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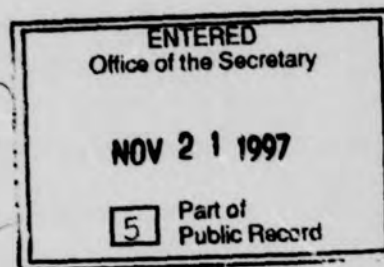


CHARLES A. SPITULNIK
(202) 835-8196

November 20, 1997

Hon. Vernon A. Williams
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

[Handwritten signature]



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 Sir:

Enclosed are an original and twenty-five (25) copies of: (1) Motion of New York City Economic Development Corporation to Compel Responses to First Set of Interrogatories and Document Requests to Applicants and Canadian Pacific Parties (NYC-14); and (2) Motion of Philadelphia Belt Line Railroad Company to Compel Responses to Second Set of Interrogatories and Document Requests to Applicants. First Set of Interrogatories and Document Requests to the Canadian Pacific Parties is being filed in the above-referenced proceeding. An additional copy of each is enclosed for filing stamp and return with our messenger. Please note that a copy of each filing is also enclosed on a 3.5-inch diskette in WordPerfect 5.1 format.

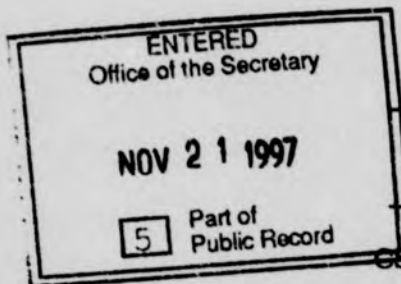
We request that this matter be set for a hearing by telephone conference on Tuesday, November 25, 1997 before the Honorable Jacob Leventhal.

Sincerely,

Charles A. Spitulnik
Charles A. Spitulnik

Enclosure

**cc: The Honorable Jacob Leventhal
All Parties on Restricted Service List**

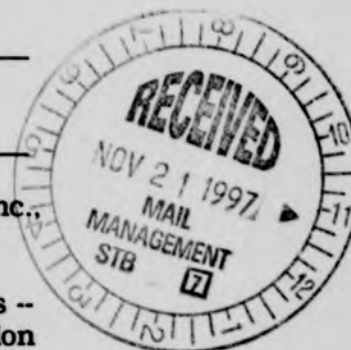


Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

NYC-14

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



**MOTION OF NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
TO COMPEL RESPONSES TO FIRST SET OF INTERROGATORIES AND
DOCUMENT REQUESTS TO APPLICANTS AND CANADIAN PACIFIC PARTIES**

Pursuant to 49 C.F.R. 1114.31(a), the New York City Economic Development Corporation ("NYCEDC") moves, by counsel, for an order compelling responses to NYCEDC's First Set of Interrogatories and Document Requests to Applicants (NYC-10)¹ and NYCEDC's First Set of Interrogatories and Document Requests to the Canadian Pacific Parties (NYC-11).² Pursuant to the Discovery Guidelines adopted in Decision No. 10, NYCEDC requests that this matter be scheduled for a hearing via telephone on Tuesday, November 25, 1997.

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

² "The Canadian Pacific Parties" refers collectively to Canadian Pacific Railway Company ("CP"), Delaware and Hudson Railway Company, Inc. ("D&H"), the St Lawrence & Hudson Railway Company, Ltd. ("S&H") and Soo Line Railroad Company ("SL").

ORIGINAL

Background

Following a long succession of submissions that indicated its opposition to the proposed transaction that is the subject of this Proceeding,³ Canadian Pacific Railway Company ("CP") filed a letter with this Board on October 22, 1997 ("the Letter"), that changed CP's position. CP's prior filings had been consistent with NYCEDC's position that issues related to competitive rail service in the New York market were not adequately addressed by Applicants' proposal. Now, CP has advised the Board that the Canadian Pacific Parties reached a settlement with the Applicants, and that as a consequence, "the Canadian Pacific Parties now support Board approval of the Primary Application, and will not seek protective conditions related to that Application."

NYCEDC is directly interested in the Canadian Pacific Parties' resolution of any issue that relates to service to the New York Metropolitan area. NYCEDC seeks in this Proceeding to insure that the proposed Conrail restructuring transaction does not place consumers of rail transportation services who are located on the east side of the Hudson River and the east side of New York Harbor at a competitive disadvantage. To the extent that the Canadian Pacific Parties' Settlement affects those interests, NYCEDC needs to ascertain that information in order to prepare the comments it plans to file on December 15, 1997.

To that end, on November 4, 1997, NYCEDC served upon the Applicants and the Canadian Pacific Parties requests for interrogatory responses and documents which sought information regarding the Settlement described in the Letter. (See Exhibits A

³ This included a Description of Anticipated Responsive Application (CP-10), in which CP stated its plan to seek elimination of particular restrictions in D&H's trackage rights.

(NYC-10) and B (NYC-11), respectively, attached hereto.) On November 10, 1997, the Canadian Pacific Parties served objections to those interrogatories and document requests (CP-22) indicating that they would not file a response. (See Exhibit C, attached hereto.) The Canadian Pacific Parties base their objections on the grounds that the responses sought are "unrelated to any issue in the case and are not discoverable."

Likewise, on November 11, 1997, the Applicants filed initial objections (CSX/NS-153), stating that the requests were irrelevant and untimely. (See Exhibit D, attached hereto) Therefore, Applicants contend, they should not be required to respond at this time.

For the reasons set forth herein, both the Applicants and the Canadian Pacific Parties should be compelled to respond to NYCEDC's discovery requests.

The Information Sought Is Relevant

49 C.F.R. § 1114.21(a)(1) provides, "Parties may obtain discovery . . . which is relevant to the subject matter involved in a proceeding." A party may not object on the grounds "that the information sought will be inadmissible as evidence if the information sought appears reasonably calculated to lead to the discovery of admissible evidence." 49 C.F.R. § 1114.21(a)(2).

The information sought in the discovery requests is directly relevant to issues affecting NYCEDC. The Canadian Pacific Parties have been quite clear in this proceeding that they sought improved access to New York. See Description of Anticipated Responsive Application (CP-10). If the Settlement Agreement addresses services in the New York Metropolitan region, the interests NYCEDC represents in this Proceeding will be directly and materially affected. Presently, it is impossible to

determine from the Letter whether this Settlement Agreement will affect services in the New York Metropolitan area.

Indeed, the information sought is particularly relevant here where the parties are permitted to file responses to comments, protests, requested conditions and inconsistent and responsive applications. Decision 6, p. 5. NYCEDC is presently preparing a response to the numerous comments and other documents that were filed on October 21, 1997 and that relate to the interests it has articulated in its own submission. Because the Canadian Pacific Parties' Letter supports the Application, it should be considered a Comment to which NYCEDC may respond. Likewise, NYCEDC should be permitted to discover the basis upon which that Comment was made and how the resulting Settlement will affect its position regarding the Application. Production of the requested information should be compelled.

The Request is Timely

The Applicants' position that NYCEDC's discovery requests are untimely -- either late or premature -- is meritless. NYCEDC could not have requested this information prior to submitting its Comments and Responsive Applications. The Letter advising of the Settlement was not filed until after those filings were made.⁴ Further, while the Discovery Guidelines in this Proceeding provide for a discovery moratorium between October 6, 1997 and October 21, 1997, (Decision No. 10 at p. 10, there are no other

⁴ It is on this basis that this dispute is distinguishable from Union Pacific Corporation et al., I.C.C. Docket No. 32133 (Sub-No. 3), Decision No. 17, 1994 WL 323928 (Serv. Date July 11, 1994. In Union Pacific, the Board determined that discovery was limited to information relevant to the party's rebuttal because the remaining discovery sought could have been obtained during the initial, pre-responsive application, stage of the Proceeding.

limitations in the Order regarding when discovery can be conducted. Thus, this discovery is not barred.

Nor should NYCEDC have to wait until after Applicants file their Comments on December 15, 1997 to obtain the requested discovery. Obviously the Applicants and the Canadian Pacific Parties have no intention of discussing the Settlement in response to discovery requests. It is likely, therefore, that they will not raise it in their December 15 comments. NYCEDC's right to this highly relevant information should not be based upon whether Applicants rely upon this information in their December 15 comments. This would permit the Applicant to frustrate NYCEDC's right to discovery simply by Applicant's omission.

Indeed, the Applicants have fought vigorously to preclude NYCEDC from providing rebuttal comments in this Proceeding at all. On November 10, 1997, CSX and NS filed a Motion to Treat Various Responsive Applications as Comments, Protests or Requests for Conditions (CSX/NS -148); NYCEDC is one of the parties against whom that motion was filed. Thus, CSX and NS, while at the same time arguing NYCEDC's discovery is premature because it may file rebuttal, is simultaneously attempting to take away that right to a rebuttal.

For all the reasons set forth above, NYCEDC's motion to compel should be granted in its entirety.

Dated: November 20, 1997

Respectfully submitted,

Rachel Danish Campbell

Charles A. Spitulnik

Rachel Danish Campbell

Jamie P. Rennert

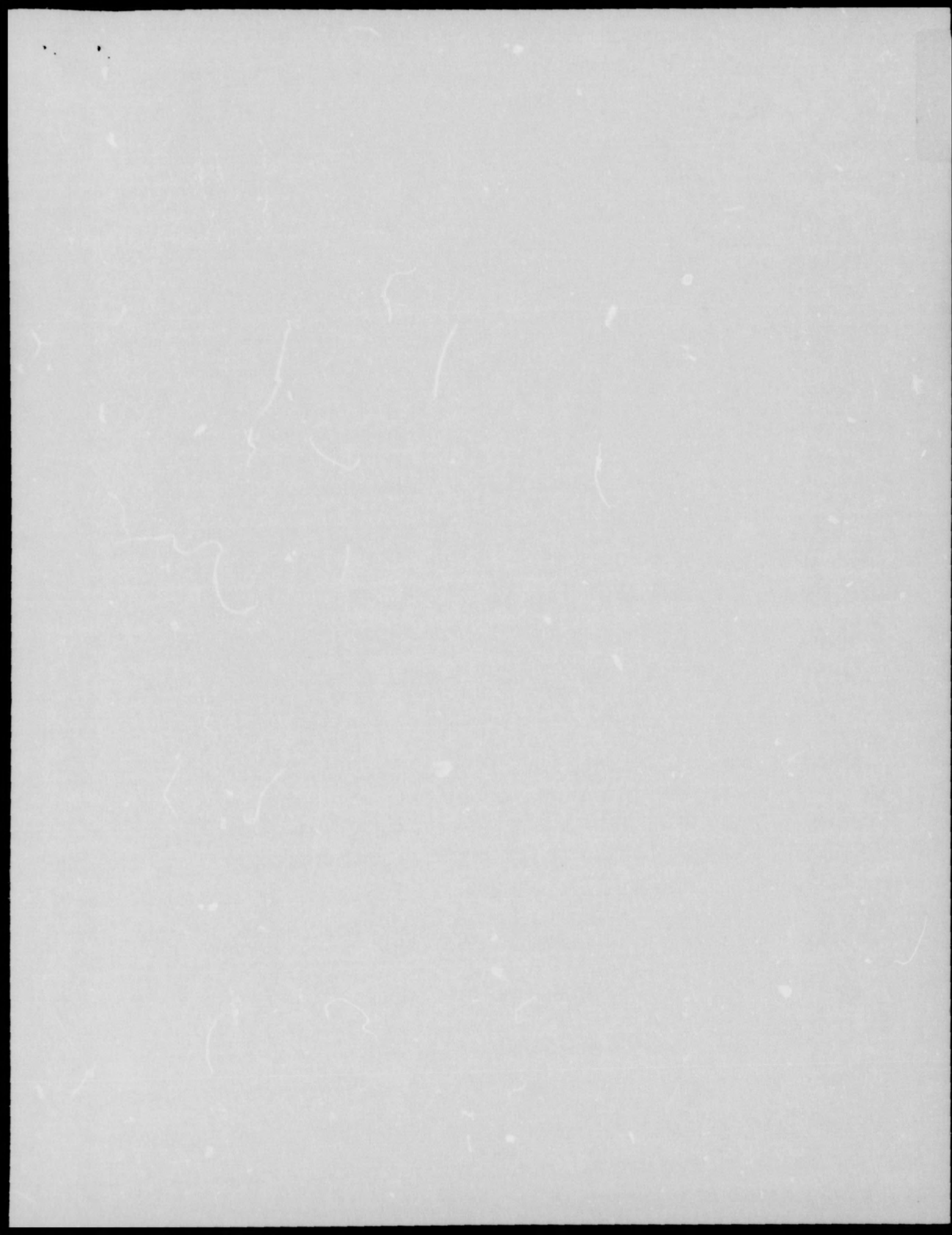
HOPKINS & SUTTER

888 Sixteenth Street, N.W.

Washington, D.C. 20006

(202) 835-8000

Counsel for the New York City Economic
Development Corporation



Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

NYC-10

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

**New York City Economic Development Corporation's
First Set of Interrogatories
and Document Requests To Applicants**

Pursuant to 49 C.F.R. §§ 1114.21 - 1114.31 and the Discovery Guidelines adopted in Decision No. 10, served June 27, 1997 (the "Discovery Guidelines"), New York City Economic Development Corporation ("NYC") hereby serves its First Set of Interrogatories and Documents Requests upon CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc. and Consolidated Rail Corporation (collectively referred to as "Applicants"). NYC requests that Applicants answer these interrogatories and provide the requested documents within fifteen (15) days after service hereof. If Applicants object to any interrogatory or document request and do not intend to provide any substantive answer or document in response thereto absent an order compelling such answer or production, then Applicants are requested to serve such objections on undersigned counsel within five (5) days after service hereof.

DEFINITIONS

1. "Applicants" means CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc. and Consolidated Rail Corporation, individually and collectively together with any parent, subsidiary or affiliated corporation, partnership or other legal entity.

2. "CSX" means CSX Corporation and CSX Transportation, Inc.

3. "Conrail" means Conrail, Inc. and Consolidated Rail Corporation.

4. "NS" means Norfolk Southern Corporation and Norfolk Southern Railway Company.

5. "NYC" means the New York City Economic Development Corporation.

6. "STB" means the Department of Transportation's Surface Transportation Board and any predecessor or successor agency or department charged by Congress with authority over railroad mergers and combinations.

7. "Analyses or evaluations" include studies, analyses, assessments and reports in whatever form, including letters, memoranda, tabulations, and computer printouts of data selected from a database.

8. "Application" means the application that CSX, NS, and Conrail filed with the STB on June 23, 1997, seeking STB approval for CSX and NS to acquire control of Conrail.

9. "Describe in detail" means to supply a complete narrative account of the information requested.

10. "Document" means any and all writings and recordings as defined in Rule 1001 of the Federal Rules of Evidence, including drafts, typings, printings,

minutes, tapes, recordings, or other electronic compilations, or copies or reproductions thereof, in the possession, custody, or control of Applicants.

11. "Identify,"

(a) when used in relation to an individual, means to state the name, address, and home and business telephone number of the individual, the job title or position and the employer of the individual at the time of the activity inquired of, and the last-known position and employer of the individual;

(b) when used in relation to a corporation, partnership, or other entity, means to state the name of the entity and the address and telephone number of its principal place of business;

(c) when used in relation to a document, means to:

(1) state the type of document (*e.g.*, letter, memorandum, report, chart);

(2) identify the author, each addressee, and each recipient; and

(3) state the number of pages, title, and date of the document;

(d) when used in relation to an oral communication or statement, means to:

(1) identify the person making the communication or statement and the person, persons, or entity to whom the communication or statement was made;

(2) state the date and place of the communication or statement;

- (3) describe in detail the contents of the communication or statement; and
 - (4) identify all documents that refer to, relate to or evidence the communication or statement;
 - (e) when used in any other context means to describe or explain.
- 12. "Including" means including without limitation.
 - 13. "Person" means an individual, company, partnership, or other entity of any kind.
 - 14. "Relate to and relating to" have the broadest meaning accorded to them and include but are not limited to the following: directly or indirectly describing, setting forth, discussing, commenting upon, analyzing, supporting, contradicting, referring to, constituting, concerning or connected in any way with the subject in question or any part thereof.
 - 15. "Shipper" means a user of rail services, including a consignor, a consignee, or a receiver.
 - 16. "CP" or "the Canadian Pacific Parties" means Canadian Pacific Railway Company, Delaware and Hudson Railway Company Inc., Soo Line Railroad Company, and St. Lawrence & Hudson Railway Company Limited.
 - 17. Unless otherwise specified, all uses of the conjunctive include the disjunctive and vice versa, and words in the singular include the plural and vice versa.
 - 18. "Settlement Agreement" means the settlement agreement between CP and the Applicants which is referred to in the letter of George W. Mayo, Jr., dated October 22, 1997, addressed to The Honorable Vernon A. Williams.
 - 19. "D&H" means Delaware and Hudson Railway Company Inc.

INSTRUCTIONS

1. Unless otherwise specified, these discovery requests cover the period beginning January 1, 1994 to present.

2. If Applicants have information that would permit a partial answer to any interrogatory, but they would have to conduct a special study to obtain information necessary to provide a more complete response to that interrogatory, and if the burden of conducting such special study would be greater for Applicants than for NYC, then:

- (a) state that fact;
- (b) provide the partial answer that may be made with information available to Applicant:
- (c) identify such business records, or any compilation, abstract, or summary based thereon, as will permit NYC to derive or ascertain a more complete answer; and
- (d) as provided in 49 C.F.R. § 1114.26(b), produce such business records, or any compilation, abstract, or summary based thereon, as will permit NYC to derive or ascertain a more complete answer.

3. All documents responsive to a document request should be produced, including each copy of an original that differs in any way from the original, including, but not limited to, differences caused by markings on, or other additions to, such copy or deletions of parts of the original.

4. If a document responsive to a particular document request is known to have been in existence but no longer exists, state the circumstances under which it

ceased to exist, and identify all persons having knowledge of the contents of such documents.

5. If the information sought in a particular interrogatory is contained in existing documents, those documents may be specifically identified, and pursuant to 49 C.F.R. § 1114.26(b), Applicants may produce legible, complete and exact copies thereof so long as the original documents are retained and will be made available if requested.

6. If Applicants' reply to any interrogatory includes a reference to the Application filed in this proceeding, such response shall specify the volume(s) and exact page number(s) of the Application where the information is contained. If any response includes a reference to documents on file in the Document Depository, Applicants should denote the document number and/or page number(s) of each document as it is filed in the Depository.

7. If any information or document is withheld on the ground that it is privileged or otherwise not discoverable,

(a) identify the information or document (in the manner provided in Definition 11 *supra*); and

(b) state the basis for the claim that it is privileged or otherwise not discoverable.

8. Where any interrogatory or document request refers to "Applicants" or to any "Applicant," and the response of one Applicant would be different from the response of another Applicant, provide separate responses of each Applicant.

9. If any Applicant knows or later learns that its response to any interrogatory is incorrect it is under a duty seasonably to correct that response.

Pursuant to 49 C.F.R. § 1114.29, Applicants are under a duty seasonably to supplement their responses with respect to any questions directly addressed to the identity and locations of persons having knowledge of discoverable matters.

INTERROGATORIES AND DOCUMENTS REQUESTS

INTERROGATORIES

1. State the date on which CP and the Applicants entered into the Settlement Agreement.
2. Describe in detail the terms and provisions of the Settlement Agreement.
3. Identify any document containing information regarding the Settlement Agreement, including but not limited to drafts, notes, correspondence and proposals.
4. Identify the persons who negotiated the Settlement Agreement.
5. Describe in detail the substance of the negotiations regarding the Settlement Agreement.
6. State whether the Settlement Agreement will ensure adequate, competitive service for all shippers moving traffic to and from New York City and Long Island. If yes, explain how the Settlement Agreement will accomplish it. If no, explain why not.
7. Do CP and the Applicants intend to make the Settlement Agreement, or any portion thereof, public?
8. If the answer to Interrogatory No. 7 is yes, state: (1) what portions of the Settlement Agreement will be made public; (2) the manner in which it will be

nade public; and (3) when it will be made public. If the Settlement Agreement will not be made public, please state why not.

9. State whether STB approval is required for any portion of the Settlement Agreement.

10. If the answer to Interrogatory 9 is yes, describe what portion(s) of the Settlement Agreement require(s) STB approval.

11. State whether Applicants have agreed to the specific requests made in CP's August 22, 1997 filing including, but not limited to:

a. Access through reciprocal switching rights at non-discriminatory rates with respect to:

- i. North Jersey Shared Assets Area
- ii. South Jersey/Philadelphia Shared Assets Area
- iii. Buffalo-Niagara Frontier terminal area
- iv. Baltimore, MD terminal area

b. Elimination of the particular restrictions contained in D&H's existing trackage rights over CR lines, as set forth in the August 22, 1997 filing.

c. Trackage rights including full service trackage rights at non-discriminatory rates over the following routes:

i. over Conrail (CSX) trackage between Schenectady, NY and Poughkeepsie, NY; over Metro-North trackage between Poughkeepsie, NY and New York City; and then on to CR (CSX) trackage to Fresh Pond, NY.

ii. over CR (CSX) trackage between its junction with D&H at Kenwood Yard in Albany, NY, including Selkirk, NY as an intermediate point, and D&H's Oak Island, NJ terminal and/or the appropriate shared assets terminal in the North

Jersey Shared Assets Area, including the right to serve directly Port of New York and New Jersey facilities.

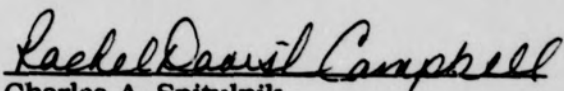
12. Identify all individuals who have assisted counsel for the Applicants in responding to these interrogatories.

DOCUMENTS REQUESTED

1. All documents relied upon in responding to the foregoing interrogatories.
2. All documents relating to the negotiation and/or drafting of the Settlement Agreement
3. All documents evidencing the Settlement Agreement.
4. All documents relating in any way to the Settlement Agreement.

Dated: November 4, 1997

Respectfully submitted,


Charles A. Spitulnik
Rachel Danish Campbell
Jamie P. Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for the New York City
Economic Development Corporation

CERTIFICATE OF SERVICE

I hereby certify that on November 4, 1997, a copy of the foregoing New York City Economic Development Corporation's First Set of Interrogatories and Document Requests To Applicants (NYC-10) was served, as indicated below, upon the following:

By Hand Delivery:

Drew A. Harker, Esquire
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1202

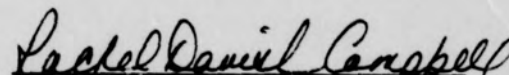
David H. Coburn, Esquire
Steptoe & Johnson, L.L.P.
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036-1795

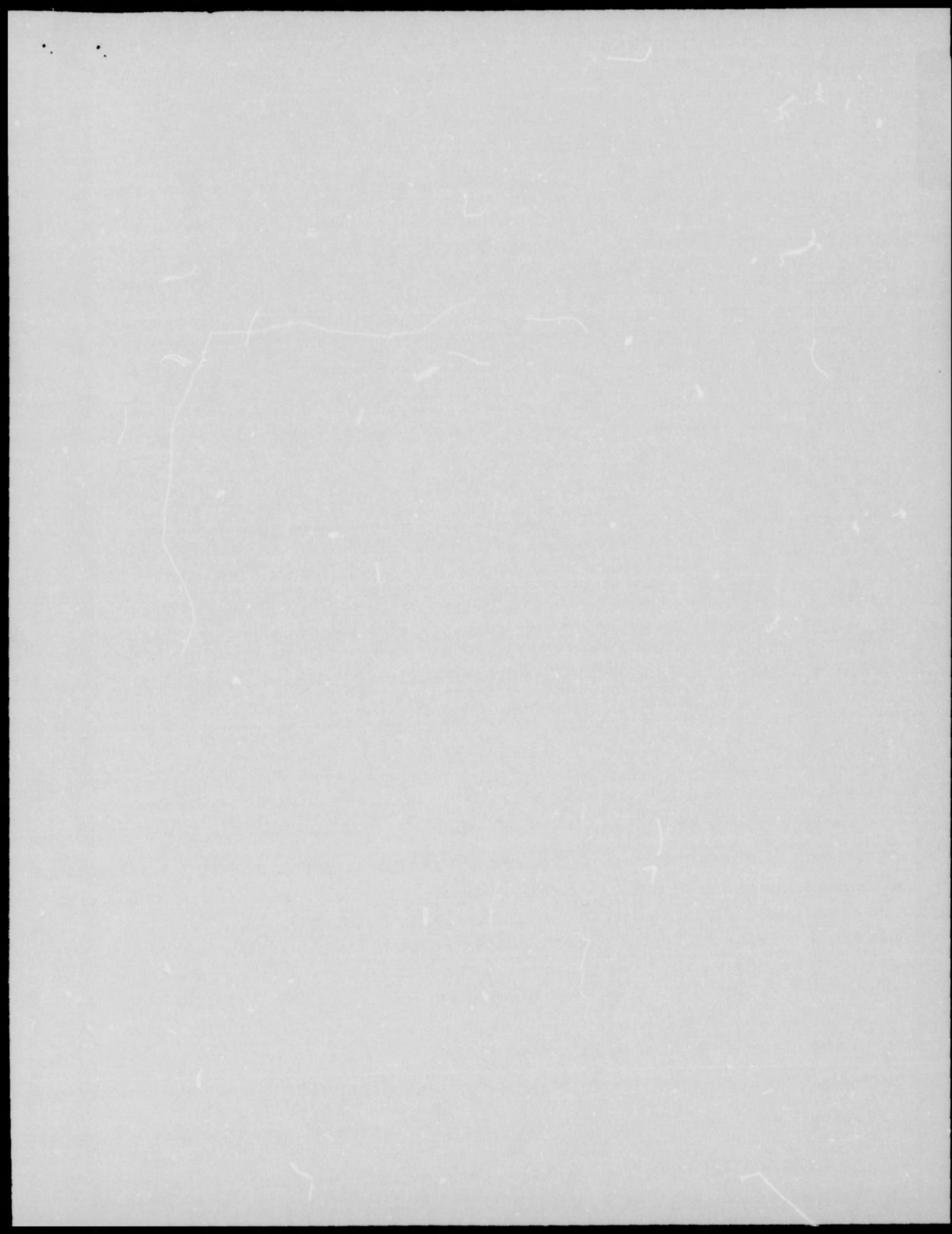
John V. Edwards, Esquire
Patricia Bruce, Esquire
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, N.W.
Suite 600
Washington, D.C. 20006-3939

Gerald P. Norton, Esquire
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, D.C. 20036

By First-Class U.S. Mail, Postage Prepaid:

On all other parties on the Restricted Service List.


