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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

COMMENTS ON BEHALF OF THE PORT AUTHORITY OF NEW YORK
AND NEW JERSEY WITH RESPECT TO APPLICANTS' NORTH
JERSEY SHARED ASSETS AREA OPERATING PLAN

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VERIFIED STATEMENT OF WILLIAM H. SHEPPARD

I. INTRODUCTION

My name is William H. Sheppard. I am a consultant employed by Atlantic Rail Services, Incorporated and have been retained by The Port Authority of New York and New Jersey to review the CSX/NS Operating Plan for the North Jersey Shared Assets Area ("NJSAA") that was submitted by CSX Corporation and CSX Transportation, Incorporated ("CSX") and by Norfolk Southern Railway Corporation and Norfolk Southern Railway Company ("NS") to the Surface Transportation Board ("STB") on October 29, 1997.

With respect to my qualifications, I have over 30 years of experience in the railroad industry beginning with the Erie Lackawanna Railway in 1965. During this time span, I authored several publications about Erie Lackawanna operations in the New York area and was invited to assist the United States Railway Association ("USRA") with their development of the *Final System Plan*, which ultimately led to the formation of the Consolidated Rail Corporation ("Conrail"). This USRA assignment provided an opportunity for me to draw upon my previous managerial experience in passenger, general freight and intermodal operations, including several years spent as a train dispatcher and block operator on the New York Division of the Erie Lackawanna Railway with headquarters located in Hoboken, New Jersey.

After Erie Lackawanna was absorbed by Conrail in 1976, I was assigned to the Atlantic Region Operations Center in Newark, New Jersey, and was initially responsible

for supervising and then, consolidating former Penn Central, Erie Lackawanna, Reading, Lehigh Valley and Central Railroad of New Jersey operations in Northern New Jersey, and elsewhere. That task involved working closely with Amtrak and commuter authorities to coordinate joint planning of passenger and freight activities.

Subsequent assignment to Conrail System Headquarters in Philadelphia, Pennsylvania, led to increased responsibility for interline service management, joint facility and contract administration, service design, transportation analysis, customer logistics, performance measurement, operations improvement, network planning, among other areas. This experience included working with NS, CSX and other railroads in developing joint service plans for general merchandise, automotive and intermodal traffic destined to and from Northern New Jersey and other locations. In addition, I was responsible for integrating train schedules, blocking and classification instructions that together, formed Conrail's Operating Plan. This particular area of responsibility involved my active participation in efforts to keep network operations fluid and required specific knowledge of remedies to circumvent congestion of traffic in North Jersey and other locations, systemwide.

Since separating from Conrail last year as Assistant Vice President - Network Planning, I have served as a consultant in the railroad industry.

II. COMMENTS

The following commentary generally follows the outline of operations found on Pages 16 through 18 of the NJSAA Operating Plan (CSX/NS-119) including various Figures.

1.2 Description of North Jersey Shared Access Area.

CSX/NS-119, Figure 1 does not accurately depict the extent of NJSAA and NS service over lines owned by Amtrak and New Jersey Transit, since dashed lines should be used to indicate where trackage rights are involved. The schematic representation of NJSAA trackage in CSX/NS-119, Figure 2 may mislead one to think trains can make a progressive movement on a route from Croxton Yard to S. Kearny Yard via CP Nave and CP Waldo. Not depicted is a line linking Linden on the Northeast Corridor ("NEC") with the Chemical Coast near Port Reading. Both NYS&W terminals at Little Ferry and Resources appear in CSX/NS-119, Figure 2 as part of the *North New Jersey Terminal Shared Asset Area*, yet these facilities are not subsequently described in **Service and Facilities in NJSAA** (CSX/NS-119, Section 4.0). The illustrated alignment of the NEC with Croxton Yard and the NYS&W - Resources Terminal should be changed to pass just above each of these facilities. The Color Key or legend in CSX/NS-119, Figure 2 should explain the meaning of dashed lines drawn to Howland Hook and Elizabethport Yard.

3.2 CSX Proposed Traffic Flows

Repeated reference is made in this section to improved single-line service, improved traffic flows which, among other things, will allow CSX to provide transit times between North Jersey and Chicago in less than 30 hours. In order to put this achievement in perspective, it should be noted that Conrail currently schedules Train TVLA to operate between North Bergen and Chicago - Englewood in 25' 05". That said, these and other claims of service superiority should be compared in terms of current Conrail dock-to-dock service and

segmented to show various events including cut-off and release times, interchange receipt and delivery times, yard, local and through train schedules, arrival and departure information with time zones, frequency of service by day of week, placement and availability times.

3.2.1 CSX Improved Traffic Flows

In the description of the Northeastern Gateway Service Route, there is reference made to "high quality" service resulting from various improvements to the physical plant. CSX should define what "high quality" means and provide further advice about what level of service reliability NJSAA customers may come to expect after Conrail is acquired.

With respect to the Atlantic Coast Service Route, there is reference made to Virginia Avenue Tunnel clearances in Washington, D.C. Since CSX intends to operate Train Q219 this way with multi-level traffic from Linden, New Jersey, further advice is required on whether the Virginia Avenue Tunnel and other structures will be cleared in time for this service to commence on Day 1.

3.2.2 CSX Proposed Intermodal Operation

This section should be expanded to reference potential traffic growth available in connection with service to facilities at Howland Hook, Staten Island, and with regard to the Canadian Pacific commercial access agreement found referenced on Page 37 of CSX/NS-119.

New CSX Intermodal service (**Section 3.2.2.2**) featured in the Southeastern Seaboard/NJSAA Service Lane between Jacksonville, Florida and Northern New Jersey resembles existing interline service provided by CSX and Conrail via Philadelphia, Pennsylvania. Further investigation reveals, however, that the new CSX single-line southbound service provided by Train Q173 will be 1'30" slower than current joint CSX/Conrail train service scheduled to depart North Jersey at the same time (0300) and will arrive Jacksonville, Florida at 0800 instead of 0630, Day 2.

3.3 NS Proposed Traffic Flows

Service via the Penn Route is expected to reduce transit times and improve the reliability of service currently provided by Conrail. Such claims are meaningless unless there is a valid basis of comparison to measure success (or failure) to meet these objectives.

In addition, adoption of a new blocking strategy designed to reduce intermediate handlings is expected to place a different set of demands on NJSAA facilities at Oak Island and may not translate into a net service gain when all things are considered. For example, Conrail Train PIOI is currently scheduled to depart Conway Yard near Pittsburgh, Pennsylvania with traffic blocked for Manville, Bayonne, Bayway, Port Reading and South Amboy. This train is scheduled to arrive Oak Island at 1730 and Bayway, Port Reading and South Amboy blocks are scheduled to connect with Train SESA that evening and are generally available for local delivery by the next morning along the Chemical Coast.

Under the NS operating plan, most of those blocks are eliminated and, as a result, traffic

arriving Oak Island on Train GMELOI from Elkhart, Indiana and Train GMCEOI from Conway Yard will be humped. This handling, when combined with the later arrival of both trains, could cause yard elapsed time to increase, reducing facility throughput.

