings, general supervision costs and costs of repairing the shops themselves.



VERIFICATION

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

Executed on July 25 2001

Robert H. Belvin

Robert H. Belvin

US OFFICE PRODUCTS

**VERIFIED STATEMENT OF ANTHONY J. LICATE**

1. My name is Anthony J. Licate and I am employed as Director Labor Relations for Norfolk Southern Corporation ("NSC"). My responsibilities include administration and interpretation of collective bargaining agreements between NSC's rail subsidiaries, including Norfolk Southern Railway Company ("NSR"), and the labor organizations representing the mechanical crafts, including the craft of carman represented by the Brotherhood Railway Carmen Division, Transportation Communications International Union ("BRC"). My business address is 223 East City Hall Avenue, Norfolk, VA 23510.

2. I wish to address the assertion of NSR carman Joseph H. Letcher, in his verified statement executed July 11, 2001, that NSR and the labor organization representing employees at the Hollidaysburg Car Shop had negotiated a reduced rate agreement for new hires at the Hollidaysburg Car Shop, and that "Norfolk Southern management, not the organization, backed out of the agreement." (Letcher Declaration par. 9)

3. Mr. Letcher is incorrect. In fact, NSR had reached a tentative reduced wage rate agreement for new hires at Hollidaysburg Car Shop with the Transport Workers Union of America ("TWU"), the labor organization formerly representing carmen at Hollidaysburg Car Shop when it was operated by Conrail, subject to BRC's approval. BRC, however, was unwilling to execute the agreement and thus no agreement could be finalized.

4. BRC is the exclusive representative of all NSR carmen for purposes of collective bargaining under the Railway Labor Act (including those at Hollidaysburg), and thus no labor agreement applicable to Hollidaysburg carmen can become effective without BRC consent. BRC has, however, agreed to TWU's involvement in negotiations on behalf of carmen working

at former Conrail facilities who were formerly represented by TWU, and thus NSR worked initially with TWU to develop such an agreement. An agreement acceptable to both NSR and TWU was developed in November, 1999, and then submitted to BRC for its approval.

5. BRC declined to sign the agreement in December, 1999, and despite further efforts to reach agreement with BRC, including a meeting between NSR, BRC and TWU on March 21, 2000, BRC remained unwilling to approve such an agreement, except on terms which NSR could not reasonably accept (i.e. assurances that NSR would not transfer work from Roanoke to Hollidaysburg, and that current employment levels at these two locations would be maintained for the next thirty years). My letter of March 27, 2000 to BRC and TWU summarizing these developments is attached as Appendix A.

6. I also want to address the continuing skepticism expressed by the petitioners concerning the value of Norfolk Southern's statements concerning certification of transferring employees under New York Dock ("NYD") (Petitioners' July 16 filing at 23, fn. 8). The original Conrail implementing agreements with three shopcraft unions provided for transferring employees to be certified as eligible for NYD benefits. Norfolk Southern has said that, if agreements are reached, we would certify employees represented by the other shopcraft unions who transfer as a result of the Hollidaysburg transaction. That is, employees who transfer would be entitled to NYD protection, and would get that protection (for up to six years) if they are subsequently laid off (or have their earnings reduced). By being "certified", the employees are relieved of the burden of demonstrating causation and are entitled to dismissal or displacement allowances if furloughed or they suffer a diminution of earnings during the protective period. Of course, those employees would still be required to exercise seniority (or in the case of furlough accept certain comparable employment) as required by NYD. Almost all of the



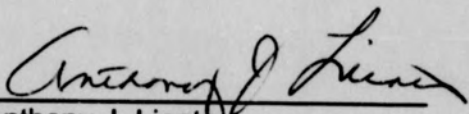
Hollidaysburg employees have more than six years service (only a handful do not) and thus almost all transferring employees would be eligible for protection for six years.

7. Finally, I want to address petitioners' contentions that through use of so-called "cramdown" authority, Norfolk Southern has effected the taking of employee rights from the carmen at Hollidaysburg Car Shop (and Juniata), not only in pay and benefits, but also in work rules (Petitioners' July 16 Filing at 32). In fact, in the Conrail transaction, Norfolk Southern and the other carriers negotiated a voluntary implementing agreement with the carmen (which applied the Norfolk and Western agreement to our portion of Conrail). That agreement failed ratification and was then imposed by the NYD Section 4 arbitrator. TWU then appealed that arbitration decision to the STB. Thereafter, NS and CSX reached new agreements with the union which gave the union some additional items it wanted. Some of these items were unrelated to the Conrail transaction. For example, the additional agreements enhanced the existing on-property unemployment protection applicable to the former Conrail employees by increasing the amount of protection and by making additional employees eligible for it. As a result of that agreement, TWU adopted and agreed to the arbitrated implementing agreement as modified. Thus, it is incorrect for TWU to say Norfolk Southern "took" anything, as the parties voluntarily negotiated and arrived at the existing implementing agreement.

VERIFICATION

I, Anthony J. Licate, verify under penalty of perjury, that I have read the foregoing Supplemental Verified Statement of Anthony J. Licate and know its contents, and that the same is true and correct to the best of my knowledge and belief.

Executed this 25<sup>th</sup> day of July, 2001.