Rachel Danish Campbell



Before The
SURFACE TRANSPORTATION BOARD
Washington, D.C.

NYC-11

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

**New York City Economic Development Corporation's
First Set of Interrogatories
and Document Requests To The Canadian Pacific Parties**

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INSTRUCTIONS

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2. If the Canadian Pacific Parties have information that would permit a partial answer to any interrogatory, but they would have to conduct a special study to obtain information necessary to provide a more complete response to that interrogatory, and if the burden of conducting such special study would be greater for the Canadian Pacific Parties than for NYC, then:

(a) state that fact;

(b) provide the partial answer that may be made with information available to Applicant:

(c) identify such business records, or any compilation, abstract, or summary based thereon, as will permit NYC to derive or ascertain a more complete answer; and

(d) as provided in 49 C.F.R. § 1114.26(b), produce such business records, or any compilation, abstract, or summary based thereon, as will permit NYC to derive or ascertain a more complete answer.

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ceased to exist, and identify all persons having knowledge of the contents of such documents.

5. If the information sought in a particular interrogatory is contained in existing documents, those documents may be specifically identified, and pursuant to 49 C.F.R. § 1114.26(b), the Canadian Pacific Parties may produce legible, complete and exact copies thereof so long as the original documents are retained and will be made available if requested.

6. If the Canadian Pacific Parties' reply to any interrogatory includes a reference to the Application filed in this proceeding, such response shall specify the volume(s) and exact page number(s) of the Application where the information is contained. If any response includes a reference to documents on file in the Document Depository, the Canadian Pacific Parties should denote the document number and/or page number(s) of each document as it is filed in the Depository.

7. If any information or document is withheld on the ground that it is privileged or otherwise not discoverable,

(a) identify the information or document (in the manner provided in Definition 11 *supra*); and

(b) state the basis for the claim that it is privileged or otherwise not discoverable.

8. Where any interrogatory or document request refers to "the Canadian Pacific Parties" or to any of "the Canadian Pacific Parties," and the response of one Canadian Pacific Party would be different from the response of another Canadian Pacific Party, provide separate responses of each Canadian Pacific Party.

9. If any Applicant knows or later learns that its response to any interrogatory is incorrect it is under a duty seasonably to correct that response. Pursuant to 49 C.F.R. § 1114.29, the Canadian Pacific Parties are under a duty seasonably to supplement their responses with respect to any questions directly addressed to the identity and locations of persons having knowledge of discoverable matters.

INTERROGATORIES AND DOCUMENTS REQUESTS

INTERROGATORIES

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4. Identify the persons who negotiated the Settlement Agreement.
5. Describe in detail the substance of the negotiations regarding the Settlement Agreement.
6. State whether the Settlement Agreement will ensure adequate competitive service for all shippers moving traffic to and from New York City and Long Island. If yes, explain how the Settlement Agreement will accomplish it. If no, explain why not.

7. Do CP and the Applicants intend to make the Settlement Agreement, or any portion thereof, public?

8. If the answer to Interrogatory No. 7 is yes, state: (1) what portions of the Settlement Agreement will be made public; (2) the manner in which it will be made public; and (3) when it will be made public. If the Settlement Agreement will not be made public, please state why not.

9. State whether STB approval is required for any portion of the Settlement Agreement.

10. If the answer to Interrogatory 9 is yes, describe what portion(s) of the Settlement Agreement require(s) STB approval.

11. State whether Applicants have agreed to the specific requests made in CP's August 22, 1997 filing including, but not limited to:

a. Access through reciprocal switching rights at non-discriminatory rates with respect to:

- i. North Jersey Shared Assets Area
- ii. South Jersey/Philadelphia Shared Assets Area
- iii. Buffalo-Niagara Frontier terminal area
- iv. Baltimore, MD terminal area

b. Elimination of the particular restrictions contained in D&H's existing trackage rights over CR lines, as set forth in the August 22, 1997 filing.

c. Trackage rights including full service trackage rights at non-discriminatory rates over the following routes:

- i. over Conrail (CSX) trackage between Schenectady, NY and Poughkeepsie, NY; over Metro-North trackage between Poughkeepsie,

NY and New York City; and then on to CR (CSX) trackage to Fresh Pond, NY.

ii. over CR (CSX) trackage between its junction with D&H at Kenwood Yard in Albany, NY, including Selkirk, NY as an intermediate point, and D&H's Oak Island, NJ terminal and/or the appropriate shared assets terminal in the North Jersey Shared Assets Area, including the right to serve directly Port of New York and New Jersey facilities.

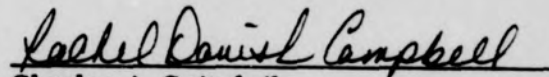
12. Identify all individuals who have assisted counsel for the Canadian Pacific Parties in responding to these interrogatories.

DOCUMENTS REQUESTED

1. All documents relied upon in responding to the foregoing interrogatories.
2. All documents relating to the negotiation and/or drafting of the Settlement Agreement
3. All documents evidencing the Settlement Agreement.
4. All documents relating in any way to the Settlement Agreement.

Dated: November 4, 1997

Respectfully submitted,



Charles A. Spitulnik
Rachel Danish Campbell
Jamie P. Rennert
HOPKINS & SUTTER
888 Sixteenth Street, NW
Washington, D.C. 20006
(202) 835-8000

Counsel for the New York City
Economic Development Corporation

CERTIFICATE OF SERVICE

I hereby certify that on November 4, 1997, a copy of the foregoing New York City Economic Development Corporation's First Set of Interrogatories and Document Requests To The Canadian Pacific Parties (NYC-11) was served, as indicated below, upon the following:

By Hand Delivery:

Drew A. Harker, Esquire
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1202

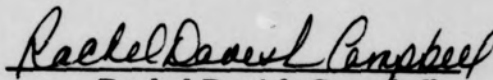
David H. Coburn, Esquire
Steptoe & Johnson, L.L.P.
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036-1795

John V. Edwards, Esquire
Patricia Bruce, Esquire
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, N.W.
Suite 600
Washington, D.C. 20006-3939

Gerald P. Norton, Esquire
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, D.C. 20036

By First-Class U.S. Mail, Postage Prepaid:

On all other parties on the Restricted Service List.


Rachel Danish Campbell



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 PACIFIC PARTIES' OBJECTIONS TO
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION'S
FIRST SET OF INTERROGATORIES AND DOCUMENT REQUESTS**

Canadian Pacific Railway Company, Delaware and Hudson Railway Company, Inc., the St. Lawrence & Hudson Railway Company, Ltd., and Soo Line Railroad Company (collectively, the "Canadian Pacific Parties"), through their counsel, hereby submit their initial objections 1/ to the New York City Economic Development Corporation's First Set of Interrogatories and Document Requests to the Canadian Pacific Parties (NYC-11).

New York City Economic Development Corporation ("NYC") requests documents and responses to interrogatories all relating to an agreement reached between the Canadian Pacific Parties and Norfolk Southern Corporation and Norfolk

1/ The Canadian Pacific Parties submit these initial objections pursuant to Paragraph 16 of the Discovery Guidelines. See Decision No. 10 (served June 27, 1997).


Southern Railway and an agreement between the Canadian Pacific Parties and CSX Corporation and CSX Transportation, Inc. (collectively, the "CP Agreements").

The Canadian Pacific Parties object to these discovery requests on the ground that they seek information that is neither relevant nor likely to lead to the discovery of evidence relevant to this proceeding. The CP Agreements are business transactions that do not require Board approval. Furthermore, neither the Canadian Pacific Parties nor the Applicants 2/ have, in any way, relied on the CP Agreements in this proceeding or put the CP Agreements at issue herein. The Applicants have not relied on the CP Agreements to support their Application, and the Canadian Pacific Parties have not filed a Responsive Application. Therefore, information and documents relating to the CP Agreements are unrelated to any issue in this case and are not discoverable.

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

Accordingly, the Canadian Pacific Parties object to, and will not produce information responsive to, NYC's first set of interrogatories and document requests.

Respectfully submitted,



Marcella M. Szel
Vice President-Legal Services
CANADIAN PACIFIC RAILWAY COMPANY
Suite 500
Gulf Canada Square
401 Ninth Avenue, S.W.
Calgary, Alberta T2P 4Z4
CANADA
(403) 218-7474

George W. Mayo, Jr.
Eric Von Salzen
Thomas B. Leary
Ronald J. Wiltsie, II
Marta I. Tanenhaus
Farhana Y. Khera
HOGAN & HARTSON L.L.P.
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109
(202) 637-5600

November 10, 1997

Attorneys for Canadian Pacific Railway
Company, Delaware and Hudson Railway
Company, Inc., the St. Lawrence & Hudson
Railway Company, Ltd. and Soo Line Railroad
Company

CERTIFICATE OF SERVICE

I hereby certify that, on this 10th day of November, 1997, I served the Canadian Pacific Parties' Objections to New York City Economic Development Corporation's First Set of Interrogatories and Document Requests (CP-22) by hand on the parties below and by first-class mail, postage prepaid, on all parties on the Restricted Service List:

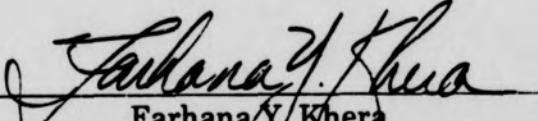
Charles A. Spitulnik
Rachel Danish Campbell
Jamie P. Rennert
Hopkins & Sutter
888 Sixteenth Street, N.W.
Washington, D.C. 20006

John V. Edwards
Patricia Bruce
Zuckert, Scoutt & Rasenberger, L.L.P.
Suite 600
888 Seventeenth Street, N.W.
Washington, D.C. 20006-3939

Drew A. Harker
Arnold & Porter
555 Twelfth Street, N.W.
Washington, D.C. 20004-1202

David H. Coburn
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Washington, D.C. 20036-1795

Gerald P. Norton
Harkins Cunningham
Suite 600
1300 Nineteenth Street, N.W.
Washington, D.C. 20036


Farhana Y. Kherr



ALL STATE* LEGAL 800-222-2610 E2511 RECYCLED

CSX/NS-153

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' INITIAL OBJECTIONS TO
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION'S
FIRST SET OF INTERROGATORIES AND
DOCUMENT REQUESTS TO APPLICANTS

Applicants^{1/} hereby submit their initial objections to the New York City Economic Development Corporation's ("NYC") First Set of Interrogatories and Document Requests to Applicants (NYC-10).

These initial objections are filed pursuant to Paragraph 16 of the Discovery Guidelines adopted by Decision No. 10, served June 27, 1997, which provide that "[a] responding party shall, within five business days after receipt of service, serve a response stating all its objections to any discovery request as to which the responding party has then decided that it will be providing no affirmative response. . . ." Applicants reserve the right to answer or

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

object to each and every discovery request, definition and instruction set forth in NYC-10 within the time frame set forth in Paragraph 16.

NYC's requests seek information about a settlement between another party and one or more of the Applicants, much of which would be privileged. Applicants object to NYC-10 on the basis that these requests are irrelevant. NYC should not be permitted to conduct discovery at this time because, except for Applicants' recent submission of the North Jersey Shared Asset Area Operating Plan² which these requests do not address, the discovery period has closed for NYC on Applicants' case-in-chief.

On October 21, 1997, NYC filed NYC-10/NYS-11,³ the Joint Responsive Application of the State of New York and the New York City Economic Development Corporation, as well as Comments (NYC-9). NYC had a full, fair and adequate opportunity to serve discovery and participate in the depositions of Applicants' witnesses during the initial discovery period (June 23, 1997 through October 5, 1997) in this proceeding. NYC did not serve any discovery on Applicants during that period.

According to the procedural schedule set forth in Decision No. 6, Applicants' may file their comments on NYC's Responsive Application on December 15, 1997. These

²Pursuant to Decision No. 44, on October 29, 1997, Applicants filed CSX/NS-119, CSX/NS Operating Plan for the North Jersey Shared Assets Area and Supporting Statement. In that decision, the Board issued a separate procedural schedule for the North Jersey Shared Assets Area Operating Plan. Under that procedural schedule, the Port Authority of New York/New Jersey and other interested parties have until November 24, 1997 to complete discovery and file comments with respect to those operating plans. Decision No. 44, Slip Op. at 4.

³Applicants note that the discovery requests in issue are designated as NYC-10. The Joint The Highly Confidential version of the Responsive Application of the State of New York and the New York City Economic Development Corporation was designated as NYS-11/NYC-10. The Public version of that Responsive Application was designated as NYS-12/NYC-11.

comments may or may not rely upon or refer to settlement agreements. If they do, NYC may or may not be entitled to additional discovery in this proceeding in support of its rebuttal filing. However, such discovery would not be timely until after the filing of Applicants' December 15th comments.

NYC will not be prejudiced by not obtaining responses to these discovery requests at this time. For these reasons, at the present time Applicants should not be required to respond to these requests.

James C. Bishop, Jr.
 William C. Wooldridge
 J. Gary Lane
 James L. Howe III
 Robert J. Cooney
 George A. Aspatore
 Norfolk Southern Corporation
 Three Commercial Place
 Norfolk, VA 23510-9241
 (757) 629-2838

Richard A. Allen for
 Richard A. Allen
 John V. Edwards
 Patricia E. Bruce
 Zuckert, Scoutt & Rasenberger LLP
 888 Seventeenth Street, N.W.
 Suite 600
 Washington, D.C. 20006-3939
 (202) 298-8660

John M. Nannes
 Scot B. Hutchins
 Skadden, Arps, Slate, Meagher
 & Flom LLP
 1440 New York Ave., N.W.
 Washington, D.C. 20005-2111
 (202) 371-7400

Counsel for Norfolk Southern
 Corporation and Norfolk Southern
 Railway Company

Respectfully submitted,

Mark G. Aron
 Peter J. Shudtz
 CSX Corporation
 One James Center
 902 East Cary Street
 Richmond, VA 23129
 (804) 782-1400

P. Michael Giftos
 Paul R. Hitchcock
 CSX Transportation, Inc.
 500 Water Street
 Jacksonville, FL 32202
 (904) 359-3100

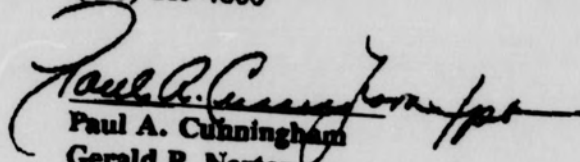
Dennis G. Lyons for
 Dennis G. Lyons
 Drew A. Harker

Arnold & Porter
 555 12th Street, N.W.
 Washington, D.C. 20004
 (202) 942-5000

Samuel M. Sipe, Jr.
 David H. Coburn
 Steploc & Johnson LLP
 1330 Connecticut Avenue
 Washington, D.C. 20036
 (202) 429-3000

Counsel for CSX Corporation
 and CSX Transportation, Inc.

Timothy T. O'Toole
Constance L. Abrams
Consolidated Rail Corporation
Two Commerce Square
2001 Market Street
Philadelphia, PA 19103
(215) 209-4000



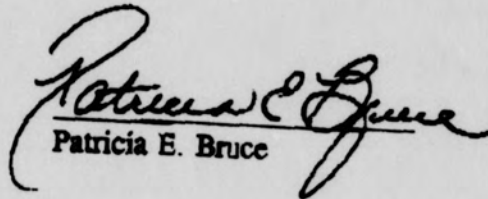
Paul A. Cunningham
Gerald P. Norton
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, D.C. 20036
(202) 973-7600

Counsel for Conrail Inc. and
Consolidated Rail Corporation

Dated: November 11, 1997

CERTIFICATE OF SERVICE

I, Patricia E. Bruce, certify that on November 11, 1997, I caused to be served by facsimile service a true and correct copy of the foregoing CSX/NS-153, Applicants' Initial Objections to the New York City Economic Development Corporation's First Set of Interrogatories and Document Requests to Applicants on all parties that have submitted to the Applicants a Request to be Placed on the Restricted Service List in STB Finance Docket No. 33388.


Patricia E. Bruce

Dated: November 11, 1997

CERTIFICATE OF SERVICE

I hereby certify that on November 20, 1997, a copy of the foregoing Motion of New York City Economic Development Corporation To Compel Responses To First Set Of Interrogatories And Document Requests To Applicants And Canadian Pacific Parties (NYC-14) was served, as indicated below, upon the following:

By Hand Delivery:

Drew A. Harker, Esquire
Arnold & Porter
555 12th Street, N.W.
Washington, D.C. 20004-1202

David H. Coburn, Esquire
Steptoe & Johnson, L.L.P.
1330 Connecticut Avenue, N.W.
Washington, D.C. 20036-1795

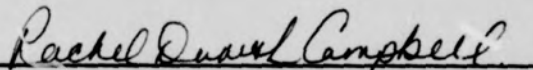
John V. Edwards, Esquire
Patricia Bruce, Esquire
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, N.W.
Suite 600
Washington, D.C. 20006-3932

Gerald P. Norton, Esquire
Harkins Cunningham
1300 Nineteenth Street, N.W.
Suite 600
Washington, D.C. 20036

Eric Von Salzen, Esquire
Hogan & Hartson L.L.P.
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109

By First-Class U.S. Mail, Postage Prepaid:

On all other parties on the Restricted Service List.


Rachel Danish Campbell

STB

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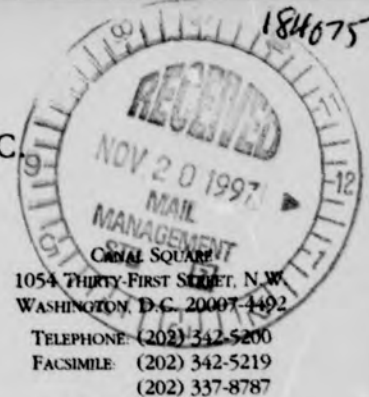
184075

GALLAND, KHARASCH & GARFINKLE, P.C.
ATTORNEYS AT LAW

MORRIS R. GARFINKLE
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DAVID P. STREET
ROBERT W. KNEISLEY
STEVEN JOHN FELLMAN
CHARLES H. WHITE, JR.
KEITH G. SWIRSKY
ANITA M. MOSNER
MARTIN JACOBS

IRA T. KASDAN
JOSEPH B. HOFFMAN
XIANPING WANG*
RICHARD BAY
GEOFFREY P. GITNER
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REBECCA LONDON TZOU
HOWARD E. KASS
DAVID S. COLE
KEVIN E. SMITH*
JEFFREY S. TENENBAUM
THOMAS NEWTON COLLING*
MAREN D. LEE
*NOT ADMITTED IN D.C.



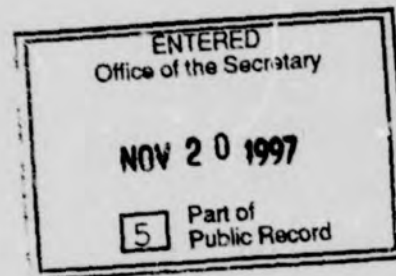
1054 THIRTY-FIRST STREET, N.W.
WASHINGTON, D.C. 20007-4492
TELEPHONE: (202) 342-5200
FACSIMILE: (202) 342-5219
(202) 337-8787
E-MAIL: gkmg@gkmg.com
ROBERT N. KHARASCH
OF COUNSEL
GEORGE F. GALLAND (1910-1985)

WRITER'S DIRECT DIAL NUMBER
(202) 342-6743

November 20, 1997

VIA COURIER

Mr. 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, 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:

Enclosed for filing in the above-captioned case is an original and twenty (25) copies of the Comments of Steel Warehouse Company, Inc. and Petition of Steel Warehouse Company, Inc. for Leave to File Comments Out of Time, designated as documents SW-2 and SW-3, respectively. We have also enclosed a 3.5 inch diskette formatted for Word Perfect 6.1 and containing the text of SW-2 and SW-3. Finally, we have enclosed an additional hard copy of each to be date-stamped when filed and returned to us.

Very truly yours,

Gregg S. Avitabile

Enclosures

XIN JI YUAN-GKMG LAW OFFICE
AFFILIATED FIRM
SUITE A-1603, VANTONE NEW WORLD PLAZA
NO. 2, FU CHENG MEN WAI AVENUE
BEIJING 100037 PEOPLE'S REPUBLIC OF CHINA
TEL: 011-86-10-6858-8501 FAX: 011-86-10-6858-8505
E-MAIL: xjylaw@pku.edu.cn

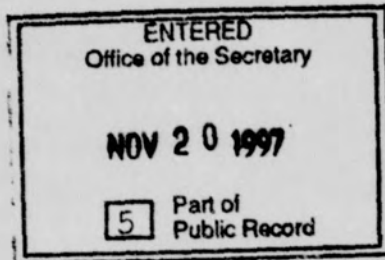
184075

**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**

**PETITION OF STEEL WAREHOUSE COMPANY, INC.
FOR LEAVE TO FILE COMMENTS OUT OF TIME**



Edward D. Greenberg
Gregg S. Avitabile
Galland, Kharasch & Garfinkle, P.C.
1054 - 31st Street, N.W.
Washington, DC 20007
(202) 342-5200

Attorneys for Steel Warehouse Company, Inc.

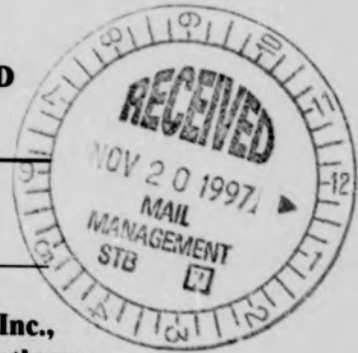
Dated: November 20, 1997

**BEFORE THE
SURFACE TRANSPORTATION BOARD
Washington, D.C.**

Finance Docket No. 33389

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

**PETITION OF STEEL WAREHOUSE COMPANY, INC.
FOR LEAVE TO FILE COMMENTS OUT OF TIME**



Steel Warehouse Company, Inc. ("SW") hereby requests leave to file on November 20, 1997, comments in the above captioned matter that were originally due on October 21, 1997. SW's comments are being filed simultaneously with this Petition.

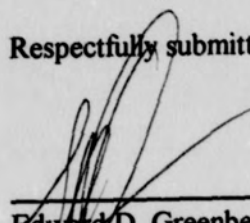
SW did not file its Comments on October 21, 1997, as required by the procedural schedule in this case, as it reasonably believed that the Transaction would not adversely affect its interests. And, as it is a small company, it hoped to avoid bearing the costs necessary to submit formal comments and subject itself to the discovery that is likely to follow.

Unfortunately, SW discovered -- after October 21 -- that it would be substantially disadvantaged by the loss of competitive rail service, as set forth more fully in its Comments. And, given SW's small size and consensus management style, which grows out of its being owned and managed by five brothers, it took several days to ascertain what course to follow here. Under these circumstances, SW respectfully requests that the Board accept this late filing, recognizing that (1)

similar leave has been given other parties, See STB Finance Docket No. 33388, Decision No. 50; and
(2) the proposed Comments are also filed herewith.

SW does not believe that Applicants will be prejudiced if SW is granted leave to file its
Comments on November 20, 1997. Applicants will still have until December 15, 1997, to respond
to SW.

Respectfully submitted,

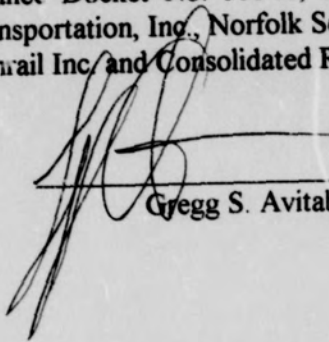


Edward D. Greenberg
Gregg S. Avitabile
GALLAND, KHARASCH &
GARFINKLE, P.C.
1054 Thirty-First Street, N.W.
Second Floor
Washington, D.C. 20007
(202) 342-5200

Attorneys for Steel Warehouse Company, Inc.

CERTIFICATE OF SERVICE

I certify that on this 20th day of November, 1997, I caused a copy of the foregoing Petition of Steel Warehouse Company, Inc. for Leave to File Comments Out of Time to be served by first-class mail, postage prepaid, on all parties that have submitted to the Applicants a Request to be Placed on the Public Service List in STB Finance Docket No. 33388, and via facsimile to representatives of CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company, and Conrail Inc. and Consolidated Rail Corporation.



Gregg S. Avitabile

STB

FD

33388

11-13-97

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183879

183879

WCI STEEL

November 4, 1997

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



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

WCI Steel, Inc's Notice of Withdrawal from Proceedings

Dear Secretary Williams:

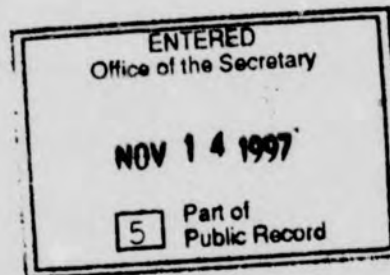
The following entity hereby gives notice that it is withdrawing from this proceeding as a party of record:

Jack A. Walter
WCI Steel, Inc.
1040 Pine Ave., S.E.
Warren, Ohio 44483

This notice has been designated as WCI-1 in accordance with Decision Nos. 21 and 22 in this proceeding, copies of this document are being served upon Administrative Law Judge Jacob Leventhal and all known parties of record. Also enclosed is a 3.5 inch floppy diskette containing the text of this document in Wordperfect 7.0 format. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely yours,

Jack Walter
Director, Corporate Affairs
WCI Steel, Inc.
1040 Pine Ave., S.E.
Warren, Ohio 44483-6528
(330)841-8216
(330)841-8256 (fax)



WCI Steel, Inc.
1040 Pine Avenue, SE
Warren, OH 44483-6528
(330) 841-8000

CERTIFICATE OF SERVICE

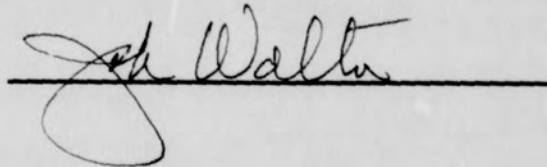
The undersigned hereby certifies that a copy of WCI Steel, Inc's Notice of Withdrawal from Proceedings was served by regular U.S. Mail, First Class Postage, prepaid, this 4th Day of November, 1997 upon all parties of record and:

Richard A. Allen
Zuckert, Scout, Rasenberger
888 17th Street, N.W.
Suite 600
Washington, DC 20006-3939

Paul A. Cunningham
Harkins Cunningham
1300 19th Street N.W.
Suite 600
Washington, DC 20036

Judge Jacob Leventhal
Office of Hearings
Federal Energy Regulatory Commission
888 1st Street, N.E.
Suite 11F
Washington, DC 20426

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

A handwritten signature, likely "John Walter", is written in dark ink over a solid horizontal line. The signature is cursive and stylized.

