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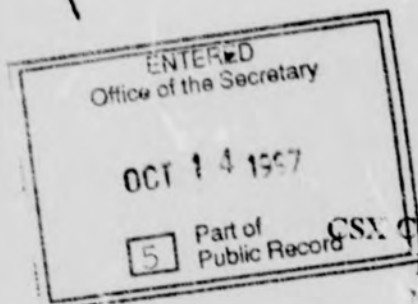
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ORIGINAL



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 33388

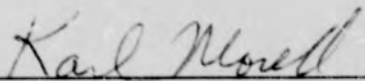


CSX CORPORATION AND CSX TRANSPORTATION INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

PITTSBURGH INDUSTRIAL RAILROAD, INC., NEW ENGLAND CENTRAL
RAILROAD, INC., INDIANA AND OHIO RAILROAD, INC., INDIANA
SOUTHERN RAILROAD, INC., INDIANA & OHIO RAILWAY COMPANY
AND CONNECTICUT SOUTHERN RAILROAD, INC.'S CERTIFICATE OF SERVICE

In accordance with Decision No. 43, served October 7, 1997, in the above-captioned matter, Pittsburgh Industrial Railroad, Inc., New England Central Railroad, Inc., Indiana and Ohio Railroad, Inc., Indiana Southern Railroad, Inc., Indiana & Ohio Railway Company and Connecticut Southern Railroad, Inc., hereby certify that on October 10, 1997, they served on all Parties of Record added to the service list copies of all filings they have submitted so far in this proceeding by first-class mail, postage prepaid.

Respectfully submitted,


Karl Moreli
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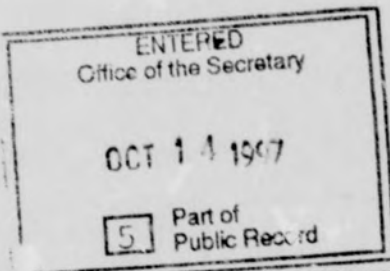
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10-14-97

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182524

ORIGINAL



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 33388



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

APL LIMITED'S CERTIFICATE OF SERVICE

In accordance with Decision No. 43, served October 7, 1997, in the above-captioned matter, APL Limited hereby certifies that on October 10, 1997, it served on all Parties of Record added to the service list copies of all filings it has submitted so far in this proceeding by first-class mail, postage prepaid.

Respectfully submitted,

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Attorney for:
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October 10, 1997

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Hon. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Room 714
Washington, D.C. 20423-0001



Re: Finance Docket No. 33388, CSX and Norfolk Southern -- Control and Lease -- Conrail

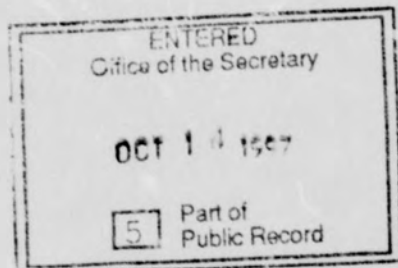
Dear Secretary Williams:

On behalf of Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW"), enclosed are the signed original and 10 copies of their Certificate of Service Required by Decision Nos. 27 and 43 (CN-12). For your convenience, a 3.5-inch floppy diskette in Wordperfect 5.1 is enclosed.

Sincerely yours,

L. John Osborn

Enclosure
cc: Added Parties



182530

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

ENTERED
Office of the Secretary

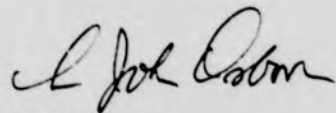
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Part of
Public Record

CANADIAN NATIONAL RAILWAY COMPANY'S
CERTIFICATE OF SERVICE REQUIRED BY DECISION NOS. 27 AND 43

As required by Decision No. 27, served on September 8, 1997, and Decision No. 43, served on October 7, 1997, Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW") hereby certify that they have served on each added Party of Record copies of all filings they have submitted so far in this proceeding by first-class mail, postage prepaid. (CN-1 through CN-3 were filed in earlier dockets, so CN-4 through CN-11 have been served. In order to avoid waste, this certificate is being served only on such added parties.)

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GRAND TRUNK WESTERN RAILROAD INCORPORATED

Dated: October 10, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 33220

CSX CORPORATION AND CSX TRANSPORTATION, INC. -- CONTROL AND
MERGER -- CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

Finance Docket No. 33286

NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY
COMPANY -- CONTROL -- CONRAIL, INC. AND CONSOLIDATED RAIL
CORPORATION

CANADIAN NATIONAL RAILWAY COMPANY'S
RESPONSE IN OPPOSITION TO MOTIONS TO DISMISS



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Dated: April 16, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 33220

CSX CORPORATION AND CSX TRANSPORTATION, INC. -- CONTROL AND
MERGER -- CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

Finance Docket No. 33286

NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY
COMPANY -- CONTROL -- CONRAIL, INC. AND CONSOLIDATED RAIL
CORPORATION

CANADIAN NATIONAL RAILWAY COMPANY'S
RESPONSE IN OPPOSITION TO MOTIONS TO DISMISS



Canadian National Railway Company ("CN") hereby submits this response in
opposition to:

- (1) the Motion to Dismiss Finance Docket No. 33220 (CSX/CR-7), filed on April 10, 1997 by CSX and Conrail, and
- (2) the Motion to Dismiss Finance Docket No. 33286 (NSC-9), filed on April 10, 1997 by NS.¹

¹ Unless the context indicates otherwise, "CSX" will embrace both CSX Corporation and CSX Transportation, Inc., "NS" will embrace both Norfolk Southern Corporation and Norfolk Southern Railway Company, and "Conrail" will embrace both Conrail Inc. and

The motions seek dismissal on the ground that CSX and NS now plan to file a joint application in Finance Docket No. 33388, and no longer intend to file separate applications in the above-referenced dockets. However, CSX, NS and Conrail ignore the fact that there exist outstanding discovery requests against Conrail in both Finance Docket No. 33220 and Finance Docket No. 33286. These discovery requests are the subject of a Motion to Compel Discovery Responses by Conrail, filed by CN on April 14, 1997.

Conrail may argue that the discovery CN has been seeking in the instant dockets is now "moot," and that CN must begin its discovery effort all over again in Finance Docket No. 33388. Conrail also may argue that Judge Leventhal has not yet been empowered to address CN's Motion to Compel in Finance Docket No. 33388. Such arguments would lack merit, and would constitute an attempt by Conrail to "dodge" discovery by the device of switching dockets. Nevertheless, unless and until it becomes clear that CN will be able to pursue in Finance Docket No. 33388 the discovery requests it initiated in the instant dockets -- and do so without being prejudiced by the applicants' decision to begin a new docket -- the instant cases should not be dismissed.

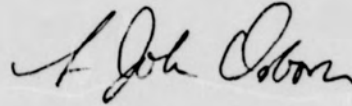
Conclusion

For the reason stated, the Board should refrain from dismissing the instant dockets until CN's pending Motion to Compel Discovery Responses by Conrail has been decided.

Consolidated Rail Corporation.

CN recognizes that Finance Docket Nos. 33220 and 33286 have not been formally consolidated. This motion bears a joint caption in order to avoid wasteful duplication. This motion is being served on known parties in both dockets, and it is designated as "CN-4" in both dockets.

Respectfully submitted,



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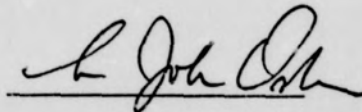
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Attorneys for:
CANADIAN NATIONAL RAILWAY COMPANY

Dated: April 16, 1997

Certificate of Service

The undersigned hereby certifies that on this 16th day of April, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid.



L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

CANADIAN NATIONAL RAILWAY COMPANY'S
RESPONSE IN OPPOSITION TO PETITION FOR PROTECTIVE ORDER (CSX/NS-3)

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Attorneys for:
CANADIAN NATIONAL RAILWAY COMPANY

Dated: April 16, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

CANADIAN NATIONAL RAILWAY COMPANY'S
RESPONSE IN OPPOSITION TO PETITION FOR PROTECTIVE ORDER (CSX/NS-3)

Canadian National Railway Company ("CN") hereby responds to the Petition For Protective Order, filed on April 10, 1997 by CSX, NS and Conrail (CSX/NS-3).¹ For the reasons set forth below, the Board should invite comments from all parties before issuing a Protective Order, so that important issues relating to the exchange of information between "arch competitors" can be properly addressed.

CN recognizes that the Board's practice in recent cases has been to issue a Protective Order without awaiting comments from other parties. Under such an approach, a party

¹ Unless the context indicates otherwise, "CSX" will embrace both CSX Corporation and CSX Transportation, Inc., "NS" will embrace both Norfolk Southern Corporation and Norfolk Southern Railway Company, and "Conrail" will embrace both Conrail Inc. and Consolidated Rail Corporation.

opposed to certain terms of the Protective Order must file a petition for reconsideration, reopening, or modification of the order. For a number of reasons, such an approach would be inappropriate and prejudicial in this proceeding, which raises issues different from those presented in prior railroad merger cases.

The critical distinction in this case is that CSX and NS are "arch competitors" who are not proposing to merge, but instead are collaborating in an effort to acquire and divide a third competitor, Conrail. In other words, CSX and NS are principal competitors today, and the competition between them necessarily must be preserved -- or even intensified -- both during and after the merger proceeding, even if the Board approves the proposed transaction. The instant case is quite different from prior mergers considered by the Board, in which the applicants sharing information in order to submit an application were proposing to become one company upon issuance of a Board decision approving the proposed merger. In UPSP, for example, UPRR and SPRR had competing operations in certain markets. They necessarily collaborated in the preparation of an application, but the entire thrust of the proposed transaction, as ultimately approved by the Board, was that competition between UPRR and SPRR did not, under the appropriate conditions, need to be preserved. In the instant case, no party -- and certainly not the Applicants themselves -- would argue that competition between CSX and NS should be diminished in any way, even if the proposed transaction is approved. The intensive pre-merger and post-merger competitive relationship between the joint applicants, CSX and NS, makes it necessary to craft the terms of any Protective Order with extreme care.

The Protective Order proposed by Applicants is ambiguous at best, and silent at worst, as to the appropriateness of, and need for, exchanges of confidential, competitively sensitive information between CSX and NS. In this regard, we refer not merely to competitively sensitive Conrail information obtained by CSX directly from Conrail, competitively sensitive Conrail information obtained by NS directly from Conrail, or even the exchange of competitively sensitive Conrail information between CSX and NS. Even beyond such exchanges of Conrail information, the proposed Protective Order would permit the transfer of competitively sensitive *CSX information* to NS, and the transfer of competitively sensitive *NS information* to CSX.

The proposed Protective Order contains no limitations whatsoever on the identities, positions and numbers of CSX and NS personnel who could obtain competitively sensitive information from their company's arch competitor. The only limitation on such exchanges of information is a requirement that the exchange be "for the purpose of preparing for or participating in the Proceedings, but not for any other business, commercial, or other competitive purpose" This is a determination that CSX and NS personnel would make unilaterally, with no standards to govern their determination. The Board and other parties would have no knowledge of the type or scope of information exchanges CSX and NS elect to engage in. Finally, it would be up to the individual CSX and NS personnel who receive sensitive information from their chief competitor to refrain -- if, indeed, this would be humanly possible -- from subsequently using such information for "commercial" purposes in the ordinary course of their work.

In these circumstances, the potential for misuse of competitively sensitive information is quite great. CSX and NS marketing personnel could freely exchange the most sensitive information as to prices and other terms on which transportation is provided. The nature of such exchanges would be hidden from their customers and from other parties. Yet during and after the current merger case, these same personnel would be expected to compete aggressively with each other, while somehow blotting from their minds the sensitive information they obtained from their participation in the merger case. Ironically, the Board imposes much more stringent limitations on access to the Waybill Sample, which contains competitively sensitive information and, in its "raw" form, generally is not made available to in-house railroad personnel, and certainly is not made available to railroad marketing personnel.

Before a Protective Order is adopted in this case, the Board should invite further comments -- including comments from Applicants themselves -- regarding the extent to which CSX and NS really need to directly exchange any of their own competitively sensitive information in order to prepare an application. If CSX and NS are indeed to remain vigorous competitors after any Board decision approving the proposed merger, do CSX and NS really need to collaborate in projecting the results of such post-merger competition? Do CSX and NS intend to make joint assumptions as to the post-merger rate levels and service offerings of both companies? Is such a collaboration really necessary or desirable?

Access by CSX and NS personnel to competitively sensitive Conrail information appears to present somewhat lesser risks, and may be more necessary to the preparation of an application. The application, at least, will propose that Conrail be subsumed into its two

competitors in the event of a favorable Board decision, making the CSX-Conrail and NS-Conrail exchanges somewhat more like the UPRR-SPRR exchanges that took place in UPSP. But it is important to remember that the Board ultimately may deny the proposed acquisition of Conrail by CSX and NS, or may impose conditions deemed unacceptable to Applicants, in which case the merger would not be consummated. It is important to ensure that, in such circumstances, future competition among CSX, NS and Conrail will not have been compromised. Accordingly, the Board should invite all parties to comment as to the appropriateness of placing some limitations on the transfer of competitively sensitive Conrail information to CSX and NS.

The Board also should consider whether antitrust immunity would extend to all or any of the exchanges of competitively sensitive information that may occur under the Protective Order in this case, and whether the availability of such immunity would depend upon whether the merger application is approved or denied. Applicants presumably will argue that, at least in the event the merger is consummated pursuant to a favorable Board decision, all information exchanges undertaken in furtherance of the merger approval process would be entitled to antitrust immunity. The likelihood that Applicants would claim antitrust immunity in such circumstances underscores the need for a Protective Order that contains appropriate safeguards. The Protective Order should permit only information exchanges that are necessary to the process of Board review, and should establish a "bright line" between proper and improper exchanges. The Protective Order proposed by Applicants fails to do so, particularly in the context of a collaboration between principal post-merger competitors.

Finally, it is extremely important that the Board invite comments in order to afford full consideration of these issues *before* issuing a Protective Order. It would be unfair to deny other parties a reasonable opportunity to comment on the proposed order, and require them instead to seek to overturn an effective Board decision. In addition, if an inappropriate Protective Order were issued at this time, competitively damaging information exchanges would be sanctioned by the Board, and potentially would receive antitrust immunity that could not subsequently be withdrawn. Allowing a brief period for comments will give the Board and all parties an opportunity to consider the changes that should be made to the proposed Protective Order, given the novel circumstances of this case.²

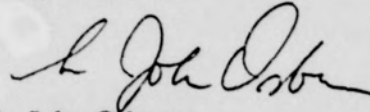
Conclusion

For all of these reasons, the Board should invite comments on the proposed Protective Order so as to ensure that the order ultimately adopted contains appropriate safeguards reflecting the special circumstances of this case.

² If additional time is allowed for comments, CN will provide a more detailed analysis of these issues than has been possible in the short time since the pending petition was filed.

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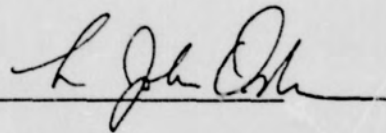
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Attorneys for:
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Dated: April 16, 1997

Certificate of Service

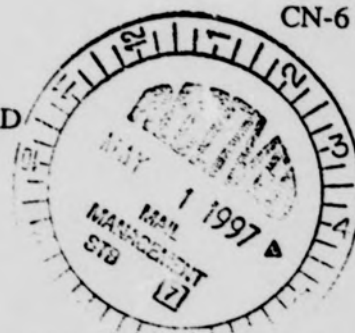
The undersigned hereby certifies that on this 16th day of April, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid.



L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388



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

CANADIAN NATIONAL RAILWAY COMPANY'S
COMMENTS ON PROPOSED PROCEDURAL SCHEDULE

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Attorneys for:
CANADIAN NATIONAL RAILWAY COMPANY

Dated: May 1, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

CANADIAN NATIONAL RAILWAY COMPANY'S
COMMENTS ON PROPOSED PROCEDURAL SCHEDULE

Canadian National Railway Company ("CN") hereby provides the following comments on the procedural schedule proposed by the Joint Applicants¹ in CSX/NS-4, to which the Board invited comments in Decision No. 2, served April 21, 1997.

For the reasons set forth below, the 255-day schedule proposed by applicants is unduly short, and should not be adopted. The Board should retain the 365-day procedural schedule earlier adopted for the separate proposals to acquire Conrail in CSX/Conrail² and

¹ As used herein, unless the context indicates otherwise, "CSX" includes CSX Corporation and CSX Transportation, Inc., "NS" includes Norfolk Southern Corporation and Norfolk Southern Railway Company, and "Conrail" includes Conrail, Inc. and Consolidated Rail Corporation. CSX, NS and Conrail are collectively referred to as "Joint Applicants."

² See Finance Docket No. 33220, CSX Corporation and CSX Transportation, Inc. -- Control and Merger -- Conrail, Inc. and Consolidated Rail Corporation, Decision No. 8, served January 30, 1997 (unprinted) ("CSX/Conrail").

NS/Conrail.³ A 365-day schedule constitutes the minimum amount of time needed to conduct proceedings on a transaction as unique and complex as that presented in the instant case, which involves the proposed purchase and break-up of the largest railroad in the Northeast by its only other large railroad competitors in the East. The Joint Applicants, moreover, have advanced no valid reasons why more expedited treatment is needed.

A. The "Front End" of the Proposed Schedule Is Appropriate, and Should Not Be Shortened or Altered

As a preliminary matter, there should be no controversy as to the "front end" of the schedule proposed by Joint Applicants, which is identical to the procedural schedules earlier adopted by the Board in CSX/Conrail and NS/Conrail. When the Board adopted those schedules, it received and considered extensive comments on the issue of whether opposition evidence and requests for conditions should be due on day F + 120, at the same time as inconsistent and responsive applications. This issue had two facets. The first concerned the undue burden that would result if opposition evidence and requests for conditions were required to be filed sooner than day F + 120. The second, as noted by CSX and NS themselves, concerned the impracticality of having separate due dates, and the distinct advantages of having a "consolidated" due date at F + 120 for all opposition evidence, requests for conditions, and responsive (including inconsistent) applications. The Board wisely adopted this approach.

³ See Finance Docket No. 33286, Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control -- Conrail, Inc. and Consolidated Rail Corporation, Decision No. 4, served January 30, 1997 (unprinted) ("NS/Conrail").

In their petition now seeking the adoption of a 255-day schedule, the Joint Applicants properly urge that the Board not alter the "front end" of the schedule previously adopted. CSX/NS-4 at 6-7. They recognize that those deadlines "reflect the well-considered, unanimous preferences" of all interested parties.

In short, there is no controversy regarding the "front end" of the schedule through F + 120, the Board should adhere to the approach followed in its earlier decisions.

B. The "Back End" of the 255-Day Schedule Proposed by Joint Applicants Is Unduly Truncated, and the Board Should Retain the 365-Day Schedule Earlier Adopted

The Joint Applicants' proposal for the "back end" of the schedule is onerous, unrealistic, and seeks expedition at the expense of full, thoughtful consideration of the issues raised by the proposed transaction. The application in this case will seek approval of the largest merger in the history of the railroad industry. The setting is the East -- and, to a large extent, the Northeast -- where no major railroad merger has occurred for many years. In a very real sense, the instant proceedings will constitute a resumption -- after a more than two-decade hiatus -- of a restructuring process that began in the 1970s. In its earlier phase, this restructuring process involved massive bankruptcies, extreme disruptions in rail service, and an unusually high level of governmental participation in the form of special legislation, the expenditure of substantial federal funds, and governmental ownership of Conrail. In order to decide the instant case, it will be necessary and appropriate to consider not only the current competitive environment, but also the unique circumstances and policy considerations that led to the creation of Conrail. A 365-day schedule is the minimum amount of time that the Board should allow for these purposes.

Indeed, the Board itself previously recognized the appropriateness of a 365-day schedule for deciding any merger involving Conrail. As the agency stated: "In summary, the procedural schedule we adopt here consisting of a 365-day time period is both fair to all of the parties and allows us sufficient time to resolve the unique issues that we anticipate will arise in connection with any merger proposal involving Conrail." See CSX/Conrail, Decision No. 8 at 8, and NS/Conrail, Decision No. 4 at 8 (emphasis added).⁴

The accelerated 255-day schedule now proposed by Joint Applicants is based on a faulty premise. Joint Applicants argue that the 365-day schedule early adopted by the Board was based entirely on the likelihood that a major inconsistent application would be filed. They say that "the situation of the two other major rail carriers in the Eastern United States filing inconsistent and hostile application [sic] to acquire all or substantially all of Conrail in the same docket is no longer presented, and adjustments tailored to that situation are not required." CSX/NS-4 at 4-5. There are two significant flaws in this argument.

The first is an assumption that the existing 365-day schedule would have proven adequate to allow proper consideration of competing, inconsistent applications to acquire Conrail. Would have been possible, within just the 60-day period between F + 120 and F + 180, to have completed all the steps required to address not just "garden variety" responsive applications, but also a separate and inconsistent proposal to acquire Conrail?⁵ While we will

⁴ The Board also stated that the schedule must allow more time than otherwise might be needed "[b]ecause there has not been a major merger in the East since the early 1980s" See CSX/Conrail, Decision No. 3 at 7, and NS/Conrail, Decision No. 1 at 5.

⁵ These steps necessarily would have included the completion all document discovery on such applications, the conduct all depositions, analysis of the responsive and inconsistent applications, and preparation of all opposition evidence and/or applications responsive to the

never know for sure, it is far from clear that the 365-day schedule would have permitted proper consideration of such an inconsistent application.

In any event, even if it is assumed that the 365-day schedule somehow would have accommodated an inconsistent application to acquire Conrail, it does not follow that the absence of such an inconsistent application now justifies a shorter schedule. The current proposal itself involves unique issues of enormous importance -- a fact that Joint Applicants seek to downplay. But Joint Applicants, in a moment of candor, do acknowledge that this case will have some of the attributes and complexities of a case involving competing, inconsistent applications, stating:

This case . . . involves the extension of two separate and competing railroads into the territory now served by Conrail. It also involves separate, competing operating and marketing plans for those two railroads. The process thus has many of the aspects of separate applications by the two carriers.

CSX/NS-4 at 8. In other words, the two largest rail carriers in the East are proposing to acquire and divide their only significant rail competitor through a series of collaborative transactions that might be regarded as two mergers. This, combined with the fact that no significant railroad mergers have been consummated in the East for many years, is more than sufficient to justify a 365-day schedule.

inconsistent application. In this regard, the Board has observed that, since descriptions of inconsistent and responsive applications were to be filed on F + 60, parties would have "in effect" 120 days to prepare their responses due on Day F + 180. CSX/Conrail, Decision No. 8 at 7, and NS/Conrail, Decision No. 4 at 7. With all due respect, even though the F + 60 description is of some value, it is no substitute for having an inconsistent or responsive application in hand, together with the necessary discovery. Also, during the period between F + 60 and F + 120, parties necessarily are occupied with other matters -- such as responding to the primary application.

Joint Applicants also overlook the possibility that, notwithstanding the absence of an inconsistent application to acquire Conrail, this case may well involve one or more responsive applications that will require thorough consideration. CN, for its part, is highly concerned with the shortfall in rail competition that would result from the current CSX/NS proposal, and CN is likely to seek affirmative relief through a responsive application. Other parties may also seek relief that would require the filing of responsive applications. Under the schedule proposed by Joint Applicants, all discovery with respect to such responsive applications would need to be completed, and all evidence in response to such applications would need to be filed, in a period of just 30 days. Rebuttal then would be due just 15 days later, with briefs following by just another 20 days. This is simply too tight a schedule for a case as significant as the break-up of Conrail.