  
\_\_\_\_\_  
Anthony J. Licate

Appendix A

A. J. Licata  
Director  
Labor Relations  
(767) 628-2470

March 27, 2000

CN-CM-24

Mr. J. Czuczman  
International Vice President, TWU  
Director-Railroad Division,  
80 West End Avenue  
New York, NY 10023

Mr. R. A. Johnson  
International Vice President, BRC  
3 Research Place  
Rockville, MD 20850

Gentlemen:

This refers to our meeting in Philadelphia on March 21, 2000 in connection with the proposed reduced rate of pay agreement applicable to Hollidaysburg Shop.

BRC expressed a concern that this agreement might lead NS to transfer work from Roanoke to Hollidaysburg and sought assurance from NS that such a transfer would not be effected. Additionally, BRC sought assurance from NS that current employment levels at both Roanoke and Hollidaysburg would be maintained for the next thirty years.

NS responded that it could not provide such assurances because it was unable to predict what changes might prove to be necessary in the future. Moreover, the October 16, 1998 Implementing Agreement specifically recognized that additional transfers between former Conrail and NS locations could occur and it sets forth a methodology to effect such changes. Indeed, a number of such transfers have already taken place.

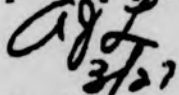
In Norfolk Southern's view, the establishment of a reduced pay agreement at Hollidaysburg, akin to the one that already exists at Roanoke, should be viewed as an effort to create a level playing field and as an attempt to make Hollidaysburg more efficient and productive so that it could endeavor to compete for work from both inside and outside the Company.

The proposed Hollidaysburg reduced pay agreement indicated that "work being performed at other NSR shops will not be transferred to Hollidaysburg solely in order to take advantage of the lower rate of pay. Because Roanoke already has a reduced pay arrangement in effect, the motivation for any subsequent transfer from Roanoke to Hollidaysburg would obviously not be based solely on a desire by management to take advantage of the lower rate of pay (for new employees) which the proposed agreement would effect.

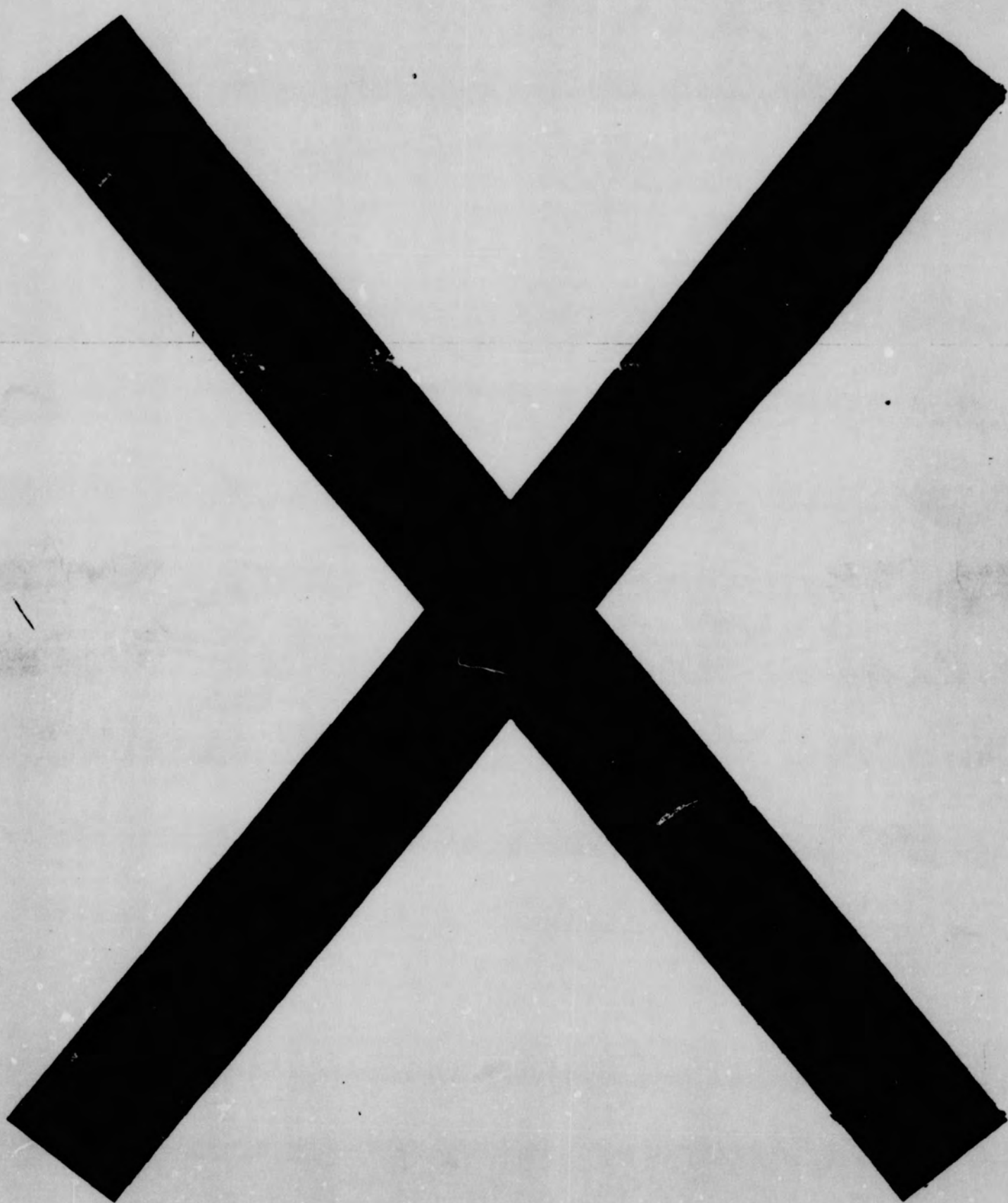
In spite of the commitments made by NSR, Mr. Johnson explained that BRC could not sign the reduced rate of pay agreement for Hollidaysburg Shop.