STB

FD-33388

ID-183879

11-13-97

I

183879

WCI STEEL

November 4, 1997

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



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

WCI Steel, Inc's Notice of Withdrawal from Proceedings

Dear Secretary Williams:

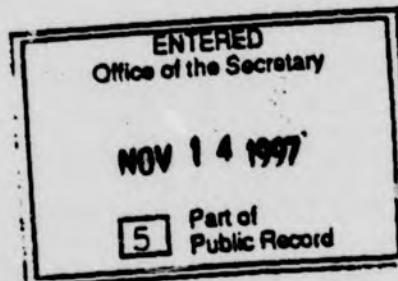
The following entity hereby gives notice that it is withdrawing from this proceeding as a party of record:

Jack A. Walter
WCI Steel, Inc.
1040 Pine Ave., S.E.
Warren, Ohio 44483

This notice has been designated as WCI-1 in accordance with Division Nos. 21 and 43 in this proceeding, copies of this document are being served upon Administrative Law Judge Jacob Leventhal and all known parties of record. Also enclosed is a 3.5 inch floppy diskette containing the text of this document in Wordperfect 7.0 format. Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely yours,

Jack A. Walter
Director, Corporate Affairs
WCI Steel, Inc.
1040 Pine Ave., S.E.
Warren, Ohio 44483-6528
(330)841-8216
(330)841-8256 (fax)



WCI Steel, Inc.
1040 Pine Avenue, SE
Warren, OH 44483-6528
(330) 841-8000

CERTIFICATE OF SERVICE

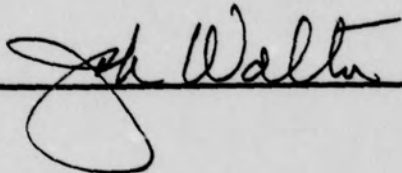
The undersigned hereby certifies that a copy of WCI Steel, Inc's Notice of Withdrawal from Proceedings was served by regular U.S. Mail, First Class Postage, prepaid, this 4th Day of November, 1997 upon all parties of record and:

Richard A. Allen
Zuckert, Scout, Rasenberger
888 17th Street, N.W.
Suite 600
Washington, DC 20006-3939

Paul A. Cunningham
Harkins Cunningham
1300 19th Street N.W.
Suite 600
Washington, DC 20036

Judge Jacob Leventhal
Office of Hearings
Federal Energy Regulatory Commission
888 1st Street, N.E.
Suite 11F
Washington, DC 20426

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



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ARNOLD & PORTER

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FACSIMILE (202) 942-5999

DENNIS G. LYONS
(202) 942-5858

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Office of the Secretary

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5 Part of
Public Record

November 10, 1997

NEW YORK
DENVER
LOS ANGELES
LONDON

BY HAND

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

Re: CSX's and NS' Motions to Treat Responsive
Applications as Comments, Protests or
Requests for Conditions

Dear Secretary Williams:

Enclosed please find the following documents:

- (1) CSX's and NS' Motion to Treat Responsive Application of Congressman Dennis J. Kucinich (Subnumber 74) as a Comment, Protest or Request for Conditions;
- (2) CSX's and NS' Motion to Treat Various Responsive Applications as Comments, Protests or Requests for Conditions;
- (3) CSX's and NS' Motion to Treat Responsive Application of Southern Tier West Planning and Development Board as a Comment, Protest or Request for Conditions; and
- (4) CSX's and NS' Motion to Treat the Responsive Application of Stark Development Board, Inc. as a Comment, Protest or Request for Conditions.

Accompanying this letter are twenty-five copies of each of the above, as well as a formatted diskette in WordPerfect 5.1.

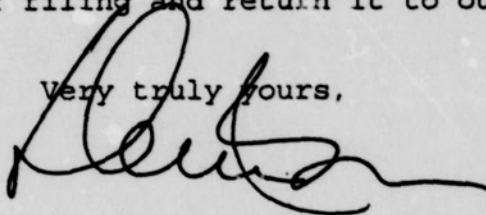
Thank you for your assistance in this matter. Please contact myself ((202) 942-5858) or Susan Morita ((202) 942-5252) if you have any questions.

ARNOLD & PORTER

The Honorable Vernon A. Willaims
November 10, 1997
Page 2

Kindly date stamp the enclosed additional copy of
this letter at the time of filing and return it to our
messenger.

Very truly yours,

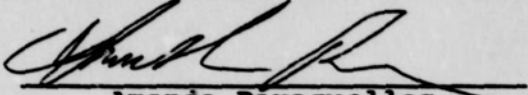
A handwritten signature in dark ink, appearing to read 'D. Lyons', with a stylized, flowing script.

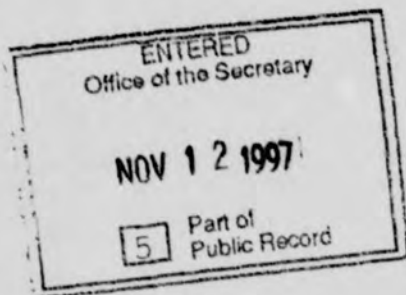
Dennis G. Lyons
ARNOLD & PORTER
Counsel for CSX Corporation
and CSX Transportation, Inc.

Enclosures

CERTIFICATE OF SERVICE

I, Amanda Paracuellos, certify that November 10, 1997, I have caused to be served a true and correct copy of the foregoing on all parties, by first class mail, postage prepaid, as listed on the Official Service List.


Amanda Paracuellos



BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX/NS-151

FINANCE DOCKET NO. 33388



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

CSX'S AND NS' MOTION TO TREAT
RESPONSIVE APPLICATION OF
STARK DEVELOPMENT BOARD, INC.
AS COMMENT, PROTEST OR REQUEST FOR CONDITIONS

CSX and NS¹ submit this Motion to Treat the
"Response of Stark Development Board, Inc." filed on
October 21, 1997 (SDB-4), as a Comment, Protest or
Request for Conditions on the grounds that (1) the
conditions Stark Development Board, Inc. ("Stark")
requests are not properly the subject of a responsive
application, and (2) Stark has not satisfied the
Board's procedural requirements for submitting a
responsive application.

¹ "CSX" refers collectively to CSX Corporation and CSX Transportation (collectively "CSX"). "NS" refers collectively to Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively "NS").

I. SDB-4 Is Not Substantively
 A Responsive Application

A. Stark's Requests

The conditions Stark requests the Board to impose in this case do not meet the criteria for a responsive application. The Board has stated in past cases that, "the relief responsive applicants seek is different from the relief that parties simply requesting conditions seek."² Indeed, the Board took pains to explain in its Decision No. 40 (served October 2, 1997), that under the Board's regulations, a responsive application seeks "affirmative relief either as a condition to or in lieu of the approval of the primary application, such as, trackage rights, purchases, construction, operation, pooling, terminal operations and abandonment."³ Significantly, unlike a commentator, protestor or requestor of conditions, a responsive applicant has the right to close the record in its case by submitting a rebuttal filing.⁴

² Id.

³ 49 C.F.R. § 1180.3(h). Note that each of these types of requests would require Board approval if submitted outside the context of the present transaction.

⁴ ICC Finance Docket 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. 34, Served June 23, 1995 at 1.

Not one of Stark's five "remedies" remotely approaches the types of actions that would require that an application, petition, notice or other similar filing to be submitted to the Board. Stark asks the Board to condition approval of the Primary Application on the following: (1) that the Neomodal Terminal operation continue to succeed as originally intended, i.e., on a viable W&LE; (2) that NS and CSX must provide competitive pricing, schedules, market access and reliability to Northeastern Ohio industries; (3) that CSX and NS work with W&LE to assure competitive rail rates; (4) that the Neomodal Terminal be marketed by CSX and NS as if it was their own terminal; and (5) that CSX and NS enter into long term "take or pay" lift contracts with Neomodal. None of Stark's requests would require authority from the Board to implement. Therefore, these requests cannot be the subject of a responsive application. Instead, they are simply comments, protests and requests for conditions on the Primary Application.

II. Even if Stark's Request for the Inclusion of the Neomodal Terminal Is Properly the Subject of a Responsive Application, Stark Has Not Complied With the Board's Procedural Rules

As an alternative to the five "remedies," Stark requests that NS and/or CSX purchase the Neomodal Terminal, and integrate it into their respective systems. This remedy purports to be a request for inclusion. A request for inclusion can only be made on behalf of a "rail carrier." (49 U.S.C. 11324(c)) Stark has not claimed or proven that it is a "rail carrier" for purposes of this statute.

However, even if Stark were a rail carrier and assuming that its request substantively constituted the basis for a responsive application for inclusion, Stark has not fulfilled the Board's informational and procedural requirements applicable to applications for inclusion.

Pursuant to the Board's rules, responsive applications must comply as fully as possible with appropriate Board regulations.⁵ In practice, this requires that a responsive application satisfy the Board's informational requirements as if it were a free standing primary application. For example, a responsive application requesting inclusion must comply

⁵ 49 C.F.R. § 1180.4(d)(4).

with the informational requirements of 49 C.F.R. Part 1180.

The SDB-4 is deficient as a responsive application because it fails to comply with the informational requirements of 49 C.F.R. Part 1180 regarding its purported request for inclusion. SDB-4 fails to include, among other things, the information required by 1180.6(a)(2)(ii), (iii), (v), (vi) (detailed discussion of public interest justifications), 1180.6(a)(4) (opinion of counsel).⁶ Stark did not submit either a request for an exemption or a petition for waiver with respect to the requirements of Part 1180.

Furthermore, Stark did not comply with the Board's procedural requirements with respect to environmental filings by responsive applicants. In Decision 6 (served May 30, 1997), the Board established the requirement that responsive applicants file on October 1, 1997 either 1) a verified statement of no environmental impact or 2) a responsive environmental report. Though Stark submitted an environmental filing on October 1 (SDB-3) that filing is deficient as it

⁶ Applicants assume that the SDB-4 proposes a significant transaction. Even if the Board found that the SDB-4 proposes a minor transaction, Stark would still be required to comply with the requirements of 1180.6(a).

does not address the environmental effects of the inclusion of the Neomodal Terminal.

For the reasons presented above, CSX and NS respectfully move that the Board treat the "Response of Stark Development Board, Inc." as a Comment, Protest or Request for Conditions.

STB

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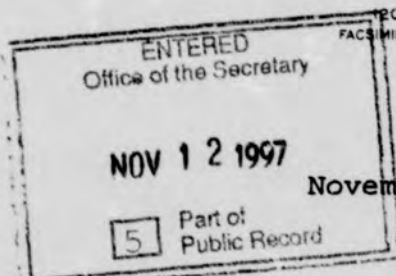
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ARNOLD & PORTER

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DENNIS G. LYONS
(202) 942-5858



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FACSIMILE: (202) 942-5999

November 10, 1997



BY HAND

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

Re: CSX's and NS' Motions to Treat Responsive
Applications as Comments, Protests or
Requests for Conditions

Dear Secretary Williams:

Enclosed please find the following documents:

- (1) CSX's and NS' Motion to Treat Responsive Application of Congressman Dennis J. Kucinich (Subnumber 74) as a Comment, Protest or Request for Conditions;
- (2) CSX's and NS' Motion to Treat Various Responsive Applications as Comments, Protests or Requests for Conditions;
- (3) CSX's and NS' Motion to Treat Responsive Application of Southern Tier West Planning and Development Board as a Comment, Protest or Request for Conditions; and
- (4) CSX's and NS' Motion to Treat the Responsive Application of Stark Development Board, Inc. as a Comment, Protest or Request for Conditions.

Accompanying this letter are twenty-five copies of each of the above, as well as a formatted diskette in WordPerfect 5.1.

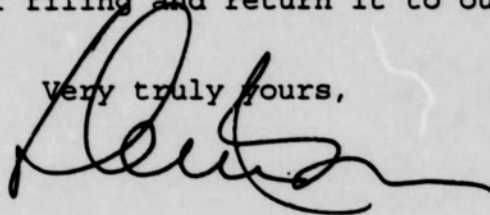
Thank you for your assistance in this matter.
Please contact myself ((202) 942-5858) or Susan Morita ((202) 942-5252) if you have any questions.

ARNOLD & PORTER

The Honorable Vernon A. Willaims
November 10, 1997
Page 2

Kindly date stamp the enclosed additional copy of
this letter at the time of filing and return it to our
messenger.

Very truly yours,

A handwritten signature in dark ink, appearing to read "D. Lyons", with a long, sweeping horizontal line extending to the right.

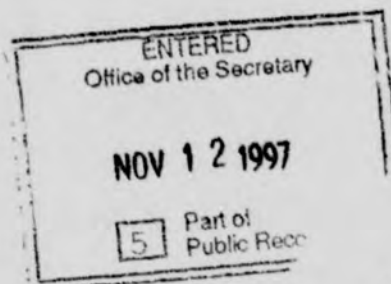
Dennis G. Lyons
ARNOLD & PORTER
Counsel for CSX Corporation
and CSX Transportation, Inc.

Enclosures

CERTIFICATE OF SERVICE

I, Amanda Paracuellos, certify that November 10, 1997, I have caused to be served a true and correct copy of the foregoing on all parties, by first class mail, postage prepaid, as listed on the Official Service List.


Amanda Paracuellos

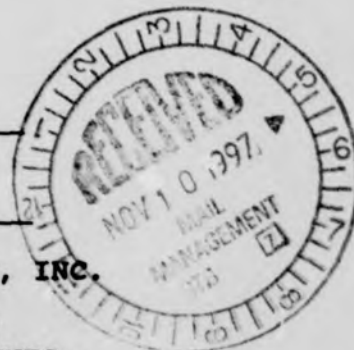


CSX/NS-150

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



CSX'S and NS' MOTION TO TREAT
RESPONSIVE APPLICATION OF SOUTHERN TIER WEST
REGIONAL PLANNING AND DEVELOPMENT BOARD
AS COMMENT, PROTEST OR REQUEST FOR CONDITIONS

CSX and NS¹ submit this Motion to Treat the "Comments and Responsive Application for Conditions of Southern Tier West Regional Planning and Development Board" (STW-2) as a Comment, Protest or Request for Conditions on the grounds that (1) Southern Tier West Regional Planning and Development Board ("STW") does not seek authority from the Board to act and, therefore its requests are not properly the subject of a responsive application, and (2) STW has not satisfied the Board's procedural requirements for submitting a responsive application.

¹ "CSX" refers collectively to CSX Corporation and CSX Transportation. "NS" refers collectively to Norfolk Southern Corporation and Norfolk Southern Railway Company.

I. STW-2 Is Not Substantively A Responsive Application

The conditions STW requests the Board to impose in this case do not meet the criteria for a responsive application. The Board has stated in past cases that, "the relief responsive applicants seek is different from the relief that parties simply requesting conditions seek."² Indeed, the Board took pains to explain in its Decision No. 40 (served October 2, 1997), that under the Board's regulations, a responsive application seeks "affirmative relief either as a condition to or in lieu of the approval of the primary application, such as, trackage rights, purchases, construction, operation, pooling, terminal operations and abandonment."³ Significantly, unlike a commentator, protestor or requestor of conditions, a responsive applicant has the right to close the record in its case by submitting a rebuttal filing.⁴

² Id.

³ 49 C.F.R. § 1180.3(h). Note that each of these types of requests would require Board approval if submitted outside the context of the present transaction.

⁴ ICC Finance Docket 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. 34, Served June 23, 1995 at 1.

Not one of STW's four requests remotely approaches the types of actions that would require that an application, petition, notice or other similar filing to be submitted to the Board. STW asks the Board to condition approval of the Primary Application on the following: (1) that NS describe its plans for the Southern Tier Extension, (2) that the Board "extend the service and maintenance commitments contained in the Southern Tier Agreement," between NYSDOT and Conrail, for five years, (3) that Conrail pay \$2.136 million, allegedly owed NYSDOT under the Southern Tier Agreement, or alternatively, that NS enter into an extension of the Southern Tier Agreement with NYSDOT providing for the maintenance and use of the Southern Tier Extension, and (4) that NS restore washed out sections of the Southern Tier Extension to operable status. None of STW's requests would require authority from the Board to implement. Therefore, these requests cannot be the subject of a responsive application. Instead, they are simply comments, protests and requests for conditions on the Primary Application.

II. STW Has Not Complied with The Board's Procedural Rules

Even if these requests substantively constituted the basis for a responsive application, STW has not

fulfilled the Board's informational and procedural requirements applicable to responsive applications. Pursuant to § 1180.4(d)(4), responsive applications must comply as fully as possible with appropriate Board regulations. In practice, this requires that a responsive application comply with the Board's informational requirements as if it were a free standing primary application. For example, a responsive application requesting trackage rights must comply with the informational requirements of 49 C.F.R. Part 1180. STW has not complied with the informational requirements of Part 1180 or any other part of the Board's regulations, confirming further that STW's requests are not the proper subject of an application to the Board.

Moreover, STW failed to comply with the Board's environmental filing requirements for responsive applications. In Decision 6 (served May 30, 1997), the Board established the requirement that responsive applicants must file either 1) a verified statement of no environmental impact or 2) a responsive environmental report ("RER") on October 1, 1997. STW has not filed either a RER or a verified statement of no impact.

For the reasons presented above, CSX and NS respectfully move that the Board treat STW-2 as a

- 5 -

Comment, Protest or Request for Conditions

Respectfully submitted,

MARK G. ARON
PETER J. SHUDTZ
CSX Corporation
One James Center
901 East Cary Street
Richmond, VA 23129
(804) 782-1400

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PAUL R. HITCHCOCK
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Counsel for CSX Corporation
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J. GARY LANE
JAMES L. HOWE, III
ROBERT J. COONEY
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SAMUEL M. SIPE, JR.
TIMOTHY M. WALSH
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Respectfully submitted,

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PETER J. SHUDTZ
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Dennis Lyons /ASP
DENNIS G. LYONS
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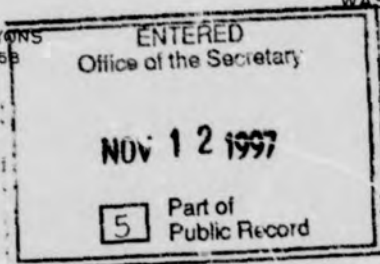
ARNOLD & PORTER

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NEW YORK
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LONDON

DENNIS G. LYONS
(202) 942-5353



November 10, 1997



BY HAND

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

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Requests for Conditions

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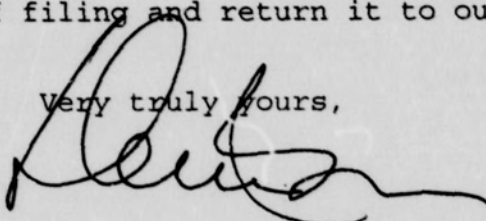
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ARNOLD & PORTER

The Honorable Vernon A. Willaims
November 10, 1997
Page 2

Kindly date stamp the enclosed additional copy of
this letter at the time of filing and return it to our
messenger.

Very truly yours,


A handwritten signature in dark ink, appearing to read "D. Lyons", with a long horizontal flourish extending to the right.

Dennis G. Lyons
ARNOLD & PORTER
Counsel for CSX Corporation
and CSX Transportation, Inc.

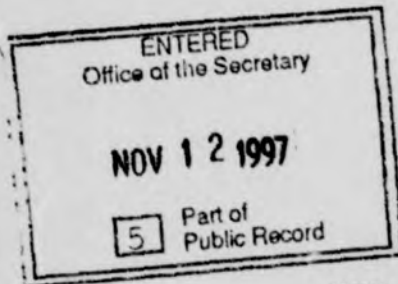
Enclosures

CERTIFICATE OF SERVICE

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Amanda Paracuellos

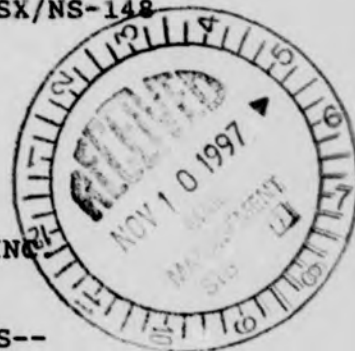
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BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX/NS-148

FINANCE DOCKET NO. 33388



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

CSX'S and NS' MOTION TO TREAT
VARIOUS RESPONSIVE APPLICATIONS
AS COMMENTS, PROTESTS OR REQUESTS FOR CONDITIONS

CSX and NS¹ submit this Motion to treat

(1) the "Responsive Application of New York State Electric and Gas Corporation" (NYSEG-14);

(2) the "Joint Responsive Application of the State of New York and the New York City Economic Development Corporation" (NYS-11/NYC-10);

(3) the "Description of Responsive Application of Jacobs Industries Ltd. filed October 21, 1997 (the "Jacobs Filing"); and

(4) the "ASHTA Chemicals Inc. Responsive Application and Request for Conditions" (ASHT-11)

as Comments, Protests or Requests for Conditions on the grounds that New York State Electric and Gas Corporation ("NYSEG"), the State of New York and the New York City Economic Development Corporation (the "New York Parties"), Jacobs Industries Ltd. ("Jacobs") and ASHTA

¹ "CSX" refers collectively to CSX Corporation and CSX Transportation. "NS" refers collectively to Norfolk Southern Corporation and Norfolk Southern Railway Corporation.

Chemicals Inc. ("ASHTA" and collectively, the "Commentors") are not rail carriers and do not seek authority from the Board to act on their own behalf and, therefore, the conditions they request are not properly the subject of a responsive application. A responsive application requests rights which are of a nature that are granted by the agency only upon review and analysis of certain evidence, which evidence is not included in the filings at issue here. Furthermore, Jacobs has failed to comply with the Board's procedural requirements applicable to the filing of responsive applications.

I. Requests for Trackage Rights by Noncarriers
Should Not Be the Subject of Responsive
Applications

Three of the Commentors request trackage rights on behalf of a third party carrier -- in the case of NYSEG and the New York Parties, a yet unnamed carrier.² ASHTA requests reciprocal switching or other

² NYSEG requests trackage rights 1) on behalf of NS, or a third party carrier, over Conrail lines to be operated by CSX or 2) on behalf of CSX, or a third party carrier, over Conrail lines to be operated by NS.

The New York Parties request trackage rights by a carrier other than Conrail or CSX over various present Conrail lines.

Jacobs requests that 1) NS be given trackage rights over CSX within the Stanley Yard or 2) J-Star Consolidated be given trackage and routing rights over CSX in the Stanley Yard.

competitive access remedy.³ The Board's decisions in the last two control proceedings have given rise to some confusion as to the appropriate form for requests by shippers for conditions requiring the granting of trackage rights or other affirmative relief to a third party. In those decisions, the Board has accepted such requests in the form of responsive applications and as comments, protests or requests for conditions.

Allowing parties to submit these requests in the form of responsive applications is, however, both procedurally inefficient and unfair. CSX and NS accordingly respectfully submit that the Board should address the inconsistency that has developed and avoid the accompanying inefficiency and unfairness -- by clarifying that the types of requests submitted NYSEG, the New York Parties, Jacobs and ASHTA are not appropriately made in responsive applications.

Under the Board's regulations and prior decisions, there are important differences in a rail consolidation proceeding between responsive applications and other requests that the Board impose conditions, including trackage rights conditions, upon

³ Presumably, such other competitive access remedy could include a grant of terminal trackage rights under 49 U.S.C. 11102. In either case, ASHTA seeks to impose an obligation on another party, rather than to perform a service in its own right.

approval of the primary application.⁴ Under the Board's regulations, a responsive application seeks "affirmative relief either as a condition to or in lieu of the approval of the primary application, such as, trackage rights, purchases, construction, operation, pooling, terminal operations and abandonment."⁵

Responsive applications are qualitatively different than comments, protests or requests for conditions, and the Board has quite properly established separate procedures for their review. A critical procedural difference between a responsive application and a comment, protest or request for conditions is that, unlike a commentor, protestor or requestor of conditions, a responsive applicant has the right to close the record in its case by submitting a rebuttal filing.⁶ A party should not be permitted to

⁴ ICC Finance Docket 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. 34, Served June 23, 1995 at 1 ("the relief responsive applicants seek is different from the relief that parties simply requesting conditions seek.").

⁵ 49 C.F.R. § 1180.3(h). Note that each of these types of requests would require Board approval if submitted outside the context of the present transaction.

⁶ BNSF, supra.

achieve procedural advantages simply by virtue of the label it gives to its filing.

Until the ICC's decision in the BNSF case, it was generally assumed that the difference between the relief sought by a responsive applicant and a commentor is that a responsive applicant seeks authority for itself to act (i.e., to operate over the lines of a primary applicant). A commentor, on the other hand, asks the Board to prevent or compel action by the primary applicants. In the BNSF case, however, Houston Lighting and Power Company submitted, in the form of a responsive application, a request for trackage rights to be granted to other, unspecified rail carriers. Although the ICC denied the requested relief (Decision No. 38 at 79), it indicated in a footnote that, despite protests from two parties that the ICC does not have jurisdiction over a request for trackage rights by a party that does not intend to provide the service, "HP & L's application suffices for purposes of this proceeding as a means for the presentation of HP & L's trackage rights proposal."

In the UPSP case, perhaps in reliance on this footnote, a number of shippers requested trackage rights conditions on behalf of other named or unspecified railroads -- some parties submitted such

requests in the form of responsive applications,⁷ while several other shippers requested such rights merely in the form of comments and requests for conditions.⁸ One shipper request for trackage rights granted in UPSP was Dow Chemical Company's request that a carrier of Dow's choice be granted various trackage rights over UP/SP.⁹ Dow's request was not submitted as a responsive application, but as "Comments, Evidence and Requests for Conditions."¹⁰ Clearly, the ICC also viewed Dow's comments and requests for conditions as sufficient to present a trackage rights proposed in the context of a control proceeding.