Should congestion result, the lack of blocks made to overhead Oak Island Yard will hinder service recovery efforts, especially since CSX also plans to reduce the blocking of general merchandise traffic at Selkirk for other locations in North Jersey, including Kearny and North Bergen (Croxtan).

Service via the Southern Tier Route is expected to encounter a considerable amount of New Jersey Transit and Metro-North passenger train interference east of Port Jervis, New York. These conflicts are likely to affect the quality of service that NS intends to provide and is expected to delay to ExpressRail and other traffic that NS intends to route this way. Over the short-term, additional delays to traffic are expected to occur in connection with the work to upgrade the Southern Tier.

Service via the Piedmont Route puts some traffic back on the Northeast Corridor that could otherwise route via the Hagerstown Gateway and thereby avoid any Amtrak NEC time and clearance restrictions. In addition, the proposed schedules for Trains GMLIOI and GMOILI require these trains to operate on the NEC between Newark, New Jersey and Landover, Maryland outside the 2200 - 0600 time "window" currently allowed by Amtrak. Even if this range of time is expanded somewhat, there is always a risk that some traffic will be delayed when freight trains run late and no longer fit within the approved

Amtrak NEC "window" of operation. This risk could be minimized or eliminated altogether if other routes were utilized to access the NJSAA.

3.3.2 NS Proposed Intermodal Operations

Schedules showing details of proposed NS service to and from ExpressRail are not evident in the NJSAA plan and existing Conrail "Export Express" service currently provided by Train TV12 from Chicago and Pittsburgh to Port Newark (ExpressRail) has not been replicated exactly. The same is true for westbound service provided by Conrail Train TV11 between Port Newark (ExpressRail) and Pittsburgh.

In addition to expected delays due to passenger train interference and work to upgrade the Southern Tier Route, connecting ExpressRail double stack traffic routed via the National Docks Branch to Croxton will be restricted to shipments measuring only 19' 1" in height above top of rail ("HATR"). This contrasts with 20' 2" HATR clearances available on the route via Pittsburgh, Pennsylvania

NS access to the Howland Hook intermodal facility on Staten Island is not mentioned in the plan even though access is possible via the NJSAA. Since CSX and NS intend to keep freight cars in their account while in the NJSAA, additional demands will be placed on NJSAA facilities to segregate and store this equipment, as required.

Proposed new Piedmont Route service resembles current NS/Conrail joint intermodal train service via the Hagerstown Gateway. Further investigation reveals, however, that the new

NS single-line southbound train service will be 5' 55" slower than existing joint NS/Conrail train service that departs North Jersey after Midnight, arriving Atlanta, Georgia at 1425 instead of 1030, Day 2.

Triple Crown Service proposed to operate via the Northeast Corridor ("NEC") may be subject to delay if trains are held to comply with Amtrak NEC time "windows".

4.0 Service and Facilities in NJSAA

Although CSX and NS endeavor to initially replicate existing Conrail operations in North Jersey as closely as possible, close examination of proposed CSX and NS operating plans reveal a number of changes to existing operations that, when combined, are expected to tax the capacity of NJSAA facilities to handle CSX and NS traffic in a reliable, consistent manner, as follows:

1. Interchange of traffic between CSX and NS, including some traffic that currently moves overhead Oak Island on through trains between Selkirk and Allentown, for example.
2. Switching of traffic received from South Jersey and Philadelphia, Pennsylvania.
3. Increased switching of inbound North Jersey general merchandise and automotive traffic that was previously classified by yards at Selkirk, Conway and other locations for movement in block to Bayonne, Bayway, South Kearny, North Bergen, South Amboy, Manville, Doremus Avenue (Ford), Port Newark and Port Jersey.
4. Increased humping of outbound traffic for Allentown, Conway, Selkirk and other locations that was formerly blocked to bypass the Oak Island hump at various North Jersey locations including Bayonne, Bayway, Croxton, Greenville, Jersey City, Manville, Metuchen, North Bergen, Port Newark, Port Reading, Ridgefield Heights, South Amboy, South Kearny and Waverly (Newark, NJ).

5. Rerouting CSX time-sensitive auto parts traffic with the following origin - destination pairs for connections via Oak Island Yard:

Buffalo, NY. to Baltimore, MD.	Parma, OH. to Wilmington, DE.
Parma, OH. to Baltimore, MD.	Saginaw, MI. to Baltimore, MD.

6. Bringing blocks of time-sensitive auto parts traffic to Oak Island on various trains for consolidation and subsequent movement in local service to Linden and Metuchen (versus using Train TOMT to overhead Oak Island with this traffic).
7. A 36% increase in the total number of classifications made in North Jersey terminals including Ridgefield Heights, North Bergen, Croxton, Kearny, Oak Island, Doremus Avenue, Bayonne, Port Newark, Elizabethport, Portside, Dockside (ExpressRail), E-Rail, Port Reading, Browns, Manville, Bayway, Linden, Metuchen and Greenville.
8. Five (5) times the number of blocks with traffic originating and terminating at locations outside of Northern New Jersey that are intended to pass (relay) between trains at Oak Island.
9. Twice the number of regularly scheduled through freight trains with an intermediate stop to set-off or pick-up traffic at Oak Island or Doremus Avenue.
10. Four trains that reverse direction in the terminal enroute to final destination (Q219, AUBVOI(2), AUBVRH, AURHBV).
11. Increased numbers of intermodal trains transiting Oak Island Yard en route to and from E-Rail terminal, including 2 trains that stop to set-off and pick-up API-Kearny traffic.
12. Transfer runs to reposition loaded and empty traffic moving among NS, CSX and NJSAA facilities.
13. Segregating CSX and NS empty freight car fleets for prospective loading and storage.
14. An increase of about 50% in the number of through freight trains that are scheduled to operate per week in the NJSAA, including Croxton, Little Ferry and North Bergen.
15. Light engine (hostling) movements to reposition CSX and NS motive power among terminals in North Jersey for fueling and servicing.

16. New traffic patterns along the Chemical Coast and the NEC which will reduce the availability of certain tracks alongside Oak Island Yard to hold trains and to store traffic for terminals nearby.

4.1 Through Train Service

CSX/NS-119, Figure 3 summarizes "current" Conrail schedules serving the NJSAA. After checking this information with working papers that included Conrail freight schedules and scheduled block departures effective August 23, 1997, the following discrepancies were noted:

- The schedule for Train ALCA (Allentown - Camden via Oak Island) was missing.
- Train BUSE has been replaced by Trains BUOI and OISE.
- The frequency and days that TV-201 departs Kearny should be changed to 4 days per week, Tuesday through Friday.

Also, there is no information provided to indicate whether Conrail ~~trains~~ ns listed in

CSX/NS-119, Figure 3 actually operate on the days indicated and how often these trains operate in extra sections.