Another serious deficiency in the 255-day schedule proposed by Joint Applicants is that it would rob the Board itself of the time needed for careful deliberation of the important issues presented. It must be assumed that the Board's members will be unlikely to know how they will resolve these issues until briefs are filed, and perhaps until they hear oral argument. The 365-day schedule itself will allow just 45 days from the filing of briefs to the voting conference, but the proposed 255-day schedule would cut this critical period to just 20 days, making it difficult or even impossible for the members to digest the huge record before casting their votes. It would be unwise to adopt such a shortened schedule in so important a case, particularly when a new member is likely to join the Board in the near future -- perhaps even after the primary application is filed. Obviously, the shortened schedule also would make it extremely difficult for the agency's staff to prepare a thorough decision.

Joint Applicants seek to justify the proposed 255-day schedule by alluding to the UPSP proceeding. As the Board has recognized, however, the transaction proposed in that case involved rail lines in the West, where other mergers recently had been proposed and implemented. Indeed, the proposal in UPSP was largely a response to the merger recently approved in BNSF, and expedited treatment in UPSP could be justified not only by the very fresh merger experience in the West but also by the concern that, without a prompt decision, the proposed UPSP system might fall behind its competitor BNSF. An additional factor that logically could have influenced the schedule in UPSP was concern about the viability of SP. Such factors are missing in this case. The CSX/NS proposal to acquire and divide Conrail is not made in response to any other recent merger, and Conrail is secure as an independent carrier.⁶

This brings us to the Joint Applicants' purported justification for more expedited treatment than that already afforded by a 365-day schedule. In essence, they seek to justify an accelerated schedule by relying on their own decision to pay for Conrail's stock "up front," and to use a voting trust or trusts to complete the transaction even before filing an application with this Board. As a related matter, they express concern that, during the period of uncertainty pending Board consideration of the transaction (exacerbated by their own election to use voting trusts), there may be "attrition" of Conrail's management. CSX/NS-4 at 5-6.

⁶ Joint Applicants also seem to suggest that the instant case will be simpler than UPSP. They say that UPSP involved "serious competitive issues," and then go on to claim: "The transaction contemplated here will not present such [serious competitive] issues. On the contrary, it is clear that this transaction will significantly enhance rail competition in the Eastern United States." CSX/NS-4 at 4. This self-serving comment should be wholly discounted. It must be presumed that a merger of this historic proportion will raise "serious competitive issues," and CN intends to demonstrate the presence of such issues.

Joint Applicants' own determination to make an expenditure of over \$10 billion without awaiting formal Board review of their proposal should not and cannot justify greater expedition of the case than otherwise would be warranted.

CN is well aware that the Board has expedited its handling of major merger cases in recent years, and now regards the deadlines imposed by the statute as an "outside limit" that can be beaten in most cases.⁷ But it is significant that the current 15-month schedule allowed by the statute represents a substantial shortening of the time permitted for deciding railroad merger cases from that allowed in prior years, and already reflects the progress the Board and its predecessor agency have made in accelerating the merger process. Joint Applicants nevertheless are asking the Board, in deciding the largest merger in the history of the industry, to use just over one-half of the 15-months allowed under the newly-shortened statutory schedule. It is reasonable to ask: if all, or at least a substantial portion, of the recently-enacted 15-month schedule is not used for a case as significant as the break-up of Conrail, what meaning does it have? Certainly, deciding the instant case on a 365-day schedule, and thereby consuming less than 80% of the time now allowed under the statute, would constitute a very efficient and commendable performance by the agency charged with reconciling all of the conflicting interests presented in a case of this magnitude.⁸

⁷ As the Board stated in UPSP, "[O]ur interpretation of the 15-month schedule set out in section 11325(b) is that it provides an outside limit on how long the Board may take to resolve a major merger proceeding, and is not necessarily an endorsement of a longer schedule." Finance Docket No. 32760, Union Pacific Corp. -- Control and Merger -- Southern Pacific Rail Corp., Decision No. 10 at 4, served Jan. 26, 1996 (unprinted).

⁸ It should not be overlooked that the Board already has accommodated Joint Applicants by waiving the 3-month pre-filing notice requirement. Decision No. 2, served April 21, 1997.

**C. If CSX and NS Are Permitted to File Separate Briefs, the Page Limit For
Other Parties Should be 75 Pages**

Joint Applicants propose that CSX and NS be permitted to file separate briefs, each subject to the 50-page limit imposed on other parties. (They are silent as to whether Conrail would join in both such briefs, though it must be assumed that Conrail would not file separately.) The justification offered for allowing separate CSX and NS briefs is that they are "separate and competing railroads" and will have "separate, competing operating and marketing plans." CSX/NS-4 at 6.

Given the unique circumstances of this case, and the fact that CSX and NS must remain competitors (whether or not the proposed transaction is approved), there is some logic to the request for separate briefs. However, it would be unfair to other parties if this request were granted without some further adjustment. CSX and NS each would have up to 50 pages to address such matters as their "separate, competing operating and marketing plans," but other parties would have only 50 pages to address all aspects of the case, including the separate plans of both CSX and NS.

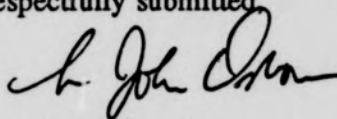
If this CSX/NS request is to be granted, a reasonable and fair compromise would be to limit CSX and NS to 50 pages each, but to allow other parties to file briefs of up to 75 pages. With this adjustment, other parties would not be unduly constricted in their efforts to address the issues raised by the separate CSX and NS plans to implement this proposed joint acquisition of a major competitor.

CONCLUSION

For all of these reasons, CN respectfully requests that --

- (1) the Board adhere to the 365-day schedule previously adopted; and
- (2) if the request for separate, 50-page CSX and NS briefs is granted, the Board allow other parties to file briefs of up to 75 pages.

Respectfully submitted,



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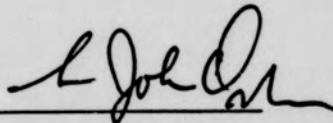
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Attorneys for:
CANADIAN NATIONAL RAILWAY COMPANY

Dated: May 1, 1997

Certificate of Service

The undersigned hereby certifies that on this 1st day of May, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid.



L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD

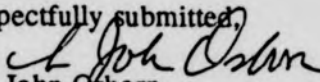
Finance Docket No. 33388

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

CANADIAN NATIONAL'S
NOTICE OF INTENT TO PARTICIPATE

Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW") hereby provide notice that they intend to participate fully as parties of record in this proceeding. Service of all decisions, pleadings and correspondence should be made on the counsel for CN and GTW whose names appear below.

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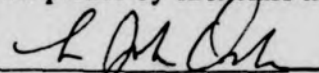
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Dated: August 7, 1997

Certificate of Service

The undersigned hereby certifies that on this 7th day of August, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid.


L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 33388

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

CANADIAN NATIONAL RAILWAY COMPANY'S
COMMENTS AND DESCRIPTION OF ANTICIPATED RESPONSIVE APPLICATIONS

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Dated: August 22, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388



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

CANADIAN NATIONAL RAILWAY COMPANY'S
COMMENTS AND DESCRIPTION OF ANTICIPATED RESPONSIVE APPLICATIONS

Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW")¹ hereby provide the following comments and accompanying description of the responsive applications CN currently anticipates filing in response to the proposed acquisition and breakup of Conrail by CSX and NS.² While these comments also describe certain proposed conditions, CN reserves the right to seek, in its October 21, 1997

¹ Except where the context indicates otherwise, CN as used herein will embrace CN's wholly-owned subsidiary Grand Trunk Corporation ("GTC") and its subsidiary GTW.

² Unless the context indicates otherwise, "CSX" will embrace both CSX Corporation and CSX Transportation, Inc., "NS" will embrace both Norfolk Southern Corporation and Norfolk Southern Railway Company, and "Conrail" will embrace both Conrail Inc. and Consolidated Rail Corporation.

evidentiary submission, other conditions that do not require the filing of a responsive application.³

A. Preliminary Statement

CN today has announced a settlement agreement between CN and CSX with respect to the CSX acquisition of its share of Conrail assets. The parties intend to draft a more definitive agreement in the coming weeks, and will make an appropriate submission to the Board for any aspect of the final agreement that may require Board approval. The settlement embodies a joint-marketing, access and trackage rights agreement that directly responds to the need for balanced rail competition for Canada-U.S. traffic. The settlement also includes provisions that will improve transit times for CSX intermodal traffic in Chicago.

The key elements of the settlement are:

- A mechanism permitting CN and CSX to quote through rates for the entire movement of new business between certain points on each carrier's system, which will provide customers more responsive pricing.
- New arrangements at Buffalo, NY, which will enable CN and CSX to better compete for new business in the region.
- Operating arrangements in Chicago that will cut transit times for CSX intermodal trains by allowing them to operate over segments of CN track.

As a result of this settlement, CN now supports the proposed acquisition of Conrail assets by CSX. CN is confident that the settlement with CSX will preserve CN's ability to participate in the continued expansion of Canada-U.S. trade. CN also believes that the

³ By way of example, but without limitation, CN currently intends to seek conditions requiring the assignment and extension of certain existing trackage rights agreements, as well as various other conditions needed to remedy anticompetitive effects of the Primary Application and to render that application consistent with the public interest.

settlement will increase the level of rail competition at Buffalo, NY, providing important benefits to shippers.

Although CN, on the basis of this settlement with CSX, does not oppose approval of the Primary Application, CN nevertheless believes that approval of the application should be made subject to certain limited conditions, which the settlement leaves CN free to pursue. CN therefore intends to remain an active party in this proceeding for the purpose of seeking such limited conditions.

B. Description of Responsive Applications⁴

CN anticipates that it will file responsive applications and supporting evidence seeking the following relief:

(1) Detroit Area

CN is concerned that the reconfiguration of Conrail assets and operations proposed by the Primary Application will have the unfavorable effect of impeding competitive access and/or efficient operations by other carriers conducting operations in the Detroit area. CN currently intends to seek conditions that will facilitate the free flow of commerce in the Detroit area and will preserve the competitive access and operating efficiencies now enjoyed by CN and other carriers. The following is a preliminary list of the conditions, including trackage rights, that CN intends to seek (certain of these proposed conditions are overlapping, and may be sought in the alternative):

⁴ In the interest of providing the greatest possible notice, CN has sought to be specific in describing the trackage rights it currently intends to seek. However, CN reserves the right to make such modifications to these requests on October 21, 1997 as may be needed to accomplish their overall intended purpose.

- (a) CN has existing trackage rights, for limited purposes, to operate over the Conrail tracks from CP Vinewood to Stanley Yard, Toledo. Such trackage rights should be made permanent and unrestricted.
- (b) CN intends to seek trackage rights from CP Vinewood to "FN" Interlocking on the Conrail line because a part of the current NS/CN parallel routing becomes excessively congested, impeding CN operations, and because another portion is likely to be downgraded by NS.
- (c) CN intends to seek a condition requiring non-discriminatory dispatching of the Milwaukee Jct. control point, where CN traffic predominates, near the north end of the Detroit Shared Assets Area. A substantial volume of CN traffic today passes through Milwaukee Jct., much of which moves from and to points beyond the Detroit terminal area. Increased traffic volumes are projected to flow through Milwaukee Jct. as a result of the merger, and an assurance of equitable dispatch is essential to prevent disruption of CN's operations and to provide competitive balance at Detroit.
- (d) CN intends to seek authority to construct a connection(s) from CN (DTSL) to Conrail and thence to the Trenton, MI power plant dumper site, to permit a CSX-CN route to compete for traffic moving to Detroit Edison's Trenton Channel power plant. Such authority is needed to ensure that there is balanced competition at this Shared Asset point, because the post-merger CSX single-line route to this plant will be highly circuitous in comparison to the NS single-line route.
- (e) CN intends to propose the creation of a beneficial "paired track" arrangement at Detroit, from Milwaukee Jct. on the north side of Detroit to FN Tower in the south near Trenton, MI.

The proposed "paired track" arrangement warrants further comment. CN believes that there exist significant opportunities for achieving more efficient rail operations in Detroit. From Milwaukee Jct. on the north side of Detroit to FN Tower in the south near Trenton, MI, Conrail and CN currently maintain generally parallel double track lines. With the inclusion of a segment of NS track from West Detroit to Delray over which CN operates on trackage rights, these lines form a contiguous parallel routing through the central corridor of Detroit.

The asset realignment and service changes proposed by the Primary Application for the Detroit area will result in significant traffic increases for some portions of the parallel routings of Conrail and CN through this central corridor, and will likely produce significant delays and disruptions of service, not only for CN but also for the Applicants.

To address these problems, CN advocates the establishment of a paired track arrangement under which, from the vicinity of Milwaukee Jct. in the north to and including FN Tower in the south, the CN Shoreline Subdivision tracks, the Conrail tracks (to be assigned to the Shared Assets Territory) and the NS intermediate segment (West Detroit to Delray) would be combined for operating convenience and dispatched on a non-discriminatory, first-come-first-served basis. Such an arrangement could provide for the construction of new connections (if any were required) and the apportionment of costs on an equitable basis. The purpose and effect of the paired track arrangement would be to minimize conflicting movements and relieve certain chronically congested choke points. The arrangement would not result in any change in commercial relationships, any new access to customers or any changes in other non-operating functions from those that exist today. The arrangement would exist under, and be fully compatible with, the proposed Shared Assets Area described in the Primary Application.

(2) Chicago Area

CN believes that the realignment of assets and operations proposed by Applicants in the Chicago terminal area will adversely affect CN's operations over both its owned lines and its connecting route (by virtue of existing trackage rights) to the Gibson Yard of the Indiana Harbor Belt Railroad Company ("IHB"). To protect CN's existing service to Gibson Yard, CN

intends to seek trackage rights from South Bend (MP 436.9) on the Conrail Chicago main line thence to the diverging Conrail Porter Branch (MP 482.0/240.7) and to Gibson Yard (MP 259.5) or, in the alternative, from station point Hays (MP 9.2) on the Conrail Kankakee Line (where the CN (GTW) crosses Conrail) northward to Gibson Yard (MP 3.8), together with authority to build such connections from CN to the subject lines as may be required.

(3) Buffalo Area

Today CN connects with NS at Buffalo via overhead trackage rights NS holds over the Conrail line extending generally from Black Rock, at International Bridge, to NS' Tiff Yard near CP "Draw." For operating convenience, CN currently has the ability to deliver traffic directly to NS at Tiff Yard. Given the realignment of Conrail assets proposed through the breakup, and in order to ensure preservation of the direct CN-NS interchange at Buffalo in the future, CN intends to request trackage rights over the Conrail lines from CP "H" to CP "Draw," a distance of about 9 miles.

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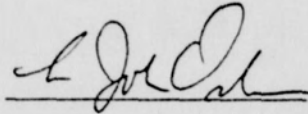
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Attorneys for:
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GRAND TRUNK WESTERN RAILROAD INCORPORATED**

Dated: August 22, 1997

Certificate of Service

The undersigned hereby certifies that on this 22nd day of August, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid.

A handwritten signature in dark ink, appearing to read "L. John Osborn", is written over a horizontal line.

L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD



Finance Docket No. 33388

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

CANADIAN NATIONAL RAILWAY COMPANY'S
PETITION FOR WAIVER OR CLARIFICATION OF RAILROAD
CONSOLIDATION PROCEDURES

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Dated: August 22, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388



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

CANADIAN NATIONAL RAILWAY COMPANY'S
PETITION FOR WAIVER OR CLARIFICATION OF RAILROAD
CONSOLIDATION PROCEDURES

Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW")¹ today notifying the Board of their intention to file a responsive application or applications seeking affirmative relief as a conditions to approval of the proposed acquisition and breakup of Conrail by CSX and NS.² See Comments and Description of Anticipated Responsive Applications (CN-8) ("CN's Description "). Pursuant to 49 C.F.R. § 1180.4(f), CN hereby seeks waiver or clarification of certain

¹ Except where the context indicates otherwise, CN as used herein will embrace CN's wholly-owned subsidiary Grand Trunk Corporation ("GTC") and its subsidiary GTW.

² Unless the context indicates otherwise, "CSX" will embrace both CSX Corporation and CSX Transportation, Inc., "NS" will embrace both Norfolk Southern Corporation and Norfolk Southern Railway Company, and "Conrail" will embrace both Conrail Inc. and Consolidated Rail Corporation.

requirements of the Board's Railroad Consolidation Procedures, 49 C.F.R. Part 1180, Subpart A.

A. Minor Transactions

As described more fully in CN's Description, CN intends to seek certain limited trackage rights in the Detroit, Chicago and Buffalo areas. Although each of the proposed trackage rights requests is important and, particularly in the case of the proposed "paired track" arrangement at Detroit, will provide significant public benefits, CN believes that the transactions proposed by each of these responsive applications will be minor in scope. Cf. Finance Docket No. 32760, Union Pacific Corp. -- Control and Merger -- Southern Pacific Rail Corp., Decision Nos. 13 and 14, served Feb. 15, 1996 (unprinted).

CN requests confirmation that the proposed transactions will be minor transactions within the meaning of the Consolidation Procedures.³ CN is aware that, despite the minor nature of the proposed transactions, CN will be required to submit sufficient evidence to justify a grant of its responsive applications.

B. Definition of "Applicant Carriers"

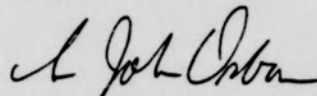
CN seeks waiver or clarification of § 1180.3(b) to confirm that "applicant carriers" excludes (1) the Primary Applicants, (2) other carriers in which CN or its subsidiaries possess a 50% or less interest.

³ CN believes that the characterization of the proposed transactions as minor is so clearly appropriate that there is no need to burden the Board with precautionary waiver requests to cover the remote possibility that they would be characterized differently. Should any of them nevertheless be deemed to be "significant," CN would respectfully seek leave to request any necessary waivers.

CONCLUSION

For the foregoing reasons, CN respectfully requests that the Board grant the waivers and clarifications specified in this petition.

Respectfully submitted,



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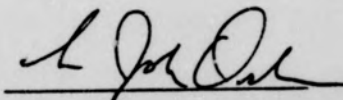
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Dated: August 22, 1997

Certificate of Service

The undersigned hereby certifies that on this 22nd day of August, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid.



L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD

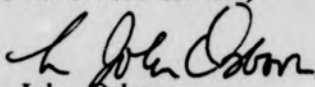
Finance Docket No. 33388

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

CANADIAN NATIONAL RAILWAY COMPANY'S
CERTIFICATE OF SERVICE

As required by Decision No. 21, served on August 19, 1997 in this matter, Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW") hereby certify that they have served on each Party of Record copies of all filings they have submitted so far in this proceeding by first-class mail, postage prepaid. (CN-1 through CN-3 were filed in earlier dockets, so CN-4 through CN-10 have been served.)

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Dated: August 28, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388 (Sub-Nos. 81-84)

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

CANADIAN NATIONAL RAILWAY COMPANY'S
RESPONSIVE ENVIRONMENTAL REPORT AND
VERIFIED STATEMENT OF NO ENVIRONMENTAL IMPACT

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GRAND TRUNK WESTERN RAILROAD INCORPORATED

Dated: October 1, 1997

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388 (Sub-Nos. 81-84)

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

CANADIAN NATIONAL RAILWAY COMPANY'S
RESPONSIVE ENVIRONMENTAL REPORT AND
VERIFIED STATEMENT OF NO ENVIRONMENTAL IMPACT

Pursuant to Decision No. 6 in this proceeding, served May 30, 1997, and the Surface Transportation Board's Environmental Regulations, 49 C.F.R. 1105.7, Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW")¹ hereby submit their Responsive Environmental Report ("RER") and Verified Statement of No Environmental Impact in connection with the relief CN currently intends to seek through a responsive application and related exemption notices/petitions to be filed on October 21, 1997, in response to the primary application filed in this proceeding by CSX, NS and

¹ Except where the context indicates otherwise, CN as used herein will embrace CN's wholly-owned subsidiary Grand Trunk Corporation ("GTC") and its subsidiary GTW.

Conrail.² This submission consists of the following introductory statement and the accompanying Verified Statement of Douglas N. Wilson.

On August 22, 1997, CN filed its Comments and Description of Anticipated Responsive Applications (CN-8), which noted that CN had negotiated a settlement with CSX (a definitive agreement for which is still being developed), and further noted that CN would be seeking certain limited relief on October 21. Also on August 22, 1997, CN filed its Petition for Waiver or Clarification of Railroad Consolidation Procedures (CN-9), which sought waivers in connection with the responsive applications CN anticipated filing. In Decision No. 30, served September 11, 1997, the Board granted CN's petition, including its request for confirmation that the responsive application CN anticipated filing would be minor in scope under the agency's Consolidation Procedures.

As described in CN-8 and in Decision No. 30, CN contemplates the filing on October 21 of a responsive application seeking certain trackage rights (Sub-No. 81) and related applications, petitions for exemption or notices of exemption seeking authority to construct certain connecting tracks at Detroit (Sub-Nos. 82 and 83) and Chicago (Sub-No. 84). The following is a brief summary of the anticipated trackage rights requests and related construction:

² Unless the context indicates otherwise, "CSX" will embrace both CSX Corporation and CSX Transportation, Inc., "NS" will embrace both Norfolk Southern Corporation and Norfolk Southern Railway Company, and "Conrail" will embrace both Conrail Inc. and Consolidated Rail Corporation.

Detroit Area

- Trackage rights over the existing Conrail line from CP Vinewood in Detroit to Stanley Yard in Toledo, a distance of approximately 61 miles, including the right to enter and exit such track at all connecting points.
- To implement the requested trackage rights between CP Vinewood and Stanley Yard, CN proposes to construct connections at two locations within this transportation corridor: (1) between the Conrail line and the CNGT Shoreline Subdivision at a point just south of Conrail's Rouge Yard (really restoration of a previously existing connection), and (2) between the Conrail line and the CNGT Shoreline Subdivision at FN Tower near Trenton, MI, to permit access to/from the CNGT's Flat Rock Yard.
- Trackage rights over the existing Conrail northbound main line between approximately MP 16.5 and MP 18.0 at Trenton, MI, a distance of approximately 1.5 miles, for the purpose of serving Detroit Edison's Trenton Channel power plant.
- To implement the requested trackage rights at Trenton, CN proposes to construct a connection between the Conrail northbound main line and the CNGT Shoreline Subdivision at Trenton.

Chicago Area

- Trackage rights (1) from South Bend, IN (MP 436.9) on the existing Conrail Chicago main line, thence to the diverging Conrail Ivanhoe Branch (MP 482.0/240.7) and to Gibson Yard, Chicago (MP 259.5), a distance of approximately 54 miles, or, in the alternative, (2) from station point Hays, IN (MP 9.2) on the Conrail Kankakee Line (where the CNGT line crosses Conrail) northward to Gibson Yard (MP 3.8), a distance of approximately 5.4 miles.
- To implement the requested trackage rights alternative via Hays, CN would propose to construct a connection at Hays, IN between the CNGT east-west main line and the Conrail north-south main line.

Buffalo Area

- Trackage rights over the existing Conrail lines from CP "H" to CP "Draw," a distance of about 9 miles.

As discussed in the accompanying Verified Statement of Douglas N. Wilson, none of the trackage rights to be requested by CN would, if granted, result in changes in carrier operations that would exceed the thresholds established in 49 C.F.R. 1105.7(e) (4) or (5). Thus, CN's responsive application seeking trackage rights meets the exemption criteria of 49 C.F.R. 1105.6(c)(2), and no RER is required in connection with such application. This conclusion is based, in part, upon a view that a shift of existing rail traffic among generally parallel tracks in an established and heavily used transportation corridor at Detroit would not constitute an "increase in rail traffic" on "any segment of rail line" within the meaning of section 1105.7(e)(5), and could not have any significant environmental impact.