A. Treating the Commentors Filings as
Responsive Applications
Would Be Procedurally Inefficient

⁷ See, e.g., STB Finance Docket 32760, Union Pacific Corp., Union Pacific Railroad Co. and Missouri Pacific Railroad Co. -- Control and Merger -- Southern Pacific Rail Corp., Southern Pacific Transportation Co., St. Louis Southwestern Ry. Co., SPCSL Corp., and the Denver and Rio Grande Railroad Co., Decision No. 44, decided August 6, 1996 ("US/SP") at 232 (Entergy, responsive application in Sub. No. 12 granted in part); 233 (Wisconsin Electric Power Company, responsive application in Sub. No. 16 denied).

⁸ See e.g., US/SP at 187 (Arizona Electric Power Cooperatives, Central Corridor condition denied); 188 (Dow Chemical Co. trackage rights condition granted); and 189 (Union Carbide, trackage rights condition denied).

⁹ UPSP, supra at 188.

¹⁰ DOW-12, Comments, Evidence and Request for Conditions, March 29, 1996.

Treating the Commentors' filings as responsive applications result in unnecessary duplication and administrative inefficiency. Responsive applications for such trackage rights are not appropriate at this time because an application for trackage rights will be required following the Board's final decision if any of the Commentors' requests are granted. In BNSF, the ICC noted that the granting of a shipper's request for third party trackage rights would require a further proceeding following the proceeding on the primary application.¹¹ Similarly, the Board stated in its Decision No. 29 (served September 11, 1997) regarding NYSEG's petition for waiver, "any matters not resolved in the present proceeding (e.g., the suitability of the nominee or other specific trackage rights issues) necessarily have to be resolved in a follow-up proceeding."¹² A further proceeding for the trackage rights is necessary because the current filings clearly do not contain the requisite information for the Board to evaluate an actual grant of trackage rights. Thus, these filings do not ask the Board to impose trackage

¹¹ BNSF, supra at fn. 34.

¹² Although NYSEG indicated in its waiver requests that they intended to file responsive applications, Decision No. 29 did not hold or suggest that whatever NYSEG might later file would properly be deemed a responsive application.

rights, but instead effectively ask the Board to condition approval of Applicants' transaction upon Applicants' participation in the subsequent responsive trackage rights application process with each Commentor's carrier of choice.

Moreover, because the Commentors neither seek to obtain the requested trackage rights themselves nor specify the third party carrier each would have obtain the trackage rights, most of the information required by the Board's regulations to be included in a trackage rights application is not available and, therefore, not included in the Commentors' filings.¹³ CSX and NS respectfully submit that there is no reason for the administrative duplication and inefficiency that would result from permitting the Commentors in essence to file two applications for the same trackage rights, particularly when a request in the form of a comment, protest or request for conditions would clearly suffice.

B. Allowing Commentors to Submit Responsive Applications Would Be Unfair to Both Primary Applicants and Other Commenting Parties

¹³ Though Jacobs "Option 3" specifies that J-Star Consolidated would be its carrier of choice, Jacobs has failed to include any information regarding J-Star Consolidated. Jacobs Filing at 3; see, *infra* Section ____ (describing Jacobs' failure to comply with the Board's informational requirements for a trackage rights application).

Moreover, NS and CSX submit that it makes no sense to give some parties important procedural advantages not available to other parties -- specifically the right to file a rebuttal -- simply on the basis of how they label their filing. They also submit that there is no justification for giving rebuttal filing rights to a shipper or other party seeking trackage rights on behalf of a third party carrier.

Rebuttal filing rights are appropriate for a responsive applicant which seeks relief for itself, which has submitted traffic studies, operating plans and other evidence requested by the regulations for such proceedings, and where the granting of such an application will require no further proceedings. Since issues relating to the trackage rights requested by the Commentors ultimately will have to be resolved in another proceeding after this one, there is no justification for the Commentors to be able to file rebuttal evidence in this proceeding.¹⁴ The Commentors are not in a different position from any other party requesting trackage rights to be granted to other

¹⁴ BN/SF, supra.

parties, and should have no greater procedural rights than any other such requester.¹⁵

II. The Commentors Remaining Requests Are Not the Proper Subject Matter for a Responsive Application

In addition to their request for trackage rights, the New York Parties request that the Board declare that Metro-North may enter into agreements to grant operating rights over its lines to carriers other than the Applicants does not require a responsive application.¹⁶ Similarly, Jacobs requests that CSX provide competitive access switching for NS does not require a responsive application and, as such should also be treated as a comment, protest or request for conditions. Neither of these two requests seek Board authority for any action by any party and, as such, should also be treated as comments, protests or requests for conditions.

¹⁵ Other parties to this proceeding, including Consumers Energy Company (CE-04), Centerior Energy Company (CEC-05, CEC-06) and Niagara Mohawk Power Corporation (NIMO-6), have requested similar trackage rights conditions in the form of comments and requests for conditions. There is no justification for the Commentors to be allowed to submit a rebuttal when others similarly situated are not so entitled.

¹⁶ NYSEG has not requested any conditions other than the trackage rights addressed above.

III. Jacobs Has Not Complied With the Board's
Procedural Rules

Even if Jacobs' requests substantively constituted the basis for a responsive application, Jacobs has not fulfilled the Board's informational and procedural requirements applicable to responsive applicants. Pursuant to the Board's rules, responsive applications must comply as fully as possible with appropriate Board regulations.¹⁷ In practice, this requires that a responsive application satisfy the Board's informational requirements as if it were a free standing primary application. For example, a responsive application requesting trackage rights must comply with the informational requirements of 49 C.F.R. Part 1180.

The Jacobs Filing is deficient as a responsive application because it fails to comply with the informational requirements of 49 C.F.R. Part 1180.¹⁸ Two of the three alternative forms of relief requested in the Jacobs Filing are trackage rights, the application for which requires compliance with

¹⁷ 49 C.F.R. § 1180.4(d)(4).

¹⁸ UP/SP, Served April 12, 1996 at 4.

49 C.F.R. Part 1180.¹⁹ The Jacobs Filing fails to include, among other things, the information required by 1180.6(a)(2)(i)-(vi) (detailed discussion of public interest justifications), 1180.6(a)(4) (opinion of counsel), 1180.6(a)(5) (list of states), and 1180.6(a)(6) (map), 1180.6(b)(3) (change in control), 1180.6(b)(6) (corporate charts), 1180.6(b)(7) (description of non-carrier applicants) and 1180.6(b)(8) (description of intercorporate relationships).²⁰ Jacobs did not submit either a request for an exemption or a petition for waiver with respect to the requirements of Part 1180.

Furthermore, Jacobs did not comply with the Board's procedural requirements with respect to environmental filings by responsive applicants. In Decision 6 (served May 30, 1997), the Board established the requirement that responsive applicants file on October 1, 1997 either 1) a verified statement of no

¹⁹ Option 1: NS be given trackage rights within the Stanley yard area, from CSX to the J-Star Consolidated facility, providing service direct.

Option 3: CSX provide J-Star Consolidated, track routing and rights through their portion of the yard to a point connecting with NS.

²⁰ CSX and NS assume that the Jacobs Filing proposes a significant transaction. Even if the Board found that the Jacobs Filing proposes a minor transaction, Jacobs would still be required to comply with the requirements of 1180.6(a).

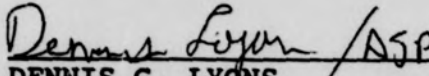
environmental impact or 2) a responsive environmental report. Though the Jacobs Filing states that Jacobs is not required to submit a responsive environmental report pursuant to the exemption of 49 C.F.R.

§ 1105.6(c)(2), Jacobs failed to timely file this statement on October 1, 1997. To date, Jacobs has not supported its claim for exemption with a verified statement.

For the reasons presented above, CSX and NS respectfully move that the Board treat NYSEG-14, NYS-11/NYC-10, the Jacobs Filing and ASHT-11 as Comments, Protests or Requests for Conditions.

Respectfully submitted,

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PETER J. SHUDTZ
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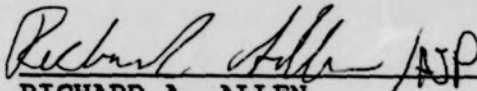

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November 19, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Suite 700
Washington, D.C. 20423

FD 35388

T

Re: ~~F.D. No. 32760 Union Pacific Corporation, et al. - Control and
Merger - Southern Pacific Rail Corporation, et al. (UP/SP Merger)
Reno Mitigation Study - Preliminary Mitigation Plan~~

Dear Secretary Williams:

Enclosed please find one (1) original and twenty-six (26) copies of
STW-3 Motion and Reply in Opposition to Applicant's Motion (CSX/NS-150) of
Southern Tier West Regional Planning and Development Board.

Please file the same and return a file stamped copy in the envelope
provided.

Thank you for your assistance.

Very truly yours,

Paul H. Lamboley



PHL/jac
Enclosures

184013

UNITED STATES OF AMERICA
BEFORE THE
SURFACE TRANSPORTATION BOARD

(STW-3)



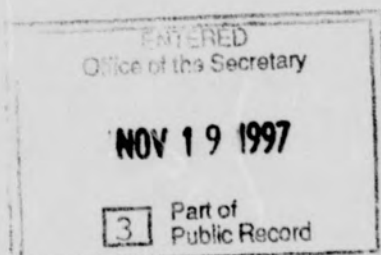
STB FINANCE DOCKET NO. 33388

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

**MOTION AND REPLY IN OPPOSITION
TO APPLICANT'S MOTION (CSX/NS-150) OF
SOUTHERN TIER WEST REGIONAL PLANNING AND
DEVELOPMENT BOARD**

Paul H. Lamboley
1020 Nineteenth St., N.W.
Suite 400
Washington, D.C. 20036

Tel. 202-496-4920
Fax 202-293-6200



Counsel for Southern Tier
West Regional Planning and
Development Board

MOTION

Southern Tier West Regional Planning and Development Board (STW) hereby moves for permission to file out of time authorized by Decisions Nos. 12 and 13, its Reply in Opposition to Applicant's Motion To Treat Various Responsive Applications As Comments, Protests or Requests for Conditions (CSX/NS-150).

STW's request is based on the fact that Applicant's Motion was served by mail post-marked November 10, 1997, and received when Counsel was out of the office for judicial proceedings in Minneapolis. No prejudice or delay will result if permission is granted.

REPLY IN OPPOSITION

In CSX/NS-150 Applicants seek to have various responsive applications treated as comments, protests or requests for conditions.

STW-2, filed October 31, 1997 and entitled "Comments and Responsive Application for Conditions of Southern Tier West Regional Planning and Development Board" represents STW's filing in keeping with STW-1 filed August 22, 1997 entitled "Description of Anticipated Responsive Application of Southern Tier West Regional Planning and Development Board."

1. Applicant's Motion Is Not Timely

The procedural schedule in this case is compact: the benchmarks are defined. STW's initial filing STW-1 complies with procedural requirements. Following service of STW-1 applicants knew the nature and scope of STW's

scope of STW's intention to file a "Responsive Application." Applicants did not file objection. STW-2 fulfills the stated intention of STW-1.

2. No Environmental Report Is Required

On its face, the relief request in STW-2 (disclosure, adherence to service/maintenance agreement, debt repayment and repair) will not result in significant changes in carrier operations. Accordingly, consistent with the regulatory exemption provisions of 49 CFR 1105.6(c)(2), no environmental documentation is required. Decision No. 6 does not require more.

STW-2, being consistent with uncontested STW-1, cannot be later challenged now for failure to file an environmental report when none would be required under STB regulation or STB decision.

3. Applicant's Motion Generally Lacks Merit

Apart from procedural challenges, the Applicant's Motion generally lacks merit for various other substantive reasons:

(a) Applicants cite no precedent which prohibits STW as a non-carrier from filing a responsive application, but posts only argument under Section 1180.3(h). Reference to terms "include" and "such as" however is descriptive or exemplary, but not exhaustive or limiting.

(b) Contrary to Applicants' view, STW-2 complies with information requirements of Section 1180, and is factually sufficient and adequate to inform Board, Applicants and others.¹

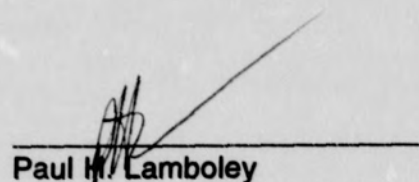
¹Signature by Counsel does not require separate verification. 49 CFR 1104.4(a)

(c) Applicants fail to identify specific non-compliance, information deficiencies or procedural inefficiencies resulting from STW-2.

(d) Applicants' primary purpose appears to be to foreclose STW rebuttal.

For the foregoing reasons, Applicants' Motion (CSX/NS-150) should be denied. STW-2, as a responsive application, properly seeks affirmative relief as conditions to the primary application.

Dated: November 19, 1997



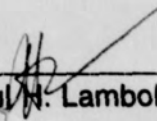
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Fax 202-293-6200

Counsel for Southern Tier
West Regional Planning and
Development Board

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of November 1997, copies of the foregoing Southern Tier West Regional Planning and Development Board's Motion and Reply in Opposition to Applicant's Motion (CSX/NS-150) of Southern Tier West Regional Planning and Development Board were served upon Administrative Law Judge Jacob Leventhal, Federal Energy Regulatory Commission, 888 First Street, NE, Suite 11F, Washington, DC 20426, counsel for applicant parties (also by facsimile) and upon other known parties of record attached hereto, first class mail, prepaid, in accordance with the rules of the Surface Transportation Board.



Paul N. Lamboley

STB

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LEBOEUF, LAMB, GREENE & MACRAE
L.L.P.

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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October 23, 1997

LOS ANGELES
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PORTLAND, OR
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ALMATY
LONDON
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MULTINATIONAL PARTNERSHIP)

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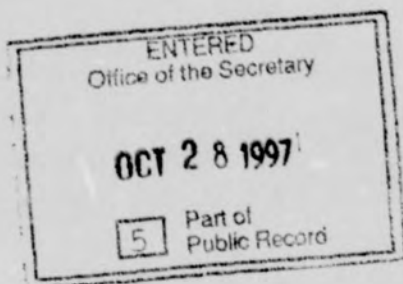
Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W., Seventh Floor
Washington, DC 20423-0001

Re: CSX Corp./Norfolk Southern Corp. -- Control and Operating
Leases/Agreement -- Conrail; Finance Docket No. 33388

Dear Secretary Williams:

Enclosed are the original and 25 copies of the "Notice of Withdrawal of Counsel for Delmarva Power & Light Company" for filing in the above-referenced proceeding. Also enclosed is a 3.5" diskette containing the documentation in WordPerfect format.

Please date stamp and return the enclosed three additional copies via our messenger.



Very truly yours,

Michael F. McBride

Michael F. McBride
Bruce W. Neely
Linda K. Breggin
Brenda Durham
Joseph H. Fagan

Enclosure

Attorneys for Delmarva Power & Light
Company

cc: All Parties of Record

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
SURFACE TRANSPORTATION BOARD

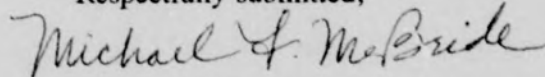
Finance Docket No. 33388

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

**NOTICE OF WITHDRAWAL OF
DELMARVA POWER & LIGHT COMPANY**

Delmarva Power & Light Company ("Delmarva") hereby withdraws as Party of Record in this proceeding. We are also hereby withdrawing our appearance as counsel for this party. As a courtesy, however, we are filing the accompanying letter by Mr. James L. Parks, Delmarva's Manager - Fuel Supply Department, supporting the proposed Application.

Respectfully submitted,



Michael F. McBride
Brian D. O'Neill
Bruce W. Neely
Linda K. Breggin
Brenda Durham
Daniel Aronowitz
Joseph H. Fagan
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
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Dated: October 23, 1997

Attorneys for Delmarva Power
& Light Company

**Delmarva
Power**

James L. Parks
Manager

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Fax (302) 452-6364

October 21, 1997

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

Re: CSXT Corporation and CSX Transportation, Inc.; Norfolk Southern Corporation and Norfolk Southern Railway Corporation – Control and Operating Lease Agreements – Conrail, Inc. And Consolidated Rail Corporation, STB Finance Docket 33388.

**VERIFIED STATEMENT ON BEHALF OF
DELMARVA POWER & LIGHT**

My name is James L. Parks, and I am Manager – Fuel Supply Department of Delmarva Power & Light Company. I have held my present position since February of 1993. My duties include supervisory responsibility for rail transportation to the Company's coal-fired generating stations in Delaware.

Delmarva Power & Light is a public utility company, headquartered in Wilmington, Delaware which provides electricity and related services to nearly 500,000 customers in a 5,700-square-mile area of the Delmarva Peninsula in Delaware, Maryland and Virginia. It also provides natural gas services to a 275-square-mile area in northern Delaware, including the city of Wilmington. Most of the Company's electricity is generated by coal-fired and nuclear power plants. We have coal-fired generating stations located at Wilmington and Millsboro, Delaware, presently served by Conrail. During 1996, we received 1.7 million tons of bituminous coal originated on Norfolk Southern, CSX and Conrail and delivered by Conrail to the Company's coal-fired plants. My understanding of the joint merger proposal among Norfolk Southern, CSX and Conrail is that Norfolk Southern will serve the Company's coal-burning facilities in the State of Delaware.

**Delmarva
Power**

Mr. Vernon A. Williams

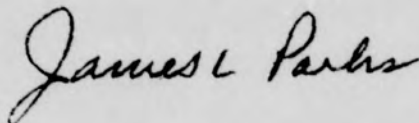
Page -2-

We support approval of the transaction which will allow CSX and Norfolk Southern to acquire Conrail and subsequently divide its assets. Since our facility is located on lines which will belong to NS, we look forward to the benefit of cost effective service which Norfolk Southern could bring to our plants. As stated previously, we have used Norfolk Southern in the past on joint-line service with Conrail and have been satisfied with their service. We believe that Norfolk Southern will continue to provide timely, reliable service on any Conrail lines which it acquires. In addition, we believe that Norfolk Southern will work closely with Delmarva to provide the needed flexibility in meeting the challenges of utility deregulation.

For all the reasons described above, I support the application of NS and CSX to acquire Conrail.

I, James L. Parks, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed on *October 21*, 1997.

Sincerely,



James L. Parks

JLP/amh

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388

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

CERTIFICATE OF SERVICE

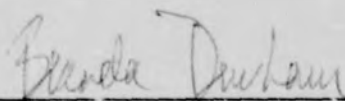
I hereby certify that I have served this 23rd day of
October, 1997, a copy of the foregoing "Notice of Withdrawal of
Delmarva Power & Light Company," by first-class mail, postage
prepaid, upon all parties of record and by facsimile upon each of
the following persons:

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Patricia Bruce, Esq.
Zuckert, Scoutt
& Rasenberger, L.L.P.
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Brenda Durham

STB

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10-17-97

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Payment has been made to the Copyright Clearance Center for this article.

Asthma Common and on Rise In the Crowded South Bronx

By ADAM NOSSITER

"Fatigo" is a common word in the South Bronx, but it does not mean precisely what it means everywhere else in the Spanish-speaking world: tired. Instead, it is used for a condition so prevalent in the area, only the most ordinary of words will do. The condition is asthma.

In parts of the 10 ZIP codes that make up the South Bronx, asthma is so common that the pockets of men on street corners bulge with small breathing pumps the way they might bulge with cigars elsewhere. It is so common that mothers, waiting in line for a school lunch point to one of their own children when asked at random about asthma. It is so common that doctors at the area's main hospital, Lincoln, say they have received close to 13,000 visits a year for asthma in the last several years, a number that stuns colleagues outside New York, and a number that may be increasing.

Doctors here and elsewhere talk about an emerging epidemic of asthma in the South Bronx, pointing to hospitalization rates as high as 17.3 per 1,000 people and death rates as high as 11 per 100,000. Both rates are eight times the national average, and the simple rate of incidence among children is 8.3 percent, twice the rate across the country.



Photographs by Nancy Siesel/The New York Times

Jose Reyes



Lenworth Graham

PRESIDENT REBUTS SOME G.O.P. THEMES ON ECONOMIC WOES

A CHALLENGE TO WILSON

Clinton, in California, Asserts
the Problem Is Wages, Not
Immigration or Welfare

By ALISON MITCHELL

MONTEREY, Calif., Sept. 4 — Directly challenging some of the Presidential campaign themes of California's Republican Governor, President Clinton today told a cheering crowd here that immigration, affirmative action and welfare were not responsible for the economic distress of the middle class.

In a day that strongly resembled a Labor Day campaign kickoff, in a state crucial to his re-election hopes, Mr. Clinton said the answers to stagnant wages lay instead with a higher minimum wage and more education and training programs for workers, two initiatives the White House has advocated against Republican opposition. And he reminded his listeners to remember their roots.

"We should never, ever permit ourselves to get into a position where we forget that almost everybody here came from somewhere else and that America is a set of ideas and



First Lady Lands in China

Hillary Rodham Clinton arrived at the Beijing airport followed by Madeleine K. Albright, chief delegate. Mrs. Clinton will address the World Conference on Women.

line for a school lunch point to one of their own children when asked at random about asthma. It is so common that doctors at the area's main hospital, Lincoln, say they have received close to 13,000 visits a year for asthma in the last several years, a number that stuns colleagues outside New York, and a number that may be increasing.

Doctors here and elsewhere talk about an emerging epidemic of asthma in the South Bronx, pointing to hospitalization rates as high as 17.3 per 1,000 people and death rates as high as 11 per 100,000. Both rates are eight times the national average, and the simple rate of incidence among children is 8.3 percent, twice the rate across the country. Dr. Kevin Weiss, one of the leading specialists on the epidemiology of asthma, said the South Bronx, along with East Harlem, is easily among the worst places in the country for asthma, if not the worst.

If there is a mystery about why the problem is so bad, researchers have identified a number of inner-city characteristics they believe contribute. The most important are several factors associated with indoor air pollution, in particular dust mites, cockroach feces and body parts, and

Continued on Page B2, Column 3

Jose Reyes



Lenworth Graham



Eugene Candelaria

As Welfare Overhaul Looms, Legal Aid for Poor Dwindles

By ROBERT PEAR

WASHINGTON, Sept. 4 — Legal aid programs for the poor are laying off lawyers and curtailing activities because of Federal budget cuts, at the very time when demand for their

and litigation. The House has voted to impose new restrictions that would, for example, prohibit legal aid lawyers from participating in any "litigation, lobbying or rule-

Central Campaign Committee of California's Republican Governor, President Clinton today told a cheering crowd here that immigration, affirmative action and welfare were not responsible for the economic distress of the middle class.

In a day that strongly resembled a Labor Day campaign kickoff, in a state crucial to his re-election hopes, Mr. Clinton said the answers to stagnant wages lay instead with a higher minimum wage and more education and training programs for workers, two initiatives the White House has advocated against Republican opposition. And he reminded his listeners to remember their roots.

"We should never, ever permit ourselves to get into a position where we forget that almost everybody here came from somewhere else and that America is a set of ideas and values and convictions that makes us strong," the President said to cries of support from more than 10,000 people.

Mr. Clinton came to California, a state that has lagged much of the nation in economic recovery, to dedicate a new state university at Monterey Bay. The university is at the former site of Fort Ord, an Army post that was closed in 1994.

The President did not mention the state's Governor, Pete Wilson, by name. But he stepped squarely onto the turf of Mr. Wilson, who has based much of his campaign for the 1996 Republican Presidential nomination on a crackdown on illegal immigration and an end to racial preference programs, as well as budget cutting and tough laws against career criminals.

Mr. Clinton noted that despite a thriving economy the median wage had dropped by 1 percent over the past 30 months. "In the next year or so, all of you are going to have to decide what you think the answer to

Continued on Page A13, Column 1

Dole Goes After Liberals

Senator Bob Dole said liberal



First Lady Lands in China

Hillary Rodham Clinton arrived at the Beijing followed by Madeleine K. Albright, chief delegate. Mrs. Clinton will address the World Conference

Congress Returning Long List of G.O.P.

By MICHAEL WINES

WASHINGTON, Sept. 4 — The Congress everyone discusses in superlatives — most sweeping, most radical, most impatient — returns to town this week. This time, it faces a job almost beyond words.

With eight months gone and deadlines circling overhead like vultures, the Republican majorities in the House and Senate take up a list of commitments this week as incomplete as it is ambitious. Legislation to overhaul Medicare, marked for passage this fall, has yet to be introduced. Bills to trim Medicaid and disassemble the welfare system have barely moved out of the House.

Plans to cut taxes, perhaps by \$245 billion over seven years, still exist mainly on paper. Deep cuts in farm subsidies and scores of other politically incendiary programs, from public broadcasting to housing assistance for the poor, face several

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The great goal, the ambitious, most elusive, requires it fiscal year spending much more

"The R than any off," said Brookings most recent Budget Of budget real most of D scenarios, January at Rv itself

CITY

Asthma on the Rise in the Dusty, Crowded South Bronx

Continued From Page A1

rat and mouse urine.

Crowding does not help, because it aids the passing of respiratory infections. The Bronx has the highest proportion of households with greater than one person per room in the city: 16.6 percent of households, compared with the citywide 12.3 percent. And household crowding in the Bronx has increased substantially in the last two decades, by perhaps as much as a full percentage point. Family stress, particularly likely in poor areas and in such conditions, is also seen as a factor.

Asthma, an irritation of the bronchial passages that leads to severe difficulties in breathing, is a growing public health problem nationwide. From 1983 to 1993, there was a 34 percent increase in the prevalence, according to the National Institutes of Health. The nation's urban areas are the worst afflicted, and among them, "the Bronx mirrors other inner-city areas, but it seems to be worse," said Dr. Weiss, an author of several groundbreaking studies on the epidemiology of inner-city asthma.

The epidemic is a singularly quiet one. It has not spawned headlines, demonstrations, advocacy groups or loud calls for public action. One explanation: it is an affliction of the poor, those who have less voice, said doctors who treat it in the Bronx.

But it also does not produce much outcry because it appears manageable — deceptively so, in some

"It's something you've got to learn to live with," said Lenworth Graham, a patient being treated in Lincoln's special asthma room last week. "You've got to face reality."