Accordingly, NSR hereby withdraws the proposed agreement and we have closed our file on this matter.

Very truly yours,

  
3/27

/s/A. J. Licata





STB

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7-16-01

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# TROUTMAN SANDERS LLP

ATTORNEYS AT LAW  
A LIMITED LIABILITY PARTNERSHIP

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David C. Reeves  
david.reeves@troutmansanders.com

Direct Dial: 202-274-2932  
Fax: 202-654-5624

July 16, 2001

**BY HAND DELIVERY**

The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

ENTERED  
Office of the Secretary

JUL 17 2001

Part of  
Public Record



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 please find the original and 26 copies of the Comments Of AES Eastern Energy With Respect To Decision No. 186, filed on behalf of AES Eastern Energy. A copy of the comments is also contained on the enclosed disk in WordPerfect format. As can be seen from the certificate of service, a copy of these comments has been served on all parties to the above-captioned proceeding.

Please acknowledge receipt and filing of the enclosed copies by stamping the 26<sup>th</sup> copies of this letter and the comments, enclosed for that purpose, and returning them to the person making this filing for return to me. If there are any questions concerning this matter, please call me.

Sincerely,

David C. Reeves

Enclosures

cc: AES Eastern Energy  
All Parties of Record

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ENTERED  
Office of the Secretary

JUL 17 2001

Part of  
Public Record

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

COMMENTS OF AES EASTERN ENERGY  
WITH RESPECT TO DECISION NO. 186

DAVID C. REEVES  
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SUITE 1000  
WASHINGTON, D.C. 20004-2134  
202-274-2932 (PHONE)  
202-654-5624 (FAX)

ATTORNEY FOR AES EASTERN  
ENERGY

July 16, 2001

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**FINANCE DOCKET NO. 33388**

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**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**

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**COMMENTS OF AES EASTERN ENERGY  
WITH RESPECT TO DECISION NO. 186**

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AES Eastern Energy ("AESE") submits the following comments in response to Decision No. 186 of the Surface Transportation Board ("STB" or "Board") in this proceeding. AESE supports the position of Norfolk Southern Railway Company, *et al.* ("NS") that for the Board to order NS to continue the money-losing operation of the Hollidaysburg Car Shops ("Shops") would directly conflict with the Board's guiding principles - the National Rail Transportation Policy ("NRTP").

**Background**

On March 28, 2001, a group of six rail unions and the Commonwealth of Pennsylvania (collectively, "Petitioners") petitioned the Board to order NS to continue (apparently indefinitely) to operate the Shops and to invest \$4 million in that facility, as projected in NS's application to acquire a portion of Conrail. A seventh union representing employees of the Shops joined the petition on April 13. NS replied to the petition on April 17. On April 25, U.S. Senator Arlen Specter filed comments supporting the petition.



On May 21, the Board issued Decision No. 186, directing NS to show cause why it should not be directed to keep the Shops open at present capacity for "a significant period of time." The Board, however, declined consideration "at this time" of requiring NS to make the \$4 million capital investment at the Shops projected in NS's earlier filings. Decision No. 186 at 8, n. 25. NS responded to the Board's order on June 25, 2001.<sup>1</sup> NS's filing, NS-84, detailed NS's statements about the Shops before the Board and elsewhere, the changes in economic conditions affecting the viability and competitiveness of the Shops, and agreements made with various Petitioners which were the bases for their support for (or subsequent acquiescence in) the Conrail transaction.

#### Discussion

AESE agrees with the apparent premise of Decision No. 186 that merger applicants should be held to their on-the-record promises upon which other parties rely. However, the record here clearly shows that NS did not make such promises. To force NS to continue money-losing operations at the Shops until the Board determines that NS's losses are severe enough to justify closing the Shops would conflict directly with the NRTP, which directs the Board to foster sound economic conditions in the rail industry.

NS's June 25 filing demonstrates that the Shops are an underutilized facility with high overhead costs, operating at a significant economic loss despite NS's insourcing efforts and diversion of work to the Shops from elsewhere on the NS system. NS's testimony shows that considering all the work and all the costs of the Shops, operation of the facility left NS with at least a \$6.82 million loss in the year 2000. That result occurred despite NS having designated

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<sup>1</sup> Filed pursuant to the due date extension contained in Decision No. 188, served June 8, 2001.

employees to "insource" car repair and rebuilding work for the Shops. Those employees' efforts accounted for over half of the volume of car work handled at the Shops.

NS's witnesses also refute various allegations by Petitioners concerning other car repair work that allegedly was to have been performed at the Shops but which never materialized. While Petitioners attribute these instances to some shortcoming on NS's part, NS's testimony shows that various business prospects did not materialize for a variety of reasons having nothing to do with an alleged lack of business development efforts on NS's part.

In short, NS's testimony shows that the Shops are a huge facility, used at only about one-third of its capacity, despite NS's best efforts to generate additional business for the facility. NS's evidence further shows that work on NS's own fleet has been diverted to the Shops in an effort to improve their viability, probably at the expense of facilities such as NS's Roanoke shops. Despite these significant efforts by NS, the Shops have continued to operate at a major economic loss. Petitioners request that the Board order NS to continue to incur those losses.