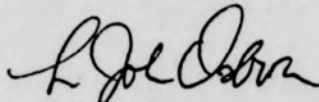
Mr. Wilson's verified statement also includes an RER for the proposed construction of certain connecting tracks related to the trackage rights sought Detroit and Chicago. He demonstrates that the proposed connections are limited in scope, and that the construction will be entirely on existing railroad property. Thus, construction of the proposed connections will have no significant impact on the environment.

In its August 22 comments submitted as part of CN-8, CN stated that it intends to propose the creation of a beneficial "paired track" arrangement at Detroit, from Milwaukee Jct. on the north side of Detroit to FN Tower on the south. As discussed by Mr. Wilson, CN has determined that it will not ask the Board to formally impose such a paired track arrangement as a condition to the Conrail acquisition, since this type of arrangement ultimately will be most effectively implemented if it is achieved through voluntary negotiations, which will be fostered through a grant of the trackage rights CN seeks. Thus, there is no need at this time to study the environmental effects of a fully implemented paired

track arrangement (the effects would be favorable, but potentially would include the construction of an additional connection or connections within the Detroit transportation corridor, the specifics of which cannot be determined without further negotiations among CSX, NS and CN). However, CN does commit that, if its Detroit area trackage rights request is granted (the full Vinewood-Stanley Yard request, or at least the Vinewood-FN portion), CN will grant reciprocal trackage rights to CSX and NS between Vinewood and FN, so that the efficiency of rail operations through Detroit can be enhanced for the benefit of all concerned parties.

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Dated: October 1, 1997

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SURFACE TRANSPORTATION BOARD

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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 -- TRANSFER OF RAILROAD LINE BY NORFOLK SOUTHERN RAILWAY COMPANY TO CSX TRANSPORTATION, INC.

VERIFIED STATEMENT OF DOUGLAS N. WILSON
AND
RESPONSIVE ENVIRONMENTAL REPORT

My name is Douglas N. Wilson. I am Manager Special Projects of Canadian National Railway Company ("CN")¹. My business address is 277 Front Street West, Suite 801, Toronto, Ontario, M5V-2X7.

I am submitting this statement in order to address the environmental effects that would result from favorable Surface Transportation Board action on CN's anticipated application seeking trackage rights in response to the primary application and on certain related CN requests for authority to construct and operate connecting tracks. As I will demonstrate, none of CN's requests would have a significant effect on the environment. I first will show that the proposed trackage rights will not result in changes that will exceed the Board's environmental thresholds, and therefore will have no significant environmental impact. I then will present a

¹ Except where the context indicates otherwise, CN as used herein generally will embrace CN's wholly-owned subsidiary Grand Trunk Corporation ("GTC") and its subsidiary Grand Trunk Western Railroad Incorporated ("GTW"). I generally will refer to track owned by GTW as "CNGT" lines.

Responsive Environmental Report ("RER") for the modest construction projects CN proposes to undertake in the event its trackage rights requests are granted. The RER shows that construction of the proposed connections will have no significant environmental effects.

A. Statement of No Significant Environmental Impact For Proposed Trackage Rights

In Finance Docket No. 33388 (Sub-No. 81), CN will seek trackage rights over existing Conrail lines in the vicinity of Detroit, Chicago and Buffalo. The requested trackage rights are minor in scope. The justification for and public benefits of these trackage rights will be described more fully on October 21. For present purposes, I describe below the general nature of each request, and the reasons why each request will have no significant environmental impact.

Detroit Area

CN will seek trackage rights over the existing Conrail line from CP Vinewood in Detroit to Stanley Yard in Toledo, a distance of approximately 61 miles, including the right to enter and exit such track at all connecting points. CN also will seek trackage rights between CP Vinewood and FN Tower near Trenton, MI, a distance of approximately 12.8 miles. The Vinewood-Stanley Yard request fully encompasses the Vinewood-FN request. The separate Vinewood-FN request focuses on merger-related congestion in the Detroit area, and would need to be addressed only if the Board were not persuaded to grant the full CN trackage rights request from Vinewood to Stanley Yard. (As discussed in the accompanying RER, CN would construct certain connecting tracks in order to utilize these trackage rights.)

Attachment 1 to my statement is a map showing the principal rail lines in the Detroit area. On this map, the Conrail line over which CN seeks trackage rights is shown from the

north end of the area to a point just south of FN Tower, from which the Conrail line then extends south through Monroe, MI to Toledo. Attachment 2 to my statement is a map showing the principal rail lines in the Toledo area. On this map, the Conrail line over which CN seeks trackage rights is shown entering Toledo from the north, passing through Alexis and Airline Junction, crossing the Maumee River, and extending on to Stanley Yard.

The trackage rights CN seeks are a necessary response to the primary application, and will provide a number of important benefits. First, the trackage rights are needed to ensure that CN will have efficient connections at Toledo with both CSX and NS, given the substantial changes in terminal operations planned at Toledo as a result of their proposed acquisition of Conrail. Second, the requested trackage rights will enable CN to avoid increased congestion at Detroit that will result from the proposed acquisition of Conrail -- particularly congestion from Ecorse Junction to Delray, including the NS-owned drawbridge across the River Rouge. Finally, a grant of the requested trackage rights would constitute an important first step toward implementation of a "paired track" arrangement at Detroit, from Milwaukee Jct. on the north to FN Tower on the south.

CN will not ask the Board to formally impose a paired track arrangement as a condition to the Conrail acquisition, since this type of arrangement ultimately will be most effectively implemented if it is achieved through voluntary negotiations. However, CN does commit that, if its trackage rights request is granted (the full Vinewood-Stanley Yard request, or at least the Vinewood-FN portion), CN will grant reciprocal trackage rights to CSX and NS between Vinewood and FN, so that the efficiency of rail operations through Detroit can be enhanced for the benefit of all concerned parties.

I hereby certify that a grant of trackage rights to CN over the existing Conrail line between Vinewood and Stanley Yard, or between Vinewood and FN Tower, will not result in changes in operations that would exceed the Board's environmental thresholds established in 49 C.F.R. 1105.7(e) (4) or (5). Specifically, as to energy consumption, I certify that the requested trackage rights will not cause diversions from rail to motor carriage of more than (A) 1,000 rail carloads a year, or (B) an average of 50 rail carloads per mile per year for any part of the affected lines. I further certify that, as to air quality, the requested trackage rights will not (even if the involved lines are located in nonattainment areas) result in either (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, (B) an increase in rail yard activity of at least 20 percent (measured by carload activity), or (C) an average increase in traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment.

My conclusion is based in part on the nature and location of the involved tracks, particularly those between Vinewood and FN Tower. The existing Conrail and CNGT lines between Vinewood and FN Tower run closely parallel to each other, and form a major rail transportation corridor. This corridor generally consists of five main line tracks, two of which are owned by Conrail and three of which are owned by CNGT (its double-track Shoreline Subdivision and single-track River Subdivision).² Between Conrail's Rouge Yard and FN Tower, the Conrail double track line lies on the inside of this corridor, and is bordered by

² Between West Detroit on the north and a point near Conrail's Rouge Yard on the south, the CNGT Shoreline Subdivision consists of trackage rights over an NS-owned line, including the drawbridge across the River Rouge.

CNGT's Shoreline Subdivision on the west and by CNGT's River Subdivision on the east. For a good part of the distance along this corridor, the Conrail and CNGT lines are separated by just pole lines drainage ditches and rail maintenance access roads, and the rail lines are within stone's throw of each other.

South of FN Tower, CNGT's Shoreline Subdivision runs generally parallel to the Conrail line, both of which enter Toledo from the north. From FN Tower, CNGT's former DT&I line runs southwesterly to Flat Rock, MI, and then to a point of connection at Diann with the Ann Arbor Railroad, over which CN holds trackage rights to operate to Toledo. The Ann Arbor line connects with the Conrail line at Alexis, OH, just north of Toledo, generally parallel to and west of the Conrail line.

It is my judgment that a shift of traffic among the parallel tracks within this established, heavily used Detroit rail corridor would not constitute an "increase in rail traffic" on "any segment of rail line" within the meaning of section 1105.7(e)(5), and could not have any significant environmental impact. In my view, the clear intent of the regulation is to identify increases in rail traffic at a particular location that would be likely to have a significant effect on air quality. A shift of traffic from one track to another within the same corridor does not constitute an increase in traffic at a particular location and, given the proximity of the tracks, could not have a significant effect on air quality. Indeed, if the proposed trackage rights were to have any environmental effects at all, they presumably would be favorable because the proposal would result in reduced delays and dwell time for locomotives operating through the corridor, and a shift of some traffic from the two outside tracks (CNGT) to the two inside tracks (Conrail), which are further from adjoining residential

neighborhoods (where they exist). Thus, I conclude that, at least as to the Vinewood-FN segment, the environmental thresholds do not apply. While the distance between CN's DT&I line and the FN-Stanley Yard segment of Conrail's line is not so short as to make them part of the same corridor, I demonstrate below that the environmental thresholds would not be exceeded for that segment.

CN currently holds certain restricted, non-permanent trackage rights to operate over the Conrail line from CP Vinewood to Stanley Yard. Under these trackage rights, CN currently operates one train in each direction on a daily basis. If CN's request for permanent, unrestricted trackage rights between CP Vinewood and Stanley Yard were granted, CN would reroute certain existing trains in order to make efficient use of the trackage rights. The resulting changes in traffic levels can best be discussed by separately considering the following segments of Conrail line (train pairs are treated as a separate train in each direction):

- Alexis - Stanley Yard: CN would add approximately 2.0 trains per day on this segment, both of which would enter/leave the line at Alexis on movements via Flat Rock. An existing CNGT train operates all the way from Vinewood to Stanley Yard, and another existing CNGT train enters/exists via Alexis to reach Stanley Yard. This segment currently handles approximately 12 trains per day, and is projected by primary applicants to handle approximately 15 trains per day, so the addition of 2.0 trains per day by CN clearly will have no significant environmental effects.

- FN - Alexis: As noted above, CN currently operates two trains per day over this segment, which move to/from Stanley Yard. This Conrail segment currently handles approximately 16 trains per day, and is projected by primary applicants to handle approximately 19 trains per day. The rights requested would not lead to the imminent addition of any more trains to this segment.
- Vinewood - FN: As discussed above, this segment of Conrail's line is part of a busy rail transportation corridor consisting of parallel Conrail and CN operations. According to the primary applicants, Conrail currently operates 12-13 trains per day over this segment, and the primary applicants project that this will increase to 15-16 trains per day.³ CN, with a grant of permanent and unrestricted trackage rights, would reroute 10 trains per day from its adjacent tracks to this Conrail line segment, most of which would enter or exit the segment at FN, thereby relieving the congested NS River Rouge track by equal measure. As noted earlier, it is my judgment that a shift of traffic from CNGT tracks to parallel Conrail tracks within this busy corridor can have no significant environmental impact, and is not the type of change in traffic density that is intended to trigger the Board's environmental thresholds.

CN also seeks trackage rights over the existing Conrail northbound main line between approximately MP 16.5 and MP 18.0 at Trenton, MI, a distance of approximately 1.5 miles, for the purpose of serving Detroit Edison's Trenton Channel power plant, which is located within the Detroit Shared Assets Area. A grant of such trackage rights would enable CSX, in

³ These estimates are believed to exclude 8-12 CP trains.

conjunction with CN, to provide balanced competition to NS for this traffic. A grant of such trackage rights would have no significant effect on the environment. This proposal would not result in an increase in the number of trains, but merely a rerouting of those trains over generally parallel lines (3 trains each way per week).

Chicago Area

CN will seek trackage rights (1) from South Bend, IN (MP 436.9) on the existing Conrail Chicago main line, thence to the diverging Conrail Ivanhoe Branch (MP 482.0/240.7) and to Gibson Yard, Chicago (MP 259.5), a distance of approximately 54 miles, or, in the alternative, (2) from station point Hays, IN (MP 9.2) on the Conrail Kankakee Line (where the CNGT line crosses Conrail) northward to Gibson Yard (MP 3.8), a distance of approximately 5.4 miles. In each instance, the trackage rights would be over Conrail lines to be acquired by NS. (As discussed in the accompanying RER, if the trackage rights were granted from Hays, CN would construct a connecting track at that point between the CN and Conrail lines.)

Gibson Yard is operated by the Indiana Harbor Belt Railway ("IHB"), and serves as central point for interchanging pre-blocked auto traffic between eastern and western carriers. CN today reaches Gibson Yard via an alternate route, but that route will be impaired by congestion resulting from the proposed acquisition of Conrail by CSX and NS. The requested trackage rights, each of which involves Conrail lines to be acquired by NS, are needed to preserve an efficient access by CN to IHB's Gibson Yard.

CN currently operates one train per day of finished vehicles to Gibson Yard. (There is no reverse train movement; instead, the power is simply deadheaded to IHB's Blue Island

Yard.) Upon a grant of the requested trackage rights, this one train per day would be routed to Gibson Yard either over the Conrail line from South Bend or the Conrail line from Hays.

The requested trackage rights would have no significant environmental impact, regardless of whether the rights were granted from South Bend or from Hays. The Conrail line between South Bend and Gibson Yard is part of a high density main line that currently handles approximately 90 trains per day, so the addition of one train per day obviously would have no environmental impact. The Conrail Kankakee Line between Hays and Gibson Yard currently handles an average of approximately 6.8 trains per day, so the addition of one train would fall well short of the Board's environmental thresholds.

Buffalo Area

CN will seek trackage rights over the existing Conrail lines from CP "H" to CP "Draw," a distance of about 9 miles. Today CN connects with NS at Buffalo via overhead trackage rights that NS holds over the Conrail line extending generally from Black Rock, at International Bridge, to NS' Tifft Yard near CP "Draw." Traffic between CN and NS currently is interchanged on the Canadian side of International Bridge at Fort Erie and at Robbins (a siding just west of Fort Erie). CN also has the right to run to Buffalo Junction Yard and Tifft Yard for direct interchange with NS, but this right derives from a tri-party agreement whereby, for operating convenience, CN has the ability to utilize the trackage rights NS holds over Conrail. Given the realignment of Conrail assets being proposed, and in order to ensure preservation of the direct CN-NS interchange at Buffalo in the future, CN will seek trackage rights in its own name over this Conrail line (which will be acquired by CSX).

The requested trackage rights will result in no increase or decrease in traffic over any line segment. Traffic being interchanged between CN and NS already is being handled by NS over the involved Conrail line. From an operating standpoint, the only effect of the proposed trackage rights will be that the same traffic might be handled by CN over the same Conrail line for interchange with NS at Buffalo Junction Yard and/or Tifft Yard.

B. Responsive Environmental Report For Proposed Construction

The following information is provided in compliance with Decision No. 6:

(1) Executive Summary

In order to implement trackage rights to be requested through its responsive application, CN proposes to construct certain connecting tracks in the Detroit and Chicago areas, as follows:

- (Sub-No. 82): Detroit Area/Vinewood-FN Trackage Rights -- Four short connecting tracks to provide access between the Conrail Northbound and Southbound Main Lines and CNGT's Shoreline Subdivision, as shown on Attachments 1 and 3, all within the Detroit Shared Assets Area. Two connections would be built at approximately MP 46.0 of the Shoreline Subdivision, just south of Dearborn/Coolidge Highway and Conrail's Rouge Yard. Two connections would be built at approximately MP 37.0 of the Shoreline Subdivision, just north of FN Tower.
- (Sub-No. 83): Detroit Area/Trenton Channel Power Plant -- One short connecting track at Trenton, MI, to provide access between the Conrail

Northbound Main Line and CNGT's Shoreline Subdivision, as shown on Attachment 4. This connection, together with the related trackage rights over approximately 1.5 miles of Conrail's line, will provide balanced rail competition for movements to Detroit Edison's Trenton Channel power plant, which is located within the Detroit Shared Assets Area.

- (Sub-No. 84): Chicago Area/Hays Connection for Access to Gibson Yard --

One short connecting track at Hays, where the CNGT east-west main line crosses the Conrail north-south Kankakee Line, in the City of Highland, IN (Lake County), as shown on Attachment 5. This connection is needed to implement one of CN's two alternative trackage rights requests to provide access to IHB's Gibson Yard, on the southeast side of Chicago.

All of the proposed connections would be constructed within existing railroad rights-of-way or on adjacent railroad owned land. The connections at Detroit would be built within an existing, heavily used rail transportation corridor. The connection in the Chicago area would be built in an undeveloped area. As to each of the connections, the proposed construction would have no significant effect on the environment.

(2) Purpose and Need for Agency Action

The construction and operation of an extension to a railroad line requires Board approval under 49 U.S.C. 10901, unless the Board grants an exemption pursuant to 49 U.S.C. 10502. The construction of connecting tracks between the lines of different railroads, particularly for the purpose of implementing trackage rights, generally is regarded as construction within the scope of section 10901. Under 49 C.F.R 1150.36, the Board has

adopted a class exemption for the construction and operation of connecting tracks within existing rail rights-of-way, or on land owned by connecting railroads, but the class exemption does not eliminate the need for environmental reporting.

(3) Description of Responsive Applications and Related Operations

As discussed elsewhere in this statement, CN intends to seek certain trackage rights in response to the proposed acquisition of Conrail by CSX and NS. In order to implement the proposed trackage rights in the Detroit and Chicago areas, CN intends to construct and operate over certain connecting tracks.

The Vinewood-FN Connecting Tracks would be used to implement CN's request for trackage rights between Vinewood and Stanley Yard, and more specifically that portion of the trackage rights between Vinewood and FN Tower. There is an existing connection between the Conrail line and the CNGT Shoreline Subdivision at Vinewood, which would be used in conjunction with these trackage rights. CN proposes to reconstruct the former connection at Conrail's Rouge Yard, and proposes the construction of new connecting tracks just north of FN Tower. This latter connection will permit the movement of CN trains between the Conrail line and the portion of CNGT's River Subdivision that extends to Flat Rock.

The Trenton Channel Connecting Track will be used in conjunction with requested trackage rights to establish a CSX-CN route for the movement of coal to Detroit Edison's Trenton Channel power plant, in competition with the direct NS route that will exist after the proposed acquisition of Conrail.

The Hays Connecting Track will be needed to implement the second of CN's alternative requests for trackage rights to preserve efficient access to Gibson Yard. The

connection would enable trains moving westbound on CN's main line to turn north on Conrail's Kankakee Line.

(4) Description of Affected Environment

(a) Vinewood-FN Connecting Tracks

The site is located within an existing rail transportation corridor in the Detroit area. Two connections would be built at approximately MP 46.0 of the Shoreline Subdivision, just south of Dearoad/Cooledge Highway and Conrail's Rouge Yard. Two connections would be built at approximately MP 37.0 of the Shoreline Subdivision, just north of FN Tower.

Each of these proposed connecting tracks will be built on land that is currently railroad-owned and utilized for railroad operations; therefore, zoning for the site currently accommodates railroad uses. None of the connecting tracks will cross any public roads. There are no existing structures on the site. Since the construction will take place on railroad property in the midst of an existing, heavily used transportation corridor, the construction is highly unlikely to have any impact on vegetation, wildlife, or historical or cultural resources.

(b) Trenton Channel Connecting Track

The site is located within an existing rail transportation corridor in the Detroit area at Trenton, MI, between the Conrail Northbound Main Line and CNGT's Shoreline Subdivision, and adjacent to Detroit Edison's Trenton Channel power plant. The power plant itself lies to the east of the rail corridor, adjacent to the Trenton Channel of the Detroit River. The dumper for the power plant, to which CN seeks access, lies within the rail corridor between Conrail's Northbound and Southbound Main Lines. A conveyor takes coal from the dumper across three parallel railroad tracks to the power plant.

The proposed connecting track will be built on land that is currently railroad-owned and utilized for railroad operations; therefore, zoning for the site currently accommodates railroad uses. The connecting track will not cross any public roads. There are no existing structures on the site. Since the construction will take place on railroad property in the midst of an existing, heavily used transportation corridor, the construction is highly unlikely to have any impact on vegetation, wildlife, or historical or cultural resources.

(c) Hays Connecting Track

The site is southeast of Chicago in the City of Highland, IN (Lake County), at the crossing of the CNGT east-west main line and the Conrail north-south Kankakee Line, about 1,400 feet west of Kennedy Avenue. The proposed connecting track would be built in the northeast quadrant of this crossing. At one time there was a connecting track in the southeast quadrant, but it was removed some years ago. A creek runs in a generally north-south direction and is carried by large culvert under the both Conrail and CNGT lines in the vicinity of the crossing. However, the proposed connection will not need to cross this creek.

There is residential development along Kennedy Avenue, but the site of the proposed connection is undeveloped railroad-owned property, and therefore the zoning for the site should accommodate railroad uses. The vegetation on the site is not unique, and the potential for wildlife is limited. There are no structures on the site. Given the proximity of the site to existing, active rail lines, the proposed construction is unlikely to have any effect on historical or cultural resources.

(5) Description of Alternatives

(a) Vinewood-FN Connecting Tracks

No build alternatives were identified to implement the proposed CN trackage rights. (CN has identified certain additional construction that might be undertaken to fully implement a paired track arrangement at Detroit, but the imposition of such an arrangement is not within the scope of the requested action, and the location for any such additional connecting tracks can best be identified through negotiations among the railroads participating voluntarily in such a paired track arrangement.)

Under the no-action alternative, CN would not have access to the Conrail line through Detroit and would not be able to avoid the increased congestion that will result from the proposed acquisition of Conrail. None of the potential environmental effects associated with the proposed construction would occur, but any such potential effects are minimal. At the same time, the benefits of more efficient rail operations at Detroit would not be achieved, and any beneficial effects of moving trains away from residential areas and reducing locomotive delays and dwell times would be forfeited.

(b) Trenton Channel Connecting Track

No build alternatives were identified to implement the proposed CN trackage rights.

Under the no-action alternative, CN would not have access to the Conrail Northbound Main Line, and therefore could not, in conjunction with CSX, provide service for coal movements to the dumper of Detroit Edison's Trenton Channel power plant, in competition with the direct NS route. None of the potential environmental effects associated with the

proposed construction would occur, but any such potential effects are minimal. At the same time, the benefits of competitive rail service to this power plant would not be achieved.

(c) Hays Connecting Track

No build alternatives were identified to implement the proposed CN trackage rights from Hays. However, CN will request alternative trackage rights, over the Conrail line from South Bend, which could be implemented without new construction. Given the volume of traffic currently moving over the Conrail line from South Bend, the addition of one CN train per day to this line would have no environmental impact. However, it is possible that NS, the prospective owner of the Conrail line from South Bend, would prefer that any new CN access to Gibson Yard be via the lower density Kankakee Line from Hays, for which a connection is needed.

(6) Analysis of Potential Environmental Impacts

For the reasons discussed elsewhere in this report, the construction of the proposed connecting tracks has only a minimal potential for site specific environmental impact, and will have no overall significant environmental impact. In each instance, the proposed construction involves short connecting tracks to be built on existing railroad property. In the Detroit area, the construction would take place within an existing, heavily used rail transportation corridor. In the Chicago area, the construction would take place on undeveloped land adjacent to existing rail lines.

(7) Proposed Mitigation

The proposed construction of each of these connections would result in minimal or no impact to land uses, water resources, biological resources, air quality, noise, cultural

resources, transportation, and safety. In consideration of these minimal impacts and as a matter of sound construction practices, CN proposes to undertake the following mitigation measures:

Land Use

Adjacent properties disturbed during construction activities will be restored to pre-construction conditions. Heavy equipment will not be permitted on sensitive resources surrounding the construction area. Should disturbance to sensitive resources be unavoidable, Best Management Practices will be employed to minimize impact to those resources.

Water Resources

Erosion and sedimentation control measures will be employed during construction activities to minimize impact on water resources near the construction activities. Erosion will also be minimized by disturbing the smallest area possible at the site and by revegetating any disturbed areas immediately following construction activities. Any culverts in the area will be kept clear of debris to avoid flooding, in accordance with federal, state and local regulations. Necessary permits will be obtained if construction activities require the alteration of or work in wetlands, ponds, lakes or streams or if these activities cause soil or other materials to effect the water resources.