The gasping and wheezing exist on such a wide scale that asthma has taken a psychological toll on a community already facing substantial burdens. Men talk of not being able to work, mothers of constantly worrying whether their children might be playing too hard, and youngsters of the moment when their hearts start to thump if they run too fast.

"People are so depressed, their children are sick. It's another thing

Pollution, stress and no breathing room are seen to aid an emerging epidemic.

that weighs heavily on them that's out of control," said Chris Norwood, executive director of Health Force, a South Bronx community health education group. "It leads to familywide, communitywide depression," she said. "It prevents people from feeling secure. They live in terror that they're going to collapse any moment."

Mary Robinson, whose asthmatic 9-year-old son, Tauren, said he carries the standard-issue bronchodilator inhaler when he plays, is always

When he has an attack, "I'm wondering if it's going to be his last."

Down 139th Street, at the corner of St. Ann's Avenue, Julio Castro said he can point out 100 people with asthma. Outside the Fernandez Grocery, Jose Reyes, an edgy 48-year-old in a purple shirt, has his inhaler with him on a sultry day. It never leaves him.

Mr. Reyes had to quit his construction job three years ago because of asthma. Two or three times a month, he is at Lincoln Hospital's emergency room. Neighbors have seen him collapse on the street. "If I move around too fast, I get an attack," he said. "If I walk half a block, I've got to be stopping, breathing."

A few feet away, Jose Sanchez, 73, sat on a stoop, his inhaler at the ready. "If I walk a block, I have to sit down," he said. Eugene Candelaria, 56, passed by. "I always carry my pump," he said. He had to quit his garage job five years ago because of asthma. His wife has asthma, his daughter has it, and so do two of his grandsons.

Several blocks away, a line of mothers waited with their children outside Public School 30 for lunch at the school. Every second or third mother had an asthmatic child. "He can't run around too much," Brenda Matias, waiting with her 5-year-old, Joseph, said. "I can't keep him in the sun too long." Her daughter has asthma, and her husband, Mel Ortiz, is so asthmatic he can not go upstairs, can not hold his breath and

rock's fourth-grade class at P.S. 30 last year, 12 said they had asthma, and 8 brought breathing pumps to class with them. Mr. Bedrick recorded hundreds of absences — a mean of over 20 per student — many, if not most, attributable to asthma. "I was so appalled by this figure," he said.

At St. Luke School on 139th Street, the principal, Sister Patricia Howell, estimates that 40 percent of the children in the pre-kindergarten to eighth grade school have asthma.

There is no sign that any inroads have been made in scaling back the Bronx's asthma epidemic. The number of visits to Lincoln's emergency room by asthma sufferers continues to increase. The most recent statistic, through September of last year, shows an almost 17 percent increase in visits by adults over the preceding 12-month period. Some doctors believe that, short of curing poverty, there may be no large-scale solution. At Lincoln, there are days when the special asthma room, where patients sit along a wall sucking on hand-held bronchial dilators, is a "madhouse," Cynthia Moye, a frequent patient, said.

Some doctors there, including the head of emergency medicine, Harold Osborn, are angry that a medical waste incinerator was established in the Port Morris section of the Bronx almost three years ago. Though statistical evidence establishes no clear link between the incinerator and cases of asthma, and several of his colleagues are skeptical, Dr. Osborn

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But it also does not produce much outcry because it appears manageable — deceptively so, in some cases: Lincoln alone recorded 22 deaths from asthma in 1993, up from 9 the year before.

Pollution, stress and no breathing room are seen to aid an emerging epidemic.

that weighs heavily on them that's out of control," said Chris Norwood, executive director of Health Force, a South Bronx community health education group. "It leads to familywide, communitywide depression," she said. "It prevents people from feeling secure. They live in terror that they're going to collapse any moment."

Mary Robinson, whose asthmatic 9-year-old son, Tauren, said he carries the standard-issue broncho-dilator inhaler when he plays, is always worrying. "You should come at night and hear him breathe," she said.

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Of the 30 students in Louis Bed-

Bronx's asthma epidemic. The number of visits to Lincoln's emergency room by asthma sufferers continues to increase. The most recent statistic, through September of last year, shows an almost 17 percent increase in visits by adults over the preceding 12-month period. Some doctors believe that, short of curing poverty, there may be no large-scale solution. At Lincoln, there are days when the special asthma room, where patients sit along a wall sucking on hand-held bronchial dilators, is a "madhouse," Cynthia Moye, a frequent patient, said.

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Meanwhile, the Lincoln doctors say they need to collect information on precisely who is coming in gasping for breath, and why. Many new asthma patients are cocaine abusers, the doctors say. Some are homeless, like Ms. Moye. A relatively small number of patients may be contributing to a large number of visits. Ms. Moye, for instance, sometimes comes in three or four days a week.

Dr. Osborn would like to establish a computerized registry of asthma patients, with information about family background and material circumstances. "We need to get a handle on it, we need to try to find out why so many patients are dying," he said.

9 Arrested After Melee on Party Boat in Queens

By CLIFFORD KRAUSS

The police broke up a wild melee on a party boat and pier in Flushing Meadows-Corona Park yesterday and arrested nine people, but not before several people were pushed into Flushing Bay and shots were fired into the air.

About 12 people, including several police officers attempting to break up the fight, suffered cuts, bruises and other minor injuries, the police said. Four people were taken to Elmhurst Hospital Center for treatment and later released.

Hundreds of people were aboard the party boat, the Skyline Princess,

when the fight broke out as it was returning to the dock, said Officer Debra Kearns, a police spokeswoman.

"There was just an all-out brawl going on," Officer Kearns said, but she said she did not know the origin of the dispute. Officers of the 110th Precinct involved in the investigation declined to release any information.

Officer Kearns said the boat was chartered by an unidentified music promoter, who sold tickets for a holiday cruise. "Not everyone who bought tickets necessarily liked each other or knew each other," she said.

Seven people were arrested for

disorderly conduct and two more for third-degree assault, including Andrew Davis, 20, and Austin Kirshna, 22, both of Hempstead, L.I.

Mr. Kirshna, who the investigators believe fired a gun in the air, was also charged with reckless endangerment, the police said, for attempting to drive out of the Marina Bay parking lot to escape arrest. "He was using the vehicle as a weapon," Officer Kearns said.

None of the guns fired was recovered.

Messages requesting comment were left on the Skyline Princess answering machine but were not answered.

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AN ASSOCIATION BETWEEN AIR POLLUTION AND MORTALITY IN SIX U.S. CITIES

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Abstract Background. Recent studies have reported associations between particulate air pollution and daily mortality rates. Population-based, cross-sectional studies of metropolitan areas in the United States have also found associations between particulate air pollution and annual mortality rates, but these studies have been criticized, in part because they did not directly control for cigarette smoking and other health risks.

Methods. In this prospective cohort study, we estimated the effects of air pollution on mortality, while controlling for individual risk factors. Survival analysis, including Cox proportional-hazards regression modeling, was conducted with data from a 14-to-16-year mortality follow-up of 8111 adults in six U.S. cities.

Results. Mortality rates were most strongly associated with cigarette smoking. After adjusting for smoking and

other risk factors, we observed statistically significant and robust associations between air pollution and mortality. The adjusted mortality-rate ratio for the most polluted of the cities as compared with the least polluted was 1.26 (95 percent confidence interval, 1.08 to 1.47). Air pollution was positively associated with death from lung cancer and cardiopulmonary disease but not with death from other causes considered together. Mortality was most strongly associated with air pollution with fine particulates, including sulfates.

Conclusions. Although the effects of other, unmeasured risk factors cannot be excluded with certainty, these results suggest that fine-particulate air pollution, or a more complex pollution mixture associated with fine particulate matter, contributes to excess mortality in certain U.S. cities. (N Engl J Med 1993;329:1753-9)

SEVERAL cross-sectional investigations have found associations between mortality rates and particulate air pollution in U.S. metropolitan areas.¹⁻³ A recent study reported associations between infant mortality and particulate air pollution in the Czech Republic.⁴ These studies have often been criticized because they did not control directly for cigarette smoking or other covariates. Recent daily time-series studies, which are likely to be free of confounding by individual characteristics, have reported associations between daily mortality rates and changes in air pollution,

specifically particulate pollution, in London⁵ and in several cities in the United States.⁶⁻¹²

Particulate air pollution is a mixture of solid particles and liquid droplets that vary in size, composition, and origin. Because only very small particles can be inhaled into the lungs, U.S. national health standards for the quality of ambient air are based on the mass concentration of "inhalable particles," defined to include particles with an aerodynamic diameter of less than 10 μm .¹³ Fine-particulate air pollution includes particles with an aerodynamic diameter equal to or below 2.5 μm . Whereas larger particles are derived chiefly from soil and other crustal materials, fine particles are derived primarily from the combustion of fossil fuels in transportation, manufacturing, and power generation. Fine-particulate pollution typically contains a mixture of particles including soot, acid condensates, and sulfate and nitrate particles. Fine particles are thought to pose a particularly great risk to health because they are more likely to be toxic than larger particles and can be breathed more deeply into the lungs.¹⁴

In this study, a well-characterized cohort of adults participating in the Harvard Six Cities Study of the health effects of air pollution was followed prospectively, beginning in 1974.¹⁵ The objective of this study

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Supported in part by grants (ES-01104 and ES-00002) from the National Institute of Environmental Health Sciences, by cooperative agreements (CR-811650 and CR-818090) with the Environmental Protection Agency, and by a contract (KP-1001) with the Electric Power Research Institute.

Presented in part at the annual meeting of the American Thoracic Society, San Francisco, May 19, 1992, and at the Aerosols in Medicine Congress of the International Society for Aerosols in Medicine, Garmisch-Partenkirchen, Germany, April 1, 1993.

was to estimate the effects of air pollution on mortality, with control for individual smoking status, sex, age, and other risk factors.

METHODS

Study Population

We selected random samples of adults from six communities¹⁵: Watertown, Massachusetts (where study enrollment was conducted in 1974); Harriman, Tennessee, including Kingston (1975); specific census tracts of St. Louis (1975); Steubenville, Ohio (1976); Portage, Wisconsin, including Wyncota and Pardecville (1976); and Topeka, Kansas (1977). The sample was restricted to the 8111 white subjects who were 25 through 74 years of age at enrollment, had undergone spirometric testing, and had completed a standardized questionnaire. The questionnaire included questions about age, sex, weight, height, education level, complete smoking history, occupational exposures, and medical history.

Informational letters and postage-paid return postcards including a question on vital status were mailed to the subjects annually. The vital status of the subjects who did not respond was determined by questioning family members, friends, or neighbors. In addition, we searched the National Death Index¹⁶ for the years 1979 through 1989. Death certificates were obtained for 1401 of the 1430 subjects who had died (98 percent); the causes of death were coded according to the *International Classification of Diseases, 9th Revision* (ICD-9) by an independent certified nosologist who was blinded both to pollution levels and to the study design and objectives. The ending date of the study for each city was March or June of 1991, depending on the date of the last follow-up contact; the total duration of follow-up was 14 to 16 years (111,076 person-years).

For subjects who died, survival times were calculated by subtracting the date of enrollment from the exact date of death. For surviving participants who were not lost to follow-up, censored survival times were defined as the date of the end of the study minus the enrollment date. For those who were lost to follow-up before the period covered by our National Death Index search (i.e., before 1979), censored survival times were estimated by subtracting the enrollment date either from the date of the last follow-up contact plus six months or from the first day of the National Death Index search period (January 1, 1979), whichever came first. For those who were lost to follow-up after the National Death Index search period (i.e., after 1989), censored survival times were estimated by subtracting the enrollment date either from the date of the last follow-up contact plus six months or from the last day of the study period, whichever came first. For those who were lost to follow-up during the period covered by the National Death Index search, the censored survival times were estimated by subtracting the date of enrollment from the last date in the search period (December 31, 1989).

Air-Pollution Data

As part of the original study design, ambient (outdoor) concentrations of total suspended particulate matter, sulfur dioxide, ozone, and suspended sulfates were measured in each community at a centrally located air-monitoring station.¹⁷ Size-selective aerosol samplers were placed at these sites in the late 1970s; data were collected for two classes of particles: fine particles (aerodynamic diameter $<2.5 \mu\text{m}$) and inhalable particles (aerodynamic diameter, $<15 \mu\text{m}$ before 1984 and $<10 \mu\text{m}$ starting in 1984). In the mid-1980s, supplemental 24-hour integrated sampling of aerosol acidity by the measurement of hydrogen ion concentrations¹⁷ was conducted for approximately one year in each city. Mean pollution levels for each pollutant were calculated for periods that were consistent and comparable among the six cities.

Statistical Analysis

Life-table survival probabilities for each year of follow-up were estimated for each city, and differences between city-specific mortality rates were assessed with a log-rank test.¹⁸ We estimated adjusted mortality-rate ratios for air pollution by simultaneously adjusting

for other risk factors in Cox proportional-hazards regression models.^{19,22} In these models the subjects were stratified according to sex and five-year age groups, and each sex-age group had its own baseline hazard. Each model also included indicator variables for current or former smokers, the number of pack-years of smoking (evaluated separately for current and former smokers), an indicator variable for less than a high-school education, and body-mass index (defined as the weight in kilograms divided by the square of the height in meters).

Two approaches were used to evaluate the effects of air pollution in the Cox proportional-hazards models. First, indicator variables for the city of residence were included, with Portage, Wisconsin, the city with the lowest levels of particulate air pollution, as the reference category. Adjusted mortality-rate ratios for each of the six cities were then compared graphically with the mean pollution levels in those cities. Next, adjusted mortality-rate ratios were estimated by including city-specific pollution levels directly in the Cox proportional-hazards models. Adjusted rate ratios were calculated and reported for a difference in air pollution equal to that between the city with the highest levels of air pollution and the city with the lowest levels—that is, the adjusted rate ratios across the range of exposure for each pollutant among the six cities.

Analyses were conducted to evaluate the robustness of the models and the possibility of residual confounding. Models were estimated after the data were separated according to the subjects' smoking status, sex, and occupational exposure to dust, gases, or fumes. The effect of the inclusion of different covariates on the estimated effect of pollution was evaluated. Models were also estimated after the exclusion of subjects who had been treated for high blood pressure within 10 years of enrollment in the study and subjects who had ever been told by a doctor that they had diabetes, had glucose in their urine, or had too much glucose in their blood. We also used a variety of approaches to estimate censored survival times.

Mortality-rate ratios from the Cox proportional-hazards models (with adjustment for cigarette smoking, education, and body-mass index) were estimated separately for the following cause-of-death categories: cardiopulmonary (ICD-9 codes 400 through 440 and 485 through 496), lung cancer (162), and all others. For each cause-of-death category, data on subjects whose deaths were not in that specific category were censored at the time of death.

RESULTS

Characteristics of the Cohort and Air-Pollution Data

The characteristics of the cohort and the values for air-pollution measures are summarized in Table 1. For all measures of air pollution except the ozone level and aerosol acidity, ambient concentrations were highest in Steubenville and lowest in Portage or Topeka. The mean acidity of the aerosol was highest in Harriman, but second-highest in Steubenville. The mean ozone concentrations were highest in Portage and Topeka. The concentrations of total particles declined during the study period, especially in Steubenville and St. Louis; the annual average concentrations of fine and sulfate particles varied relatively little during the study period (Fig. 1). Crude mortality rates (Table 1) and survival curves (Fig. 2) both show that mortality was highest in Steubenville and St. Louis and lowest in Portage and Topeka. Differences in the probability of survival among the cities were statistically significant ($P < 0.001$).

Adjusted Mortality Rates

On the basis of the proportional-hazards model, mortality was most strongly associated with cigarette smoking (Table 2). Increased mortality was also associated with having less than a high-school education.

Table 1. Characteristics of the Study Population and Mean Air-Pollution Levels in Six Cities.*

CHARACTERISTIC	PORTAGE, WIS.	TOPEKA, KAN.	WATERLOO, IOWA	HARDEMAN, TEX.	ST. LOUIS, MO.	SPRINGFIELD, ILL.
No. of participants	1,631	1,239	1,336	1,258	1,296	1,351
Person-years of follow-up	21,618	16,111	19,882	17,836	17,715	17,914
No. of deaths	252	156	248	222	281	291
Deaths/1000 person-years	10.73	9.68	2.47	12.45	15.86	16.24
Female sex (%)	52	56	56	54	55	56
Smokers (%)	36	33	40	37	35	35
Former smokers (%)	24	25	25	21	24	23
Average pack-years of smoking						
Current smokers	24.0	25.6	25.2	24.5	30.9	28.0
Former smokers	18.0	19.7	21.8	21.1	22.0	25.0
Less than high-school education (%)	25	12	22	35	45	30
Average age (yr)	48.4	47.2	48.5	49.4	51.8	51.5
Average body-mass index	26.3	25.3	25.5	25.1	26.0	26.4
Job exposure to dust or fumes (%)	53	28	38	50	40	48
Total particles ($\mu\text{g}/\text{m}^3$)	34.1	56.6	49.2	49.4	72.5	89.9
Inhalable particles ($\mu\text{g}/\text{m}^3$)	18.2	26.4	24.2	32.5	31.4	46.5
Fine particles ($\mu\text{g}/\text{m}^3$)	11.0	12.5	14.9	20.8	19.0	29.6
Sulfate particles ($\mu\text{g}/\text{m}^3$)	5.3	4.8	6.5	8.1	8.1	12.8
Aerosol acidity (nmol/m^3)	10.5	11.6	20.3	36.1	10.3	21.2
Sulfur dioxide (ppb)	4.2	1.6	9.3	4.8	14.1	24.0
Nitrogen dioxide (ppb)	6.1	10.6	18.1	14.1	19.7	21.9
Ozone (ppb)	28.0	27.6	19.7	20.7	20.9	22.3

*Air-pollution values were measured in the following years: total particles, sulfur dioxide, nitrogen dioxide, and ozone, 1977 through 1985; inhalable and fine particles, 1979 through 1985; sulfate particles, 1979 through 1984; and aerosol acidity, 1985 through 1988.

tion and with increased body-mass index (the latter was especially true for women). After simultaneous adjustment for these other risk factors, the differences in mortality among the six cities remained significant.

City-specific mortality rates, adjusted for a variety of health risk factors, were associated with the average levels of air pollutants in the cities (Fig. 3). The small differences in ozone levels among the cities (Table 1) limited the power of the study to detect associations between mortality and ozone levels. Mortality was more strongly associated with the levels of inhalable, fine, and sulfate particles than with the levels of total suspended particles, the sulfur dioxide levels, the nitrogen dioxide levels, or the acidity of the aerosol.

When the mean concentrations of each pollutant were included individually in the proportional-hazards model, we found significant associations between mortality and inhalable, fine, or sulfate particles ($P < 0.005$). For a difference in the air-pollution level equal to that between the most polluted city and the least polluted city and with inhalable particles (range, 18.2 to 46.5 μg per cubic meter), fine particles (range, 11.0 to 29.6 μg per cubic meter), and sulfate particles (range, 4.8 to 12.8 μg per cubic meter) used as indicators of air pollution, the adjusted rate ratios were nearly equal at 1.27 (95 percent confidence interval, 1.08 to 1.48), 1.26 (95 percent confidence interval,

1.08 to 1.47), and 1.26 (95 percent confidence interval, 1.08 to 1.47), respectively.

Sensitivity

Estimates of the association between mortality and fine-particle pollution among subjects with different smoking status and among men and women (Table 3) showed only small and nonsignificant differences between subgroups. Associations with air pollution were somewhat stronger among subjects with occupational exposure to dust, gases, or fumes (Table 3). However, positive associations between mortality and air-pollution levels were observed in all subgroups defined by occupational exposure and sex, and differences among the subgroups were not statistically significant.

Although cigarette smoking and other risk factors were associated with mortality, our estimates of pollution-related mortality were not significantly affected by the inclusion or exclusion of these variables in the models (Table 4). The estimated association of air pollution and mortality was unchanged when subjects who had been treated for high blood pressure or subjects with diabetes were excluded from the analysis (Table 4). When censored survival times were recalculated as the date of the last follow-up contact minus the enrollment date, or when the analysis was restricted to data on deaths in 1979 through 1989 (the years of the National Death Index searches), no appreciable differences in the estimated association between air pollution and mortality were observed.

Causes of Death

The estimated effects of air pollution on mortality varied among causes of death (Table 5). For comparison, rate ratios were estimated for current smokers and for former smokers with approximately the average number of pack-years of smoking at enrollment (Table 5). Smoking was most strongly associated with mortality due to lung cancer, significantly associated with mortality due to cardiopulmonary disease, but not associated with mortality from all other causes. Similarly, air pollution was positively associated with mortality due to lung cancer and cardiopulmonary disease but not with mortality from all other causes. Only 98 deaths were coded on the death certificates as due to nonmalignant respiratory disease (ICD-9 codes 485 through 496), as compared with 646 deaths due to cardiovascular disease (codes 400 through 440). An analysis restricted to deaths from nonmalignant respi-

ratory disease produced unstable and statistically nonsignificant estimates of the association with air pollution. When mortality from all causes was considered, or when deaths due to cardiovascular and respiratory diseases were grouped together, the effects of air pollution were consistent and the association was robust.

DISCUSSION

In this prospective cohort study, the mortality rate, adjusted for other health risk factors, was associated with the level of air pollution. Mortality was more strongly associated with the levels of fine, inhalable,

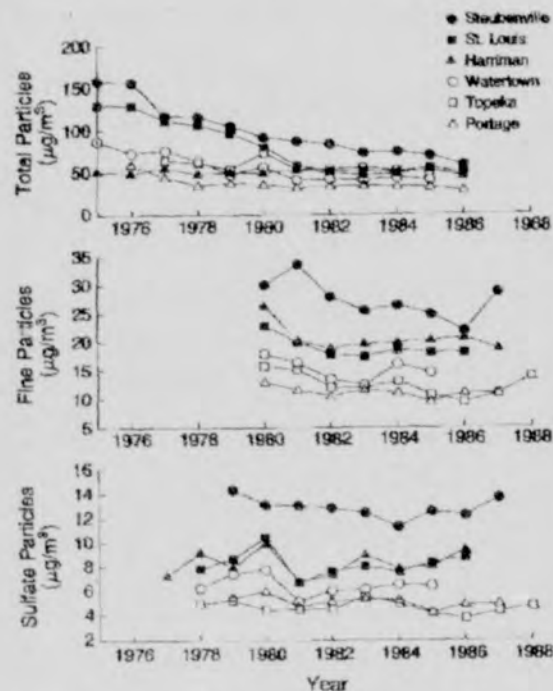


Figure 1. Annual Average Concentrations of Total Particles, Fine Particles, and Sulfate Particles in the Six Cities.

and sulfate particles than with the levels of total particulate pollution, aerosol acidity, sulfur dioxide, or nitrogen dioxide. As with all other epidemiologic studies, it is possible that the observed association was due to confounding — that is, that it resulted from a risk factor that was correlated with both exposure and mortality. Potential confounders of the effects of air pollution include cigarette smoking and occupational exposure to pollutants. In our study, however, the association of air pollution with mortality was observed even after we directly controlled for individual differences in other risk factors, including age, sex, cigarette smoking, education level, body-mass index, and occupational exposure.

The estimated effect of air pollution on mortality was not altered by the inclusion or exclusion of indica-

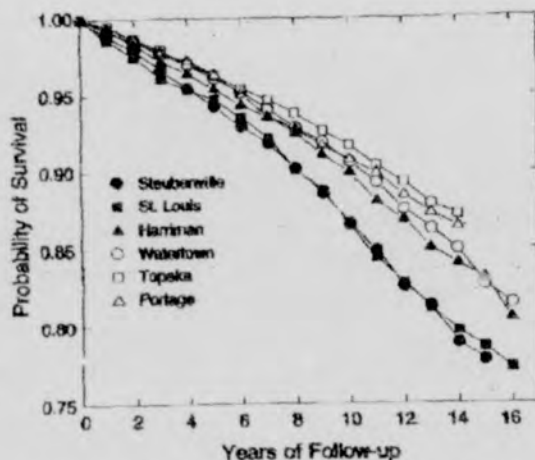


Figure 2. Crude Probability of Survival in the Six Cities, According to Years of Follow-up.

tor variables for other risk factors in our models. Analyses were conducted for subgroups defined according to sex, smoking status, and occupational exposure. Although the effects of pollution were somewhat stronger among subjects occupationally exposed to dust, gases, or fumes, positive associations between mortality and air pollution were observed among all the smoking-status, occupational-exposure, and sex groups, and the differences among these subgroups were not statistically significant. The estimated association of pollution and mortality remained essentially unchanged when subjects who had been treated for high blood pressure or who had diabetes were excluded from the analysis.

In our analysis, the mortality-rate ratios have been expressed in terms of the range of exposure to air pollutants in the six cities. When the range of expo-

Table 2. Adjusted Mortality-Rate Ratios Estimated from Cox Proportional-Hazards Models.*

VARIABLE	ALL SUBJECTS	Men	Women
		rate ratio (95% CI)	
Current smoker	1.59 (1.31–1.92)	1.75 (1.32–2.32)	1.54 (1.16–2.04)
25 Pack-years of smoking	1.26 (1.16–1.38)	1.25 (1.12–1.39)	1.18 (1.00–1.41)
Former smoker	1.20 (1.01–1.43)	1.17 (0.93–1.48)	1.34 (1.02–1.77)
10 Pack-years of smoking	1.15 (1.06–1.23)	1.16 (1.09–1.25)	1.15 (0.97–1.36)
Less than high-school education	1.19 (1.06–1.33)	1.22 (1.06–1.41)	1.13 (0.95–1.35)
Body-mass index	1.08 (1.02–1.14)	1.03 (0.95–1.12)	1.11 (1.03–1.20)
City			
Portage, Wis.†	1.00 (—)	1.00 (—)	1.00 (—)
Topeka, Kans.	1.01 (0.82–1.24)	1.04 (0.79–1.36)	0.97 (0.71–1.34)
Hamman, Tex.	1.17 (0.97–1.41)	1.21 (0.96–1.54)	1.07 (0.79–1.45)
Watertown, Mass.	1.07 (0.89–1.28)	0.94 (0.73–1.20)	1.22 (0.93–1.61)
St. Louis	1.14 (0.96–1.36)	1.15 (0.91–1.44)	1.13 (0.86–1.50)
Steubenville, Ohio	1.26 (1.06–1.50)	1.29 (1.05–1.62)	1.23 (0.93–1.61)

*Rates have been adjusted for age, sex, and all other variables listed in the table. The rate ratios for body-mass index are for an increase of 4.52 (1 SD). CI denotes confidence interval.