The Board should not force NS to continue losing large amounts of money on operation of the Shops. The NRTP specifies that the Board should "foster sound economic conditions in transportation" and "promote a safe and efficient rail transportation by allowing rail carriers to earn adequate revenues." 49 U.S.C. §10101(3 & 5). Forcing NS to continue losing nearly \$7 million per year for "a significant period of time" clearly would harm, rather than solidify, economic conditions in the rail industry and would not help NS to earn adequate revenues. Similarly, the Board's proposed unique intervention in this matter would not "minimize the need for Federal regulatory control over the rail transportation system." 49 U.S.C. §10101(2). Indeed, quite the opposite would occur as the Board would step into an unprecedented role of making rail management decisions on the efficient allocation of rail car work among NS's many facilities.

And finally, it would not serve the goal of "encourag[ing] honest and efficient management of railroads," 49 U.S.C. §10101(9), to deliberately prevent NS from making an efficient allocation of its assets.

The action Petitioners have requested of the Board would fly in the face of the most important principle underlying the Staggers Act - that allowing railroads greater opportunities to eliminate unnecessary inefficiencies is a principal means of improving their capacity to serve their customers. Had parties relied on explicit promises by NS on the record in this case<sup>2</sup> about keeping the Shops open for a set period of time and had NS then violated those promises, Petitioners would have a significant grievance that the Board should deal with sternly. But that is not the case here. Rather, NS projected restoring the Shops to fuller use, but found that despite its best efforts at insourcing work and diverting in-house work to the Shops, the economics of the Shops in an economic downturn created a significant drain on NS's finances.

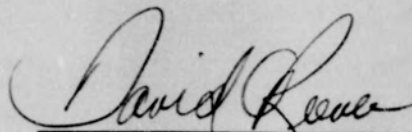
#### Conclusion

Having made a significant effort for over two years at preserving the Shops, NS should not be ordered to continue losing large sums of money or to operate inefficiently to comply with the hopeful projections in its application about restoring the Shops to levels of activity of which they may be capable, but which they have not seen for many years. The Board should deny the Petitioners' requests.

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<sup>2</sup> As Decision No. 186 states, the Board said in approving the Conrail transaction, "We think it appropriate to note, and to emphasize, that CSX and NS will be required to adhere to all of the representations *made on the record during the course of this proceeding . . .*" (emphasis added). *Id.* at 4.

Respectfully submitted, this 16<sup>th</sup> day of July, 2001.

A handwritten signature in cursive script, reading "David C. Reeves". The signature is written in dark ink and is positioned above a horizontal line.

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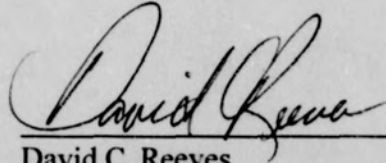
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202-654-5624 (FAX)

ATTORNEY FOR AES EASTERN  
ENERGY



**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the foregoing comments has been served the 16<sup>th</sup> day of July, 2001, by first class mail or more expedited form of service upon all parties of record in this proceeding.

A handwritten signature in cursive script, appearing to read "David C. Reeves", is written over a horizontal line.

David C. Reeves  
Attorney for AES Eastern Energy



STB

FD-33388

7-16-01

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**STEPTOE & JOHNSON LLP**

ATTORNEYS AT LAW

Samuel M. Sipe Jr.  
202.429.6486  
ssipe@steptoe.com

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Office of the Secretary

JUL 17 2001

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July 16, 2001

**Via HAND DELIVERY**

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

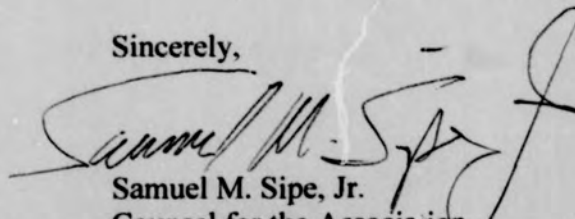
RE: **CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company – Control and Operating Leases/Agreements – Conrail, Inc. and Consolidated Rail Corporation – Finance Docket No. 33388**

Dear Secretary Williams:

Enclosed for filing in the captioned proceeding, please find an original and twenty-five copies of the Comments of the Association of American Railroads in Reply to Norfolk Southern's Response to Decision No. 186 Regarding the Hollidaysburg Car Shops.

If you should have any questions concerning this filing, please direct them to the undersigned.

Sincerely,



Samuel M. Sipe, Jr.  
Counsel for the Association  
of American Railroads

Enclosures

cc: Parties of Record



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**Office of the Secretary**

JUL 17 2001

**Part of**  
**Public Record****BEFORE THE**  
**SURFACE TRANSPORTATION BOARD**

Finance Docket No. 33388

**AAR-1**

**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 OF THE ASSOCIATION OF AMERICAN RAILROADS**  
**IN REPLY TO NORFOLK SOUTHERN'S RESPONSE TO DECISION NO. 186**  
**REGARDING THE HOLLIDAYSBURG CAR SHOPS**

---

The Association of American Railroads ("AAR") respectfully submits these comments in reply to Norfolk Southern Corporation and Norfolk Southern Railway Company's (collectively "NS") June 25, 2001 response to the Board's May 21, 2001 decision in the captioned matter. In that decision, the Board directed NS to "show why the Board should not order NS to cancel its announced closure of the Hollidaysburg, Pennsylvania car repair shops" and "to keep the shops open at least at present capacity for a significant period of time beyond September 1, 2001."