Biological Resources

The regrowth of vegetation in disturbed areas will be encouraged through stabilization of disturbed soils and reseedling. Should environmental altering-activities occur, follow-up agency consultation with the appropriate state DNR and the United States Fish and Wildlife Service will be conducted.

Air Quality

All applicable federal, state and local regulations regarding the control of fugitive dust will be followed as well as using control methods such as water spraying.

Noise

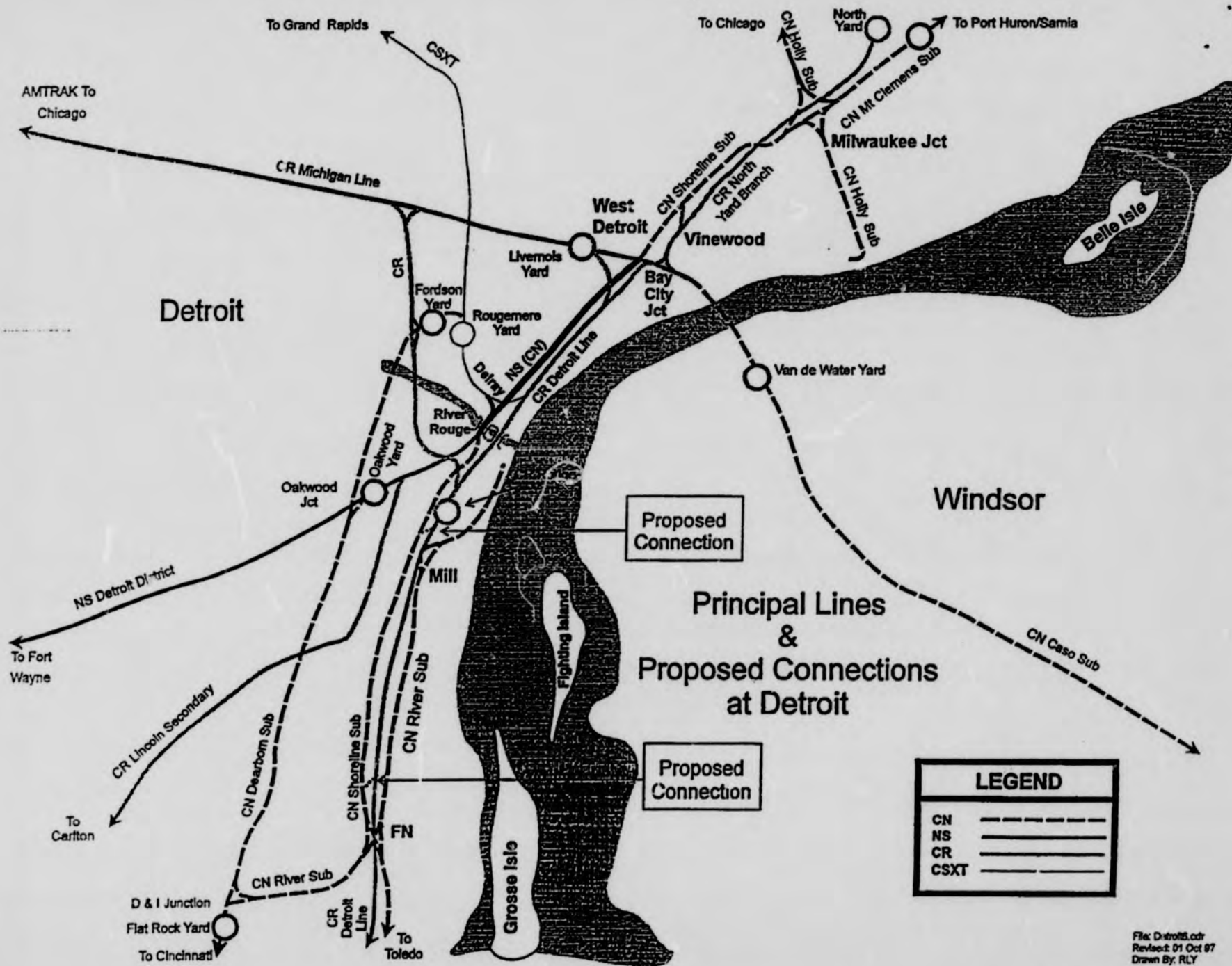
Temporary noise from construction equipment will be controlled through the use of work hour controls and maintenance of muffler systems on machinery.

Historic and Cultural Resources

In the event that potentially significant resources are discovered during the course of the project, the appropriate State Historic Preservation Office will be notified and procedures recommended by the SHPO will be implemented. This may include halting construction until the significance of the site can be evaluated and the impact to the significant values of the site can be mitigated or reduced.

Transportation and Safety

All roads disturbed during construction activities will be restored according to state or local regulations. Signs and barricades will be utilized, as necessary, to control traffic disruptions during construction activities. All hazardous materials generated during construction activities will be transported in accordance with the U.S. Department of Transportation Hazardous Materials Regulations (49 C.F.R. Parts 171-174 and 177-179). If any hazardous materials are encountered during construction activities, the appropriate response and remediation measures will be implemented.



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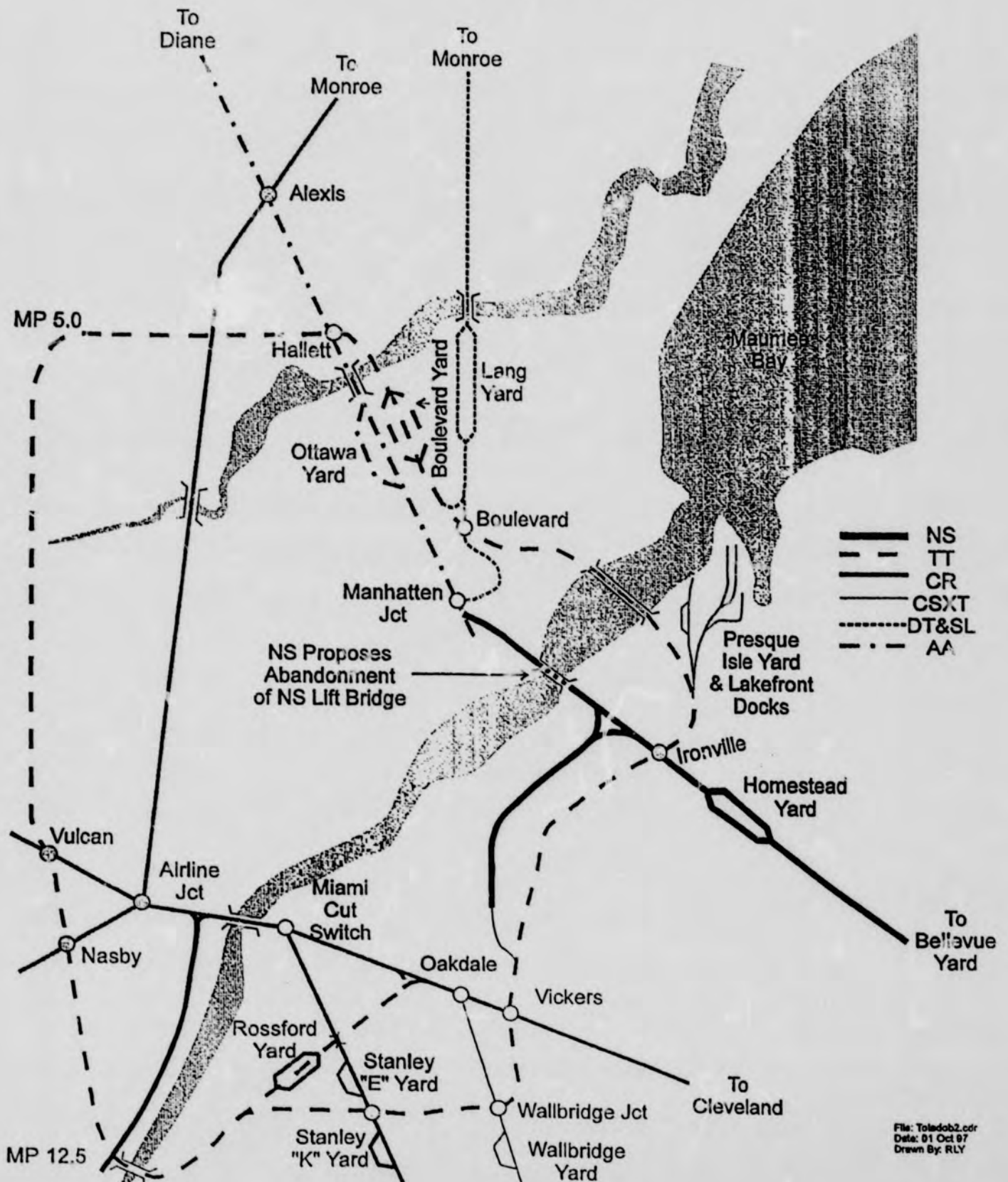
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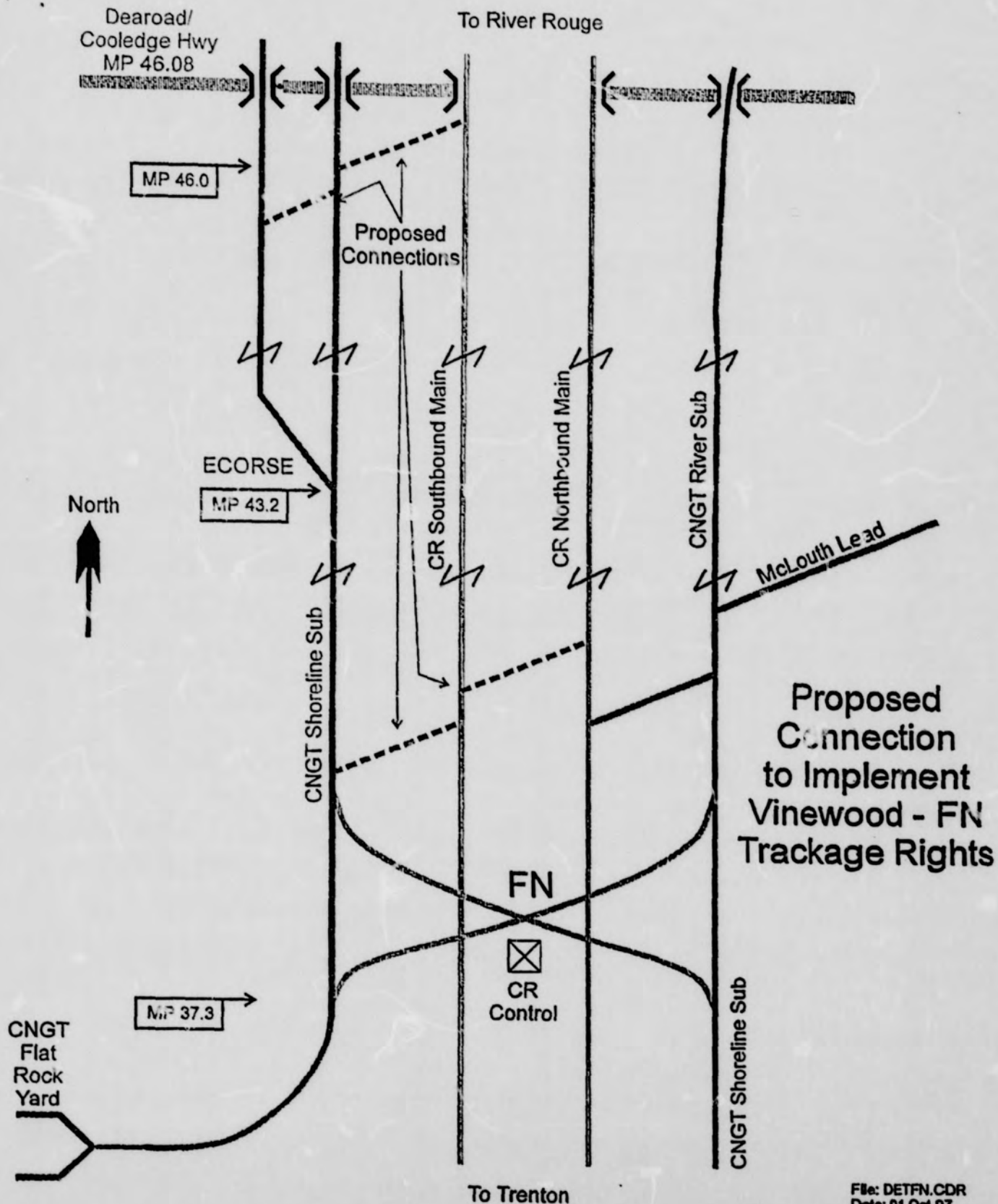
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ATTACHMENT #2

Principal Lines at Toledo, Ohio

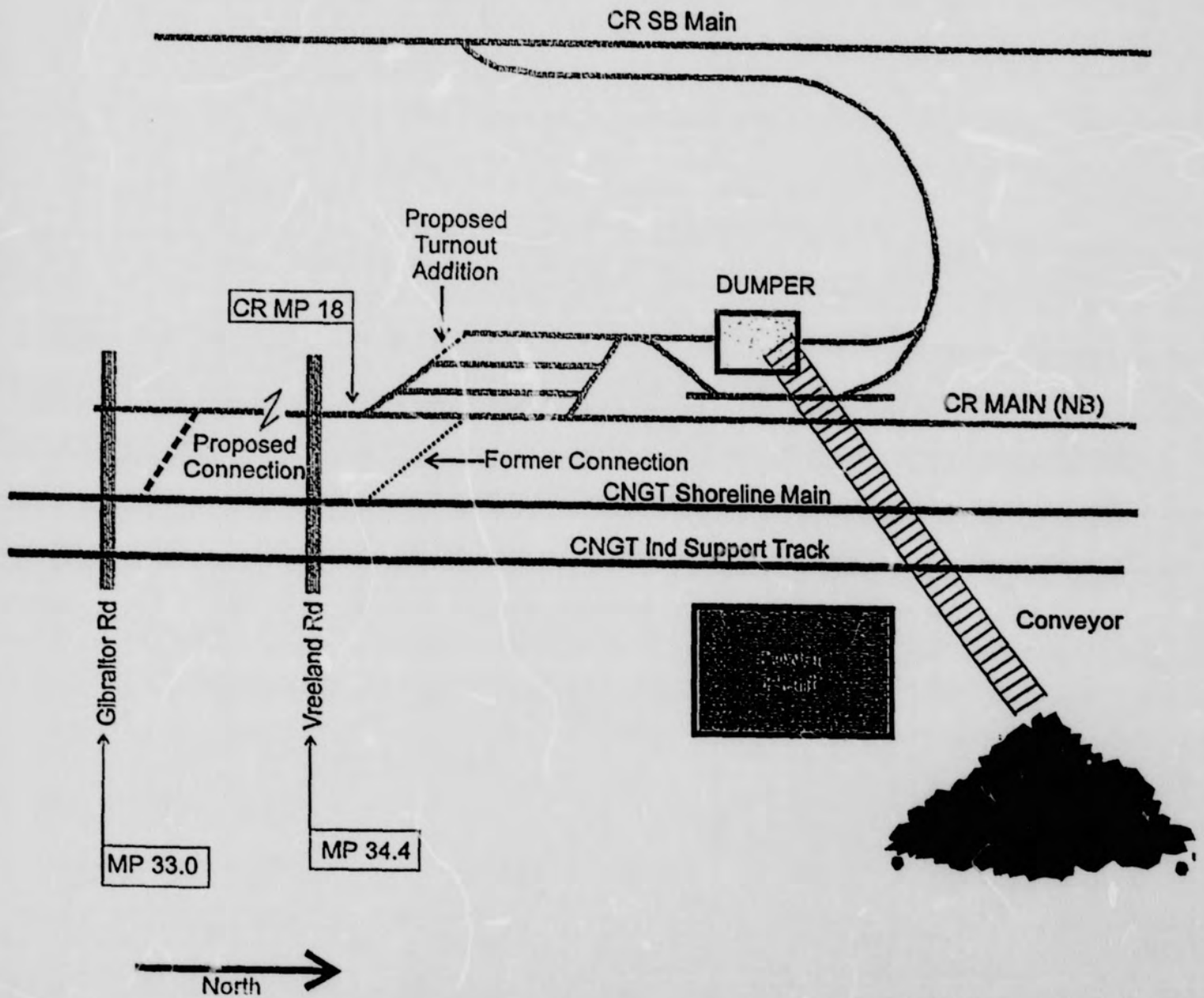


ATTACHMENT #3

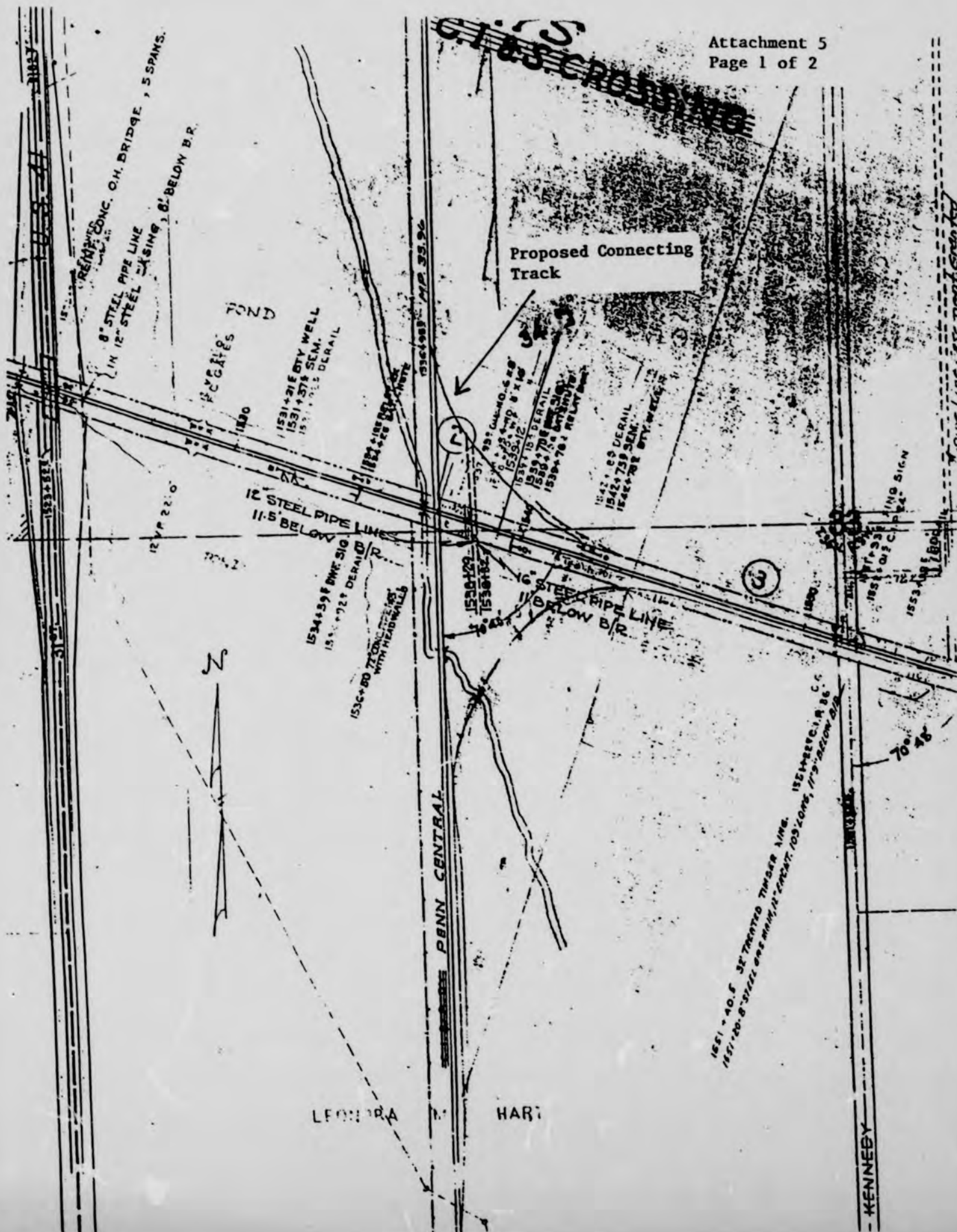


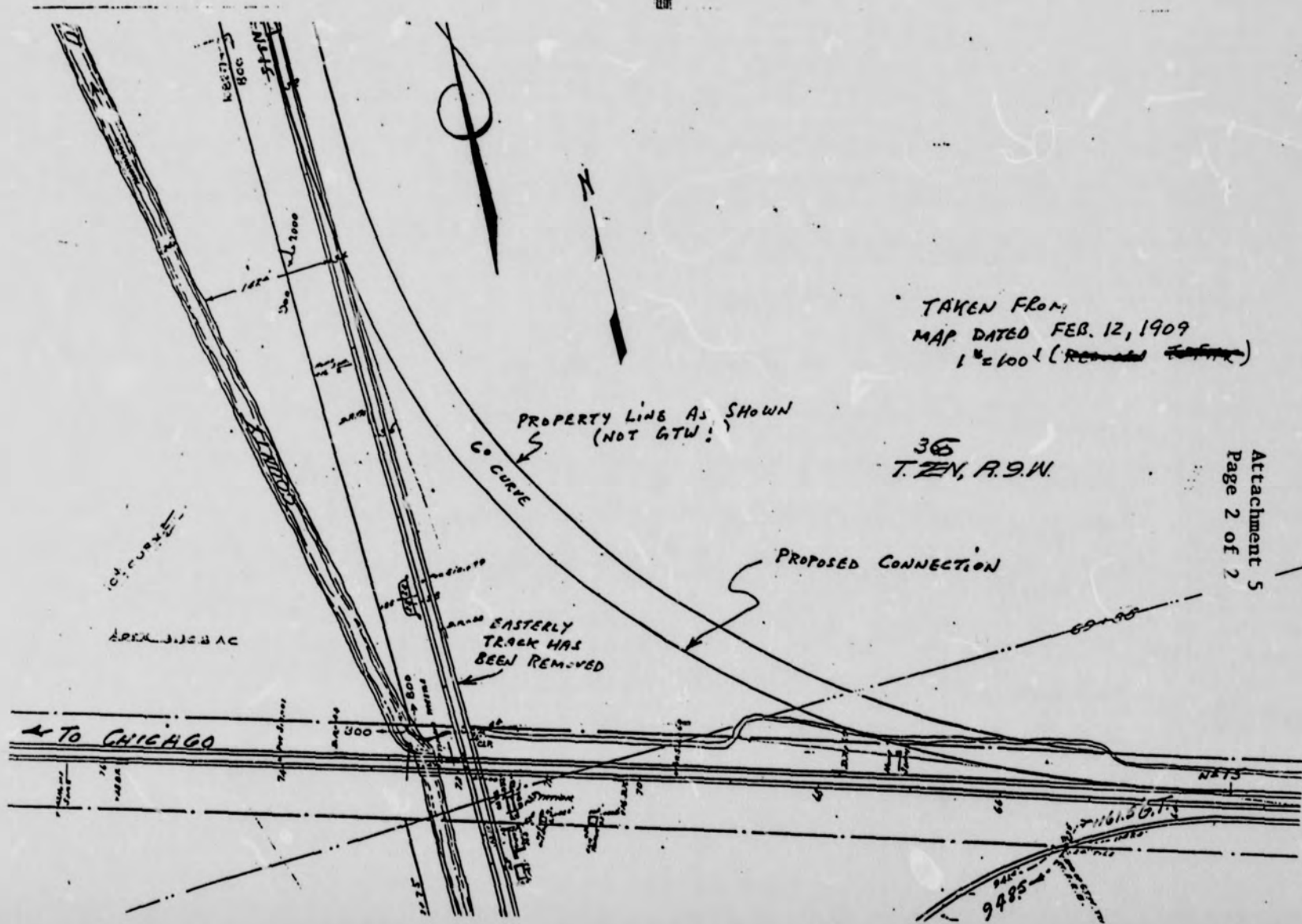
ATTACHMENT #4

Proposed Connection to Implement
Access to Detroit Edison Trenton Channel Plant



FILE: Trenton1.CDR
DATE: 01 Oct 97
DRAWN BY: RLY





VERIFICATION

I, Douglas N. Wilson, verify under penalty of perjury that I have read the foregoing statement and the same is true and correct to the best of my knowledge and belief. I further verify that I am qualified and authorized to provide this statement.