†City-specific rate ratios are all expressed in relation to Portage.

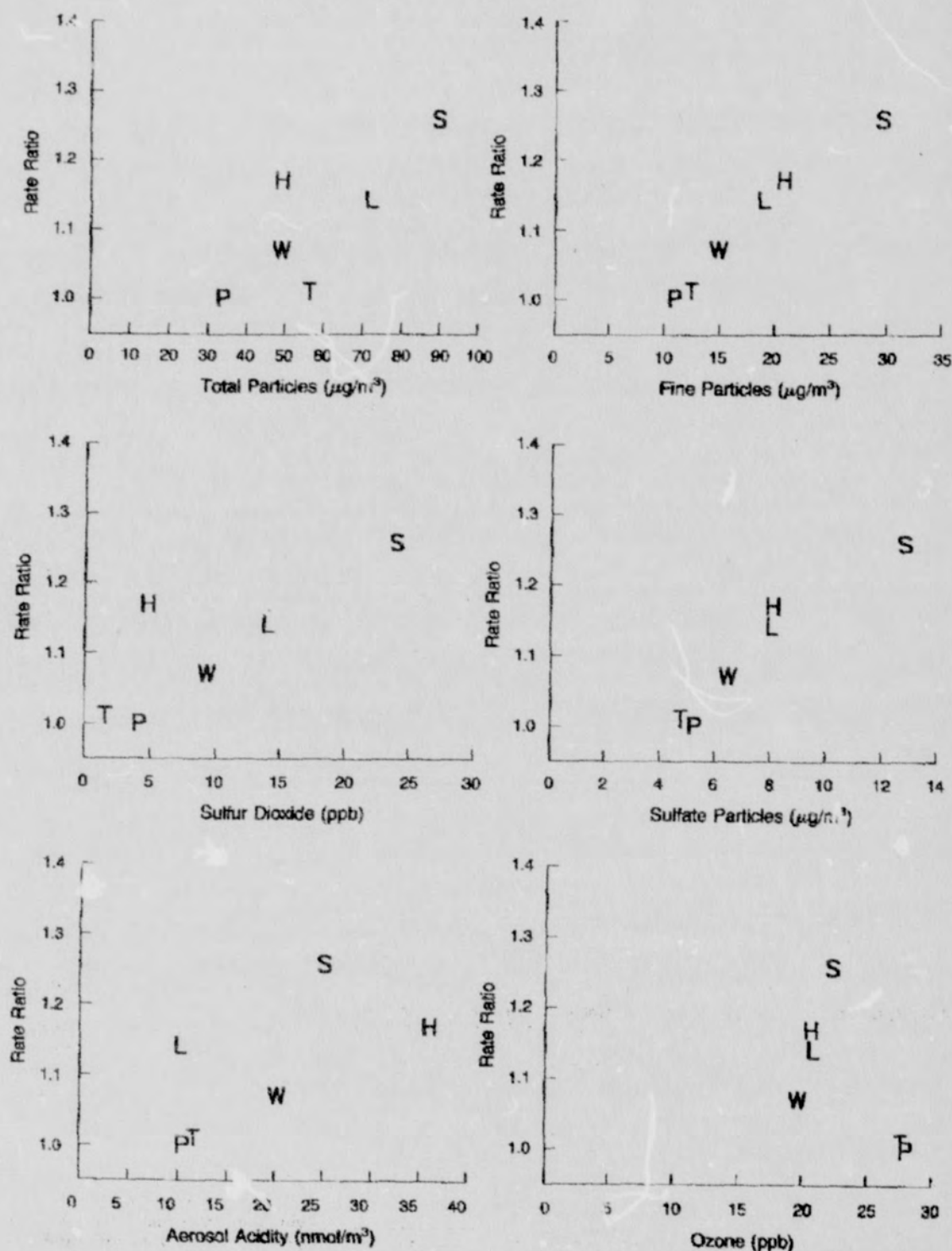


Figure 3. Estimated Adjusted Mortality-Rate Ratios and Pollution Levels in the Six Cities. Mean values are shown for the measures of air pollution. P denotes Portage, Wisconsin; T Topeka, Kansas; W Watertown, Massachusetts; L St. Louis; H Hamman, Tennessee; and S Steubenville, Ohio.

Table 3. Adjusted Mortality-Rate Ratios for the Most Polluted and Least Polluted Cities Studied, According to Smoking Status, Sex, and Occupational Exposure, with Fine Particles Used as the Indicator of Air Pollution.*

GROUP OF SUBJECTS	NO. OF SUBJECTS	NO. OF DEATHS	RATE RATIO (95% CI)†
All	8096	1429	1.26 (1.08–1.47)
Nonsmokers	3266	431	1.19 (0.90–1.57)
Women	2280	292	1.15 (0.82–1.62)
Men	986	139	1.29 (0.80–2.09)
Former smokers	1934	432	1.35 (1.02–1.77)
Women	670	106	1.48 (0.82–2.68)
Men	1264	326	1.31 (0.96–1.80)
Current smokers	2896	566	1.32 (1.04–1.68)
Women	1478	201	1.23 (0.83–1.83)
Men	1418	365	1.42 (1.05–1.92)
No occupational exposure‡	4455	686	1.17 (0.93–1.47)
Women	3151	417	1.13 (0.85–1.50)
Men	1304	269	1.27 (0.85–1.92)
Occupational exposure‡	3641	743	1.35 (1.10–1.65)
Women	1277	182	1.32 (0.86–1.80)
Men	2364	561	1.35 (1.07–1.69)

*The city with the highest level of fine-particulate air pollution was Steubenville, Ohio, and that with the lowest was Portage, Wisconsin. Rates have been adjusted for age, sex, smoking, education, and body-mass index. Fifteen subjects were excluded because of missing data on weight.

†CI denotes confidence interval.

‡To gases, fumes, or dust.

Table 4. Estimated Mortality-Rate Ratios for the Most Polluted City as Compared with the Least Polluted City, with Fine Particles Used as the Indicator of Air Pollution, in Selected Models.*

MODEL NO.	VARIABLE INCLUDED	RATE RATIO (95% CI)†
1	Fine particles	1.31 (1.13–1.52)
2	Model 1 + all smoking variables	1.29 (1.11–1.49)
3	Model 2 + high-school education	1.26 (1.08–1.47)
4	Model 3 + body-mass index	1.26 (1.08–1.47)
5	Model 4 + occupational exposure	1.26 (1.08–1.46)
6	Model 5, excluding 1439 subjects with hypertension	1.25 (1.04–1.50)
7	Model 5, excluding 561 subjects with diabetes	1.29 (1.09–1.52)

*The city with the highest level of fine-particulate air pollution was Steubenville, Ohio, and that with the lowest was Portage, Wisconsin. In addition to the variable specified, rates have been adjusted for age and sex.

†Subjects with hypertension were those who had been treated for high blood pressure within 10 years before enrollment; subjects with diabetes were those who had ever been told by a doctor that they had diabetes, had glucose in their urine, or had two starch glucose in their blood.

CI denotes confidence interval.

Table 5. Adjusted Mortality-Rate Ratios for Current and Former Cigarette Smokers and for the Most Polluted City as Compared with the Least Polluted, According to Cause of Death.*

CAUSE OF DEATH	PERCENTAGE OF TOTAL	CURRENT SMOKERS†	FORMER SMOKERS†	MOST VS. LEAST POLLUTED CITY
		rate ratio (95% CI)		
All	100	2.00 (1.51–2.65)	1.39 (1.10–1.75)	1.26 (1.08–1.47)
Lung cancer	8.4	8.00 (2.97–21.6)	2.54 (0.90–7.18)	1.37 (0.81–2.31)
Cardiopulmonary disease	53.1	2.80 (1.55–3.41)	1.52 (1.10–2.10)	1.37 (1.11–1.68)
All others	38.5	1.46 (0.89–2.39)	1.17 (0.80–1.73)	1.01 (0.79–1.30)

*The city with the highest level of air pollution (indicated by the level of fine particles) was Steubenville, Ohio, and that with the lowest was Portage, Wisconsin. CI denotes confidence interval. Rates have been adjusted for age, sex, smoking, education, and body-mass index.

†The risk of death for a current smoker with approximately the average number of pack-years of smoking at enrollment (25 pack-years), as compared with that for a nonsmoker.

‡The risk of death for a former smoker with approximately the average number of pack-years of smoking at enrollment (25 pack-years), as compared with that for a nonsmoker.

sure was used, the estimated relative rate ratios for inhalable, fine, and sulfate particles were nearly equal at 1.27 (95 percent confidence interval, 1.08 to 1.48), 1.26 (95 percent confidence interval, 1.08 to 1.47), and 1.26 (95 percent confidence interval, 1.08 to 1.47), respectively. Because the six cities were selected as representative of the range of particulate air pollution in the United States, these rate ratios roughly represent the relative risk associated with that range.

In this study, exposure to air pollution was estimated by monitoring outdoor air pollution at a central site in each of the six cities. Long-term transport and large-scale mixing of combustion products play a large part in establishing the levels of sulfate and fine-particulate air pollution. Therefore, concentrations of sulfates and fine particles are relatively uniform within each of these communities.²³ Furthermore, sulfate and fine-particulate air pollution penetrates indoors, resulting in strong correlations between indoor and outdoor concentrations.^{24–26} Thus, measurements of the outdoor concentrations of sulfate and fine particles may be better indicators of individual exposure than the other pollutants we considered.

The associations observed in this study between air pollution and mortality are consistent with associations observed in recent time-series studies, including studies from three of these six cities.^{5–12} Because the daily time-series studies evaluated only the effect of short-term changes in pollution levels, whereas our study evaluated associations with long-term exposure (including recurring episodes of relatively high pollution), quantitative comparisons with these investigations are difficult to make. Nevertheless, as was found in the time-series studies, particulate air pollution was associated with death due to cardiopulmonary causes. In our study, in which we evaluated the effects of long-term exposure, lung cancer was associated with particulate air pollution; such an association with lung cancer was not observed in the daily time-series studies. Little or no association with other causes of death was evident in our study or the time-series studies. The small number of reported deaths due to nonmalignant respiratory disease and the potential for misclassification of primary causes inherent in the use of death-certificate data limited our ability to evaluate cause-specific mortality in more detail.

The pollution concentrations used in our analysis represent only exposures monitored during the study period. Increased mortality, however, may reflect the cumulative burden of a lifetime of exposure. Concentrations of total particles clearly declined during the study period (especially in Steubenville and St. Louis), whereas concentrations of fine particles and sulfate particles were relatively stable. Given the lack of data on pollution levels before the study period and in view of the fact that the relative

ranking of the cities in terms of air-pollution levels did not change during the study period, it is not possible to differentiate the influences of historical exposure from those of recent exposure. The observed association between mortality and mean exposure to fine-particulate and sulfate air pollution during the study period may also partially reflect exposure to air pollution before the study period.

The strength of the observed association between air pollution and mortality is confirmed by previous observations of associations between particulate air pollution and other health end points. Elevated levels of particulate air pollution have been associated with declines in lung function or with increases in respiratory symptoms such as cough, shortness of breath, wheezing, and asthma attacks.²⁷⁻³⁶ Other studies have found associations between particulate air pollution and rates of hospitalization,³⁷⁻⁴¹ chronic obstructive pulmonary disease,⁴² and restricted activity due to illness.^{43,44}

A large and growing body of literature documents the adverse health effects associated with particulate air pollution. Although the effects of unmeasured risk factors cannot be controlled for, in this prospective cohort study we observed significant effects of air pollution on mortality even when we controlled for sex, age, smoking status, education level, and occupational exposure to dust, gases, and fumes. The compatibility of the effects of air pollution on mortality in this study with those observed in population-based cross-sectional studies and daily time-series studies provides further evidence for the conclusion that exposure to air pollution contributes to excess mortality. This study, therefore, provides additional impetus to the development of strategies to reduce urban air pollution.

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March 20, 1997

The study found that in adults with asthma, brief exposure to a low level of nitrogen dioxide (NO₂), followed several hours later by inhaling pollen, increased the chances of an asthmatic reaction as measured by subjects' decreased lung function.

The researchers, from Huddinge University Hospital in Huddinge, Sweden, report their findings in the March issue of the *American Journal of Respiratory and Critical Care Medicine*®, published by the American Lung Association.(1)

"This study shows that nitrogen dioxide is another air pollutant that seems to increase the respiratory tract's sensitivity to allergens, which has been shown previously with the pollutant ozone," said Thomas J. Godar, M.D., past president of the American Lung Association and a pulmonologist at St. Francis Hospital and Medical Center in Hartford, CT.

Several previously published studies have suggested an association between emergency visits and hospital admissions for asthma and increased levels of NO₂ and other air pollutants, according to the study researchers.

Nitrogen dioxide is an odorless, colorless gas that is produced when fuel is burned. NO₂ irritates the mucous membranes in the eye, nose and throat and causes shortness of breath after exposure to high concentrations. Prolonged exposure to high levels of this gas can damage respiratory tissue and may lead to chronic bronchitis. Motor vehicles are a major source of outdoor NO₂, and gas appliances can cause a buildup of the gas indoors in a poorly ventilated area.

The new study included adults with mild seasonal asthma and allergy to pollen. The subjects were exposed to either filtered air or low levels of NO₂ for 30 minutes on two separate days. The subjects then inhaled pollen four hours after the nitrogen dioxide or air exposure, and their lung function was measured throughout the day.

The researchers found that the 10 mild asthmatics who inhaled NO₂ and pollen had a greater asthmatic reaction 3 to 9 hours later, compared with those who breathed in air and pollen.

To avoid a buildup of NO₂ in the kitchen, the American Lung Association recommends having a certified technician inspect your gas appliances at least once a year, and fitting them with hood fans that exhaust outside, and using the fan or opening a window while using them. To minimize your risk of breathing in NO₂ and other air pollutants, the American Lung Association recommends that runners avoid main thoroughfares to avoid NO₂ exposure; pollution levels can be high up to 50 feet from the roadway.

An estimated 14.6 million Americans suffer from asthma, 4.8 million of them under age 18. For more information about asthma, contact your local American Lung Association at 1-800-LUNG-USA (1-800-586-4872).

The American Journal of Respiratory and Critical Care Medicine®, formerly *The American Review of Respiratory Disease®* is one of two official journals published by the American Lung Association through its medical section, the American Thoracic Society. Its purpose is to provide pulmonary physicians and researchers with state-of-the-art information on the causes and treatment of lung disease. A second journal, *The Journal of Respiratory Cell and Molecular Biology®*, covers basic pulmonary research. The American Lung Association fights lung disease. Its programs of education, community service, research and advocacy are supported by donations to Christmas Seals® and by other voluntary contributions. Founded in 1904 to combat tuberculosis, the American Lung Association is the oldest voluntary health agency in the United States.

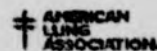
(1) "Nitrogen Dioxide Exposure Enhances Asthmatic Reaction to Inhaled Allergen in Subjects with Asthma." V. Strand, S. Rak, M. Svartengren, G. Bylin. *Am J Respir Crit Care Med* 1997;155:881-887.

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For more information on lung health, programs, and special events, call your local American Lung Association at 1-800-LUNG-USA.

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American Lung Association Fact Sheet - Outdoor Air Pollution

Air pollution contributes to lung disease, including respiratory tract infections, asthma, and lung cancer. Lung disease claims more than 300,000 lives in America every year and is the third-leading cause of death in the United States. Over the last decade, the death rate for lung disease has risen faster than that of any of the top leading causes of death. Tens of millions of Americans live in areas not meeting at least one federal air quality standard. The health costs of air pollution are estimated to be \$50 billion each year.

- Exposure to ozone levels at or even well below the current health-based air quality standard can produce significant decreases in lung function, inflammation of the lung lining and respiratory discomfort.
- A 1993 American Lung Association analysis estimates that 154,056 children, less than 18 years of age, with asthma are potentially at risk of suffering an asthma attack or other serious health effects because the areas in which they reside do not meet the Environmental Protection Agency's standards for sulfur dioxide emissions.
- More than 280,000 adults with asthma are potentially at risk of suffering an asthma attack or other serious health effects because the areas in which they reside do not meet the Environmental Protection Agency's standards on sulfur dioxide emissions.
- A 1995 American Lung Association report identified that exposure to unhealthy levels of ozone air pollution at levels below the current national air quality standard puts 1.9 million children, less than 18 years of age, with asthma at risk from suffering adverse health effects (based on the 0.08 ppm eight hour average ozone level.)
- Recent studies suggest that the number of adults in the United States aged 65 and over who risk suffering adverse health effects due to ozone pollution at levels below the current national air quality standard is 18.5 million.
- Particulate matter air pollution (PM 10), a complex and varying mixture of substances that includes carbon-based particles, dust, and acid aerosols, is associated with higher death rates. In a 1994 report, the American Lung Association estimated that 91 million Americans were potentially at risk for exposure to particulate matter air pollution (PM 10) by living in areas in which there is a health hazard but are not protected by the current federal standard for particulate matter.
- Transportation sources are responsible for 55.8 percent of outdoor air

pollution. That includes 77.3 percent of the total carbon monoxide, 44.5 percent of the oxides of nitrogen, 3.3 percent of the sulfur oxides, 35.6 percent of volatile organic compounds (VOCs), and 26.3 percent of particulate matter (less than 10 microns), and 26.6 percent of lead emitted into the air.

- From 1984 to 1993, lead emission fell by 80 percent, due essentially to the switch to unleaded gasoline. During the same period, decreases were seen in emissions of other pollutants, including volatile organic compounds (VOCs) (9 percent), carbon monoxide (37 percent), and sulfur dioxide (6 percent). However, emissions of oxides of nitrogen increased by 1 percent during this period.

For more information about outdoor air pollution and lung health, including the following materials, contact the American Lung Association at 1-800-LUNG-USA (1-800-586-4872):

- Air Pollution Tips for Exercisers (Order #0560)
- Car Care and Clean Air (Order #2111)
- Facts About: Air Pollution and Your Health (Order #0172C)
- Facts About: Air Pollution and Exercise (Order #0578)
- Get A Check Up For Your Car (Order #0141--Spanish)
- (Order #2112--English)
- Health Costs of Air Pollution (Order #0691)
- What You Can Do About Air Pollution (Order #0003)

[Back to Environmental Lung Health News](#)

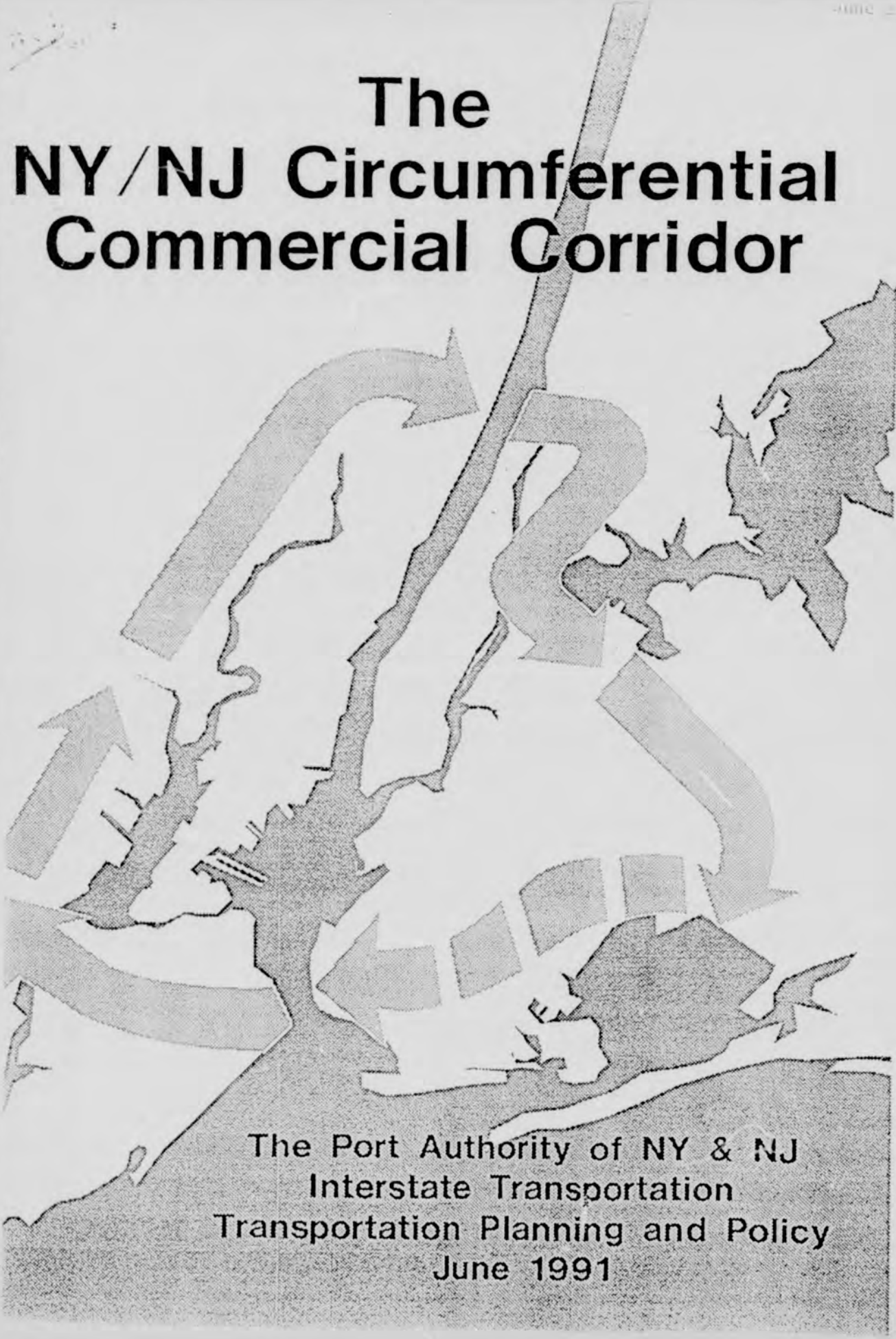
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EXHIBIT G

The Intervenor was unable to secure a copy of exhibit G. It will be submitted in a timely manner for the Board's review.

The NY/NJ Circumferential Commercial Corridor



The Port Authority of NY & NJ
Interstate Transportation
Transportation Planning and Policy
June 1991

Moving Goods in Our Region

The New York/New Jersey metropolitan region historically has been one of the world's great port centers, and has prospered with world trade and associated import/export activities. Statistics from the late 1980s indicate that 15 percent of total U.S. merchandise trade passed through the New York/New Jersey customs district, almost 55 million tons in volume. Looking at U.S. imports alone, the proportion rises to 55 percent.

The movement of freight into and through the New York/New Jersey metropolitan region is a complex operation accounting for more than 700 million tons of freight per year. Approximately 90 percent of this tonnage moves by truck. With its large population and manufacturing base, the New York/New Jersey metropolitan region is significantly more dependent than most other regions on trucking as a goods movement mode.

Major intermodal facilities within the New York/New Jersey metropolitan region include five major marine terminal facilities (including Port Newark/Elizabeth which is larger than all North Atlantic ports combined), three major international airports (including Kennedy, which handled approximately 29 percent of the nation's international cargo), and major rail intermodal facilities, more than any other East Coast port.

Reliability, Connectivity, and Flexibility

These are characteristics chosen to define a regional transportation network designed to address present deficiencies and to achieve and maintain a more competitive position.

A CRITICAL LINKAGES PROVIDING CRITICAL ACCESS

The movement of freight into and through the New York/New Jersey metropolitan region is a complex operation, accounting for more than 700 million tons of freight per year (Exhibit 1), integrating truck, rail, sea, and air movements. More than 90 percent of this cargo (655 million tons/year) is transported by truck, requiring more than 6 million annual (25,000 daily) truck trips throughout the region.

The New York/New Jersey metropolitan region, with its large population and manufacturing base, is significantly more dependent than most other regions on trucking as a goods movement mode. Intermodal connections between port and aviation activities require continued attention to expand and improve flexibility. Specific areas include accessibility and clearance improvements at the Port Newark/Elizabeth and Newark

International Airport complex, and airport access to the region's three major airports (Exhibit 2). Major infrastructure improvements and traffic system management measures for the primary commercial corridors in the region include work on the New Jersey Turnpike, on the George Washington Bridge/Cross Bronx Expressway, on the Van Wyck Expressway, greater connectivity through Brooklyn, and the expansion of the Goethals Bridge.

In the New York/New Jersey metropolitan region, significant resources have been invested in the development of major intermodal facilities including aviation, marine terminal, local rail, and surface transportation networks to provide essential connectivity. As continued regional economic growth has placed increased demands on limited intermodal capacity, individual facilities with competing interests and priorities have been ineffective in responding to the changing requirements of container shipments by port, rail, and truck. Limited financial resources were available for any expansion or improvement of these facilities to meet these emerging needs. The surface transportation network also lacks the needed resources to meet the expanding demands of larger, heavier trucks, while continuing to serve the expanding vehicular market.

Today, increased emphasis is placed on providing the connectivity and flexibility necessary to respond to changing demands in the goods movement industry. A renewed interest is on rehabilitation, opposed to new construction. In New Jersey, increased connectivity between the Port Newark/Elizabeth complex and Newark International Airport is needed to improve traffic flow between the seaport and airport, and to enable greater efficiencies through the separation of truck and vehicular traffic at major interchanges. The rehabilitation of port access roads could provide improved access to existing warehousing and distribution center facilities, and provide capacity for continued growth and expansion. The development of an improved system of rail access and intermodal linkages at Elizabeth Marine Terminal and Port Newark could expand existing on-dock intermodal terminal and eliminate current highway/rail conflicts. Similar intermodal connectivity problems exist in New York, where specialized, low-profile rail equipment is needed for truck intermodal traffic moving to/from the Southern Corridor. Expansion of the Goethals Bridge would address existing/future capacity problems and provide twelve-foot lanes (versus present ten-foot lanes). This expansion would allow today's wider trucks improved access to the Southern Corridor and to Howland Hook and Arlington Yard intermodal facilities. Transportation system management (TSM) measures on major commercial corridors including the Van Wyck Expressway and the Cross Bronx Expressway are needed to further facilitate regional accessibility.