CSX/NS-119, Figure 4 summarizes proposed CSX train schedules *intended* to serve the NJSAA. After cross-checking this information with CSX train schedules contained in the working papers, the following discrepancies were noted:

- CSX schedules do not indicate where crews will change, what days of the week trains will operate if their frequency of operation is less than daily, or what time zone applies. Time scheduled for some trains to perform work at Oak Island and other locations seems inadequate and should be reviewed along with other NS and CSAO schedules.
- The block order of Q219 does not change enroute even though the train must reverse direction in the vicinity of Oak Island Yard. Movement of auto traffic in multi-level equipment is subject to completion of clearance work along the Atlantic Coast Service Route by Day 1. Because the number of CSX trains arriving and departing Linden is unbalanced, provisions must be made to reposition power to Linden on a regular basis,

possibly resulting in additional movements on the NEC and within the NJSAA (Note: NS has the opposite imbalance at Metuchen).

- Blocking instructions for Train CASE reveal that CSX will bring traffic from Camden, New Jersey and Philadelphia, Pennsylvania (Frankford Junction) directly to Oak Island for classification. Currently, Conrail does not route traffic this way and this change is another example of the expanded role that Oak Island is expected to play after Day 1. The use of Train CASE to transfer traffic from Oak Island to Ridgefield Heights seems like a CSAO chore and complicates blocking instructions to the point that road crews will have to hold onto Indianapolis (Big Four) traffic while working at Ridgefield Heights. In addition, information is incomplete with regard to connecting block of traffic moving from Savannah, GA. to Selkirk, NY.
 - Train OIRM has 32 minutes in the schedule to work at Manville, New Jersey, but the blocking instructions do not indicate what work is to be performed at that location. The Morrisville block should be changed to read "Woodbourne" because NS acquires Morrisville, Day 1.
 - Train OISE departs Oak Island 46 minutes ahead of Train CASE. Both trains are scheduled to carry an Indianapolis (Big Four) block to Selkirk for connections.
 - The departure time of Train OJTA from Oak Island does not match schedule information shown in CSX/NS-119, Figure 23 for the NEC. In any event, this train is scheduled to operate outside the Amtrak NEC time "window".
 - Frankford Junction traffic should move on the head-end of SECA-A from Oak Island to facilitate the set-off at Frankford Junction.
 - SECA-B has a number of blocks that are set-off at Oak Island for connections to trains unknown, as follows:
 - Parma, OH. to Penn Mary, MD.
 - Parma, OH. to Wilmington, DE.
 - Saginaw, MI. to Bay View, MD.
 - Saginaw, MI. to Penn Mary, MD.Metuchen auto parts traffic from Selkirk is scheduled to move in block on two trains (SECA-B and SETA) five hours apart to Oak Island.
- SETA to Oak Island a few hours earlier.
- The schedule of TAOJ does not match schedule shown in CSX/NS-119, Figure 23 for the NEC and the purpose of time in the schedule at Oak Island is unexplained.
 - Both Q132 and Q162 are scheduled to arrive Little Ferry at the same time (0600). The

0815 arrival time of Q162 at Port Newark is 3' 15" later than Conrail Train TV24P is scheduled to arrive today. This later arrival subsequently requires crossing Corbin Street in Port Newark/Elizabeth with ExpressRail traffic at particularly busy time of the day, disrupting port operations. In addition, the later arrival of Q162 does not permit early grounding of containers which, in turn, permits same-day transfer to vessels -- an important advantage for a terminal like ExpressRail.

- Conrail currently is scheduled to operate TV207 and TV209 from Port Newark with ExpressRail traffic. Since CSX plans to operate only one train (Q163) from Port Newark with ExpressRail traffic and has scheduled a pick-up of additional traffic at Little Ferry, there should be another train scheduled to operate in cases when Q163 is oversubscribed. In addition, separate blocks of ExpressRail traffic for Montreal and Toronto do not appear in the schedule of Q163 from Port Newark, further complicating CSX/D&H interline service via Selkirk.
- Footnote on TOMT schedule in working papers indicates that this train will not operate unless or until service demands require through train operation. As a result, Linden and Metuchen auto parts traffic that formerly moved from Selkirk in direct train service to Linden and Metuchen will now connect via Oak Island for movement beyond in local service. The same is true for general merchandise traffic moving in block from Selkirk, NY, to Metuchen, NJ.
- Blocking instructions for Train RMOI reveal that CSX will bring traffic originating at Philadelphia, PA. (Greenwich), Woodbourne, PA. and Manville, NJ. into Oak Island for classification, placing further demands on that facility. Use of RMOI to transfer traffic between Manville and Oak Island seems like a CSAO chore.
- Blocking instructions call for Train SETA to stop at Little Ferry (NYS&W) and pick-up a block of traffic originating at Ridgefield Heights and destined to Oak Island. Current Conrail blocking instructions call for Ridgefield Heights to block traffic for Linden, thereby bypassing the Oak Island hump. There should be time shown in the schedule to set-off traffic at Oak Island per plan.
- Train SASE is not listed in CSX/NS-119, Figure 4 but appears operating in CSX/NS-119, Figure 25 (North Jersey Coast Line) and in the working papers. The frequency on which this will operate is unknown but is assumed to match Conrail Train CCAL (Tuesday - Saturday).

CSX/NS-119, Figure 5 summarizes proposed NS train schedules *intended* to serve the NJSA. After cross-checking this information with NS train schedules contained in the

working papers and those appearing in various book supplements to Volume 3B of 8 submitted to the STB, the following discrepancies were noted:

- Both Trains AUBVOI(1) and AUBVOI(2) are scheduled to work Linden at the same time. Since the train symbols are similar, this could cause confusion in communicating instructions.
- AUBVOI(2) schedule times for Linden and Metuchen do not match schedule shown in CSX/NS-119, Figure 23 for the NEC. Lack of return schedule from Metuchen will require repositioning of motive power because operations are imbalanced.
- GMLIOI is scheduled to operate outside of the Amtrak NEC time "window".
- GMMVOI is scheduled to operate outside of the Amtrak NEC time "window".
- The schedule of IMHBER does not reflect time to set-off API-Kearny traffic at Oak Island.
- Both GMALOI and CSX Train SASE are scheduled to arrive Oak Island off the Chemical Coast at the same time (1700).
- There is no schedule for Train GMOIMV, yet this train is listed in CSX/NS-119, Figure 23 for the NEC.
- GMOILI is scheduled to operate outside of the Amtrak NEC time "window" and the departure time from Oak Island (2000) does not correspond with schedule information in CSX/NS-119, Figure 23 for the NEC.
- Triple Crown Train TCPSAT appears listed in CSX/NS-119, Figure 23 operating via the NEC and in CSX/NS-119, Figure 25 operating via the North Jersey Coast Line of NJT.