Executed this 1st date of october, 1997.

Douglas N. Wilson

Douglas N. Wilson

Subscribed and sworn to before me by Douglas N. Wilson

this 1st day of October, 1997.

Kenneth Ronald Peel

Notary Public

(Kenneth Ronald Peel)

My commission expires: not applicable.



Certificate of Service

The undersigned hereby certifies that on this 1st day of October, 1997, he served a true copy of the foregoing on counsel for all known parties by first-class mail, postage prepaid. He further certifies that, in compliance with 49 C.F.R. 1105.7(b), copies were served on the following:

U.S. National Park Service
1849 C Street, N.W.
Washington, D.C. 20240

U.S. Soil Conservation Service
Independence Ave. at 12th & 14th Sts.,
N.W.
Washington, D.C. 20241

Mayor
City of Highland
3333 Ridge Road
Highland, IN 46322

Lake County Board of Commissioners
Crown Point Government Center
2293 N. Main Street
Crown Point, IN 46307

U.S. Army Engineer Division, North
Central
111 N. Canal Street
Chicago, Illinois 60606-7206

U.S. Army Engineer District, Detroit
P.O. Box 1027
Detroit, MI 48231-1027

U.S. Fish and Wildlife Service
Region 3
One Federal Drive
Federal Building
Fort Snelling, MN 55511

U.S. Environmental Protection Agency
Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

State Clearinghouse
State Budget Agency
212 State House
Indianapolis, IN 46204

Environmental Protection Agency
Department of Environmental Management
P.O. Box 6015
100 N. Senate Avenue
Indianapolis, IN 46206-6015

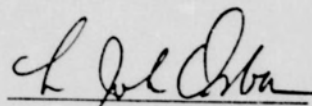
Manager, Federal Project Review
Southeast Michigan Council of
Governments
660 Plaza Drive, Suite 1900
Detroit, MI 48226

Department of Natural Resources
Box 300028
Lansing, MI 48909

NOAA
National Geodetic Survey, N/NGS12
1315 East-West Highway
Silver Spring, Maryland 20910-3282

Indiana Department of Transportation
Railroad Division
100 North Senate Avenue
Suite N901
Indianapolis, IN 46204-2219

Michigan Department of Transportation
Freight Services & Safety Division
P.O. Box 30050
425 West Ottawa
Lansing, MI 48909


L. John Osborn

BEFORE THE
SURFACE TRANSPORTATION BOARD

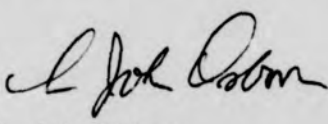
Finance Docket No. 33588

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

CANADIAN NATIONAL RAILWAY COMPANY'S
CERTIFICATE OF SERVICE REQUIRED BY DECISION NOS. 27 AND 43

As required by Decision No. 27, served on September 8, 1997, and Decision No. 43, served on October 7, 1997, Canadian National Railway Company ("CN") and Grand Trunk Western Railroad Incorporated ("GTW") hereby certify that they have served on each added Party of Record copies of all filings they have submitted so far in this proceeding by first-class mail, postage prepaid. (CN-1 through CN-3 were filed in earlier dockets, so CN-4 through CN-11 have been served. In order to avoid waste, this certificate is being served only on such added parties.)

Jean Pierre Ouellet
Chief Legal Officer and Corporate
Secretary
Canadian National Railway Company
935 de La Gauchetiere Street West
16th Floor
Montreal, Quebec
H3B 2M9
(514) 399-2100



L. John Osborn
Douglas E. Rosenthal
Elizabeth A. Ferrell
Sonnenschein Nath & Rosenthal
1301 K Street, N.W.
Suite 600 East
Washington, D.C. 20005
(202) 408-6351

Attorneys for:
CANADIAN NATIONAL RAILWAY COMPANY
GRAND TRUNK WESTERN RAILROAD INCORPORATED

Dated: October 10, 1997

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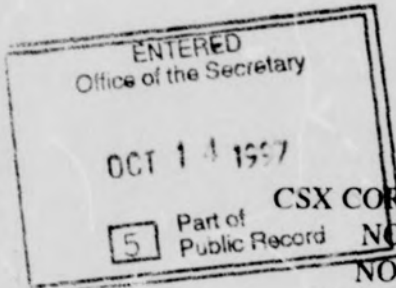
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BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 33388

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

ANN ARBOR RAILROAD'S CERTIFICATE OF SERVICE

In accordance with Decision No. 43, served October 7, 1997, in the above-captioned matter, Ann Arbor Railroad hereby certifies that on October 10, 1997, it served on all Parties of Record added to the service list copies of all filings it has submitted so far in this proceeding by first-class mail, postage prepaid.

Respectfully submitted,

Karl Morell

Karl Morell
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
202-638-3307

Attorney for:
ANN ARBOR RAILROAD

STB

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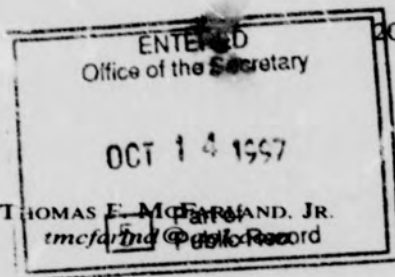
10-14-97

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LAW OFFICES
McFARLAND & HERMAN
20 NORTH WACKER DRIVE-SUITE 1330
CHICAGO, ILLINOIS 60606-2902
TELEPHONE (312) 226-0204
FAX (312) 201-9695
mchermn@aol.com

D

STEPHEN C. HERMAN
schrmn@aol.com

October 10, 1997



Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 71
1925 K Street, N.W.
Washington, DC 20423-6001

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

Dear Mr. Williams:

This is to certify that a copy of Kokomo Grain Co., Inc.'s filings KGC-1 and KGC-2 in the above referenced proceeding have this day been served on all added Parties of Record to the service list in accordance with the Board's Decision No. 43 served October 7, 1997. Ten copies accompany the original of this communication

Very truly yours,

Tom McFarland

Thomas F. McFarland, Jr.
Attorney for Kokomo Grain Co., Inc.

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STB

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GOLLATZ, GRIFFIN & EWING, P.C.
ATTORNEYS AT LAW
213 WEST MINER STREET
POST OFFICE BOX 796
WEST CHESTER, PA 19381-0796

PHILADELPHIA OFFICE:
SIXTEENTH FLOOR
TWO PENN CENTER PLAZA
PHILADELPHIA, PA 19102
(215) 563-9400

Telephone (610) 692-9116
Telecopier (610) 692-9177
E-MAIL: GGE@GGE.ATTMAIL.COM

DELAWARE COUNTY OFFICE:
205 NORTH MONROE STREET
POST OFFICE BOX 1430
MEDIA, PA 19063
(610) 565-6040

ERIC M. HOCKY

October 13, 1997



FEDEX

Hon. Vernon A. Williams, Secretary
Surface Transportation Board
Mercury Building, #711
1925 K Street, N.W.
Washington, DC 20423-0001

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

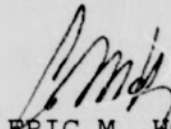
Dear Secretary Williams:

In accordance with Decision No. 43, enclosed are a certificate of service on behalf of each of the parties shown on the attached list, with respect to service of prior pleadings on the Parties of Record that have been added to the service list pursuant to Decision No. 43. An original and ten (10) copies of each certificate are enclosed as required by Decision No. 43, along with a diskette containing the certificates in a format (WordPerfect 6.1) that can be converted into WordPerfect 7.0.

Hon. Vernon A. Williams, Secretary
October 13, 1997
Page 2

Kindly time stamp the enclosed extra copy of this letter to indicate receipt and return it to me in the self-addressed envelope provided for your convenience.

Respectfully,



ERIC M. HOCKY
Attorneys for the Parties of Record
shown on the attached list

Enclosures

cc: Administrative Law Judge Jacob Leventhal
Dennis G. Lyons, Esq.
Richard A. Allen, Esq.
Paul A. Cunningham, Esq.
All Parties of Record added pursuant to December No. 43

. . . .

SCHEDULE A

Bethlehem Steel Corporation and its subsidiary
railroads ("BSCX")

Buffalo & Pittsburgh Railroad, Inc. ("BPRR")

Allegheny & Eastern Railroad, Inc. ("ALY")

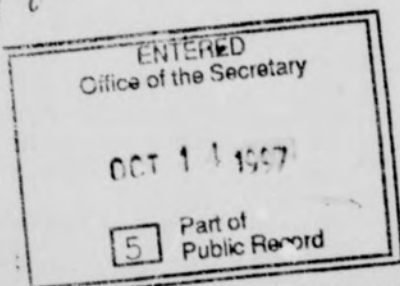
Rochester & Southern Railroad, Inc. ("RSR")

The New York, Susquehanna and Western Railway
Corporation ("NYSW")

Pittsburg & Shawmut Railroad, Inc. ("PSRR")

Reading Blue Mountain & Northern Railroad Company
("RBMN")

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RBMN-4

BEFORE THE

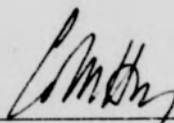
STB FINANCE DOCKET NO. 33388



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

CERTIFICATE OF SERVICE

In accordance with Decision No. 43, I hereby certify that a copy of all pleadings (other than discovery) filed so far in this proceeding by Reading Blue Mountain & Northern Railroad Company ("RBMN") have been served on all Parties of Record that have been added to the service list pursuant to Decision No. 43.



William P. Quinn
Eric M. Hocky
GOLLATZ, GRIFFIN & EWING, P.C.
213 West Miner Street
P.O. Box 796
West Chester, PA 19381-0796
(610) 692-9116

Dated: October 13, 1997

Attorneys for Reading Blue Mountain & Northern
Railroad Company

STB

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ORIGINAL

ENTERED	
Office of the Secretary	
OCT 14 1997	
5	Part of Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 33388

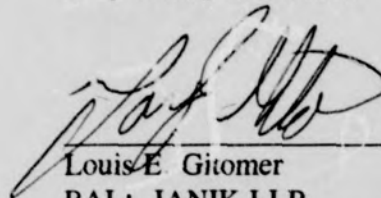


CSX CORPORATION AND CSX TRANSPORTATION INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTRACTS AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

DELAWARE VALLEY RAILWAY COMPANY, INC.
HURON AND EASTERN RAILWAY CO., INC., RAILAMERICA INC., SAGINAW
VALLEY RAILWAY COMPANY, INC.'S CERTIFICATE OF SERVICE

In accordance with Decision No. 43, served October 7, 1997, in the above-captioned matter, Delaware Valley Railway Company, Inc., Huron and Eastern Railway Company, Inc., RailAmerica Inc., and Saginaw Valley Railway Company, Inc., hereby certify that on October 10, 1997, they served on all Parties of Record added to the service list copies of all filings they have submitted so far in this proceeding by first-class mail, postage prepaid.

Respectfully submitted,



Louis E. Gitomer
BALL JANIK LLP
1455 F Street, N.W., Suite 225
Washington, D.C. 20005
202-638-3307

STB FD

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10-14-97

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ALY-6

BEFORE THE

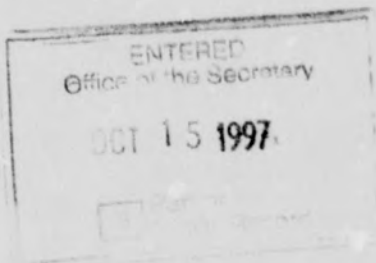
STB FINANCE DOCKET NO. 33388

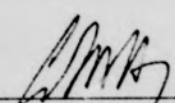
**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**



CERTIFICATE OF SERVICE

In accordance with Decision No. 43, I hereby certify that a copy of all pleadings (other than discovery) filed so far in this proceeding by Allegheny & Eastern Railroad, Inc. ("ALY") have been served on all Parties of Record that have been added to the service list pursuant to Decision No. 43.





William P. Quinn
Eric M. Hocky
GOLLATZ, GRIFFIN & EWING, P.C.
213 West Miner Street
P.O. Box 796
West Chester, PA 19381-0796
(610) 692-9116

Dated: October 13, 1997

Attorneys for Allegheny & Eastern Railroad, Inc.

STB

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10-14-97

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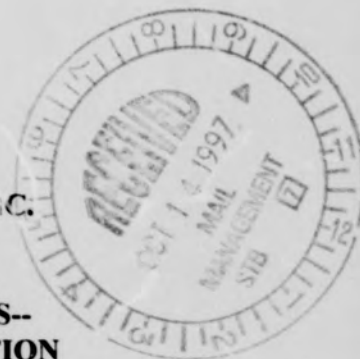
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BSCX-7

BEFORE THE

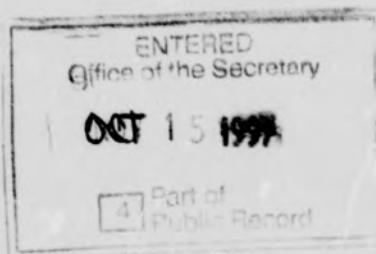
STB FINANCE DOCKET NO. 33388

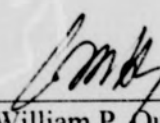
**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**



CERTIFICATE OF SERVICE

In accordance with Decision No. 43, I hereby certify that a copy of all pleadings (other than discovery) filed so far in this proceeding by Bethlehem Steel Corporation and its subsidiary railroads ("BSCX") have been served on all Parties of Record that have been added to the service list pursuant to Decision No. 43.





William P. Quinn
Eric M. Hocky
GOLLATZ, GRIFFIN & EWING, P.C.
213 West Miner Street
P.O. Box 796
West Chester, PA 19381-0796
(610) 692-9116

Dated: October 13, 1997

Attorneys for Bethlehem Steel Corporation
and its subsidiary railroads

STB

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BPRR-6



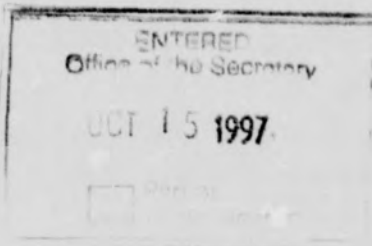
BEFORE THE

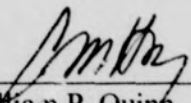
STB FINANCE DOCKET NO. 33388

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

CERTIFICATE OF SERVICE

In accordance with Decision No. 43, I hereby certify that a copy of all pleadings (other than discovery) filed so far in this proceeding by Buffalo & Pittsburgh Railroad, Inc. ("BPRR") have been served on all Parties of Record that have been added to the service list pursuant to Decision No. 43.





William P. Quinn
Eric M. Hocky
GOLLATZ, GRIFFIN & EWING, P.C.
213 West Miner Street
P.O. Box 796
West Chester, PA 19381-0796
(610) 692-9116

Dated: October 13, 1997

Attorneys for Buffalo & Pittsburgh
Railroad, Inc.

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NYSW-3

BEFORE THE

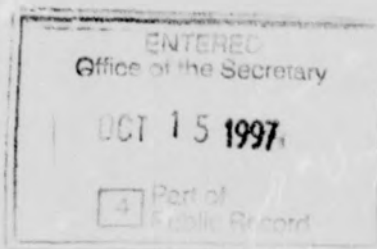
STB FINANCE DOCKET NO. 33388

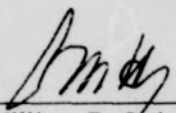
**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**



CERTIFICATE OF SERVICE

In accordance with Decision No. 43, I hereby certify that a copy of all pleadings (other than discovery) filed so far in this proceeding by The New York, Susquehanna and Western Railway Corporation ("NYSW") have been served on all Parties of Record that have been added to the service list pursuant to Decision No. 43.





William P. Quinn
Eric M. Hocky
GOLLATZ, GRIFFIN & EWING, P.C.
213 West Miner Street
P.O. Box 796
West Chester, PA 19381-0796
(610) 692-9116

Dated: October 13, 1997

Attorneys for The New York, Susquehanna
and Western Railway Corporation

STB

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PSRR-3

BEFORE THE

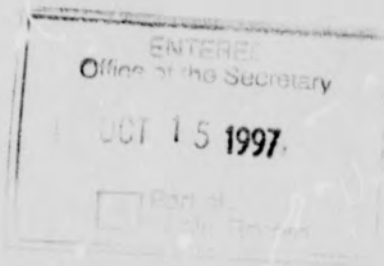
STB FINANCE DOCKET NO. 33388

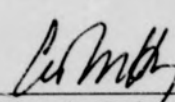
**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
--CONTROL AND OPERATING LEASES/AGREEMENTS--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**



CERTIFICATE OF SERVICE

In accordance with Decision No. 43, I hereby certify that a copy of all pleadings (other than discovery) filed so far in this proceeding by Pittsburg & Shawmut Railroad, Inc. ("PSRR") have been served on all Parties of Record that have been added to the service list pursuant to Decision No. 43.





William P. Quinn
Eric M. Hocky
GOLLATZ, GRIFFIN & EWING, P.C.
213 West Miner Street
P.O. Box 796
West Chester, PA 19381-0796
(610) 692-9115

Dated: October 13, 1997

Attorneys for Pittsburg & Shawmut Railroad, Inc.

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MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

WRITER'S DIRECT DIAL:
(202) 778-0630

MAIN TELEPHONE
202-463-2000
MAIN FAX
202-861-0473

October 9, 1997

VIA HAND DELIVERY

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street NW
Washington, DC 20423



D

Re: Finance Docket No. 33383, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Co.--
Control and Operating Leases/Agreement--Conrail Inc. and Consolidated Rail Corporation

Dear Secretary Williams:

Pursuant to Decision No. 43 in the above-referenced proceeding, enclosed please find an original and ten (10) copies of the Certificate of Service of the Burlington Northern and Santa Fe Railway Company.

I would appreciate it if you would date-stamp the enclosed extra copy of the Certificate of Service and return it to the messenger for our files. If you have any questions, please contact me at (202) 778-0630. Thank you.

Sincerely,

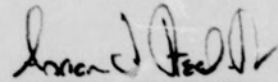
Adrian L. Steel Jr.

Adrian L. Steel Jr.

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that a copy of all filings in Finance Docket No. 33388 submitted by the Burlington Northern and Santa Fe Railway Company prior to the service date of Board Decision No. 43 have been served this 9th day of October, 1997, by first-class mail, postage prepaid on all parties added to the Service List in Board Decision No. 43.



Adrian L. Steel, Jr.



STB

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33388

10-8-97

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182422

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D

HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

88 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20006-4103 (202) 835-8000

FACSIMILE (202) 835-8136

INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60602-4205
DETROIT OFFICE 1800 LIVERNOIS SUITE 220 TROY, MI 48063-1220

JAMIE PALTER RENNERT
(202) 835-8112

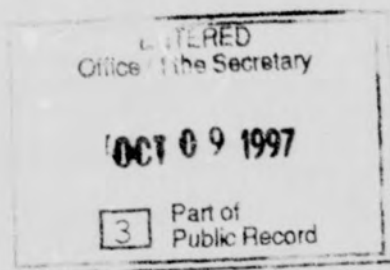
October 8, 1997

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

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

Dear Secretary Williams:

Enclosed are an original and ten (10) copies of the Certificate of Service of the City of Cleveland, Ohio (CLEV-7) for filing in the above-referenced proceeding. An additional copy is enclosed for file stamp and return with our messenger.



Sincerely,

Jamie Palter Rennert

Enclosure

Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

CLEV-7

Finance Docket No. 33388

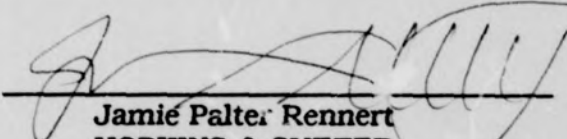
CSX Corporation and CSX Transportation Inc.,
Norfolk Southern Corporation and
Norfolk Southern Railway Company
-- Control and Operating Leases/Agreements --
Conrail Inc. and Consolidated Rail Corporation --



Certificate of Service of the City of Cleveland, Ohio

Pursuant to Decision No. 43 of the Surface Transportation Board, I hereby certify that on October 8, 1997, all added Parties of Record listed in the Appendix to Decision No. 43 were served by first-class U.S. mail, postage prepaid, with all filings of the City of Cleveland, Ohio submitted thus far in this proceeding other than discovery filings served only upon parties on the Restricted Service List.

Dated: October 8, 1997



Jamie Palter Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for the City of Cleveland,
Ohio

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HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

888 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20006-4103 (202) 835-8000

FACSIMILE (202) 835-8136

INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60602-4203
DETROIT OFFICE 2800 LIVERNOIS SUITE 220 TROY, MI 48063-1220

ENTERED
Office of the Secretary

OCT 09 1997

3 Part of
Public Record
JAMIE PALTER RENNERT
(202) 835-8112

October 8, 1997



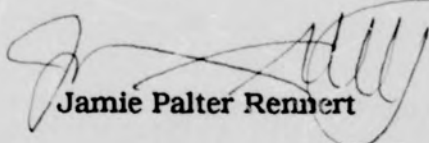
Vernon A. Williams, Secretary
Office of the Secretary
Case Control Branch
ATTN: STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

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

Dear Secretary Williams:

Enclosed are an original and ten (10) copies of the Certificate of Service of the Philadelphia Belt Line Railroad Company (PBL-9) for filing in the above-referenced proceeding. An additional copy is enclosed for file stamp and return with our messenger.

Sincerely,


Jamie Palter Rennert

Enclosure

Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

Finance Docket No. 33388 (Sub-No. 53)

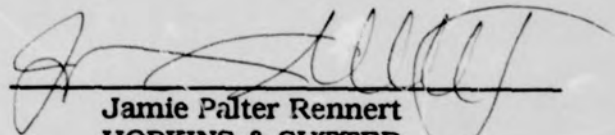
CSX Corporation and CSX Transportation Inc.,
Norfolk Southern Corporation and
Norfolk Southern Railway Company
-- Control and Operating Leases/Agreements --
Conrail Inc. and Consolidated Rail Corporation --



**Certificate of Service of
the Philadelphia Belt Line Railroad Company**

Pursuant to Decision No. 43 of the Surface Transportation Board, I hereby certify that on October 8, 1997, all added Parties of Record listed in the Appendix to Decision No. 43 were served by first-class U.S. mail, postage prepaid, with all filings of the Philadelphia Belt Line Railroad Company submitted thus far in this proceeding other than a discovery filing served only upon parties on the Restricted Service List.

Dated: October 8, 1997



Jamie Palter Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for Philadelphia Belt Line
Railroad Company

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Office of the Secretary

OCT 09 1997

3 Part of
Public Record

JAMIE PALTER RENNERT
(202) 835-8112

HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

888 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20006-4103 (202) 835-8000
FACSIMILE (202) 835-8136
INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60602-4205
DETROIT OFFICE 2800 LIVERNOIS SUITE 220 TROY, MI 48065-1220

October 8, 1997

Vernon A. Williams, Secretary
Office of the Secretary
Case Control Branch
ATTN: STB Finance Docket No. 33338
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001



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

Dear Secretary Williams:

Enclosed are an original and ten (10) copies of the Certificate of Service of the New York City Economic Development Corporation (NYC-8) for filing in the above-referenced proceeding. An additional copy is enclosed for file stamp and return with our messenger.