In view of these complex intermodal relationships, regional mobility is further complicated by the geographic location of

large consumer and population centers east of the Hudson River, and goods movement warehousing and break-bulk facilities west of the Hudson River. This geographic dispersion of population and facilities further complicates the delivery of goods to the consumer and population base.

Reliability/Congestion - During peak periods the combined effects of heavy passenger and commercial traffic volumes competing for limited capacity in and around congested urban areas have resulted in increased delays, truck/vehicular incidents, slower travel speeds, queues at toll plazas and heavy merge locations, and overall increased travel time (Exhibit 2). These components contribute to increased air/noise pollution, lower vehicle efficiency/higher fuel consumption, higher accident rates, increased transportation costs, and a less-competitive economic climate.

A recent article in the New York Times concerning the economic expansion of the Port of New York and its competition with the Port of Los Angeles states: "As it competes for more of the world's cargo, New York is hindered . . . especially on the New York side of the port, by traffic that delays trucks heading to and from the waterfront. The hassle factor in the New York/New Jersey metropolitan area is more intensive than in other ports in less-populated areas." The article goes on to discuss the importance of delivery reliability and the increasing importance of "just-in-time" deliveries. "Many businesses around the nation have tightened inventories and this has made faster delivery of goods - 'just-in-time' service - critical in determining how cargo is shipped."

On some critical goods movement linkages (Exhibit 2), such as the Long Island Expressway and the Van Wyck Expressway, truck volumes regularly comprise 15 percent, and sometimes as much as 20 percent, of total traffic. More than 25,000 trucks (northbound/southbound) travel the New Jersey Turnpike daily, and more than 15,000 (eastbound) utilize the George Washington Bridge. A diversion of only 10 percent of truck traffic to rail, ferry, or other modes would significantly improve existing traffic conditions throughout the region, reduce congestion, improve regional air quality, minimize accident potential, and improve connectivity among our regional intermodal facilities.

Connectivity: Regional Intermodal Facilities - Critical intermodal facilities within the New York/New Jersey metropolitan region include five major marine terminal facilities, including Port Newark/Elizabeth, which is larger than all North Atlantic ports combined. The linkages and access to these facilities often are the limiting factors to the realization of their full potential and economic development. Development of a commercial

corridor providing connectivity to these facilities (Exhibit 3) could improve regional transportation conditions as well as provide the needed connectivity to promote regional economic growth and development, and national and international competitiveness. Economic expansion at intermodal facilities, including Newark, Kennedy, and LaGuardia Airports, Red Hook and Howland Hook Marine Terminals, Port Newark/Elizabeth, the Auto Marine Terminal in Jersey City, and several rail yards, including Greenville, Portside, Oak Island, 65th Street, and Arlington, would provide thousands of jobs and millions of dollars in tax revenues. Improved local connectivity also is essential between facilities in close proximity to one other, such as Newark International Airport and the Port Newark/Elizabeth Complex.

Flexibility - A circumferential commercial corridor would provide connectivity throughout the system and among numerous intermodal facilities (See Exhibit 3). A commercial corridor also would provide the needed flexibility for the goods movement industry to evaluate the effectiveness of rail, truck, barge, or a combination of these modes, to best serve their frequently changing needs. For example, with the use of fifty-three-foot trailers becoming more prevalent, there are fewer highways in our region capable of properly handling larger trucks. The use of this larger vehicle limits interstate goods movement by truck to virtually one Hudson River crossing (the George Washington Bridge) connecting to a very limited highway network east of the Hudson. The proposed corridor would provide much needed route flexibility and connectivity for movement through the region.

Intermodal Activities - According to a 1964 Tri-State study, 653,510 rail cars were floated to the east side of the Hudson River in that year, and they moved the majority of the New York destined cargo. In 1989, only 4,600 cars were floated, and direct rail service via Albany, New York handled approximately 24,000 annual carloads, or one train per day. Direct rail service is limited because of clearance and passenger service priorities. Today rail freight users move their goods in intermodal containers or trailers. Rail cars with two containers positioned one atop the other, "double stacks," will not clear the Albany/Oak Point route. Consequently, this intermodal traffic must be routed to New Jersey rail yards and trucked across the Hudson. Even bulk products such as flour, plastic pellets, and lumber are sent in jumbo rail cars to redistribution centers in New Jersey where they are unloaded into smaller quantities for truck deliveries east of the Hudson.

A majority of rail programs to improve service and clearance have been accomplished by New York State DOT in its Full Rail Access Program. The last link in this program is to improve freight service and clearance via the Oak Point Link. Due to construction problems and increased cost, this project has been delayed for over five years.

Demands for consumer goods continue to grow and over 335,000 rail intermodal containers arrived at New Jersey yards in 1989. We estimate 68 percent of the consumer goods in these containers were destined to the 11 million consumers east of the Hudson River.

Without "commercial only" corridors, this truck traffic is moved along interstate/local highways shared with passenger vehicles. As shown in Exhibit 4, in 1989, more than 65 million tons of cargo was transported by truck (eastbound) across the six Port Authority crossings (the George Washington Bridge, the Holland and Lincoln Tunnels, the Goethals Bridge, the Outerbridge Crossing, and the Bayonne Bridge). Cargo handled by truck across these facilities is almost double the combined intermodal freight for air (less than 1 million tons), port (14 million tons), and local rail (approximately 18 million tons) modes.

B. INTERMODAL FACILITIES SERVED BY THE CIRCUMFERENTIAL COMMERCIAL CORRIDOR

As shown in Exhibit 1A, the circumferential commercial corridor would provide needed transportation connectivity among several intermodal facilities within the region. The commercial corridor connects critical intermodal facilities in New York and New Jersey by providing a priority route for commercial traffic. The corridor is highlighted by major routes, including portions of the New Jersey Turnpike and Interstate 95, the Cross Bronx Expressway, the Van Wyck Expressway, and the Staten Island Expressway. The most obvious missing link in the overall system connectivity is the Trans-Brooklyn segment, an integral component of the southern corridor. Several options are discussed which could provide connectivity through this corridor.

The New Jersey Turnpike: North/South Spine - The primary goods movement corridor in New Jersey is the New Jersey Turnpike, which carries more than 25,000 trucks daily. The New Jersey Turnpike provides principal access to the Newark/Elizabeth Air and Marine Cargo Terminals and related intermodal parks, warehousing, and distribution facilities, which in combination represent the largest intermodal facility on the East Coast. Over 80 percent of the New York/New Jersey metropolitan region's ocean-borne cargo is handled at Port Newark/Elizabeth marine terminals, involving over 12 million long tons of general cargo or close to 1 million containers. The New Jersey Turnpike forms the spine of the north/south commercial corridor, providing the principal access to the northern and southern portals of the region.

Transmode Consultants, Inc.

Oak Point Link

Freight Market Potential

Task 1 Report

August 1993

INBOUND: 490 to 1030 per day

- Of the 3694 inbound truckload movements per day examined with the Shipper Cost Model the likely range is between 310 and 750
- Another 180 to 280 inbound moves may be diverted from intermodal west of the Hudson

OUTBOUND: 345 to 605 per day

- Of the 2196 outbound movements, the number of divertable truckload moves amounted to only 175 to 425 per day
- Another 170 to 180 moves per day can be added from intermodal originations east of the river

The amount of this potential traffic that can be diverted short term versus long term will be a function of the sales effort described later.

Maintaining cost competitiveness will be, in part, a function of the level of balance which can be achieved between inbound and outbound movements. Counties within New York City proper had the most pervasive imbalances, averaging only one outbound load for every two observed moving inbound. For the region as a whole the imbalance is better, but one strategy for terminal/network design should be to constrain the number of inbound loads to achieve a reasonable balance of no less than 70 percent loaded returns.

This strategy translates to total inbound movements of between 490 to 860 movements per day. The amount of this potential traffic which can be diverted in the short term versus the long term will be a function of the sales effort to be described later, but we can expect approximately 490 trailers outbound and 860 trailers inbound per day. This translates to 245,000 to 430,000 trailers handled annually both ways.

NEW YORK INTERMODAL STUDY

APPENDIX E

COST/SERVICE ANALYSIS

MAY 1979

REEBIE ASSOCIATES

COMPETITIVE COSTS & SERVICE

INTRODUCTION

The successful implementation of any new product is dependent upon offering potential customers an attractive, competitive cost/service profile. In the context of a New York intermodal service, this requirement translates into the need to provide truck-competitive rates and service standards and to ensure that a more appealing package than can be obtained at existing New Jersey intermodal terminals.

The evaluation of the competitive ability of the new service must also be based on a long run analysis which assumes that all competitors will earn returns sufficient to remain in business and to continue providing the needed level of service in the future.

These requirements result in the use of a full cost approach to the measurement and evaluation of the price competitiveness of the transportation alternatives available to the potential users of the proposed intermodal service. This full cost approach evaluates each mode and alternative on an equivalent and consistent basis, assuming that in the long run their pricing policies must be tied to the costs incurred, including an adequate return on investment capital.

The service comparison is based on elapsed transit time, although this is not the only critical service-related factor. A discussion of the items of greatest importance to shippers is contained in Appendix B, Metropolitan New York Transportation User Survey. As shown in the appendix, transit time was the single most critical service concern of New York shippers and receivers, although it was followed closely by the inter-related factor of transit time reliability. Scheduled transit time is, however, the only widely available measure of service. The development of other factors would require an extensive research effort in all of the separate markets under consideration. Moreover, the diversion analysis conducted during the market research portion of this study (see Appendix C) was framed in terms of transit time as the service criterion.

New York Downstate Rail Freight Study

Summary Report

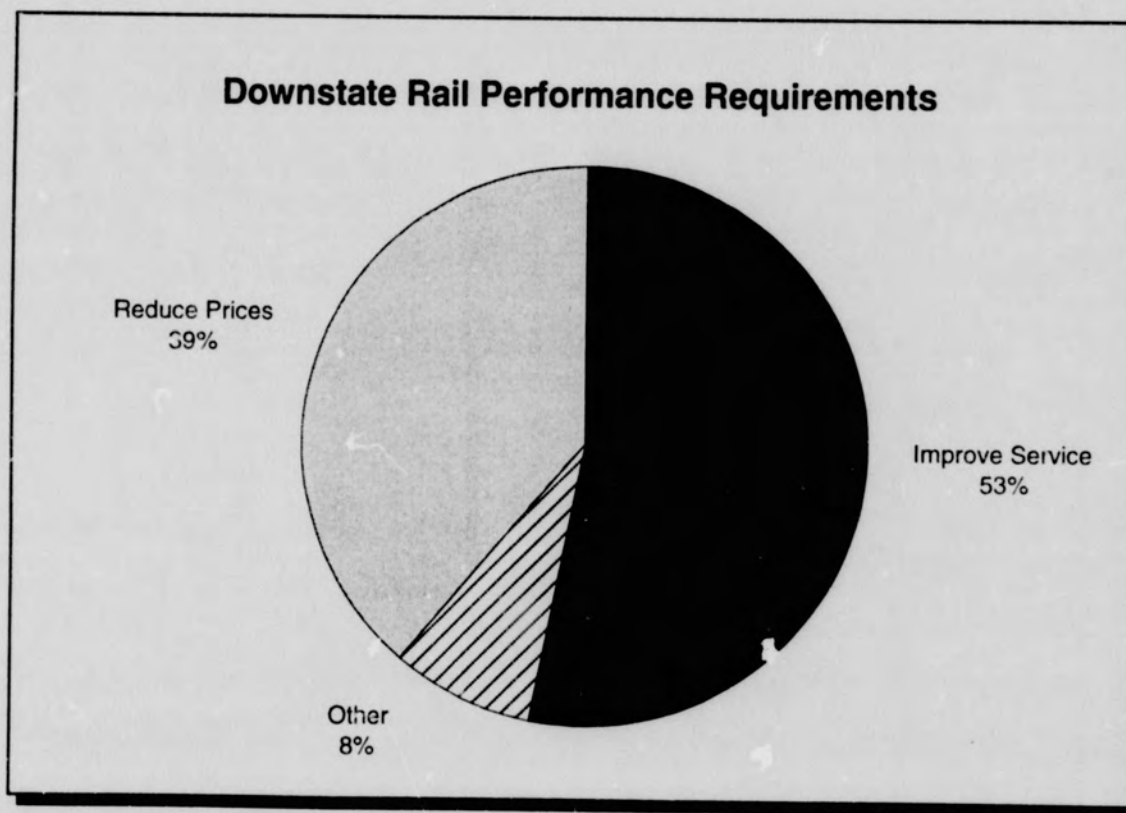
March 1995

Prepared for:
Long Island Rail Road
21-16 Jackson Avenue
Long Island City, NY 11101

Potential Divertible Market

Customers identified better service and lower prices as the key elements for potential diversion of their traffic to the downstate railroads.

Percentage of Survey Responses



Source: Customer surveys.

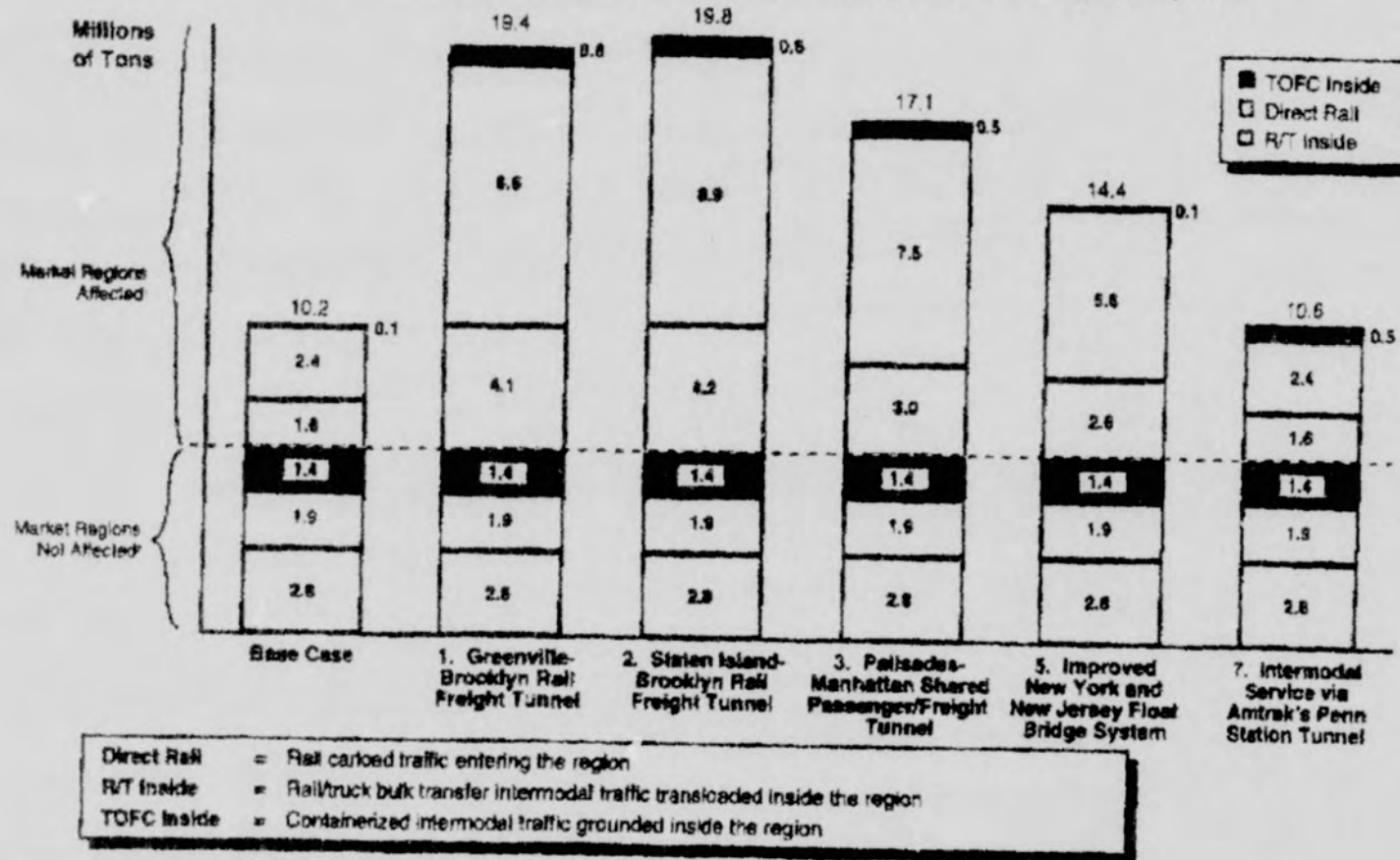
**Intermodal Goods Movement Study:
New York City Rail Freight Access**
Executive Summary

January 1997

Prepared for:
New York City
Economic Development Corporation

Rail mode share and traffic diversion are projected to be greatest for alternatives that offer the most direct rail service across the harbor.

Exhibit XIII-11
Total 2020 Market Size for Traffic Crossing Into the Region by Rail



Affected market regions: Mid-Atlantic, Southeast, Southwest, and Midwest; size is 91.4 million tons in 2020.

Non-affected market regions: West Coast, West Canada, New England, East Canada, and Northern New Jersey; size is 19.3 million tons in 2020.

P3 0091306/051/Transportation/NYC/EDC/NYC/001A.01/Task 3 Report (revised draft) on XIII

Alternative 5. Improved Float Bridge System

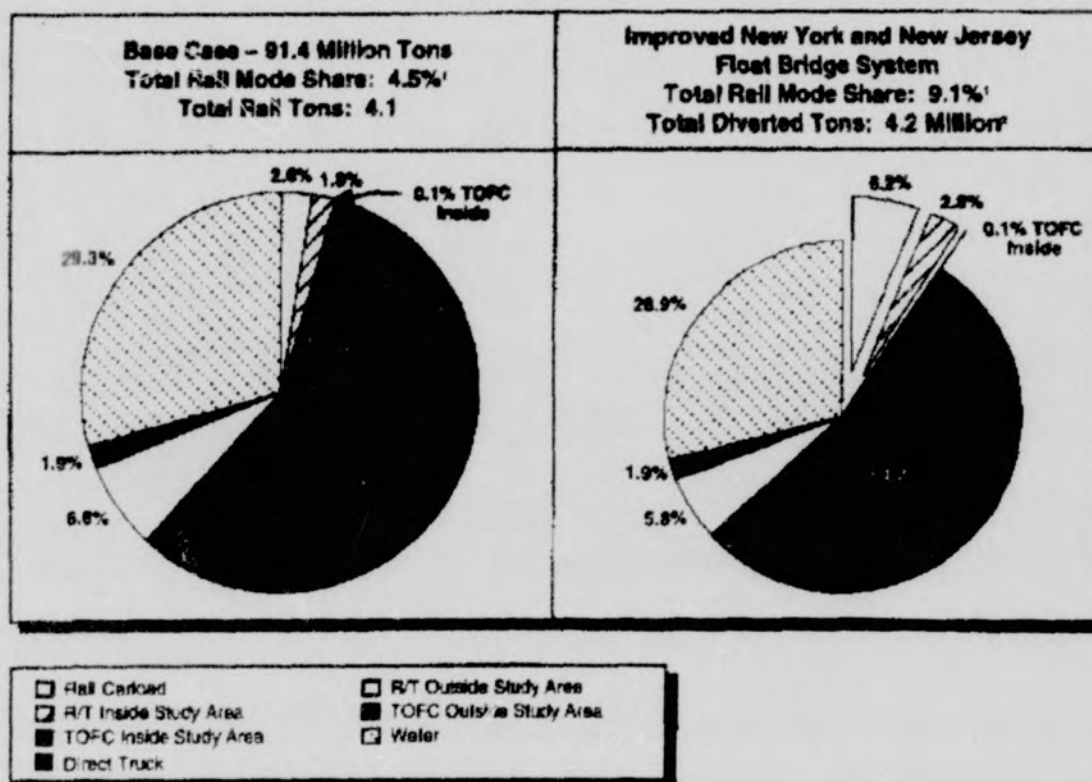
Detailed Inputs, Assumptions, and Findings

- **Travel Times and Costs:** In preparing the freight diversion forecasts for the improved float bridge service, the team focused on services between Greenville Yards in New Jersey and 65th Street Yard in Brooklyn. The team found that such a service, with modern equipment, effective marketing, and improved service levels from connecting carriers, would offer time and cost savings to shippers in Long Island from most of the affected regions for both carload and rail intermodal transport.
- **Reliability:** Due to the number of handlings that would be required for traffic via the float bridge system, the project team assumed that the rail services operated between the affected market regions and the study area would be no more reliable than the status quo baseline condition.
- **Shifting Existing Rail Intermodal Transfer Sites from New Jersey to New York:** Considering the connectivity that would be afforded by the new tunnel, the economics of intermodal transfer, both rail/truck bulk intermodal and containerized (TOFC/COFC) traffic would tend to favor transfer on Long Island. However, since the new service could be perceived as less reliable than baseline operations and because there are economies of scale in the operation of intermodal facilities in New Jersey, it was assumed that only 25 percent of baseline intermodal traffic bound for Long Island would shift its transfer point from New Jersey.
- **Physical Clearance:** In developing the forecasts, it was assumed that vertical and horizontal clearance between Greenville and Brooklyn via the float bridge and would not restrict double stack or other high/wide cargo.
- **Diverted Traffic:** The diversion forecast indicates that with the rail service that could be offered to the study area with the improved float bridge service, the total volume of traffic crossing into the region by rail would grow from 10.2 million tons per year to 14.4 million tons per year (see Exhibit XIII-11).

The improved float bridge service would significantly increase rail traffic to the study area.

Exhibit XIII-18

2020 Total Study Area Forecast of Freight Market by Mode Share



Note: Percentages may not equal 100 percent due to rounding.

¹Total rail mode share includes all freight traffic crossing to/from the study region via Direct Rail carload R/T inside the study area and TOFC/COFC inside the study area from the affected market region.

²Total Diverted Tons = (Improved Float Bridge Total Rail Mode Share - Base Case Total Rail Mode share)

Description of Impact

The projected growth in rail mode shares for the improved float bridge alternative is largely due to growth in direct carload traffic to consignees and warehouses in the study area and to a small shift in intermodal traffic from New Jersey to New York transfer locations.

- Due to the numerous handlings and negligible improvements in reliability, it is unlikely that the services using this route would attract any significant volume of containerized intermodal traffic away from transfer locations in New Jersey.

Exhibit XIII-19

Modes Projected to Gain and Lose Traffic

Modes with Increased Shares	Increased Annual Tons (millions)	Modes with Decreased Shares	Increased Annual Tons (millions)
Direct Rail Cartload	3.0	Direct Truck	-3.0
Rail-Truck Intermodal ¹ Inside	0.9	Rail/Truck Intermodal Outside	-0.9
Water/Rail Intermodal ²	0.3	Water/Truck Intermodal ³	-0.3

Modes losing the most market share to rail modes would be direct truck and rail/truck transload operations with transfers outside the study area.

¹includes both TOFC and Rail/Truck Bulk Intermodal.
²Included with direct rail cartload on chart on previous page.
³Included in "water" on chart on previous page.

Transmode Consultants, Inc.

Oak Point Link

Identification of Specific Market Opportunities

Task 2 Report

Piggyback trailers present a totally different cost picture. Since they do not have to be rehandled in Syracuse, the grounded cost of piggyback trailers to the Bronx is almost identical to that in north Jersey. As a consequence, the reference cost to the shipper of delivering the trailer to Long Island City would be lower by \$109 from Harlem River Yard than it is from Kearny. It turns out that it is also lower than the cost by doublestack domestic container. This is not true for piggyback trailers versus domestic containers delivered to Kearny, where the cost to ground a domestic container is lower than the cost for piggyback trailers. This cost differential is larger the longer the trip and the larger the train, so movements from the west coast will clearly favor the use of doublestack.

Refrigerated Movements

Due to the importance of refrigerated traffic to the New York region and to the proximity of the Hunt's Point Vegetable Market and the Hunt's Point Cooperative Association which wholesales meat, the cost of refrigerated movements east of the Hudson River takes on special importance. Some refrigerated trailers are already being received intermodally at Hunt's Point from north Jersey terminals, but the potential for a larger proportion will depend importantly on the costs on each side of the river relative to the cost for delivery by longhaul truck. Martrak, the UPS subsidiary, uses its trailers to handle refrigerated goods inbound and UPS parcels outbound.

Run Name	West Side		East Side	
	Grounded @ Intermodal Terminal	Delivered to L.I City	Grounded @ Intermodal Terminal	Delivered to L.I City
Piggyback Reefers	\$451	\$913	\$453	\$804
RoadRailer Reefers	\$359	\$825	\$359	\$714

Other Costs

The Highway Cost Allocation Study identifies two other categories of costs that should be accounted for in evaluating the benefits of opening intermodal facilities east of the Hudson. These are the cost of noise and the cost of administration. These have been included in the final accounting using the base figures presented in the Highway Cost Allocation Study. Current user fees paid by trucks have also been deducted.

Total Cost to Society

The previous sections have detailed the individual costs of trucks operating on the bridges and roadways in the NYMA. If the 500 trucks per day assumed in the computations above could be diverted to an intermodal facility in the Bronx, or to other intermodal facilities east of the river, truck travel on the roads and bridges within the area would not be completely eliminated, but the negative effects of this travel during the peak hours and over the most heavily congested facilities would be greatly relieved. The costs can be summed up as shown in the table below:

Summary of Round Trip Costs Avoided by Intermodal

Round Trip Costs By Truck			
	Bronx	Bay Ridge	Deer Park
Maintenance	125.28	180.96	334.08
Congestion	57.18	82.59	100.98
Emissions	1.60	2.32	4.27
Noise	3.24	4.68	8.64
Administrative	0.25	0.36	0.67
Total	187.55	270.91	448.65
Current fees	-4.32	-6.24	-11.52
Cost to Society	183.23	264.67	437.13

If these costs, which are already being absorbed by society, in excessive emissions, unnecessary congestion and higher than needed expenditures for maintenance and new construction are applied toward equalizing the prices for intermodal services on both sides of the river, the case for the provision of intermodal services on the east side of the Hudson is even more compelling.