*CSX Corporation et al. and Norfolk Southern Corporation et al - Control and Operating Leases/Agreements - Conrail Inc. et al.*, STB Finance Docket No. 33388, Decision No. 186 at 1 (served May 21, 2001) ("CSX/NS/CR") ("Decision No. 186").

NS recently announced that as of September 1, 2001 (now October 1, 2001) it would close the Hollidaysburg, Pennsylvania Car Shops that it had acquired in the CSX/NS acquisition of Conrail and transfer the work from those facilities to other car repairs shops on the NS system.

In response to that announcement, the Commonwealth of Pennsylvania and several labor unions petitioned the Board for an order directing that "NS must make the \$4 million in improvements [to the Hollidaysburg shops] that it promised, and that NS must retain and continue to operate the shops as it repeatedly represented it would." *Id.* at 20.

Petitioners pinned their demand for relief on Ordering Paragraph No. 19 of the Board's decision approving the Conrail control transaction with conditions. Ordering Paragraph No. 19 provides that "Applicants must adhere to all of the representations they made during the course of this proceeding, whether or not such representations are specifically referenced in this decision." *CSX/NS/CR*, Decision No. 89 at 176 (served July 23, 1998) ("Decision No. 89").

Decision No. 186 requires NS to explain why it should not be ordered to keep the shops open in light of the alleged NS representations to keep them open, notwithstanding NS' claims that the shops are operating at a substantial loss. The Board stated that "the order we contemplate would require NS not to shut down the Hollidaysburg Car Shops, and would further require NS to keep these shops open at least at present capacity for a significant period of time after September 1, 2001." Decision No. 186 at 8, n.25.

AAR, the trade association whose members include the nation's Class I freight railroads, does not take a position as to whether the proposed order should issue. Instead, AAR submits these comments to address the principles that it believes should guide the Board's decision in this case. The first principle is that "representations" conditions should be applied to specific commitments made by the applicants *on the record* and not to extra-record communications that do not provide any basis for a Board decision in a rail control proceeding. Consistent with this first principle, AAR believes that the Board should take care to preserve the heretofore clear distinction between *firm commitments* made to parties and/or the Board and *projections*

contained in the applicants' operating plans, which are applicants' good faith, but nonetheless fallible, estimates of future traffic flows, market demands, and operating needs.

As a second principle, the Board should be guided by its well-established policy not to micromanage the railroads' business and the National Rail Transportation Policy's directive to allow railroads to conduct business without government interference.

## **DISCUSSION**

### **I. THE BOARD SHOULD ENFORCE ONLY REPRESENTATIONS THAT ARE MADE ON THE RECORD**

#### **A. Enforcement of Extra-Record Representations Would Be Inconsistent with the Statute and Contrary to Sound Policy**

If the Board were to enforce representations other than those specifically made on the record in proceedings before the agency, it would initiate a practice that could have far-reaching, detrimental effects. First, any such policy would be at odds with the Administrative Procedures Act, and particularly 5 U.S.C. § 706, which requires that an agency decision be based *on the record before it at the time of the decision*. The record in an administrative proceeding under section 706, has been defined as including "all materials 'compiled' by the agency [] that were 'before the agency at the time the decision was made.'" *Sierra Club v. Slater*, 120 F.3d 623, 638 (6th Cir. 1997), citing *James Madison Ltd. ex rel. Hecht v. Ludwig*, 82 F.3d 1085, 1095 (D.C. Cir. 1996), *cert. denied*, 117 S. Ct. 737 (1997). The administrative record for purposes of review or enforcement consists of: (1) the order involved; (2) any findings or report on which it is based; and (3) the pleadings and evidence presented to the agency. Fed. App. Rule 16. Affidavits and other documents that were not before the agency when it made its decision are not

part of the record. See e.g., *Cleghorn v. Herrington*, 813 F.2d 992 (9th Cir. 1987); *Citizens to Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402 (1971).

Second, fundamental fairness requires that applicants in a rail control proceeding know before implementing a transaction what conditions are being or may be imposed upon them as a result of the agency proceeding. The way to accomplish that is to ensure that they are held responsible only for adhering to representations made "on the record" and made known to all interested parties. Enforcement of representations *not* made on the record could result in the imposition of additional conditions after the transaction has been implemented. As the Board pointed out in its new merger rules, it would be unfair to impose additional conditions on applicants after they had reached a point at which they no longer could opt out of the transaction if the conditions were too burdensome. See, *Major Rail Consolidations*, STB Ex Parte No. 582 at 45, n.53 (served June 11, 2001).

Enforcement of representations made outside the record could open the door to a myriad of third party claims of representations that were never made before the Board, but allegedly were made by some officer, employee or representative of applicants in other venues. The Board would find itself increasingly involved in resolving disputes over ambiguities in the extra-record evidence. As the Board stated in Decision No. 124 in this proceeding, "[it] generally prefer[s] not to have to resolve controversies about what parties intended in their off-the-record correspondence." *CSX/NS/CR*, Decision No. 124 (served May 18, 1999), 1999 STB LEXIS 296 \* 17 ("Decision No. 124").

In applying its "representations" conditions, the Board itself has recognized the principle that applicants are to adhere to representations made "on the record." In Decision No. 89, the Board stated in its overview that it intended to include a condition that would among other things



ensure "applicants' adherence to the various *representations that they made on the record during the course of the proceeding.*" Decision No. 89 at 21, n.36 (emphasis added). In its subsequent discussion of that condition, the Board repeated that statement verbatim and gave examples of the types of representations that would be enforced. The examples that it gave were representations that NS and CSX had made either in signed agreements submitted to the Board or in proffers made on the record.