Sincerely,

Jamie Palter Rennert

Enclosure

Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

Finance Docket No. 33388 (Sub-No. 54)

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



**Certificate of Service of
the New York City Economic Development Corporation**

Pursuant to Decision No. 43 of the Surface Transportation Board, I hereby certify that on October 8, 1997, all added Parties of Record listed in the Appendix to Decision No. 43 were served by first-class U.S. mail, postage prepaid, with all filings of the New York City Economic Development Corporation submitted thus far in this proceeding.

Dated: October 8, 1997

A handwritten signature in dark ink, appearing to read 'Jamie Palter Rennert', written over a horizontal line.

Jamie Palter Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for New York City
Economic Development
Corporation, acting on behalf of
the City of New York, New York

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HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

800 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20006-4103 (202) 835-8000

FACSIMILE (202) 835-8136

INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60602-4205
DETROIT OFFICE 2800 LIVERNOIS SUITE 220 TROY, MI 48063-1225

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RECEIVED
Office of the Secretary

OCT 09 1997

JAMIE PALTER RENNERT
(202) 835-8112
Public Record

October 8, 1997



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

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

Dear Secretary Williams:

Enclosed are an original and ten (10) copies of the Certificate of Service of the Florida Power & Light Company (FPL-4) for filing in the above-referenced proceeding. An additional copy is enclosed for file stamp and return with our messenger.

Sincerely,


Jamie Palter Rennert

Enclosure

Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

FPL-4

Finance Docket No. 33388

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



Certificate of Service of the Florida Power & Light Company

Pursuant to Decision No. 43 of the Surface Transportation Board, I hereby certify that on October 8, 1997, all added Parties of Record listed in the Appendix to Decision No. 43 were served by first-class U.S. mail, postage prepaid, with all filings of the Florida Power & Light Company submitted thus far in this proceeding.

Dated: October 8, 1997

Jamie Palter Rennert
HOPKINS & SUTTER
888 Sixteenth Street NW
Washington, D.C. 20006
(202) 835-8000

Counsel for Florida Power &
Light Company

STB

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Office of the Secretary
OCT 09 1997
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Public Record

HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

886 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20006-4103 (202) 835-8000
FACSIMILE (202) 835-8135
INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60602-4205
DETROIT OFFICE 2800 LIVERNOIS SUITE 220 TROY, MI 48063-1220

JAMIE PALTER RENNERT
(202) 835-8112

October 8, 1997

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



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

Dear Secretary Williams:

Enclosed are an original and ten (10) copies of the Certificate of Service of the Commuter Rail Division of the Regional Transportation Authority and the Northeast Illinois Regional Commuter Railroad Corporation, d/b/a Metra (METRA-5) for filing in the above-referenced proceeding. An additional copy is enclosed for file stamp and return with our messenger.

Sincerely,

Jamie Palter Rennert

Enclosure

Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

Finance Docket No. 33388

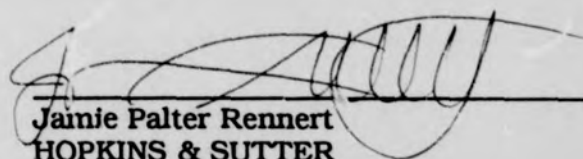
CSX Corporation and CSX Transportation Inc.,
Norfolk Southern Corporation and
Norfolk Southern Railway Company
-- Control and Operating Leases/Agreements --
Conrail Inc. and Consolidated Rail Corporation



**Certificate of Service of the Commuter Rail Division of the
Regional Transportation Authority and the Northeast Illinois
Regional Commuter Railroad Corporation, d/b/a Metra**

Pursuant to Decision No. 43 of the Surface Transportation Board, I hereby certify that on October 8, 1997, a'. added Parties of Record listed in the Appendix to Decision No. 43 were served by first-class U.S. mail, postage prepaid, with all filings of the Commuter Rail Division of the Regional Transportation Authority and the Northeast Illinois Regional Commuter Railroad Corporation, d/b/a Metra submitted thus far in this proceeding other than a discovery filing served only upon parties on the Restricted Service List.

Dated: October 8, 1997


Jamie Palter Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for Commuter Rail Division of
the Regional Transportation Authority
and the Northeast Illinois Regional
Commuter Railroad Corporation, d/b/a
Metra

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ORIGINAL

LAW OFFICES
GORDON P. MACDOUGALL
1025 CONNECTICUT AVE. N. W.
WASHINGTON, D. C. 20036



TELEPHONE
AREA CODE 202
923-9738

October 8, 1997

Vernon A. Williams
Secretary
Surface Transp. Board
Washington DC 20423

Re: F.D. No. 33388
CSX Corp. & Norfolk Southern Corp.-Control
& Operating Leases/Agreements-Conrail, Inc.

D

Dear Mr. Williams:

This is to certify, in accordance with Decision No. 43, that I have served a copy of pleadings of the following upon all designated parties of record added by Decision No. 43, by first class mail, postage prepaid, as follows:

Joseph C. Szabo, United Transportation
Union-Illinois Legislative Board

Village of Riverdale

Charles D. Bolam, United Transportation
Union-General Committee of Adjustment (ALS)

John D. Fitzgerald, United Transportation
Union-General Committee or Adjustment (GO 386)

Frank R. Pickell, United Transportation Union-
General Committee of Adjustment-Conrail West
& South/Norfolk Southern Railway Co. (G) 777).

Very truly yours,

Gordon P. MacDougall



182428

LAW OFFICES
GORDON P. MACDOUGALL
1088 CONNECTICUT AVE. N. W.
WASHINGTON, D. C. 20008

TELEPHONE
AREA CODE 202
223-9738

October 8, 1997

Vernon A. Williams
Secretary
Surface Transp. Board
Washington DC 20423



Re: F.D. No. 33388
CSX Corp. & Norfolk Southern Corp.-Control
& Operating Leases/Agreements-Conrail, Inc.

Dear Mr. Williams:

This is to certify, in accordance with Decision No. 43, that I have served a copy of pleadings of the following upon all designated parties of record added by Decision No. 43, by first class mail, postage prepaid, as follows:

Joseph C. Szabo, United Transportation
Union-Illinois Legislative Board

Village of Riverdale

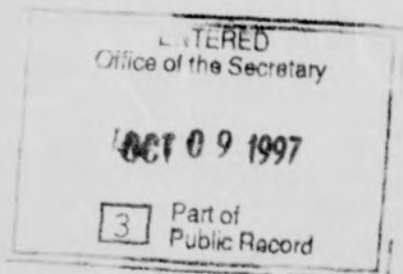
Charles D. Bolam, United Transportation
Union-General Committee of Adjustment (ALS)

John D. Fitzgerald, United Transportation
Union-General Committee or Adjustment (GO 386)

Frank R. Pickell, United Transportation Union-
General Committee of Adjustment-Conrail West
& South/Norfolk Southern Railway Co. (G) 777).

Very truly yours,

Gordon P. MacDougall



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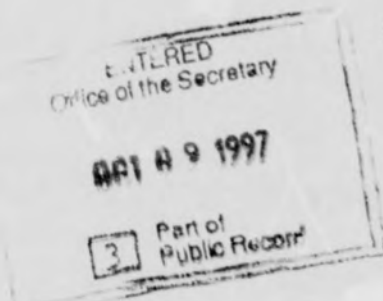
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BEFORE THE
SURFACE TRANSPORTATION BOARD



FINANCE DOCKET NO. 33388



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

NOTICE OF INTENT TO PARTICIPATE
OF ORANGE AND ROCKLAND UTILITIES, INC.

Orange and Rockland Utilities, Inc. hereby notifies the Board and all known interested parties of its intent to participate in this proceeding as a party of record. It is requested that the following counsel for Orange and Rockland Utilities, Inc. be added to the Board's official service list:

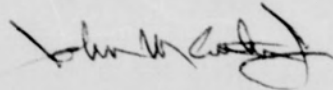
John M. Cutler, Jr.
McCarthy, Sweeney &
Harkaway, P.C.
Suite 1105
1750 Pennsylvania Avenue, N.W.
Washington, DC 20006

Because the deadline for notices of intent to participate set forth in Decision No. 6 in this proceeding has passed, Orange and

- 2 -

Rockland Utilities, Inc. is filing and serving herewith a Motion for Leave to Late File its Notice of Intent to Participate.

Respectfully submitted,



DANIEL J. SWEENEY
JOHN M. CUTLER, JR.
McCARTHY, SWEENEY &
HARKAWAY, P.C.
Suite 1105
1750 Pennsylvania Avenue, N.W.
Washington, DC 20006
(202) 393-5710

Attorneys for Oranje and
Rockland Utilities, Inc.

Dated: October 8, 1997

CERTIFICATE OF SERVICE

I hereby certify that I have this 8th day of October, 1997, caused the foregoing document to be served by first-class mail on counsel for the applicants and on the FERC Administrative Law Judge assigned to handle discovery matters, as indicated below. Copies have also been served by first-class mail on all parties of record on the official service list.

Richard A. Allen
James A. Calderwood
Zuckert, Scoutt &
Rasenberger, LLP
888 17th Street, N.W., #600
Washington, D.C. 20006

Dennis G. Lyons
Richard L. Rosen
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004

Paul A. Cunningham
Robert M. Jenkins, III
Harkins Cunningham
1300 19th Street, N.W., #600
Washington, D.C. 20036

John M. Nannes
Scot B. Hutchins
Skadden, Arps, Slate
Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Mark G. Aron
Peter J. Shudtz
CSX Corporation
One James Center
902 East Cary Street
Richmond, VA 23129

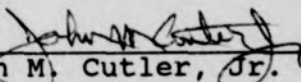
James L. Howe, III
George A. Aspatore
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510

P. Michael Giftos
Paul R. Hitchcock
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202

Constance L. Abrams
Consolidated Rail Corporation
Two Commerce Square
2001 Market Street
Philadelphia, PA 19103

Samuel M. Sipe, Jr.
Timothy M. Walsh
Steptoe & Johnson, LLP
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036

The Honorable Jacob Leventhal
Administrative Law Judge
Federal Energy Regulatory Comm'n
Suite 11F
888 First Street, N.E.
Washington, D.C. 20426


John M. Cutler, Jr.

STB

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10-6-97

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ULMER & BERNE LLP
ATTORNEYS AT LAW

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Internet Address
<http://www.ulmer.com/>

E-mail Address
ichappell@ulmer.com

INAJO DAVIS CHAPPELL
Direct Dial (216) 902-8933

Bond Court Building
1300 East Ninth Street, Suite 900
Cleveland, Ohio 44114-1583
Fax (216) 621-7488

(216) 621-8400

Columbus Office
88 East Broad Street, Suite 1980
Columbus, Ohio 43215-3506
Fax (614) 228-8561
Telephone (614) 228-8400

October 3, 1997



VIA OVERNIGHT MAIL

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
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 Co. -- Control and Operating Leases/ Agreements - Conrail Inc. and Consolidated Rail Corporation

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are an original and twenty-five (25) copies of Ashta Chemicals Inc.'s Verified Statement of No Significant Impact (ASHT-10). A 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format is provided.

Copies of Ashta Chemicals Inc.'s Verified Statement of No Significant Impact (ASHT-10) are being served via first-class mail, postage prepaid on the Honorable Jacob Leventhal and All Parties of Record, including counsel for Applicants. Please date-stamp the enclosed extra copy of each pleading and return them in the enclosed self-addressed envelope. If you have any questions, please contact me at (216) 902-8905. Thank you.

Very truly yours,

Christopher C. McCracken

114:diw

OCT 06 1997

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3 Part of
Public Record



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

ASHTA CHEMICALS INC.
VERIFIED STATEMENT OF NO SIGNIFICANT IMPACT

By: Christopher C. McCracken, Esq.
Inajo Davis Chappell, Esq.
Ulmer & Berne
1300 East Ninth Street, Suite 900
Cleveland, Ohio 44114-1583
(216) 621-8400

Date: October 3, 1997



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

ASHTA CHEMICALS INC.
VERIFIED STATEMENT OF NO SIGNIFICANT IMPACT

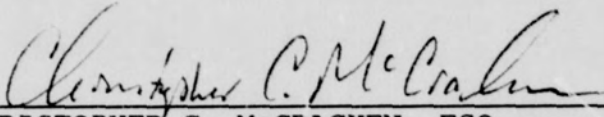
ASHTA Chemicals Inc. hereby submits its Verified
Statement of No Significant Impact (ASHT-10), pursuant to Decision
No. 6 in this proceeding and 49 C.F.R. §1105.6(c)(4).

Respectfully submitted,

CHRISTOPHER C. MCCRACKEN, ESQ.
INAJO DAVIS CHAPPELL, ESQ.
ULMER & BERNE
1300 East Ninth Street -Ste.900
Cleveland, Ohio 44114-1583
216-902-8905

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Ashta Chemicals Inc. Request For Extension of Time To File Verified Statement of No Significant Impact have been served this 3rd day of October, 1997, by first-class mail, postage prepaid on the Honorable Jacob Leventhal and on All Parties of Record in Finance Docket No. 33388.


CHRISTOPHER C. McCRACKEN, ESQ.
One of the Attorneys for Ashta Chemicals
Inc.

VERIFIED STATEMENT OF NO SIGNIFICANT IMPACT

My name is STACI ZAPPITELLI, and I am Distribution Analyst at ASHTA Chemicals Inc. (ASHTA). I have prepared this Verified Statement in connection with the request of the Surface Transportation Board under Decision No. 6, served May 30, 1997 in this proceeding for information concerning the effect of any affirmative relief ASHTA may request. Specifically, ASHTA Chemicals Inc. may request competitive access, reciprocal switching or other rights to applicants lines in Ashtabula, Ohio. In the event that ASHTA Chemicals Inc. requests that competitive access and/or reciprocal switching be imposed as a condition to approval of the transaction, it is my opinion that said relief would not have any significant impact on the environment.

Based on the information available to me at this time, it is my judgment that the rail traffic reasonably likely to be associated with a request for competitive access or reciprocal switching, as described in ASHT-4, will not result in any significant changes in operations of the lines at issue. ASHTA Chemicals Inc. is likely to request that a reciprocal switching arrangement at the West Yard in Ashtabula, Ohio between Norfolk Southern and CSX be imposed before approval of the transaction is given. It is my understanding that post-transaction both Norfolk Southern and CSX will operate lines out of the West Yard in Ashtabula, Ohio such that a reciprocal switching arrangement, involving the mere switching of rail cars at this location, would not in any way increase or change the rail service proposed on the rail lines at issue. Although our investigation of any potential impact is continuing, it is my understanding and belief that reciprocal switching or competitive access, if such relief is requested and granted, would not significantly impact the environment.

Pursuant to Decision No. 6, in this proceeding, I certify that the transaction described above and in ASHT-4 will not result in significant changes in carrier operations. Further, I certify that any of the proposed relief set forth in ASHT-4 would simply be relief that would require common usage of rail terminals and trackage rights for which environmental documentation is not normally required. See 49 C.F.R. §1105.6(c)(4). To the extent that the relief requested by ASHTA would not appear to result in any significant changes in operation of the lines at issue, ASHTA does not believe that the level of maintenance of the rail terminals or railroad property will substantially change. Therefore, a historic report is not required to be filed. See 49 C.F.R. §1105.8.

VERIFICATION

STATE OF OHIO)
)
COUNTY OF CUYAHOGA) SS.

I, STACI ZAPPITELLI, being duly sworn, state that I have read the foregoing statement, that I know its contents and that those contents are true as stated.

Staci Zappitelli
STACI ZAPPITELLI

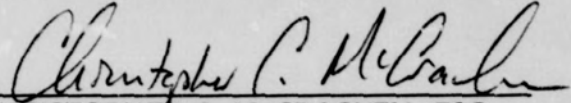
SUBSCRIBED AND SWORN to before me this 30th day of September 1997.

Margaret A. Coutts
Notary Public

My commission expires 3/29/00.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Verified Statement of No Significant Impact (ASHT-10) was served this 3rd day of October, 1997, by first-class mail, postage prepaid to applicants' representatives, Judge Jacob Leventhal and all parties of record in STB Finance Docket No. 33388.

A handwritten signature in cursive script, reading "Christopher C. McCracken".

CHRISTOPHER C. MCCRACKEN, ESQ.
INAJO DAVIS CHAPPELL, ESQ.

STB

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10-6-97

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LAW OFFICES

ZUCKERT, SCOUTY & RASENBERGER, L.L.P.

888 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-3939
TELEPHONE: (202) 298-8660
FACSIMILES: (202) 342-0683
(202) 342-1316

RICHARD A. ALLEN

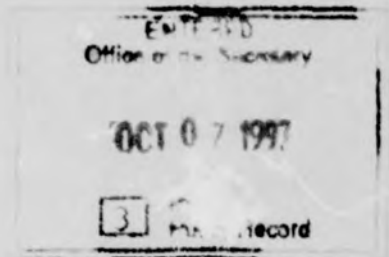


CSX/NS-94

October 6, 1997

Via Hand Delivery

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



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

Dear Secretary Williams:

On behalf of Applicants, I enclose for filing an original and twenty five copies of CSX/NS-94, Applicants' Response to the Verified Statement of Steven M. Jurow (NJT-5) and New Jersey Transit Corporation Petition for Clarification of Decision No. 33 (NJT-6). Also enclosed is a 3 1/2" computer disk containing the pleading in Wordperfect 5.1 format, which is capable of being read by Wordperfect 7.0.

Should you have any questions regarding this, please call.

Sincerely,

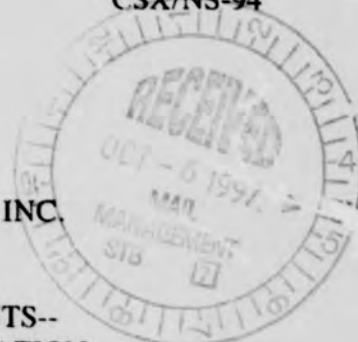
Richard A. Allen
Richard A. Allen

Enclosures

cc: The Honorable Jacob Leventhal
All Parties of Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

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



STB FINANCE DOCKET NO. 33388

APPLICANTS' RESPONSE TO
THE VERIFIED STATEMENT OF
STEVEN M. JUROW (NJT-5) AND
NEW JERSEY TRANSIT CORPORATION
PETITION FOR CLARIFICATION
OF DECISION NO. 33 (NJT-6)

In Decision No. 33, served on September 17, 1997, the Surface Transportation Board ("Board") granted New Jersey Transit Corporation's ("NJT") request to file comments, rather than a responsive application, seeking certain operating rights as a condition of the Board's approval of the Applicants'^{1/} primary application.^{2/} At the same time, however, the Board concluded that NJT's anticipated request for conditions, though not technically a responsive application, "could raise the same kinds of environmental issues." Decision No.

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

^{2/} NJT had made that request in a petition for clarification, basing the request on the fact that the commuter rail operating rights NJT anticipated seeking in this proceeding would not ordinarily require Board authorization.

33 at 3. Accordingly, the Board required NJT to submit by October 1, 1997, either (1) a verified statement that NJT's proposed operations would have no significant environmental impact, or (2) an environmental report containing detailed environmental information regarding the proposed operations.

NJT has failed to comply with Decision No. 33. It did not submit a verified statement of impact or an environmental report. Instead, on October 1, 1997, NJT submitted the Verified Statement of Steven M. Jurow (NJT-5) together with a Petition for Clarification of Decision No. 33 (NJT-6) which asks the Board to find that the Jurow verified statement fulfills the intent of the Board's requirement in Decision No. 33. In his verified statement, Steven Jurow describes two possible alternative environmental review processes that, he contends, would substitute for the Board's environmental review if the Board granted NJT's requested clarification: 1) a federal environmental review process which would be conducted by the Federal Transit Administration ("FTA") if NJT chose to accept federal financial assistance -- but which presumably would not be applicable if federal funds were not used; and 2) a New Jersey state environmental review process for the construction projects associated with rail projects.

NJT's Petition for Clarification should be denied and the proffered verified statement should be rejected.

NJT's description of the operating rights it will ask the Board to impose as conditions of approval of the Applicants' primary application essentially reads as a wish list of new projects apparently not related to the Conrail control transaction. These appear to be projects NJT would undertake in any event if it could get authority and obtain funding, but

presumably in its further filings NJT will tell the Board how these new services are related to the Conrail control transaction.

NJT claims that, because its proposals involve commuter services which may undergo additional environmental scrutiny at some future time by some other agencies, the Board need not conduct its own environmental review. However, the alternative environmental review processes suggested by NJT would not necessarily cover the operations which could result from the Board's grant of any operating conditions to NJT, and thus do not provide an adequate substitute for the Board's environmental review. If NJT chose not to accept FTA funds for operations and construction projects envisioned by the NJT conditions, then the FTA environmental review processes described in the Mr. Jurow's verified statement would not apply.^{3/} Furthermore, the New Jersey state environmental review process that is described in Mr. Jurow's verified statement does not appear to apply to any additional operations over existing railroad facilities; it would appear only to apply to the construction and operations of construction projects. Thus, the new operations that NJT anticipates seeking as conditions herein could go unreviewed from an environmental perspective to the extent they would be over existing railroad facilities.^{4/}

^{3/} Even if the FTA environmental review process was invoked for the operations and construction projects envisioned by the NJT conditions, that review would involve only the impact of increased operations resulting only from new NJT operations, not the cumulative effects of increase in operations envisioned both by the Applicants' operating plans and the NJT proposal.

^{4/} The Verified Statement of Steven M. Jurow states that each of the NJT conditions "would require extensive environmental review under either federal or state law as a prerequisite to construction and operation." NJT-5 at 3. The only apparent reference to an extensive environmental review under the New Jersey state law process over existing railroad

(continued...)

Although it is highly questionable whether the conditions NJT says it will seek from the Board can be even colorably justified,^{4/} the Board has neither reason for, nor legal authority to disregard its environmental review responsibilities. For all of the reasons set forth above, the Board should reject the Verified Statement of Steven M. Jurow as insufficient in meeting the mandate of Decision No. 33, and should reject NJT's Petition for Clarification.

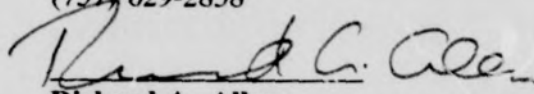
^{4/}(...continued)

facilities seems to appear in a footnote to the quoted statement in which Mr. Jurow states that "This process involves consultation with the freight railroads on or adjacent to which the new start rail service will operate." NJT-5 at 3, fn. 3.

^{5/} Indeed, the final scoping notice for the Environmental Impact Statement to be issued by the Board indicates that the EIS will discuss potential effects of Applicants proposed operations on proposed passenger rail service only where the proposed passenger service is reasonably foreseeable (i.e., where capital improvements are planned, approved and funded).