In order to determine patterns of NJSAA activity created by these new train schedules, schematic maps of proposed NS and CSX train schedules were created and appear attached to this report along with a map of the territory between Oak Island and Elizabethport. When compared to current Conrail activity along the Chemical Coast near the point from which ExpressRail is served, this information indicates that a considerable

increase in activity is expected to occur in the future, as noted below:

PRESENT		PROPOSED	
Train	Carrier	Train	Carrier
SESA	Conrail	GMALOI	NS
TV12	Conrail	GMOIAL	NS
TV11	Conrail	TCPSAT	NS (TC)
RR261	Conrail (TC)	TCATPS	NS (TC)
RR262	Conrail (TC)	TCPSFW	NS (TC)
		TCFWPS	NS (TC)
		SEJB	CSX
		SASE	CSX #
		IMATER(2)	NS
		IMERAT(2)	NS
		IMATER(1)	NS
		IMERAT(1)	NS
		IMHBER	NS
		IMERHB	NS
		NJTML-5	NS (CSAO?) #
		NJTML-5	NS (CSAO?) #

NOTES

"TC" or Triple Crown Trains terminate at Portside.

Train schedule from working papers.

Other yard and locomotive repositioning movements are not included above.

Since yard jobs utilize some of the same trackage to deliver inbound and assemble outbound ExpressRail traffic for pick-up, and are expected to use this trackage to shuttle equipment between E-Rail and storage tracks at Elizabethport Yard, the increased demand upon Chemical Coast line capacity noted above could well result in delay and degradation of ExpressRail service, particularly when trains do not operate according to plan and fall out of sequence with other trains operating through this area. This situation could well result from the collateral effects of congestion experienced at other areas of the terminal,

notably Oak Island Yard and vicinity. In this regard, it should be noted that new patterns of NJSAA train activity will be formed by trains routed through Oak Island Yard and vicinity en route to and from the NEC. These changes in traffic patterns, when combined with other changes in the way trains will access Oak Island Yard, are expected to adversely impact other yard functions and precipitate delays to other traffic in the NJSAA.

As a consequence of reviewing train schedule and blocking information, a number of situations appeared where information was lacking on how certain traffic would move directly from one point to another. Unless these "service gaps" are resolved, traffic could wind up stranded at Oak Island and other locations, causing congestion and delay. Listed below are several origin - destination pairs of traffic that are affected by this problem:

- Oak Island to Bayway
- Oak Island to Port Reading
- Oak Island to South Amboy
- Oak Island to Manville
- Oak Island to Croxton
- Croxton to Oak Island
- Port Newark (ExpressRail) to Croxton and beyond
- Croxton and beyond to Port Newark (ExpressRail).
- Port Newark (ExpressRail) to Pittsburgh
- Pittsburgh to Port Newark (ExpressRail)
- Oak Island to Kearny/API
- Kearny/API to Oak Island
- Oak Island to Morrisville
- Parma, OH. to Penn Mary, MD.
- Parma, OH. to Wilmington, DE.
- Saginaw, MI. to Bay View, MD.
- Saginaw, MI. to Penn Mary, MD.
- Savannah, GA. to Selkirk, NY.

Alternate arrangements must also be defined to handle dimensional or "high and wide" shipments that currently move on Conrail Trains KAOI-D and OIIH-D to and from Oak Island.

4.2 Major Facilities

Although the NJSAA ends at the south end of North Bergen Yard, CSAO crews will work outside of these limits to access facilities at Ridgefield Heights, which are located adjacent to the NYS&W Little Ferry facility. Although Little Ferry is integral to NJSAA operations and is referenced by no less than 16 CSX train schedules in CSX/NS-119, Figure 4, this facility and the nearby NYS&W Resources facility are excluded from the list of yards and facilities that together comprise CSX/NS-119, Figure 6 (Terminal Operations in North Jersey). Both of these NYS&W facilities, however, appear on the map of the North New Jersey Terminal Shared Access Area (CSX/NS-119, Figure 2). Given the importance of these NYS&W facilities to the NJSAA, a full description of their present and proposed operations should be included as part of the NJSAA plan as was done for the NS facility at Croxton and the CSX facility at North Bergen.

With respect to the rest of the facilities described under this section of the NJSAA plan, no maps were found for facilities at Dockside (ExpressRail), E-Rail and Ridgefield Heights. In addition, some of the maps supplied are not current or comprehensive enough to include adjoining support trackage and facilities. Moreover, the map of Portside does not reflect recent track changes that link this facility with Dockside

(ExpressRail). Descriptions of existing yard jobs should be updated as well.

Since the NJSAA plan recognizes that Oak Island Yard is the focal point of Conrail's operations in North Jersey, a comprehensive operating plan should be prepared for this facility for Day 1. This plan should include, but not be limited to, the following information:

1. CSAO yard job descriptions, including on-duty time and frequency of operation.
2. Connections for all switch traffic and for relay blocks of traffic.
3. Locomotive assignments, duty cycles, servicing and repositioning requirements.
4. Volume of traffic by block and train.
5. Classification and blocking instructions, including any equipment restrictions.
6. Local, yard, and through train schedules that specify the frequency of operation by day of week and any train size, make-up or blocking restrictions.
7. Chronological list of all train activity, including overhead movements on adjoining trackage and other activity at Port Newark and Doremus Avenue (Garden Yard).
8. Car inspection and repair requirements.
9. Contingency plans in case of derailments, traffic congestion, trackwork, off-schedule trains, crew and locomotive shortages, adverse weather conditions, and other unplanned events.
10. Blocks of traffic that CSX and NS will make at other locations to support NJSAA operations at Oak Island and at other locations.
11. Arrangements to interchange traffic between CSX and NS, including volume of traffic.
12. CSX and NS car storage and supply requirements.
13. Special arrangements to handle dimensional or "high and wide" traffic.
14. Comparison of Oak Island Yard capacity and demand by day of week to identify capacity constraints and unsatisfied demand within the terminal.
15. Estimates of manpower requirements and supply available on Day 1, and thereafter.
16. Review of existing safety procedures and crew qualifications with respect to new patterns of activity within the NJSAA.

Similar information should also be developed for the other facilities that appear under this section of the NJSAA plan well prior to Day 1 to enhance planning and to address other inconsistencies noted during the course of this review.

5.0 Capital Investments

The capital investments listed in this section should be geared to efficiently accommodate changing traffic patterns within the NJSAA and should address the loss of line capacity expected when the State of New Jersey acquires a portion of the River Line through Hoboken, New Jersey. Such projects should provide for additional operating flexibility within the NJSAA and accommodate increased demand for services as suggested below:

1. Improved access to facilities at Elizabethport, E-Rail, Portside and Dockside (ExpressRail) via the Port Reading Secondary Track, including all necessary signal, clearance improvements, and track changes to improve the utility and capacity of this route and the connecting Chemical Coast route to efficiently handle more traffic. Further development of this option offers the potential to reduce the amount of traffic proposed to pass by ExpressRail, through Oak Island Yard and over joint passenger and freight territory on the Lehigh Line.
2. Alternate access to the NEC via Browns Yard and Monmouth Junction (MIDWAY) with all necessary signal and clearance improvements on NJSAA and NJT property. This route alternative aligns Browns Yard with proposed north - south traffic flows and reduces the amount of time and distance that trains must travel on the NEC to access Portside and Oak Island Yard, for example.
3. Additional yard support trackage to adequately support ExpressRail and other facilities, including Croxton. When sizing these facilities, consideration should be given to projected growth, changing traffic patterns, car supply and storage requirements, among other factors.