The rationale for limiting the condition to on the record representations is straightforward. As the Board itself explained in Decision No. 124, *supra*, "When representations are not made on the record, there is no opportunity for us, with the assistance of the parties, to iron out any ambiguities they may involve before we reach a final decision on what conditions to impose." Decision No. 124 at \* 17 (emphasis added).

**B. Projections in Control Applications Should Not Be Transformed into Binding Commitments**

In deciding the pending dispute, the Board should preserve the long-standing and important distinction between *commitments* made by applicants on the record in a control proceeding and *projections* contained in control applications. Privately-negotiated agreements which are submitted to the Board and adopted or imposed by the Board as a condition to its approval are commitments subject to the Board's jurisdiction. Aside from these formal agreements, applicants also make proffers to the Board that constitute binding representations.

Projections made by applicants in rail control applications, particularly projections made in operating plans, are distinct from binding commitments. The application process requires applicants to make a good faith effort to predict how they will operate following approval of a transaction. This entails *projections* of traffic flows, *projections* of economic conditions, *projections* of shipper demand and requirements, *projections* of competition from other rail

carriers and other transportation modes, *projections* of capital investment and equipment needs, and *projections* of labor requirements. Many of these *projections* do not materialize in precisely the manner that applicants anticipate because real world market conditions are not static.

The Board itself has repeatedly recognized the distinction between commitments and projections and refused to treat statements made in operating plans as legally binding commitments. In Decision No. 96, the Board stated that "while railroads do their best to predict the amount of post-transaction traffic likely to move over a given line, railroads need flexibility because the amount of traffic that actually moves over a particular line depends on shipper demand. Indeed, a traffic cap could well interfere with applicants' ability to carry out their statutory obligation to provide common carrier service upon reasonable request. . . . *railroads must be permitted to decide on a continuous and ongoing basis [what is] most efficient to meet their customer's needs.*" CSX/NS/CR, Decision No.96 at 194 (served Oct. 19, 1998) (emphasis added) ("Decision No. 96").

The Board recognized this distinction between commitments and projections in its recent oversight decision in this proceeding, explaining that operating plans were simply "applicants' best projections regarding what traffic they can profitably serve," and that the operating plans do not "provide a basis in and of themselves for relief" under the representations condition. CSX/NS/CR, Finance Docket No. 33388 (Sub-No. 91) [General Oversight], Decision No. 5 at 24-25 (served Feb. 2, 2001). This conclusion is consistent with the Board's ruling in the UP/SP oversight proceeding that "[t]here is no requirement that a merger applicant actually make investments in the exact places or at the precise dollar amount that it *predicts* it will spend in its application." *Union Pacific Corporation et al. - Control and Merger - Southern Pacific Rail*

*Corporation et al.*, Finance Docket No. 32760 (Sub-No. 21) [General Oversight](served Dec. 15, 2000), 2000 STB LEXIS 744 at \* 30 (“UP/SP”)(emphasis added).

Finally, in its newly revised rail merger rules, the Board reaffirmed and codified the propositions that applicants “must have flexibility” to deviate from their operating plans to meet market challenges (*Major Rail Consolidations* at 22-23) and that the Board must allow for that flexibility throughout the oversight proceedings. *Id.* at 39.

The Board should continue to adhere to its rule that projections made in a control application, and particularly those contained in the operating plan are not *commitments* that should be enforced under the representation condition.

## **II. THE BOARD SHOULD REFRAIN FROM SECOND GUESSING RAILROAD MANAGEMENT DECISIONS**

As a second principle, the Board should be guided by its well-established policy not to micromanage the railroads’ business and the National Rail Transportation Policy’s directive to allow railroads to conduct business without government interference. The RTP , codified at 49 U.S.C. § 10101, states that it is the policy of the United States Government, among other things, “to minimize the need for Federal regulatory control over the rail transportation system” (§10101 (2)); “to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, to meet the needs of the public . . .” (§ 10101 (4)); “to foster sound economic conditions in transportation . . .” (§10101 (5)); and “to encourage honest and efficient management of railroads.” (§ 10101(9)). The crux of these goals is to allow railroads to manage their business without burdensome regulatory control.

Consistent with these goals, the Board itself has readily acknowledged in the past that it has neither the expertise nor the desire to interfere with or become involved in the railroads’

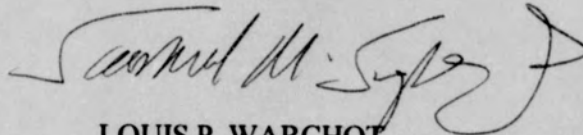
management and decision-making processes. It has "recognize[d] that government cannot operate private business as well as private businesses can operate themselves, and that it would be counter productive for us to impose a remedy that might unreasonably impede [the carriers'] own efforts . . ." *Joint Petition for Service Order*, STB Service Order No. 1518 (served Feb. 17, 1998) ("*1998 Service Order*") (declining to impose emergency conditions that might unduly tax carriers' resources to the detriment of shippers); *see also Joint Petition for Service Order*, STB Service Order No. 1518 (served Dec. 15, 1997) ("*1997 Service Order*") ("Given our view that we cannot run railroads as well as railroads can run themselves, we have provided an environment in which railroads can provide improved service without seeking to micromanage railroad operations ourselves.").