Respectfully submitted,

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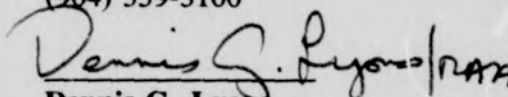
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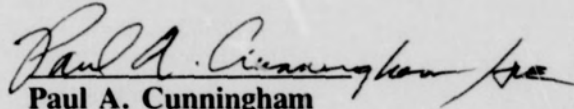


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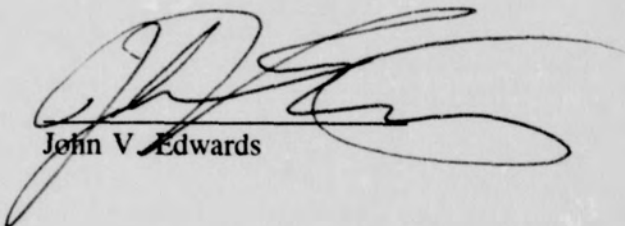
Counsel for Conrail Inc. and
Consolidated Rail Corporation

Dated: October 6, 1997

CERTIFICATE OF SERVICE

I, John V. Edwards, certify that on October 6, 1997, I caused to be served by first class mail, postage prepaid, or by more expeditious means a true and correct copy of the foregoing CSX/NS-94, Applicants' Response to the Verified Statement of Steven M. Jurow (NJT-5) and New Jersey Transit Corporation Petition for Clarification of Decision No. 33 (NJT-6), on all parties of record in STB Finance Docket No. 33388 and by hand delivery on the following:

The Honorable Jacob J. Lewenthal
Administrative Law Judge
Federal Energy Regulatory Commission
Office of Hearings
825 North Capitol Street, N.E.
Washington, D.C. 20426



John V. Edwards

Dated: October 6, 1997

STB

FD

33388

10-6-97

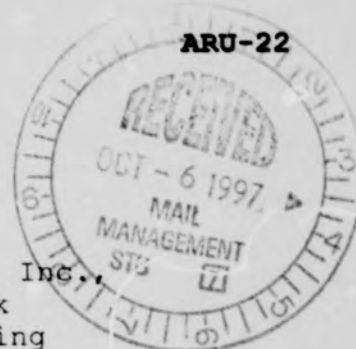
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BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388



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

NOTICE OF SERVICE OF PLEADINGS

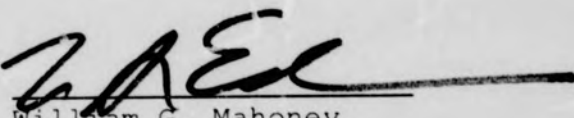
Pursuant to Decision No. 21 in this proceeding, the Allied
Rail Unions hereby give notice that they have served Robert J.
Cooper with copies of the following previously filed ARU
pleadings:

Petition Of Allied Rail Unions For Declaratory
Order Regarding Existing Acquisition Of
Control Of Conrail By NS and CSX

Notice Of Intent To Participate

Respectfully submitted,

Of Counsel:
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General Counsel
Brotherhood of Maintenance of
Way Employees
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(810) 948-1010


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Counsel for Railway Labor
Executives Association and its,
affiliated organizations,
Brotherhood of Maintenance of
Way Employees, and Interna-
tional Brotherhood of
Electrical Workers

Counsel for Brotherhood of
Maintenance of Way Employes

David Rosen
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& Rosen
60 East 42nd Street, Suite 1022
New York, NY 10165

Counsel for Transport Workers
Union of America

Dated: October 3, 1997

STB

FD

33388

10-3-97

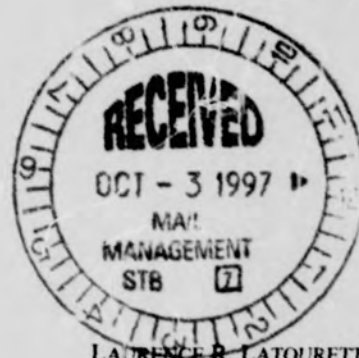
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PRESTON
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& ROUVELAS
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ATTORNEYS AT LAW

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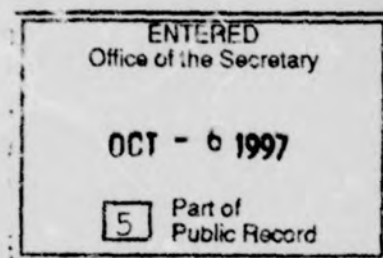


LAURENCE R. LATOURETTE
DIRECT DIAL: (202) 662-8469

Via Hand Delivery

October 3, 1997

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20423-0001



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

Dear Secretary Williams:

Please find enclosed for filing in the above-referenced proceeding an original and 25 copies of the Comments in Support of the Transaction of the State of Maryland and the Maryland Department of Transportation (MDOT-2). Also enclosed is a 3.5-inch disk containing the text of the Comments in Word 5.1 format.

Please stamp the extra copy of the foregoing and return it to our messenger.

Respectfully submitted,

Laurence R. Latourette

Enclosures

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The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building
Suite 700
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Washington DC 20006

October 2, 1997



PARRIS N. GLENFENING
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TDD (410) 333-3098

RE: Finance Docket No.
33383, 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 Mr. Williams:

Since last fall when the proposed merger of Conrail was first announced, the State of Maryland has been in continuous contact with both CSX and Norfolk Southern to ensure that any transaction that might result from a combination of railroads serving the State would protect the competitiveness of Maryland shippers and the interests of all Maryland citizens. At the outset, we established five major goals:

1. Preserve competition by having at least two Class I carriers serve the State.
2. Ensure the continuation of existing service and rail rates (for example, on the Eastern Shore of Maryland).
3. Maintain or increase rail employment in the State.
4. Secure commitments to specific infrastructure improvements necessary to achieve the purported benefits of the merger.
5. Preserve and enhance commuter rail service.

After months of negotiating with CSX and Norfolk Southern, we are pleased to say that the State has largely achieved these goals and has concluded letter agreements with both carriers that are attached hereto that ensure the following:

Enhanced Competition. The State will continue to be served by two Class I railroads that have substantially more market access to the Eastern and Midwestern United States than the two railroads currently serving Maryland. Thus, Maryland shippers and the Port of Baltimore will have access to superior single line service to both existing and new markets and improve their current ability to ship goods efficiently at competitive rates.

Improved Service. At the request of the State, both Norfolk Southern and CSX have committed to providing enhanced service after the transaction has been completed and these commitments have been included in the Operating Plans submitted to the STB with the Application. In particular, Norfolk Southern has agreed to provide, among other things: 1) new scheduled bimodal Triple Crown RoadRailer® service between the Baltimore area and Southeastern and Midwestern United States over Amtrak's Northeast Corridor ("NEC"); 2) regular intermodal and conventional freight service between the Baltimore area and the Southeastern and Midwestern United States; 3) regular high cube international and domestic double stack train service (including 20'2" double stacks) between the Baltimore area and Chicago, Illinois and other Midwestern gateways via Perryville, Maryland and Harrisburg, Pennsylvania; 4) regular train service for the automobile distribution terminal in the Baltimore area; and 5) service to the Eastern Shore that is at least as equitable and of high quality as is provided today. CSX, in turn, will streamline interchanges, extend and broaden its routes in order to provide single-line service between the State and several Northeastern and Midwestern markets that it currently serves only on an interline basis as well as use its reasonable efforts to 1) avoid significant congestion and late deliveries with respect to coal shipments originating and terminating in the State; 2) assist in marketing aggressively coal mined in the State to potential customers that will have single-line service provided by CSX after STB approval of the Application as well as other potential customers; and 3) identify and market single-line coal haulage efficiencies to receivers in Southern Maryland.

Increased Rail Employment: The railroads have indicated in their Operating Plans that there will, in fact, be an increase in rail jobs in Maryland. In particular, CSX has said that it will: 1) maintain the shops and yards at Cumberland, Maryland; 2) continue to base the Cumberland Coal Business Unit in Cumberland; and 3) keep a Service Lane Headquarters in Baltimore. Norfolk Southern has said that it will open a new Sales/Marketing office in the Baltimore area and that, overall, the transaction will result in a net increase in Maryland rail jobs during the three-year planning horizon of the Operating Plan.

Improved Infrastructure. At our request, the railroads have included in their Operating Plans commitments to make substantial investments in their infrastructure that will directly benefit Maryland. In particular, Norfolk Southern's Operating Plan provides for them to, among other things: 1) improve clearances on the NEC to enable Norfolk Southern to provide 20'2" double stack intermodal service to and from the Port of Baltimore via Perryville, Maryland and

Harrisburg, Pennsylvania; 2) construct, reopen or convert an automobile distribution terminal in the Baltimore area; 3) expand or improve a conventional intermodal facility in Maryland; 4) construct a new Triple Crown RoadRailer® intermodal terminal in the Baltimore area; and 5) improve the track connection at Hagerstown, Maryland to facilitate the flow of traffic. CSX's Operating Plan includes investments benefiting the State of Maryland, including among others: 1) improvements on the former B&O line between the Port of Baltimore and Chicago, Illinois that will result in raising the track capacity west of Cumberland, Maryland to 50 trains per day and the operating speeds up to 70 miles per hour on most segments; and 2) improvements in the rail service to the auto distribution terminal in Jessup, Maryland (including, but not limited to increasing the clearance of the Virginia Avenue Tunnel) to permit service by tri-level auto rack cars.

Commitment to Commuter Rail Service. Both CSX and Norfolk Southern have assured the State that each will work with the State of Maryland to maintain (and, with respect to CSX, to enhance) commuter rail service for Maryland's citizens and honor all operating agreements that they may now, or in the future, have with the Mass Transit Administration. Norfolk Southern has also agreed to participate in a Northeast Corridor Advisory Team which will include as members, among others, the MASS TRANSIT ADMINISTRATION Freight Manager and the MARC Service Director.

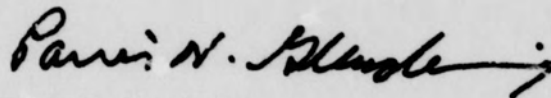
While the State has accomplished most of its goals with respect to rail competition, service, employment, infrastructure and commuter service, there are still some issues of concern. The State will continue to work with CSX and Norfolk Southern to address these issues, which include assurances that: 1) the Port of Baltimore and Maryland shippers and coal producers will not be put at a competitive disadvantage as a direct result of the transaction or related conditions or agreements; and 2) NEC improvements and proposed operations will adequately address congestion, as well as speed and weight concerns.

In addition, the State may have concerns with issues that arise in the course of this proceeding; thus, it reserves the right to file additional comments on these and other matters. The State appreciates comments from the representatives of both railroads assuring the smooth integration of Conrail into the two railroads and commitments to assure the rapid delivery of the full benefits of the transaction. It is our expectation and understanding that commitments made by the railroads in their Operating Plans, as approved by the STB, will be subject to future enforcement via the STB.

Honorable Vernon A. Williams
Page Four

After extensive discussions with the affected interests in the State of Maryland and with the subsequent commitments made by the railroads in the letter agreements, we have concluded that the proposed acquisition and division of Conrail by CSX and Norfolk Southern will clearly benefit the public. Because of these benefits, the State of Maryland supports the transaction and urges the STB to approve the Application in these proceedings. We look forward to working with both CSX and Norfolk Southern in forging long-term and mutually beneficial partnerships.

Sincerely,

A handwritten signature in dark ink, reading "Parris N. Glendening". The signature is fluid and cursive, with a long horizontal stroke at the end.

Parris N. Glendening
Governor

STATE OF MARYLAND
OFFICE OF THE GOVERNOR



PARRIS N. GLAVIN
GOVERNOR

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TDD (410) 333-3098

September 24, 1997

Mr. David R. Goode
Chairman, President and Chief Executive Officer
Norfolk Southern Corporation
3 Commercial Place
Norfolk VA 23510-2191

Dear David:

Since last fall when the proposed merger of Conrail was first announced, the State of Maryland has been engaged in an ongoing and productive dialogue with both CSX and Norfolk Southern (NS). During these many meetings, a number of issues have been addressed by the State merger team and representatives of the railroads. I commend the team representing NS and its efforts to work with Maryland. We have covered a lot of ground since our first meetings in November, and I appreciate the obviously strong desire of both railroads to forge a true long-term partnership with Maryland.

Our team has now had an opportunity to review the sections directly relating to the State of Maryland of NS' Operating Plan that was part of its application to acquire a portion of Conrail in Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail, Inc. and Consolidated Rail Corporation (the "Control Case") at the Surface Transportation Board (STB). We believe the Operating Plan addresses the State's major concerns about the impact that Conrail's restructuring will have on service in Maryland. NS has also agreed to work with us on other issues of concern to the State.

The purpose of this letter is to confirm that NS' Operating Plan, which will be subject to STB oversight and supplemental orders, reflects the following, in exchange for which the State of Maryland will support the Control Case and will submit filings to the STB reflecting that support.

1. Maryland-related Infrastructure and Service Improvements

NS has incorporated in its Operating Plan filed in the Control Case substantial infrastructure investments that will benefit the State of Maryland, including but not limited to:

Infrastructure Investments

- improved clearances to enable NS to provide 20'2" double stack intermodal service to or from the Port of Baltimore via Amtrak's Northeast Corridor (NEC) to Perryville, Maryland and Harrisburg, Pennsylvania
- an automobile distribution terminal in the Baltimore area using reopened facilities, existing non-rail owned facilities, or new facilities
- an expanded and/or improved conventional intermodal facility
- construction of a bimodal Triple Crown RoadRailer® terminal in the Baltimore area
- improved track connection at Hagerstown to facilitate the flow of traffic

Service Improvements

- new scheduled bimodal Triple Crown RoadRailer® service via the NEC to serve the Baltimore area to or from the western and southeastern United States
- regular intermodal and conventional freight service between the Baltimore area and the southeastern and midwestern United States
- regular high cube international and domestic double stack train service (including 20'2" double stacks) between the Baltimore area and Chicago and other midwestern gateways via Harrisburg
- regular train service to support the Baltimore-area automobile distribution terminal

Upon the effective date of the STB's approval of the Control Case (STB Approval), NS intends to institute these infrastructure investments and service improvements as soon as practicable within the three-year planning horizon of the Operating Plan. NS implementation of the authority obtained in the Control Case will be subject to STB oversight and supplemental orders.

To help with smooth implementation of the Operating Plan, NS agrees to participate in a Northeast Corridor Advisory Team, or other such body as it may be structured, and believes that it is appropriate to include as members on the Advisory Team, among others, the MTA Freight Manager and the MARC Train Service Director.

It is also NS' plan to provide equitable, quality Class I rail service on the Delmarva Peninsula and to promote economic development on the short line railroads serving the Delmarva Peninsula on an equal basis to NS promotion of such developments on its existing lines.

2. Work with the State of Maryland to Keep it Competitive

To foster the Port of Baltimore's strategic plan, which has been shared with NS representatives, NS, upon implementation of its Operating Plan, plans to apply rates to the Port of Baltimore that reflect the operational cost advantages, on a total cost basis, and efficiencies that may exist with respect to the rail movement of freight to and from the Port of Baltimore vis-à-vis the other major East Coast ports. To the extent the Port of Baltimore has competitive advantages in the market place, NS will work with the Port to exploit those advantages as it does with all the ports NS serves today. Moreover, should the Port of Baltimore be negatively affected by conditions imposed, or agreements approved, by the STB with respect to the Control Case, NS will explore with the State of Maryland mutually advantageous options to restore the Port of Baltimore's relative competitive position.

After STB Approval, NS also will enter into discussions with the Canton Railroad Company (CTN) and other Maryland short line railroads concerning proposals that would enhance operations, improve customer service, be beneficial to the railroads involved, and not be inconsistent with NS' labor agreements or employee relations.

3. Preserving Rail Employment

NS will work to increase its business in Maryland as the best assurance of providing rail employment in the State of Maryland. NS plans to establish a Sales/Marketing office in the Baltimore area. Overall, the transaction will result in a net increase in Maryland rail jobs during the three-year planning horizon of the Operating Plan.

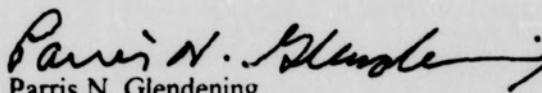
4. Maryland Commuter Rail Service

NS recognizes the State's interest in passenger service and will work with Maryland commuter agencies to accommodate current services and honor all operating agreements, including those with MTA, that NS will inherit after STB approval.


Mr. David R. Goode
Page Four

Again, we are pleased with what we have, working together, been able to accomplish. While we recognize that all plans are subject to change in light of normal business contingencies, new information, or unforeseen developments, if the above accurately reflects our understanding, please sign in the appropriate place below and return an original copy to me.

Sincerely,


Parris N. Glendening
Governor

Agreed to and Accepted by:

By: 

David R. Goode
Chairman, President and Chief Executive Officer
Norfolk Southern Corporation



PARRIS N. GLENDENING
GOVERNOR

September 24, 1997

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Mr. John W. Snow
Chairman and Chief Executive Officer
CSX Corporation
P.O. Box 85629
Richmond VA 23285-5629

Dear John:

Since last fall when the proposed merger of Conrail was first announced, the State of Maryland has been engaged in an ongoing and productive dialogue with CSX. During these many meetings, a number of issues have been addressed by the State merger team and representatives of the railroad. I commend the team representing CSX and its efforts to work with Maryland. We have covered a lot of ground since our first meetings in November, and I appreciate the obvious strong desire of CSX to enhance its long-term partnership with Maryland.

Our team has reviewed the sections directly relating to the State of Maryland of CSX's Operating Plan that was part of its application to acquire a portion of Conrail in Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail, Inc. and Consolidated Rail Corporation (the "Control Case") at the Surface Transportation Board (STB). We believe the Operating Plan addresses the State's major concerns about the impact that Conrail's restructuring will have on rail service in Maryland.

The issue of continued service by two Class I carriers is addressed primarily by CSX's maintenance of its existing Maryland service and NS' assumption of Conrail's operating authority north of Hagerstown, on the Northeast Corridor, to the Port of Baltimore, and on the Delmarva peninsula. CSX is not immediately addressing the issue of double stack access to the Port, but you will cooperate with the State in the development of a joint feasibility study, which addresses funding double-stack service to the Port of Baltimore. NS, however, has committed to increasing the clearances on the Northeast Corridor between Baltimore and Perryville, and then west to Harrisburg, Pennsylvania to accommodate high-cube double stacked containers on its new east-west intermodal trains serving the Port of Baltimore over previous Conrail routes.

Mr. John W. Snow

Page Two

With respect to the other issues, CSX has included significant infrastructure investments and operational improvements in the Operating Plan it filed with the STB and upon which the Board will rely in reaching its decision in the Control Case. CSX has also agreed to continue to work with the State of Maryland and use reasonable efforts to address other issues of concern to the State.

The purpose of this letter is to commemorate the commitments that CSX has made to the State of Maryland in exchange for which the State will support CSX's application in the Control Case and will submit filings to the STB reflecting that support.

The Commitments CSX has made are as follows:

1. Commitment to Make Certain Infrastructure and Service Improvements

CSX has included in its Operating Plan filed with the STB in the Control Case substantial infrastructure investments that will benefit the State of Maryland including but not limited to: 1) a \$220 million project to increase track capacity on the former B&O main line between the Port of Baltimore and Chicago, Illinois that will result in raising the track capacity west of Cumberland, Maryland to 50 trains per day and the operating speeds up to 70 miles per hour on most segments; and 2) improvements in the rail service to the Auto distribution facility in Jessup, Maryland (including, but not limited to increasing the clearance of the Virginia Avenue Tunnel) to permit service by tri-level auto rack cars.

CSX has also included substantial service improvements that will benefit the State of Maryland in its Operating Plan, including, most importantly, streamlining interchanges, extending and broadening its routes in order to provide single-line service between Maryland and several major Northeastern and Midwestern markets that it presently serves only on an interline basis.

In addition, CSX will use reasonable efforts to: 1) avoid significant congestion and late deliveries with respect to coal shipments originating or terminating in the State of Maryland; 2) assist in marketing aggressively coal mined in the State of Maryland to potential customers that will have single-line service provided by CSX after STB approval as well as to other potential customers; and 3) identify and market single-line coal haulage efficiencies to receivers in southern Maryland.

CSX additionally confirms that it will use its best efforts to institute its Maryland infrastructure investments and operational improvements as soon as practicable, but in no event later than the date required by the Operating Plan.

2. Work with the State of Maryland to Keep it Competitive

To foster the Port of Baltimore's strategic plan, CSX intends to apply rates to and from the Port that reflect, in general, the operational cost advantages, on a total cost basis, and efficiencies that may exist with respect to the rail movement of freight to and from the Port of Baltimore. To the extent the Port of Baltimore has competitive advantages in the market place, CSX will work with the Port to exploit those advantages as it does with all the ports CSX serves today.

CSX will also enter into discussions with the Canton Railroad Company (CTN) and other Maryland short line railroads concerning proposals that would enhance operations, improve customer service, be beneficial to the railroads involved and would not be inconsistent with CSX's existing labor agreements. CSX also will consider minor infrastructure and operating improvements on its lines to improve CTN's operating efficiency.

3. Efforts to Preserve Rail Employment

CSX's Operating Plan maintains at current levels its number of rail employees working in the State of Maryland (including former Conrail employees). In particular: 1) the shops and yards at Cumberland, Maryland will remain crucial elements of CSX's coal handling business as well as key links on CSX's B&O mainline service to the west; 2) Baltimore will continue as one of CSX's most important Service Lane Headquarters, which will be responsible for coordinating not only local service, but also east-west and north-south connections for CSX's middle Atlantic traffic; and 3) Cumberland will continue as the headquarters for the Cumberland Coal Business Unit -- a group that manages the marketing and operations of the CSX Coal territories of western Maryland and northern West Virginia. It is CSX's desire over time, through the growth of rail business, to increase rail employment in the State of Maryland even further.

4. Carriers' Commitment to Commuter Rail Service in Maryland

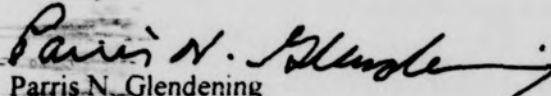
CSX acknowledges that it will continue to work with the State of Maryland to maintain and enhance commuter rail service for the citizens of the State of Maryland and will honor all operating agreements that it may now have, or in the future, has with MTA. CSX will cooperate with the State of Maryland to minimize the level of funding from the State of Maryland required for construction of the MARC Frederick Extension, consistent with maintaining capacity for freight traffic.

Mr. John W. Snow
Page Four

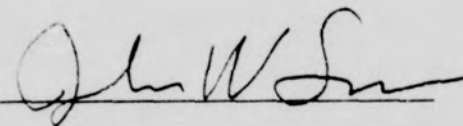
Again, we are pleased with what we, working together, have been able to accomplish. CSX and the State of Maryland acknowledge that unforeseen events may occur during the application process and its aftermath that could affect the positions of the parties, including their competitive positions. Both parties recognize their mutual desire to negotiate appropriate changes based on circumstances which may prevail at that time. It is further recognized that the State may have concerns with other issues not addressed in this letter, such as issues beyond the jurisdiction of the STB or with unforeseen developments in these proceedings. The State therefore reserves the right to file additional comments on these and other matters, with the understanding that such filings will not be inconsistent with the terms of this letter and will reflect the State's continued support for the STB's approval of the overall transaction.

If the above accurately reflects our understanding, please sign in the appropriate place below and return an original copy to me.

Sincerely,


Parris N. Glendening
Governor

Agreed to and Accepted by:

By: 
John W. Snow
Chairman and Chief Executive Officer
CSX Corporation

BEFORE THE
SURFACE TRANSPORTATION BOARD

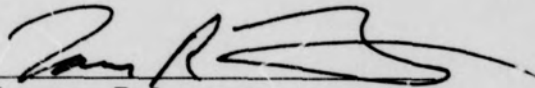
STB Docket No. 33388

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

CERTIFICATE OF SERVICE

I hereby certify that on this 3rd day of October 1997 the Honorable Jacob Leventhal, the Applicants and each Party of Record in this proceeding has been served with copies of the attached Comments in Support of the Transaction submitted by the State of Maryland and Maryland Department of Transportation by first-class mail, postage prepaid.