6.0 Passenger and Commuter Service

CSX/NS-119, Figure 23 provides information concerning proposed freight train activity on the NEC. Examination of this document reveals a number of trains are scheduled to operate outside the current Amtrak time "window" between 2200 and 0600. Since Amtrak may not agree to expand this "window" to accommodate the proposed schedules,

the NJSAA plan should provide an alternative operating plan to consider at this time.

CSX/NS-119, Figure 25 provides information concerning proposed freight activity on the North Jersey Coast Line of NJT. Examination of this document reveals that TCPSAT is listed to operate this way and also along the parallel NEC route as per CSX/NS-119, Figure 23.

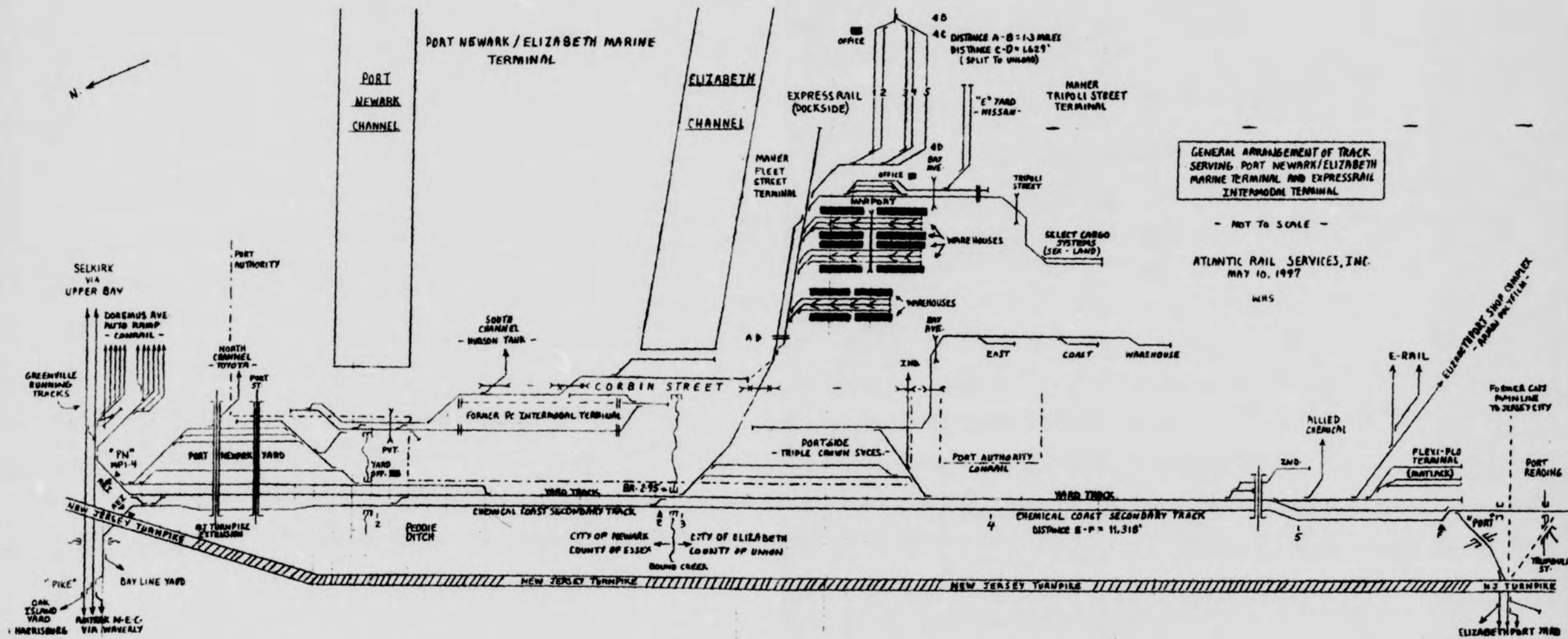
No passenger train schedules are furnished in the NJSAA plan with respect to proposed NS operations over NJT lines extending from Croxton Yard. There is also a lack of information concerning capacity improvements planned at Croxton to support through freight operations and the shift of local freight operations from North Bergen.

8.2 Train Dispatching

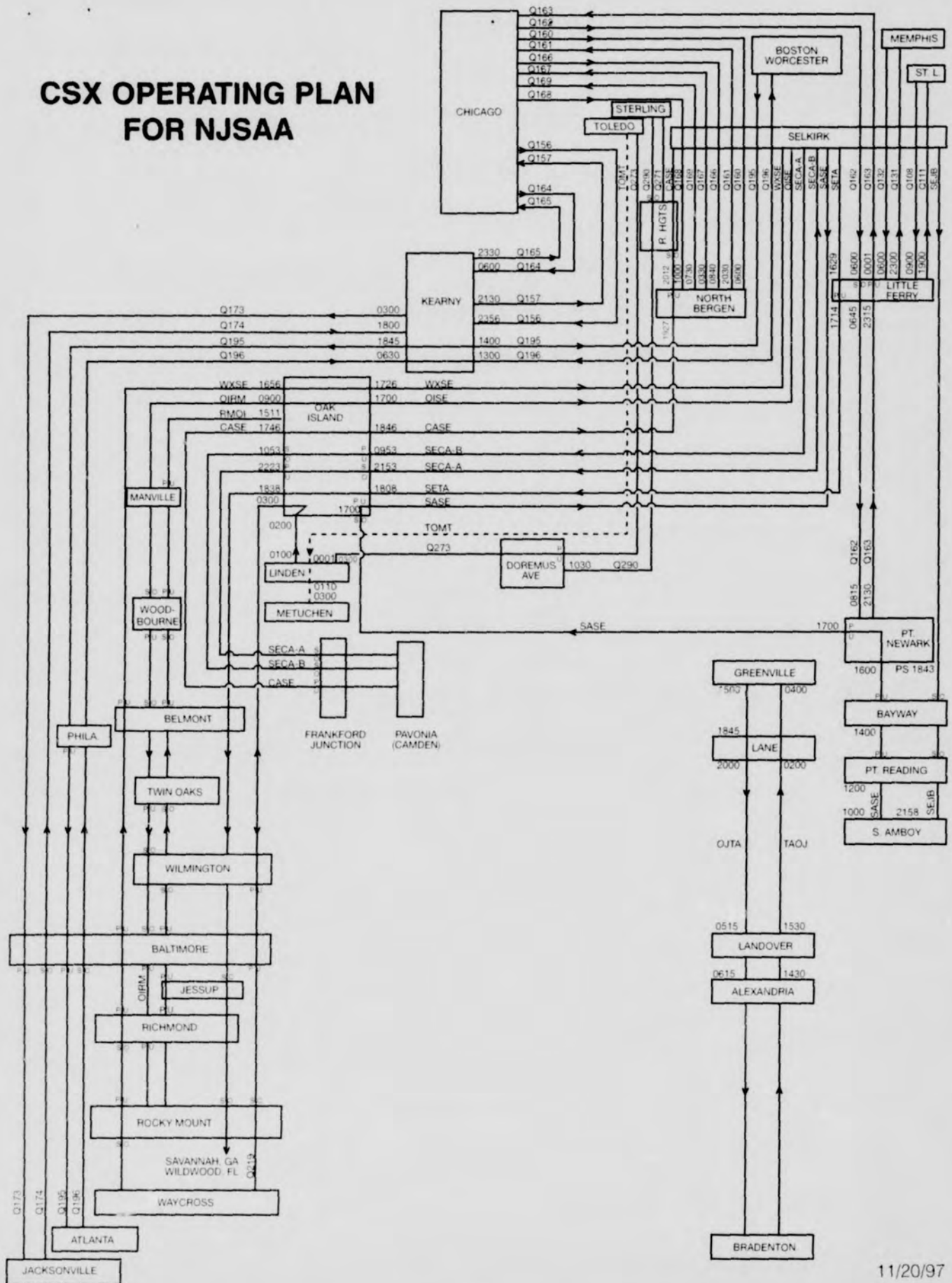
The proposed NJSAA train dispatching territory requires further review and will no doubt require much coordination of activities where control changes to CSX and NS employees in charge of train movements at Port Reading Junction, North Bergen, Croxton and other locations.