Since the passage of the Staggers Rail Act of 1980, ICC and Board policy has been to allow market forces rather than regulation to shape railroad management decisions on investments and operations. *See e.g.*, Decision No. 96 (declining to impose conditions in perpetuity because "permanent relief would unduly interfere with operations of both applicants and *impair their operating flexibility, which we believe is the real key to efficient, economical operations from which all shippers ultimately benefit.*"); *1998 Service Order* (allowing carriers to develop their own plans for dealing with emergency situations); *1997 Service Order* (promoting environment in which carriers can improve service through cooperation rather than regulation); *CSX/NS/CR*, (Sub-No. 93) (served Feb. 2, 2001) (declining to enforce as legally binding commitments certain authorized construction projects that NS subsequently found to be unnecessary or financially unsound); *UP/SP* (Sub-No. 21) (served Dec. 15, 1998) (declining to impose a condition to provide shortlines daily local service and give local crews priority because that would involve the STB in "micromanaging operating decisions best left to the railroads").



In summary, in deciding the pending dispute, the Board should be guided by the principle that the rail transportation policy and the Board itself have espoused – that railroads should manage their business without burdensome regulatory control or interference.

Respectfully submitted,



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July 16, 2001

CERTIFICATE OF SERVICE

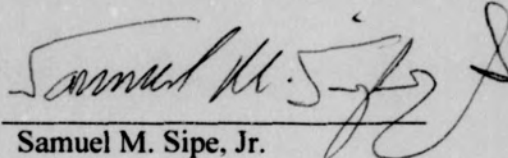
I hereby certify that on July 16, 2001, a true and correct copy of the foregoing was served by hand delivery upon the following:

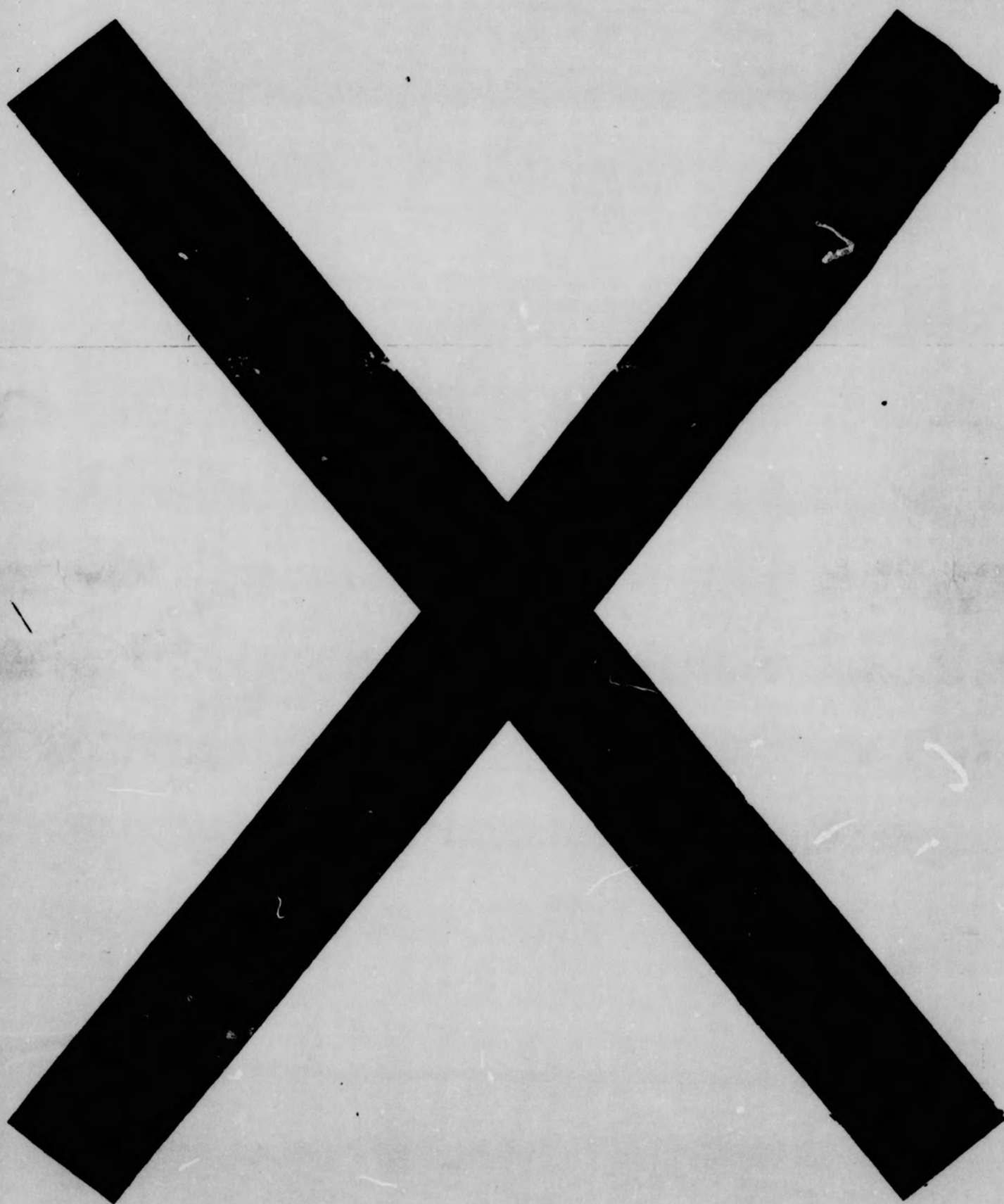
Richard S. Edelman  
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I further certify that a copy of the foregoing has been served, by first class U.S. mail, postage prepaid, or by more expeditious means, on all other parties of record in Finance Docket No. 33388 on July 16, 2001.