Respectfully submitted,



Laurence R. Latourette
Preston Gates Ellis & Rouvelas Meeds LLP
1735 New York Avenue, N.W.
Suite 500
Washington, D.C. 20006

October 3, 1997

STB

FD

33388

10-3-97

D

182345

182345

HOPKINS & SUTTER

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

888 SIXTEENTH STREET, N.W., WASHINGTON, D.C. 20006-4163 (202) 835-8000

FACSIMILE (202) 835-8136

INTERNET <http://www.hopsut.com>

CHICAGO OFFICE THREE FIRST NATIONAL PLAZA 60601-4205

DETROIT OFFICE 2800 LIVERNOIS SUITE 220 TROY, MI 48063-1220

JAMIE PALTER RENNERT
(202) 835-8116

October 3, 1997

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

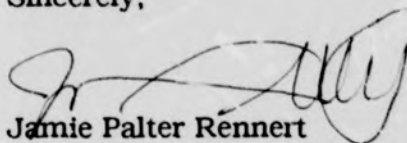


Re: CSX Corporation and CSX Transportation Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation, Finance Docket No. 33388

Dear Secretary Williams:

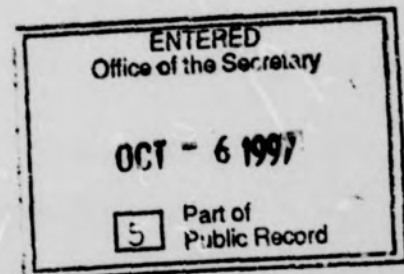
Enclosed are an original and twenty-five (25) copies of the Certificate of Service of the City of Cleveland, Ohio (CLEV-5) for filing in the above-referenced proceeding. An additional copy is enclosed for file stamp and return with our messenger.

Sincerely,


Jamie Palter Rennert

Enclosure

cc: The Honorable Jacob Leventhal
All Parties of Record

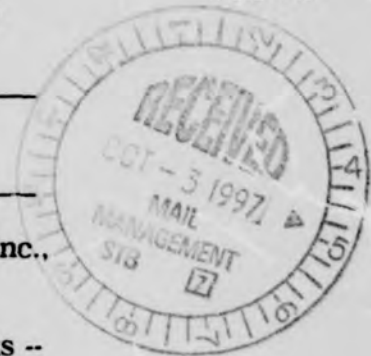


Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

CLEV-5

Finance Docket No. 33388

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



Certificate of Service of the City of Cleveland, Ohio

Pursuant to Decision No. 21 of the Surface Transportation Board, I hereby certify that on October 3, 1997, all Parties of Record listed in Decision No. 21 were served, by first-class U.S. mail, postage prepaid, with the following filings of the City of Cleveland, Ohio submitted thus far in this proceeding:

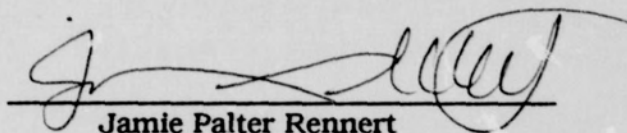
Notice of Intent to Participate, filed on August 12, 1997 by Jay Westbrook, Councilman, Ward 18, President of City Council, City of Cleveland: (designated CLEV-1)

Motion for Leave to Late-File a Notice of Intent to Participate and attached Memorandum in Support of Motion, filed on September 12, 1997 by Sharon Sobol Jordan, Director of Law, and Richard F. Horvath, Chief Assistant Director of Law, City of Cleveland: (designated CLEV-2)

Notice of Intent to Participate, filed on September 12, 1997 by Sharon Sobol Jordan, Director of Law, and Richard F. Horvath, Chief Assistant Director of Law, City of Cleveland: (designated CLEV-3)

Furthermore, pursuant to Decision No. 27 of the Surface Transportation Board, I hereby certify that on October 3, 1997, Robert J. Cooper was served with the above filings at his corrected address, by first-class U.S. mail, postage prepaid.

Dated: October 3, 1997



Jamie Palter Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for the City of Cleveland,
Ohio



City of Cleveland
Office of the Council

Jay Westbrook

Councilman, 18th Ward • President of Council

Committees: Finance, vice-chairman • Public Service • Rules, chairman

August 8, 1997

Administrative Law Judge Jacob Leventhal
Federal Energy Regulatory Commission
888 Flat St., N.E., #11F
Washington, DC 20426
sent via U.S. Mail and fax to 202-219-3289

RE: Surface Transportation Board
Docket No. 33388

Dear Judge Leventhal:

Only yesterday I found out about the request by CSX railroad to abandon certain freight railroad lines and increase traffic on other railroad lines in the city of Cleveland. Unfortunately, I also found out that yesterday was the deadline to file as a Party of Record (POR) in this case.

This issue is of vital importance to the businesses and residents of the ward I represent. It would seem that it would be a mistake for the city of Cleveland to not be a POR in this case. I have checked, and it appears that no one in the City was aware of this process. I also believe that there are other adjacent cities as well who did not have an opportunity to request to be a POR. In addition, there are several citizens groups and business associations which would also want to file if they had been aware of this proposal by CSX.

I am appealing to you to allow more parties to file as PORs. It would be a great service to the public in Cleveland as well as other cities if you could allow this.

Thank you for your consideration for the people of Cleveland.

Sincerely,

Jay Westbrook
Jay Westbrook
Councilman, Ward 18
President of Council

Before the
SURFACE TRANSPORTATION BOARD
Washington, D.C.

Finance Docket No. 33388

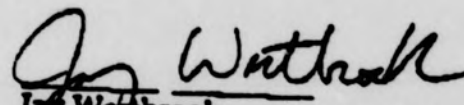
CSX Corporation and CSX Transportation Inc.
Norfolk Southern Corporation and
Norfolk Southern Railway Company
Control and Operating Leases/Agreement
Conrail, Inc. and Consolidated Rail Corporation
to CSX Transportation, Inc.

NOTICE OF INTENT TO PARTICIPATE

Please enter the appearance of the undersigned on behalf of the
citizens and businesses of Ward 18 of the City of Cleveland, Ohio, which
intends to participate and become a party of record in this proceeding.
Pursuant to 49 C.F.R. Section 1104.12, service of all documents filed in this
proceeding should be made upon the undersigned.

Dated: August 7, 1997

Respectfully submitted,



Jay Westbrook
Councilman, Ward 18
President of City Council
City of Cleveland
City Hall, Room 216
601 Lakeside Ave., N.E.
Cleveland, OH 44114
phone (216) 664-2941
facsimile (216) 664-3837

CERTIFICATE OF SERVICE

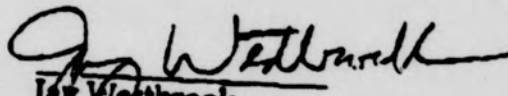
I hereby certify that on August 8, 1997, a copy of the foregoing Notice of Intent to Participant by Councilman Jay Westbrook was served by first class, U.S. Mail, upon the following:

Administrative Judge Jacob Leventhal
Federal Energy Regulatory Commission
888 1st St., N.E., #11F
Washington, DC 20426

Dennis G. Lyons, Esq.
Arnold & Porter
555 12th St., N.W.
Washington, DC 20004-1202

Richard A. Allen Esq.
Zuckert, Scoutt & Rasenberger, L.L.P.
888 17th St., N.W., #600
Washington, DC 20006-3939

Paul A. Cunningham, Esq.
Harkins Cunningham
1330 19th St., N.W., #600
Washington, DC 20035


Jay Westbrook
Councilman, Ward 18
President of City Council
City of Cleveland
City Hall, Room 216
601 Lakeside Ave., N.E.
Cleveland, OH 44114
phone (216) 664-2541
facsimile (216) 664-3837



City of Cleveland

Michael R. White, Mayor

Department of Law
Sharon Sobol Jordan, Director
601 Lakeside Avenue, Room 106
Cleveland, Ohio 44114-1077
216/664-2800 • Fax: 216/664-2663

September 9, 1997

To All Parties of Record


Re: Finance Docket No. 33385
CSX Corporation and CSX Transportation, Inc. Norfolk
Southern Corporation and Norfolk Southern Railway
Company -- Control and Operating Leases/Agreements --
Conrail, Inc. and Consolidated Rail Corporation
Transfer of Line by Norfolk Southern Railway Company
to CSX Transportation, Inc.

Dear Sir/Madam:

Due to delay in compiling the documents for mailing, the original of the enclosed Motion to Late-File a Notice of Intent to Participate and the original of Notice of Intent to Participate were mailed to the Surface Transportation Board on September 9, 1997, not on September 5, 1997 as shown on the first and second pages of the enclosed documents. The original of the documents filed with the Board contain the correct date of September 9, 1997.

Please contact me if you have any questions regarding this matter.

Respectfully submitted,


Richard F. Horvath
Chief Assistant Director of Law

RFH/sm

BEFORE THE SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

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

NOTICE OF INTENT TO PARTICIPATE

Please take notice that the City of Cleveland intends to participate and become a party of record in this proceeding. Service of all documents filed in this proceeding should be made upon the undersigned.

Respectfully submitted,

SHARON SOBEL JORDAN (0006731)
Director of Law

By: 

RICHARD F. HORVATH (0030912)
Assistant Director of Law

City of Cleveland
Department of Law - Rm. 106
601 Lakeside Avenue
Cleveland, Ohio 44114
(216) 664-2808

DATE: September 5, 1997

CERTIFICATE OF SERVICE

I hereby certify that on September 5, 1997, a copy of the foregoing Notice of Intent to Participate was served by first-class, U.S. Mail, postage prepaid, upon the following:

Honorable Jacob Leventhal
Administrative Law Judge
Federal Energy Regulatory
Commission
888 - 1st Street, N.E.
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Washington, DC 20426 US

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National Association of
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900 Second Street, NE-Ste. 308
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Washington, DC 20006 US

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Garfinkle
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Toledo, OH 43604 US

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115 West Avenue
One Jenkintown Station
Jenkintown, PA 19046 US

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Guerrieri, Edmond, et al.
1331 F. Street, NW - 4th Flr.
Washington, DC 20004 US

Michael P. Harmonis
U.S. Department of Justice
325 7th Street - Suite 500
Washington, DC 20530 US

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General Chairman
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Ernest J. Ierardi
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& Doyle, L.L.P.
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Clinton Square
Rochester, NY 14603-1051 US

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Jacobs Industries
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Stony Ridge, OH 43463 US

Erika Z. Jones
Mayer, Brown & Platt
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Washington, DC 20006 US

Frank N. Jorgensen
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Summersville, WV 26651 US

Steven J. Kalish
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Charles Hesse Associates
8270 Stoney Brook Drive
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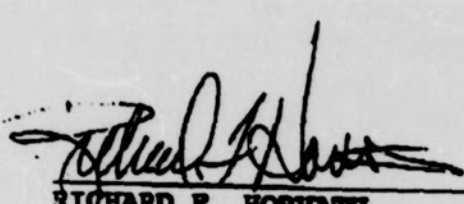
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September 9, 1997

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street, N.W. - Room 700
Washington, D.C. 20423-0001

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

Dear Secretary Williams:

Pursuant to Decision No. 21 in the above-referenced proceeding, enclosed please find an original and ten (10) copies of Motion to Late-File a Notice of Intent to Participate and an original and ten (10) copies of Notice of Intent to Participate.

Please contact me if you have any questions regarding this matter.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Richard F. Horvath".

Richard F. Horvath
Chief Assistant Director of Law

RFH/sm

Enclosures

cc: All Parties of Record on Service List

BEFORE THE SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

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

MOTION FOR LEAVE TO LATE-FILE A
A NOTICE OF INTENT TO PARTICIPATE

Now comes the City of Cleveland, Ohio, by and through
Director of Law, Sharon Sobol Jordan and Chief Assistant
Director of Law, Richard F. Horvath, and moves the Board for
Leave to file a Notice of Intent to Participate as a party of
record in the above-captioned proceedings for the reasons more
fully set forth in the Memorandum attached hereto and
incorporated herein.

Respectfully submitted,

SHARON SOBOL JORDAN (0006731)
Director of Law

By: 

RICHARD F. HORVATH (0030912)
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DATE: September 9, 1997

CERTIFICATE OF SERVICE

I hereby certify that on September 9, 1997, a copy of the foregoing Motion for Leave to Late File a Notice of Intent to Participate and Memorandum of Support was served by first-class, U.S. Mail, postage prepaid, upon the following:

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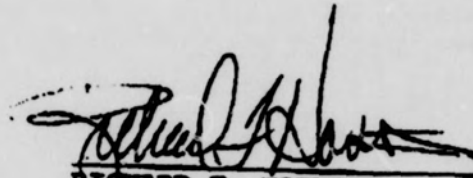
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RICHARD F. HORVATH

MEMORANDUM

On June 23, 1997, CSX Corporation and CSX Transportation, Inc. ("CSX"), Norfolk Southern Corporation and Norfolk Southern Railway Company ("NS") and Conrail, Inc. and Consolidated Rail Corporation ("Conrail") filed a joint application with the Surface Transportation Board seeking authority for CSX and NS to acquire control of Conrail and for the subsequent division of Conrail's assets by CSX and NS.

The Surface Transportation Board ("Board") in Decision No. 6, served May 30, 1997 (62 FR 23387), set the deadlines for timely filing of various documents involved in this matter.

On August 7, 1997, Jay Westbrook, President of Cleveland City Council, filed an untimely Notice of Intent to Participate as a party of record on behalf of the City of Cleveland.

In Decision No. 21, served August 19, 1997, the Board denied Mr. Westbrook's request for more time to participate in the proceeding due to the expedited procedural schedule, however indicated that it would entertain a Motion for Leave to Late-File a Notice of Intent to Participate.

The City of Cleveland hereby requests permission to late-file a Notice of Intention to Participate as a party of record for several reasons.

First, the changes proposed by the applicant railways will have a significant impact on the citizens of the City.

For example, set forth in the Surface Transportation Board, Finance Docket No. 33388, Railroad Control Application; Supplemental Environmental Report (Volume 6), August 28, 1997, p. 12, Table 1-3, the increase in the number of freight trains per day on certain routes is marked, increasing in at least one instance by over twenty-three (23) freight trains per day. In addition, numerous facilities within the City of Cleveland will be affected by numerous proposals made in the Application. The interest of the citizens of the City in having adequate representation as to how these proposals will effect air quality, noise, and public health and welfare in their communities cannot be understated.

Second, no burden will be visited upon other parties in this proceeding, in that the City has been served, through Mr. Westbrook, with copies of all relevant documents to date. Allowing the City of Cleveland to Participate as a Party of Record will not substantially burden other Parties of Record as far as copy and labor costs are concerned.

CONCLUSION

WHEREFORE, the City of Cleveland hereby requests leave to late-file a Notice of Intent to Participate.

Respectfully submitted,

SHARON SOBOL JORDAN (0006731)
Director of Law

By: 

RICHARD P. HORVATH (0030912)
Assistant Director of Law

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(216) 664-2808

DATR: September 9, 1997

STB

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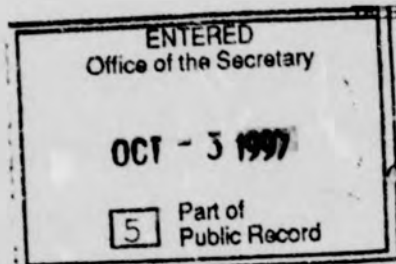
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October 2, 1997



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BY HAND

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

D

CSS-1

Re: STB Finance Docket No. 33388, CSX Corp. and CSX Transportation, Inc., Norfolk Southern Corp. and Norfolk Southern Ry. Co. -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corp.

Dear Secretary Williams:

Enclosed for filing in the above-referenced proceeding are an original and twenty-five copies of a letter by Chicago SouthShore & South Bend Railroad in support of the primary application filed in this proceeding by CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company (the "Filing"). In accordance with Decision No. 6, dated May 30, 1997, also enclosed is a 3.5-inch disk containing this Filing formatted in Word Perfect. This Filing and the accompanying disk are designated as CSS-1, in accordance with 49 C.F.R. § 1180.4(a)(2).

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Very truly yours,

Rose-Michele Weinryb

Rose-Michele Weinryb

Enclosures

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September 30, 1997

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



CSS-1

Re: Surface Transportation Board Finance Docket No. 33388

Dear Mr. Williams:

On June 23, 1997, CSX Transportation and Norfolk Southern Corporation filed a joint application with the U.S. Department of Transportation - Surface Transportation Board, Finance Docket No. 33388 for the acquisition and division of Conrail. We are writing to express our full support for this application.

Earlier this year, the Chicago SouthShore & South Bend Railroad (CSS) was concerned that some elements of the acquisition plan might negatively impact our operations, our financial position and many of our customers. Of further concern was the indirect financial impact of such a possibility on the Northern Indiana Commuter Transportation District (NICTD). CSS has paid NICTD over \$22 million in fees since 1990.

We are pleased to inform you that through separate negotiations with both CSX and Norfolk Southern, we have reached workable agreements that we believe will allow our company to continue to provide reliable, quality freight transportation services to Northeast Illinois and Northwest Indiana. Accordingly, we are now in a position to fully support the proposed transaction.

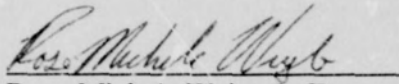
Thank you for your interest in the Chicago SouthShore & South Bend Railroad. Should you have any questions, please do not hesitate to contact us.

Sincerely,

H.T. Hearst
President

CERTIFICATE OF SERVICE

I hereby certify that on October 2, 1997, a copy of the foregoing letter by Chicago SouthShore & South Bend Railroad was served by first-class mail, postage pre-paid on Judge Leventhal and all parties of record, as listed by the Surface Transportation Board in Decision No. 21, dated August 19, 1997.


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September 30, 1997

VIA OVERNIGHT MAIL

The Honorable Vernon A. Williams
Secretary
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RE: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Co. -- Control and Operating Leases/ Agreements - Conrail Inc. and Consolidated Rail Corporation

Dear Secretary Williams:

Enclosed for filing the above-captioned docket are an original and twenty-five (25) copies of Ashta Chemicals Inc. Request For Extension of Time To File Verified Statement of No Significant Impact (ASHT-8). A 3.5-inch disk containing the text of this pleading in WordPerfect 5.1 format is provided.

Copies of Ashta Chemicals Inc. Request For Extension of Time to File Verified Statement of No Significant Impact (ASHT-8) are being served via first-class mail, postage prepaid on the Honorable Jacob Leventhal and All Parties of Record, including counsel for Applicants. Please date-stamp the enclosed extra copy of each pleading and return them in the enclosed self-addressed envelope. If you have any questions, please contact me at (216) 902-8930. Thank you.

ENTERED
Office of the Secretary

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Very truly yours,

Inajo Davis Chappell
Inajo Davis Chappell



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

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

ASHTA CHEMICALS INC.
REQUEST FOR EXTENSION OF TIME TO FILE
VERIFIED STATEMENT OF NO SIGNIFICANT IMPACT

By: Christopher C. McCracken, Esq.
Inajo Davis Chappell, Esq.
Ulmer & Berne
1300 East Ninth Street, Suite 900
Cleveland, Ohio 44114-1583
(216) 621-8400

Date: September 30, 1997

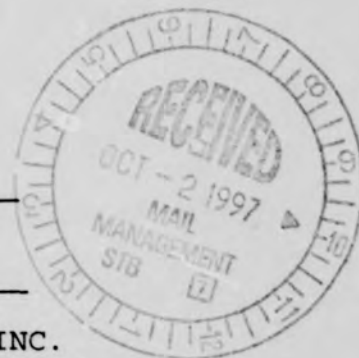
BEFORE THE
SURFACE TRANSPORTATION BOARD

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CSX CORPORATION AND CST TRANSPORTATION, INC.
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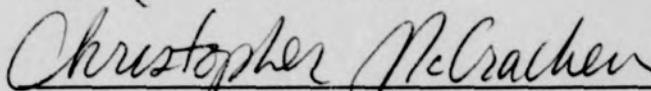
ASHTA Chemicals Inc. hereby requests an Extension of Time To File Verified Statement of No Significant Impact (ASHT-8) ("Verified Statement"). October 1, 1997 is the due date for filing Responsive Environmental Reports or Environmental Verified Statements. At this time, Ashta Chemicals Inc. is in the process of finalizing its evaluation of potential environmental impact of the affirmative relief it may request, as set forth in ASHT-4. Although ASHTA Chemicals believes it has sufficient information to formulate its Verified Statement, a short extension of time is requested to complete its environmental assessment, and to confer with a staff member of the Board's Section of Environmental Analysis (SEA).



Request is respectfully made for a five (5) day extension of time for ASHTA to submit its Verified Statement on or before October 6, 1997. Such extension of time is not requested for the purpose of hindering or delaying this proceeding and will not operate to prejudice any of the parties in this proceeding.

Based on the foregoing, we respectfully request that an extension of time be granted to ASHTA Chemicals Inc. to file its Verified Statement.

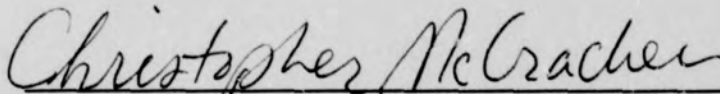
Respectfully submitted,



CHRISTOPHER C. McCRACKEN, ESQ.
INAJO DAVIS CHAPPELL, ESQ.
ULMER & BERNE
1300 East Ninth Street -Ste.900
Cleveland, Ohio 44114-1583

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Ashta Chemicals Inc. Request For Extension of Time To File Verified Statement of No Significant Impact have been served this 1st day of October, 1997, by first-class mail, postage prepaid on the Honorable Jacob Leventhal and on All Parties of Record in Finance Docket No. 33388.



CHRISTOPHER C. McCRACKEN, ESQ.
One of the Attorneys for Ashta Chemicals
Inc.

STB

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U. S. Department of Justice
Antitrust Division

182325

325 7th Street, N.W., Suite 500
Washington, DC 20530

October 2, 1997



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Seventh Floor
Washington, DC 20423-0001

Re: Conrail Control Case -- STB Finance Docket No. 33388

Dear Secretary Williams:

Pursuant to Decision 21 in the above-captioned matter, as modified by Decision 27, the United States Department of Justice encloses herewith an original and ten copies of its certificate of service indicating service of all filings submitted so far in this proceeding on each Party of Record.

This filing is late due to my inadvertent oversight. I request this filing be accepted out of time. Late filing is not likely to inconvenience the parties or delay these proceedings in any way.

Thank you for your assistance in this matter. If you have any questions please feel free to call me at 202-307-6357.

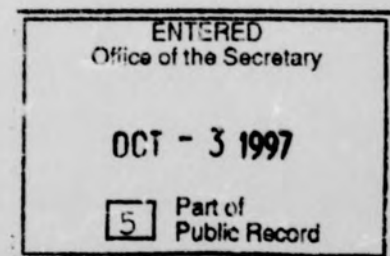
Sincerely yours,

Michael P. Harmonis

Michael P. Harmonis
Attorney
Transportation, Energy and
Agriculture Section

Enclosures

cc: The Honorable Jacob Leventhal
Parties of Record





Before the
Surface Transportation Board
Washington, D.C.

Finance Docket No. 33388

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

CERTIFICATE OF SERVICE

I certify that I have this 2nd day of October, 1997, served a copy of the attached notice by the Department of Justice of its intent to participate in this proceeding, the only filing submitted to date, by first-class mail, postage prepaid, upon Administrative Law Judge Jacob Leventhal and all Parties of Record.

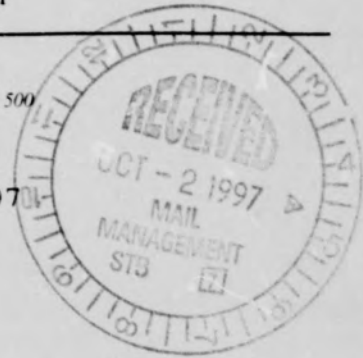
Michael P. Harmonis
Attorney



U. S. Department of Justice
Antitrust Division

325 7th Street, N.W., Suite 500
Washington, DC 20530

June 30, 1997



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Seventh Floor
Washington, DC 20423-0001

Re: Conrail Control Case -- STB Finance Docket No. 33388

Dear Secretary Williams:

The purpose of this letter is to notify the Surface Transportation Board and the parties that the United States Department of Justice intends to participate in the above-captioned proceeding. Please add my name to the official service list as party of record for receipt of all submissions of the parties and all Board decisions.

Thank you for your assistance in this matter. If you have any questions, please feel free to call me at 202-307-6357.

Sincerely yours,

Michael P. Harmonis
Attorney
Transportation, Energy and
Agriculture Section