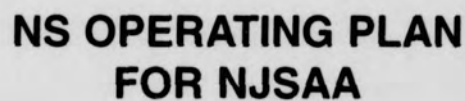
III. CONCLUSION

Although time does not permit for a more comprehensive and thorough review of the NJSAA plan, based upon my understanding of the information it contains, I have concluded that this plan is deficient in several respects for the reasons expressed above. In addition, should this plan be implemented as currently proposed, I have no doubt that the result would be operational paralysis in a matter of weeks.



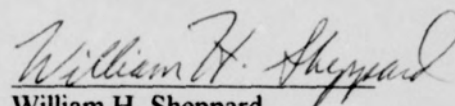
CSX OPERATING PLAN FOR NJSAA



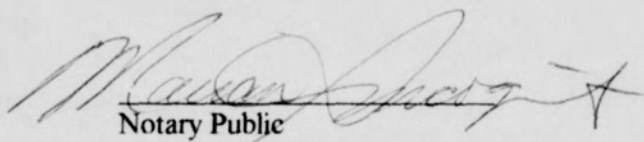


VERIFICATION

William H. Sheppard, being duly sworn, deposes and says that he is a consultant employed by Atlantic Rail Services, Incorporated, that he is qualified to submit this Verified Statement, that he has read the foregoing statement, knows the contents thereof, and that the same is true and correct to the best of his knowledge and belief.


William H. Sheppard

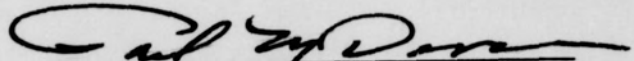
Subscribed and sworn to me by William H. Sheppard
this 21st day of November, 1997.


Notary Public

MARIAN INCOGNITO
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Oct. 26, 1998

CERTIFICATE OF SERVICE

I, Paul M. Donovan, certify that on November 24, 1997, I caused to be served by hand on Applicants' counsel four copies of NYNJ-18. I also caused NYNJ-18 to be served by first class mail on all other parties on the Service list.


Paul M. Donovan

STB

FD-33388

ID-184129

11-21-97

D

184129

LAW OFFICES

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

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

RICHARD A. ALLEN



November 21, 1997

Via Hand Delivery

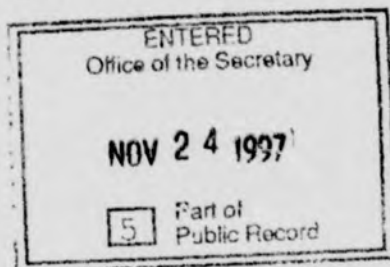
Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

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 CSX Corporation, CSX Transportation, Inc.,
Norfolk Southern Corporation and Norfolk Southern Railway
Company, I enclose for filing an original and twenty-five copies
of CSX/NS-166, Applicants' Reply in Opposition to the Petition of
Steel Warehouse Company, Inc. for Leave to File Comments OUT of
Time. 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

Counsel for Norfolk Southern
Corporation and Norfolk
Southern Railway Company

Enclosures

cc: The Honorable Jacob Leventhal
All Parties of Record

EXPEDITED TREATMENT REQUESTED

**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**

**APPLICANTS' REPLY IN OPPOSITION TO
THE PETITION OF STEEL WAREHOUSE COMPANY, INC.
FOR LEAVE TO
FILE COMMENTS OUT OF TIME**

Applicants^{1/} CSX, NS, and Conrail oppose the petition of Steel Warehouse Company, Inc. ("SW") for leave to file comments a month after the October 21, 1997, deadline. SW has made no showing that it was prevented in any way from participating in the proceeding or following the Board's procedures, and the Applicants would be severely prejudiced by the unprecedented acceptance of such late filed comments. The Board should deny SW's petition forthwith, so that Applicants will know whether they need to address these comments in their discovery and rebuttal.

^{1/} CSX Corporation and CSX Transportation, Inc. are referred to collectively as "CSX." Norfolk Southern Corporation and Norfolk Southern Railway Company are referred to collectively as "NS." Conrail Inc. and Consolidated Railway Corporation are referred to collectively as "Conrail."

On November 20, 1997, 150 days -- nearly 5 months -- after the filing of the primary application and 213 days -- nearly 7 months to the day -- after the Board first issued notice of the proceeding in the Federal Register, SW has filed a petition asking the Board to grant it leave to file comments out of time. SW advances two reasons for its failure to file its comments: 1) SW alleges, without explanation or proof, that it "reasonably" believed that the Transaction would not adversely affect its interests; and 2) it hoped to avoid the costs of involvement in the proceeding. SW does not contend that it did not know about the proceeding or the procedural schedule -- on July 21, 1997 it filed a notice of intent to participate in the proceeding even before the Board issued notice of acceptance of the Primary Application on July 23, 1997. SW presents not a single reason that would justify its failure to file comments in accordance with the Board's procedural schedule. There is nothing to distinguish SW from any other party who chose not to timely file its comments on October 21. A claim that SW believed it would not be harmed and a hope to save money does not demonstrate good cause sufficient for the Board to dispense with its procedures to permit comments nearly a month after they are due. See, 49 C.F.R. § 1104.7(b).

Applicants have had only a brief time to review the comments that SW submitted along with its petition, but on its face the comments do not mention the switching carriers that have access to SW. So this is not the 2-to-1 situation that SW seems to imply it is. Further, the comments do explicitly recognize that any perceived harm that SW believes it

might suffer as a result of the proposed transaction -- a perception that Applicants believe is unjustified -- was known to SW since early October.^{2/}

SW incorrectly assumes that Decision No. 50 supports its request. In that Decision, the Board granted the petitions of the Commonwealth of Massachusetts and Ann Arbor Railway Company to file comments late. The Commonwealth of Massachusetts requested a 10-day extension, which the Board granted, but Ann Arbor requested a 14-day extension, which the Board did not.^{3/} In view of the short time allowed to the Applicants for preparing a thorough and responsive rebuttal filing, the Board found an extension for Ann Arbor "reasonable if . . . limited to 10 days." Decision No. 50, served October 24, 1997. Further, the Board specifically stated in Decision No. 50 that "[n]o further extensions are contemplated."