  
\_\_\_\_\_  
Samuel M. Sipe, Jr.



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ROBERT C. JUBELIRER  
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Office of the President Pro Tempore



Senate of Pennsylvania

30TH DISTRICT  
PARK VIEW CENTER  
TWELVE SHERATON DRIVE  
P.O. BOX 2023  
ALTOONA, PA 16603  
814-942-5495

July 13, 2001

ENTERED  
Office of the Secretary

JUL 17 2001

Part of  
Public Record



The Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW  
Suite 700  
Washington, DC 20423-0601

Re: Finance Docket No. 33388  
CSX Corporation et al., Norfolk Southern Corp., et al. -  
Control and Operating Leases/Agreements-Conrail, Inc.  
and Consolidated Rail Corp.

Dear Secretary Williams:

We enclose herewith for filing in the above-referenced docket the original and 25 copies of the Reply Of Pennsylvania Senator Robert C. Jubelirer and Pennsylvania Representative Jerry A. Stern.

A 3-1/2" computer disk containing the text of this Reply in Word 2000 format, which is capable of being read by Wordperfect for Windows 7.0, is also enclosed.

Thank you for your attention to this matter.

Sincerely,

Handwritten signature of Robert C. Jubelirer.  
Senator Robert C. Jubelirer  
Senator, 30<sup>th</sup> District

Handwritten signature of Jerry A. Stern.  
Representative Jerry A. Stern  
Representative, 80<sup>th</sup> District

cc: All parties of record in Finance Docket No. 33388

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**FINANCE DOCKET No. 33388**

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

**REPLY OF PENNSYLVANIA SENATOR ROBERT C. JUBELIRER AND  
PENNSYLVANIA REPRESENTATIVE JERRY A. STERN  
TO NORFOLK SOUTHERN'S RESPONSE TO DECISION NO. 186 REGARDING THE  
HOLLIDAYSBURG CAR SHOPS**



We hereby reply to Norfolk Southern Corporation's and Norfolk Southern Railway Company's (collectively referred to as "NS") Response to Decision No. 186 Regarding the Hollidaysburg Car Shops. We represent the constituents residing in the Commonwealth of Pennsylvania's Senate District 30 and Representative District 80, the districts where the Hollidaysburg Car Shops (the "Shops") are located. We are very disturbed by NS's attempt to renege on its commitment to keep open the Shops.

NS made numerous statements in its Application and during the course of the Conrail merger proceedings clearly indicating that it would keep the Shops open and invest substantial capital to rehabilitate the Shops. Many interested parties, including Shop employees and unions representing Shop employees, supported the merger because NS promised to keep the Shops open.

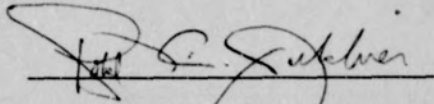
As we understand it, applicants in a major railroad merger must provide the STB with certain information about the merger, including an operating plan. STB approval of a major railroad merger is based, in part, on facts contained in the operating plan. In this merger section 7.1.7 of the NS Operating Plan stated that NS would invest \$4 million on material handling

improvements at the Shops. NS Operating Plan p. 220 App. Vol. 3B at 288. Obviously, if NS planned on investing \$4 million in rehabilitating the Shops, interested parties could reasonably assume NS intended to keep the Shops open.

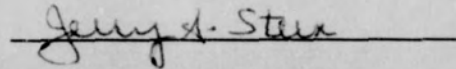
The NS Operating Plan also described how the Shops would be used to support NS's operations. Section 11.6 of the NS Operating Plan stated that "Hollidaysburg will absorb most car program work..." NS Operating Plan p. 258 App. Vol. 3B at 326. In addition, the Verified Statement of NS CEO David Goode stated that "Conrail has excellent...facilities at Altoona/Hollidaysburg...[and] 'insourcing' provides another opportunity to maximize utilization of the system shop at Altoona/Hollidaysburg...." Verified Statement of David Goode p. 16 App. Vol. 1 at 338. The Verified Statement of NS witness D. Michael Mohan said the Conrail merger offered "substantial opportunities to improve efficiency and fully utilize the excellent facilities of Conrail and NS in the Altoona/Hollidaysburg, PA" area. Verified Statement of D. Michael Mohan p. 50 App. Vol. 3B at 62. These statements show NS's clear commitment to invest in and retain the Shops.

Many interested parties, including members of the Pennsylvania Senate Republican Caucus, members of the U.S. Congress, officials of the Commonwealth of Pennsylvania, and various labor unions based decisions to support the Conrail merger on NS's promise to keep the Shops open. The interests of these parties were made known to NS, and in responding to such interests, NS confirmed that it intended to keep the Shops open. For NS to now assert that there was no "expressed or implied agreement, obligation or undertaking to continue operating the Shops for any period of time after Split Date," NS Response at 16, is simply not credible.

For the foregoing reasons, we respectfully request that the STB order NS to (i) cancel its proposed shutdown of the Hollidaysburg Car Shops and (ii) keep the Shops operating at present capacity for a significant period of time beyond September 1, 2001.



Senator Robert C. Jubelirer  
Senator, 30<sup>th</sup> District  
Commonwealth of Pennsylvania



Representative Jerry A. Stern  
Representative, 80<sup>th</sup> District  
Commonwealth of Pennsylvania