Moreover, the petition requesting the extension of time to file the response is untimely. The Board's regulations require that extensions of time be submitted at least 10 days prior to the due date sought to be extended. On occasion the Board has found that requests filed later can be accepted under extenuating circumstances, such as when the Commonwealth of Massachusetts and Ann Arbor filed on the due date for an extension of

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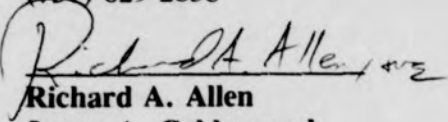
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For all the reasons set forth herein, the Board should deny SW's petition.

Respectfully submitted,

James C. Bishop, Jr.
William C. Wooldridge
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Robert J. Cooney
George A. Aspatore
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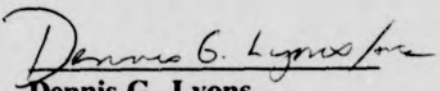

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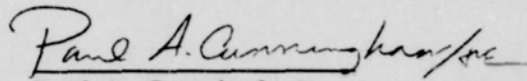

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Timothy M. Walsh
Steptoe & Johnson LLP
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Counsel for CSX Corporation
and CSX Transportation, Inc.

Timothy T. 10'Toole
Constance L. Abrams
Consolidated Rail Corporation

Two Commerce Square
2001 Market Street
Philadelphia, PA 19103
(215) 209-4000

A handwritten signature in cursive script, reading "Paul A. Cunningham".

Paul A. Cunningham
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, D.C. 20036
(202) 973-7600

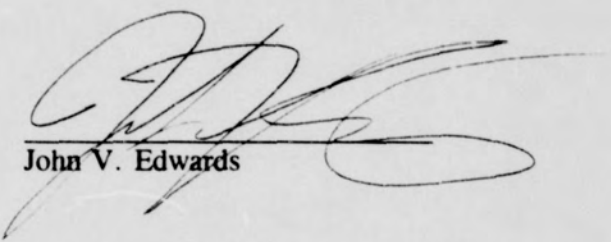
Counsel for Conrail Inc. and Consolidated
Rail Corporation

July 28, 1997

CERTIFICATE OF SERVICE

I, John V. Edwards, certify that on November 21, 1997 I have 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-166, Applicants' Reply in Opposition to the Petition of Steel Warehouse Company, Inc. for Leave to File Comments Out of Time, on all parties that have appeared in STB Finance Docket No. 33388 and by hand delivery on the following:

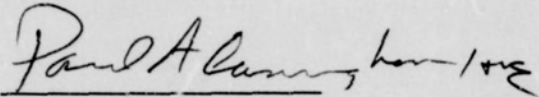
The Honorable Jacob Leventhal
Administrative Law Judge
Federal Energy Commission
Office of Hearings
825 North Capitol Street, N.E.
Washington, D.C. 20426



John V. Edwards

Dated: November 21, 1997

Two Commerce Square
2001 Market Street
Philadelphia, PA 19103
(215) 209-4000

A handwritten signature in cursive script, reading "Paul A. Cunningham", followed by a horizontal line and the initials "hmc".

Paul A. Cunningham
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, D.C. 20036
(202) 973-7600

Counsel for Conrail Inc. and Consolidated
Rail Corporation

November 21, 1997

EXPEDITED TREATMENT REQUESTED

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 33388

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

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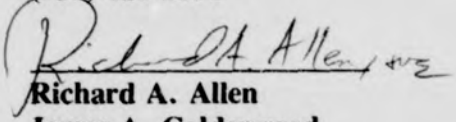
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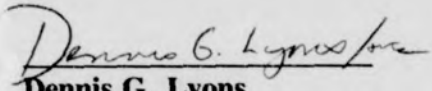

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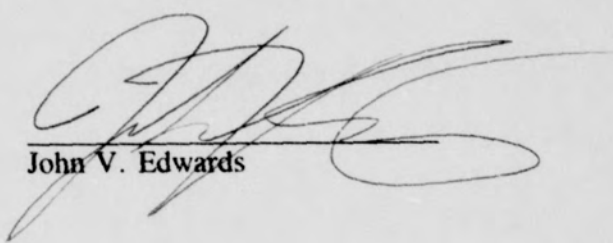
Counsel for CSX Corporation
and CSX Transportation, Inc.

Timothy T. IO'Toole
Constance L. Abrams
Consolidated Rail Corporation

CERTIFICATE OF SERVICE

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



John V. Edwards

Dated: November 21, 1997

STB

FD-33388

ID-184046

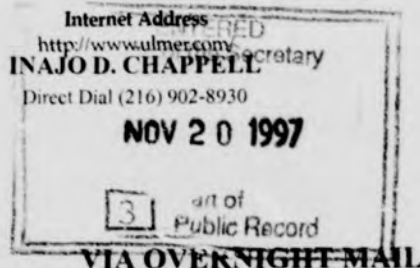
11-20-97

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184046

ULMER & BERNE LLP
ATTORNEYS AT LAW

E-mail Address
ichappell@ulmer.com



Bond Court Building
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Cleveland, Ohio 44114-1583
Fax (216) 621-7488

(216) 621-8400
November 19, 1997

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



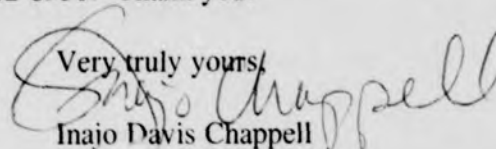
The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

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 the above-captioned docket are an original and twenty-five (25) copies of ASHTA Chemicals Inc. Reply to CSX's and NS' Motion to Treat Various Responsive Applications as Comments, Protests, or Requests for Conditions (ASHT-12). A 3.5-inch disk containing the text of this ASHT-12 pleading in WordPerfect 5.1 format is also provided.

Copies of ASHTA Chemicals Inc. Reply To CSX's and NS' Motion to Treat Various Responsive Applications as Comments, Protests, or Requests for Conditions (ASHT-12) are being served via first-class mail, postage prepaid on the Honorable Jacob Leventhal and all parties of record identified on the Office Service List. Please date-stamp the enclosed extra copy of the ASHT-12 pleading and return it in the enclosed self-addressed envelope. If you have any questions, please contact me at (216) 902-8930. Thank you.

Very truly yours,

Inajo Davis Chappell

114:diw

Enclosure

cc: Hon. Jacob Leventhal
All Parties on Official Service List

748135.D1

**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.
REPLY TO CSX'S AND NS' MOTION TO TREAT VARIOUS RESPONSIVE
APPLICATIONS AS COMMENTS, PROTESTS, OR REQUESTS
FOR CONDITIONS**

Now comes ASHTA Chemicals Inc., by and through counsel, and respectfully submits its Reply to CSX's and NS' Motion to Treat Various Responsive Applications as Comments, Protests, or Requests for Conditions (hereinafter "Motion"), filed November 10, 1997. For the reasons set forth in the Brief attached hereto, the Board should deny the Motion.

Respectfully submitted,



**CHRISTOPHER C. McCRACKEN, ESQ.
INAJO DAVIS CHAPPELL, ESQ.
ULMER & BERNE
1300 East Ninth Street, Suite 900
Cleveland, Ohio 44114
216-621-8400**

BRIEF

I. Applicants' Motion is Untimely.

On August 25, 1997, ASHTA submitted for filing its Description of Responsive or Inconsistent Application (ASHT-4). This August filing of ASHT-4 served as clear notice to Applicants that ASHTA intended to submit a Responsive or Inconsistent Application in these proceedings, seeking some competitive access remedy relative to rights to Applicants' lines in Ashtabula, Ohio. In fact, in its ASHT-4 filing, ASHTA indicated that it expected to submit "(i) an appropriate **responsive application pertaining to competitive access, reciprocal switching, or other rights to Applicants' lines in Ashtabula, Ohio**; and (ii) such **responsive application** or requests for other conditions **as may be necessary to permit ASHTA to compete effectively by assuring access to CSX, Norfolk Southern lines, line segments, or other terminal facilities or operations** affected by the proposed Conrail transaction." (ASHT-4 at 2) (emphasis added). Nonetheless, Applicants raised no objection to the form which ASHTA had chosen to present its concerns.

On October 3, 1997, ASHTA filed a Verified Statement of No Significant Impact. This filing served as further notice to Applicants that ASHTA intended to file a Responsive Application, as such filing was only required of those parties filing Responsive Applications. Nonetheless, Applicants again failed to object to the form which ASHTA had chosen to present its concerns.

Now, almost three months later, and well after the October 21st filing deadline set by the Board in these proceedings, Applicants *for the first time* argue that ASHTA cannot file a

responsive application. The Board should not permit Applicants to interpose this untimely argument. Indeed, the Board has clearly indicated that claims and objections in this matter must be raised in a timely manner, and has twice precluded Applicants from raising untimely arguments. See Decision No. 10, served June 27, 1997 at 7; Decision No. 32, served September 12, 1997 at 2; Decision No. 34, served September 18, 1997 at 2. Applicants have again failed to make arguments in a reasonably timely manner, and their Motion should be denied.

II. Applicants' Motion is Without Merit.

Even if Applicants are permitted to raise untimely arguments, their Motion should still be denied. After all, as Applicants themselves admit, "[I]n the last two control proceedings . . . , the Board has accepted [requests by shippers for conditions requiring the granting of trackage rights or other affirmative relief to a third party] in the form of responsive applications." Motion at 3.

Indeed, as Applicants further admit, in Finance Docket No. 32549, Burlington Northern Inc. And Burlington Northern Railroad Co. -- Control and Merger -- Santa Fe Pacific Corp. And the Atchison, Topeka and Santa Fe Railway Co., Decision No. 38, Served August 23, 1995, the ICC accepted a shipper's request for third party trackage rights which had been submitted in the form of a responsive application. Motion at 5. The ICC stated clearly, "Hp & L's [the shipper] application suffices for purposes of this proceeding as a means for the presentation of HP&L's trackage rights proposal." BNSF, supra, at n.34. See also Finance Docket No. 32760, Union Pacific Corp, et al., -- Control and Merger -- Southern Pacific Rail

Corp. et al., Decision No. 44, served August 6, 1996 at 232-233 (non-carrier parties submitted responsive applications.) Here, ASHTA's pleading likewise suffices as a means of presenting its proposal for reciprocal switching rights or other competitive access remedy, and Applicants' Motion should be denied.

The Board should not depart from the sound practice of accepting the proposals of shippers which have been styled as responsive applications. Applicable federal regulations do not require the Board to do so, see 49 C.F.R. 1180.3(h), and Applicants cite no authority which suggests otherwise.

Moreover, by accepting shippers' proposals as responsive applications, the Board permits shippers to submit rebuttal briefs. This, in turn, maximizes the amount of information which the Board has available to it in passing upon the issues presented in proceedings such as the instant one, and allows the Board to make the most informed decision possible.

Applicants argue that allowing shippers to submit Responsive Applications results in unfair procedural advantage to themselves. Motion at 8-9. This argument, of course, is specious -- it is Applicants who seek unfair advantage, by manipulating these proceedings in order to keep all relevant information and considerations from the Board.

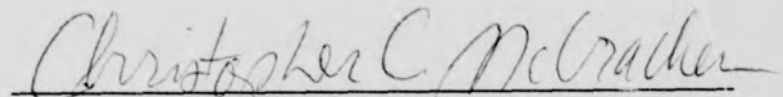
Applicants also argue that allowing shippers to submit responsive applications is unfair to commenting shippers in this matter. This argument likewise is without merit. There is nothing unfair about permitting parties who commit themselves to the more costly process of filing responsive applications to submit rebuttal briefs. Moreover, no unfairness can result to the commenting shippers, because the BNSF and UPSP decisions, *supra*, put them on notice that they

could have submitted responsive applications, if they so desired. Finally, the commenting shippers themselves apparently perceive no unfairness, as they have raised no objection to ASHTA's Responsive Application.

Finally, Applicants argue that allowing shippers to submit responsive applications would be procedurally inefficient, because follow-up proceedings will be necessary. This argument fails as well. Indeed, the possibility of follow-up proceedings has never been reason to prevent the submission of responsive applications by shippers. See BNSF, supra at n. 34 (stating, "We think that [the shipper's] application suffices . . . As a means for the presentation of [the shipper's] trackage rights proposal. We realize, however, . . . that, if any carrier were to receive trackage rights as a result of this application, there would necessarily have to be a follow-up proceeding to resolve carrier-specific issues ").

Applicants cite no legal authority to support their position. Their argument is nothing more than an belated and obvious attempt to limit the amount of information which the Board has before it when ruling on the transaction proposed in these proceedings. The Board should therefore deny Applicants' Motion.

Respectfully submitted,



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INAJO DAVIS CHAPPELL, ESQ.

ULMER & BERNE

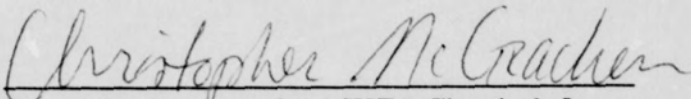
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CERTIFICATE OF SERVICE

I hereby certify that copies of ASHTA Chemicals Inc. Reply to CSX's and NS' Motion to Treat Various Responsive Applications as Comments, Protests, or Requests for Conditions have been served this 20th day of November, 1997, by first-class mail, postage prepaid on the Honorable Jacob Leventhal, all Counsel of Record in Finance Docket No. 33388, and on all parties of record identified on the Official Service List.


Christopher McGracken
One of the Attorneys for ASHTA Chemicals Inc.