The implications of this conclusion are that society would be better off if the marketplace would quickly accept the new intermodal services to be offered east of the Hudson River. As we noted above, existing users of intermodal services on the west side of the Hudson are highly unlikely to divert to the new services unless the price and service levels for intermodal services to and from terminals on the east side of the river are equivalent to those existing in north Jersey. This requires that the governmental bodies responsible assist the service providers in overcoming the higher cost of serving terminals east of the river. This can be accomplished in a variety of ways: a reduction in tax payments elsewhere in the system, to the purchase of intermodal equipment for transporting, loading or unloading and/or by furnishing assistance with the construction of yards and facilities. Another way for government to assist is by guaranteeing loans to lower the cost of capital associated with the project.

Attracting existing motor carrier users will require improved service over that currently provided by truckload carriers. In fact, one of the highest potential groups of new customers for the service are the truckload carriers. We know from the literature on market preferences in the choice of mode by shippers that service, and particularly schedule reliability, are more important than price.² The service on the east side of the river should have better drayage services: the trip to the ultimate destination is shorter than it would be from the west side of the river, and the movement will not face quite the peak-hour congestion that it would from north Jersey. If the railroads providing this service take additional steps to improve reliability, intermodal's attractiveness relative to truck will improve dramatically.

² Lalonde, B. et al. "Report on a Survey of Intermodal Shippers", Ohio State University, December 1992

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Page 38

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Page 39

☐ KEVIN N SHEYS
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STATE OF NEW YORK OFFICE OF THE ATTORNEY GENERAL

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Page 41
☐

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MIKE SPAHIS
FINA OIL & CHEMICAL CO.
PO BOX 2159
DALLAS TX 75221 US

Represents: FINA OIL AND CHEMICAL COMPANY

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AND THE

NORTHEAST ILLINOIS REGIONAL COMMUTER RR CORP D/B/A

METRA

FLORIDA POWER & LIGHT COMPANY
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
PHILADELPHIA BELT LINE RAILROAD COMPANY

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NON-PARTY

SCOTT N. STONE

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Page 42

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ADJUSTMENT

30-687

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Represents: CONSUMERS UNITED FOR RAIL EQUITY

PARTY OF RECORD

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HERCULES INCORPORATED
1313 NORTH MARKET STREET
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Represents:

PARTY OF RECORD

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Page 43

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719

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U S HOUSE OF REPRESENTATIVES
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NEWARK NJ 07102 US

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WASH DC 20515 US

Represents:

MEMBER OF CONGRESS
JAMES A. TRAFICANT
CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515 US

Represents:

10/08/1997
Page 44
☐ SERVICE LIST FOR STB FD 33388 0
Records: 321

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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PARTY OF RECORD

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PARTY OF RECORD

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THE RAIL BRIDGE TERMINALS NEW JERSEY CORPORATION
THE RAIL-BRIDGE TERMINALS CORPORATION
THE RAIL-BRIDGE TERMINALS CORPORATION NEW JERSEY

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NORTH JERSEY TRANSPORTATION PLANNING AUTHORITY INC

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Represents: THE BUSINESS COUNCIL OF NEW YORK STATE INC

MEMBER OF CONGRESS

HONORABLE PETER J. VISCLOSKEY
U S HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515 US

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Page 45

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Represents:

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ROBERT P. VOM EIGEN
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888 16TH STREET N W STE 700
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PARTY OF RECORD

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VUONO & GRAY
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PARTY OF RECORD

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CITIZENS GAS & COKE UTILITY
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Represents: CITIZENS GAS & COKE UTILITY

PARTY OF RECORD

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MEMBER OF CONGRESS

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MEMBER OF CONGRESS

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NUMBER ONE GENERAL MILLS BLVD
MINNEAPOLIS MN 55426 US

10/08/1997

Page 46

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Represents: GENERAL MILLS INC
GENERAL MILLS OPERATIONS INC

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WEINER BRODSKY SIDMAN & KIDER
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NON-PARTY

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WASHINGTON DC 20515 US

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MEMBER OF CONGRESS
HONORABLE BOB WEYGAND
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515 US

Represents:

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GALLAND, KHARASCH & GARFINKLE, P. C.
1054 THIRTY-FIRST STREET NW
WASHINGTON DC 20007-4492 US

10/08/1997
Page 47

☐

Represents: STARK DEVELOPMENT BOARD INC
WHEELING & LAKE ERIE RAILWAY COMPANY

PARTY OF RECORD
WILLIAM W WHITEHURST JR.
W. W. WHITEHURST & ASSOCIATES, INC.
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PARTY OF RECORD

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DURHAM TRANSPORT INC
JUNIATA VALLEY RAILROAD COMPANY
LYCOMING VALLEY RAILROAD COMPANY
NITTANY & BALD EAGLE RAILROAD COMPANY
NORTH SHORE RAILROAD COMPANY

10/08/1997

Page 48

☐

NORTHWEST PENNSYLVANIA RAIL AUTHORITY
OHI RAIL CORPORATION
RICHARD D ROBEY
SHAMOKIN VALLEY RAILROAD COMPANY
SOUTHWESTERN PENNSYLVANIA REGIONAL PLANNING COMMISSION
STURBRIDGE RAILROAD COMPANY
TRANSPORTATION COMMITTEE PENNSYLVANIA HOUSE OF
REPRESENTATIVES
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GO-651

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U S HOUSE OF REPRESENTATIVES
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10/08/1997
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THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

PARTY OF RECORD
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PARTY OF RECORD
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PARTY OF RECORD

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PARTY OF RECORD

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SCHIFF HARDIN & WAITE
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NON-PARTY

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WALTER E ZULLIG JR SPECIAL COUNSEL
METRO-NORTH COMMUTER RAILROAD COMPANY
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NEW YORK NY 10017-3706 US

10/08/1997

Page 50

□

Represents: METRO-NORTH COMMUTER RAILROAD COMPANY
METRO-NORTH RAILROAD

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

CERTIFICATION IN SUPPORT OF

INTERVENTION PETITION OF UNITED STATES REPRESENTATIVES:
HONORABLE JERROLD NADLER, HONORABLE CHRISTOPHER SHAYS,
HONORABLE CHARLES RANGEL, HONORABLE BEN GILMAN, HONORABLE
BARBARA KENNELLY, HONORABLE NANCY JOHNSON, HONORABLE
CHARLES SCHUMER, HONORABLE ROSA DELAURO, HONORABLE MICHAEL
FORBES, HONORABLE SAM GEJDENSON, HONORABLE NITA LOWEY,
HONORABLE MAJOR OWENS, HONORABLE THOMAS MANTON, HONORABLE
MAURICE HINCHEY, HONORABLE ED TOWNS, HONORABLE CAROLYN B.
MALONEY, HONORABLE NYDIA M. VELAZQUEZ, HONORABLE FLOYD
FLAKE, HONORABLE GARY ACKERMAN, HONORABLE ELIOT L. ENGEL,
HONORABLE LOUISE M. SLAUGHTER, HONORABLE JOHN LAFALCE,
HONORABLE MICHAEL MCNULTY, AND HONORABLE JAMES MALONEY
FOR INCLUSION OF A CROSS -HARBOR FLOAT OPERATION, THE BAY RIDGE
LINE OF THE LONG ISLAND RAILROAD, THE NEW YORK CONNECTING
RAILROAD, OAK POINT YARD, HARLEM RIVER YARD, THE NEW YORK
TERMINAL PRODUCE MARKET, 65TH STREET YARD AND FRESH POND
JUNCTION IN THE JOINT FACILITIES RAILROAD PROPOSED BY THE
PETITIONERS AS A CONDITION OF THE ACQUISITION REQUESTED

CERTIFICATION

John F. McHugh, an attorney, a member of the firm of McHugh & Sherman, which firm is assisting the petitioners herein certifies under penalty of perjury as follows:

This office maintains files related to transportation studies done in the New York Metropolitan area over the last seventy five years which files are available to any party at any reasonable time. The pages submitted below are copied from our files and are the documents referred to in the footnotes to the intervenors petition as follows:

Exhibit A, Footnote 1, 3, 14 and 17 Improving Intermodal Service in New England, the Selkirk Hurdle, The New England Regional Commission, Boston, Mass. June 1976, pg 12.

Exhibit B, Footnote 2 and 3 Steel Rails to the Sunrise Ron Ziel and George Foster, Hawthorn Books, 1965 pg. 102.

Exhibit C, Footnote 4, A.O. Sulzberger Jr., Job Growth Since 1976 is mostly in Manhattan The New York Times, (Oct. 6, 1981) pg. B3.

Exhibit D, Footnote 6, Intermodal Goods Movement Study: Task I Report New York city Rail Freight Access, New York City Economic Development Corporation, January 31, 1997 Page 1-9.

Exhibit E, Footnote 7, Asthma Common and on Rise In the Crowded South Bronx, Adam Nossiter, New York Times Sept 5, 1995 pg. 1.

Exhibit F, Footnote 8, An Association Between Air Pollution and Mortality in Six U.S. Cities, Dockerty et al, The New England Journal of Medicine, December 9, 1993.

Exhibit G, Footnote 8, Air Pollution and Daily Mortality in Philadelphia, Dr. Joel Schwartz, presented at the 1991 meeting of the American Lung Association, Anaheim, Ca. may 1991.

Exhibit H, Footnote 9, The NY/NJ Circumferential Corridor The Port Authority of NY & NJ June 1991, pg 4 , 6 and 8, .

Exhibit I, Footnote 10, Oak Point Link, Freight Market Potential, Task 1 Report New York State Department of Transportation by Transmode Consultants, 1993 pg 5-13.

Exhibit J, Footnote 15, New York Intermodal Study Appendix E Cost/Service Analysis, New York State Department of Transportation, by Reebie Associates may 1979 pg E1.

Exhibit K, Footnote 16, New York Downstate Rail Freight Study, Long Island Railroad by Mercer Management Consulting march 1995 pg II-9

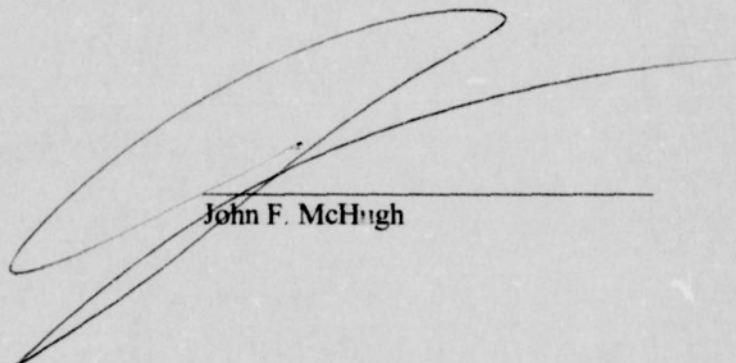
Exhibit L, Footnote 18, New York City Rail Freight Access, Intermodal Goods Movement Study, Executive Summary, Mercer Management, January 1997, pg

Exhibit M, Footnote 19, Oak Point Link, Freight Market Potential, Task 2 Report, New York State Department of Transportation by Transmode Consultants 1993 pg 2-8.

Exhibit N, Footnote 22, Oak Point Link, Freight Market Potential, Task 2

Report, Supra. pg. 5-12.

Dated, New York, N.Y.
October 8, 1997



John F. McHugh

Exhibit A-1

Bureau of Labor Statistics Data

Data extracted on: September 30, 1997 (02:58 PM)

State and Area Employment, Hours, and Earnings

Series Catalog:

Series ID: SAU3656003000011

Not Seasonally Adjusted

State: NY = New York

Area: New York Pmsa

Industry: Manufacturing

Detail: 1-digit Industry (Industry Division)

Data Type: AE=EMPLOYMENT

Benchmark Year: 1996

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1958	10 18.7	1039.2	1025.5	999.1	996.7	997.2	994.8	1040.4	1057.9	1060.3	1056.1	1029.3	1026.3
1959	10 01.3	1027.8	1035.3	1022.3	1024.1	1030.1	1012.7	1062.2	1076.3	1072.6	1067.5	1041.1	1039.5
1960	10 09.2	1038.3	1043.8	1017.0	1023.1	1017.3	993.9	1039.8	1049.6	1042.6	1036.6	989.9	1025.1
1961	95 9.7	981.6	997.9	977.6	971.7	975.5	961.0	1006.5	1011.2	1027.5	1022.9	995.2	990.6
1962	96 0.2	987.7	1003.3	999.3	989.3	991.7	965.5	1005.6	1015.7	1007.5	998.3	956.0	990.0
1963	92 2.9	947.5	961.4	949.9	956.4	952.9	940.0	977.3	989.3	988.0	972.9	942.0	958.5
1964	91 0.2	943.0	950.4	936.7	938.5	946.4	925.6	959.3	968.8	971.9	972.2	948.4	947.7
1965	91 6.8	945.0	956.9	940.6	940.4	951.1	925.2	967.5	978.8	974.9	975.6	952.5	952.2
1966	88 3.0	954.5	968.9	951.1	957.0	966.0	931.9	967.1	974.5	979.6	976.4	951.4	955.1
1967	92 4.7	939.1	946.2	933.7	933.1	938.6	906.3	943.1	955.4	952.2	955.2	934.2	938.5
1968	90 6.0	930.9	939.4	927.9	935.3	944.2	907.9	941.7	950.6	948.9	948.5	922.4	933.6
1969	90 2.2	904.0	927.8	921.7	928.3	936.4	904.2	934.4	933.3	931.2	926.1	906.7	921.4
1970	87 4.5	884.9	890.1	873.9	864.1	867.7	825.2	847.4	855.4	838.3	835.7	818.6	856.3
1971	78 8.7	790.6	804.2	791.1	790.8	790.5	760.4	787.5	795.4	790.7	788.5	767.5	787.8
1972	74 6.5	781.9	768.2	763.7	759.0	764.9	728.4	762.8	770.3	769.6	769.0	754.0	759.6
1973	72 8.8	764.5	750.6	743.2	740.8	745.4	717.4	737.9	744.6	739.0	738.4	717.3	731.2

http://stats.bls.gov/cgi-bin/d...

1974	585.9	597.8	603.3	597.3	599.2	603.1	573.1	588.0	590.4	579.5	568.4	530.1	584.7
1975	598.2	604.7	611.4	606.4	607.0	612.4	598.2	619.7	629.2	632.5	630.6	617.1	614.0
1976	603.9	616.5	627.0	623.6	623.9	626.6	605.6	621.1	628.1	625.8	625.6	613.1	620.1
1977	596.3	610.4	619.4	621.3	624.6	632.0	607.8	627.3	631.2	633.6	632.6	619.6	621.3
1978	600.7	607.9	621.3	621.8	623.9	630.7	605.0	627.9	625.4	625.6	634.8	619.9	620.4
1979	594.6	609.4	614.8	613.0	617.7	625.1	600.0	614.3	618.2	613.9	611.5	597.3	610.6
1980	584.5	595.8	600.7	584.6	592.7	594.8	571.1	582.8	587.2	588.3	584.0	572.8	586.6
1981	560.9	573.4	579.5	579.5	582.8	588.7	570.7	581.8	587.7	579.7	571.7	560.3	576.4
1982	539.5	552.6	555.8	543.8	545.2	548.2	527.5	533.7	538.9	531.1	523.5	515.8	538.0
1983	501.5	509.8	516.0	512.1	516.3	523.7	506.2	520.9	526.9	525.9	527.0	517.7	517.0
1984	506.3	517.3	523.2	517.6	518.8	523.5	505.1	517.9	520.2	515.9	512.2	504.4	515.0
1985	489.4	498.0	503.1	494.6	497.0	499.0	486.5	495.5	497.5	494.9	495.5	486.7	494.8
1986	473.3	480.4	483.8	478.0	477.0	478.2	468.1	473.1	478.4	476.7	470.6	467.2	475.4
1987	453.5	461.8	467.4	456.8	458.7	463.0	456.9	461.6	467.2	465.4	465.2	457.7	461.3
1988	439.7	450.5	455.3	450.6	450.9	454.0	444.5	451.5	455.2	451.9	453.5	446.0	450.3
1989	431.0	436.0	439.0	437.3	437.8	440.8	430.6	439.1	441.3	436.0	433.3	425.2	435.6
1990	407.0	413.1	417.9	411.5	415.8	419.0	409.7	412.6	415.8	410.9	400.9	392.7	410.6
1991	368.7	374.6	379.1	379.7	380.4	383.2	373.7	380.2	381.7	379.9	376.0	368.2	377.1
1992	348.3	352.4	357.4	360.1	361.8	364.4	357.7	360.7	363.5	360.6	358.2	352.3	358.1
1993	337.2	344.2	349.4	349.7	353.3	356.0	347.2	351.8	354.5	350.7	348.8	342.6	348.8
1994	325.2	331.6	337.3	337.6	339.5	342.2	336.9	342.6	344.9	340.9	339.0	333.6	337.6
1995	318.9	324.9	329.4	329.2	330.7	333.3	326.4	331.6	334.6	331.4	330.5	326.2	328.9
1996	308.8	315.8	320.0	317.0	320.8	324.7	319.2	320.7	322.6	320.2	318.7	314.0	318.5
1997	302.7	309.4	313.8	313.6	315.2	317.9	314.0	318.1(p)					

p: Preliminary

Series Catalog:

Series ID: SAU3656113000011

Not Seasonally Adjusted

State: NY=New York

Area: New York City

Industry: Manufacturing

Detail: A 1-digit Industry (Industry Division)

Data Type: AE= EMPLOYMENT

Benchmark Year: 1996

Dates:

http://data.bls.gov/cgi-bin/serv

9/30/97

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1947	1096.3	1105.1	1097.0	1041.8	1014.4	1009.6	1002.9	1064.7	1092.3	1121.9	1120.8	1107.4	1072.9
1948	1081.9	1094.5	1089.2	1035.9	1023.0	1027.9	1019.8	1077.2	1100.7	1095.6	1095.8	1048.7	1065.9
1949	1010.7	1034.2	1031.7	997.3	968.0	957.9	945.4	1018.9	1066.9	1063.8	1034.4	1013.9	1011.9
1950	990.8	1025.5	1029.6	998.9	990.2	986.2	986.4	1091.4	1112.7	1115.5	1081.5	1058.2	1038.9
1951	1054.8	1099.6	1090.8	1024.7	991.0	992.2	977.9	1041.1	1058.0	1058.0	1070.2	1059.1	1043.1
1952	1025.0	1051.5	1055.5	1018.1	1006.7	1007.1	1013.8	1071.4	1106.0	1111.3	1108.5	1086.3	1055.1
1953	1038.1	1086.4	1091.3	1059.3	1046.8	1049.2	1029.6	1076.2	1077.9	1097.9	1073.4	1043.6	1065.8
1954	1006.2	1032.2	1041.6	999.4	975.6	971.6	966.0	1020.9	1045.3	1046.0	1046.9	1025.2	1014.7
1955	987.8	1014.9	1024.7	990.8	988.7	992.4	972.1	1030.5	1056.7	1065.7	1064.9	1042.8	1019.3
1956	1000.3	1034.1	1034.4	1004.9	995.0	996.3	984.2	1043.4	1053.2	1069.2	1058.4	1033.0	1025.6
1957	987.3	1011.8	1028.2	1009.0	990.3	987.1	970.7	1026.5	1042.4	1024.6	1019.6	977.4	1006.2
1958	945.5	966.5	953.3	927.5	925.6	925.7	924.2	968.2	986.8	990.1	981.7	955.2	954.2
1959	927.6	953.3	960.2	946.7	947.9	952.9	935.7	983.6	997.7	992.2	991.4	965.7	962.9
1960	931.7	960.1	965.3	938.3	944.9	939.3	916.5	961.5	970.8	963.2	957.2	912.4	946.8
1961	882.9	908.1	921.2	900.7	894.7	898.3	885.9	931.9	934.6	948.9	944.0	917.1	914.0
1962	883.4	910.7	925.8	922.1	911.9	913.3	887.2	927.3	936.3	927.3	918.4	877.3	911.7
1963	844.5	868.8	882.4	871.3	877.5	873.4	861.2	898.2	908.7	906.2	890.8	860.8	878.7
1964	830.3	862.5	869.1	855.9	856.9	864.2	842.7	878.5	884.5	891.7	886.9	862.9	865.5
1965	832.2	859.9	871.5	855.4	855.0	864.5	838.2	879.8	889.8	885.7	886.0	863.5	865.1
1966	794.7	864.9	879.2	861.2	865.7	873.1	840.6	878.8	881.7	885.4	881.8	857.3	863.7
1967	832.0	846.5	853.9	841.9	840.9	847.2	814.7	855.1	863.8	860.7	861.6	841.4	846.7
1968	814.3	839.6	847.5	835.2	843.0	850.6	814.7	850.1	854.8	852.3	851.9	826.5	840.0
1969	807.6	810.5	832.5	825.9	832.5	839.4	807.5	837.5	833.0	835.5	830.7	812.3	825.8
1970	781.9	795.2	796.7	780.5	771.7	774.5	733.5	759.9	764.1	753.6	750.7	730.1	766.0
1971	701.0	711.7	717.6	705.6	705.3	704.9	675.9	703.2	709.7	705.4	703.6	682.9	702.2
1972	663.5	678.5	684.9	677.2	675.4	681.0	648.2	679.0	685.8	684.3	683.5	668.5	675.8
1973	644.6	659.9	667.1	659.6	656.8	660.4	633.4	653.6	659.9	653.8	652.7	631.7	652.8
1974	605.8	617.3	622.0	612.4	614.2	616.8	591.3	606.0	606.0	595.4	585.8	551.8	602.1
1975	519.9	526.7	534.0	529.3	530.2	535.2	522.8	543.8	552.6	555.4	553.2	539.6	536.9
1976	527.0	539.4	549.3	545.3	545.5	547.6	527.0	542.0	548.0	545.0	544.6	532.2	541.1
1977	516.5	530.2	518.6	540.0	542.8	549.3	525.5	544.1	546.6	548.4	547.1	534.4	538.6
1978	515.5	522.6	535.3	534.9	536.4	541.9	516.9	538.3	536.0	535.3	543.4	528.3	532.1
1979	506.5	517.7	522.7	520.8	524.9	529.3	507.4	521.2	526.1	522.2	519.0	504.7	518.5
1980	492.6	503.8	508.9	493.0	501.4	503.0	480.9	492.4	496.8	497.8	494.4	483.5	495.7
1981	469.9	482.7	488.6	488.5	491.3	496.0	478.9	489.4	495.7	487.5	483.6	469.5	485.1
1982	452.8	462.6	466.0	455.0	456.7	459.2	438.8	449.1	453.0	443.8	440.3	430.5	450.8
1983	411.2	426.1	432.3	430.3	432.9	439.0	411.4	435.6	441.9	441.8	441.8	432.8	432.8
1984	404.7	431.6	431.8	431.7	433.1	436.3	400.3	432.2	435.7	429.2	427.3	419.1	429.6

1985	303.8	311.9	316.1	307.6	310.1	311.7	308.7	307.2	310.1	307.2	308.3	309.6	307.7
1986	308.6	305.6	309.0	302.5	302.0	302.8	303.5	300.7	305.1	303.1	307.3	304.0	301.2
1987	370.8	379.2	385.0	378.7	380.9	383.7	374.4	382.1	386.2	384.2	384.0	379.4	380.7
1988	362.1	370.0	375.0	369.6	369.9	372.3	362.7	370.4	374.7	372.9	374.4	367.1	370.1
1989	355.3	360.2	363.7	361.7	362.1	364.1	354.8	362.6	365.0	360.0	357.4	349.2	359.5
1990	332.9	338.5	342.9	337.4	341.4	344.3	335.8	341.3	343.0	338.5	331.1	323.1	337.5
1991	301.5	307.3	312.1	309.1	309.8	312.4	304.1	310.1	311.8	310.1	306.7	299.0	307.8
1992	282.6	287.1	292.1	292.9	294.8	297.1	291.4	295.5	298.8	297.2	295.1	289.2	292.8
1993	275.9	282.5	287.9	288.9	292.7	295.2	287.8	292.8	295.3	292.3	290.3	284.0	288.8
1994	267.8	274.2	275.4	280.2	282.2	284.6	279.9	285.5	287.6	284.3	282.5	277.2	280.4
1995	263.5	269.3	273.4	273.5	274.8	277.3	271.6	276.8	279.6	276.4	275.4	270.7	273.5
1996	254.4	261.1	265.0	262.8	266.1	269.2	265.7	267.7	269.3	267.0	265.2	260.6	264.5
1997	249.7	256.5	260.6	260.6	262.2	264.8	260.9	265.1(p)					

p : Preliminary



Nonfarm Payroll Statistics from the Current Employment Statistics (State and Area) Home Page



Data Home Page



BLS Home Page

Bureau of Labor Statistics
data_sa@bls.gov

<http://stats.bls.gov/cgi-bin/dnsv>

9/30/97

2005/007

P.05

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TO

BLS/DE/STATS

W02 608 8453

OCT-07-1997 09:13 FROM

20/07/97 10:02

Exhibit A-2

Bureau of Labor Statistics Data

National Employment, Hours, and Earnings

Series Catalog:

Series ID : seu30000001

Not Seasonally Adjusted

Industry : Manufacturing

SIC Code : 20-39

Data Type : ALL EMPLOYEES (in thousands)

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1947	15523	15576	15576	15464	15269	15328	15202	15558	15764	15754	15744	15779	15545
1948	15669	15607	15638	15319	15249	15417	15479	15735	15957	15821	15650	15445	15582
1949	15066	14917	14741	14454	14171	14176	14061	14444	14645	14210	14108	14320	14441
1950	14269	14287	14407	14478	14744	15020	15153	15868	16104	16239	16155	16166	15241
1951	16198	16371	16411	16353	16274	16413	16288	16519	16560	16483	16412	16432	16393
1952	16306	16393	16416	16369	16264	16046	15844	16742	17155	17263	17353	17438	16632
1953	17378	17524	17660	17615	17587	17717	17640	17825	17793	17574	17251	17022	17549
1954	16686	16571	16478	16263	16103	16165	15927	16166	16309	16339	16385	16371	16314
1955	16245	16371	16523	16581	16664	16908	16809	17149	17243	17334	17385	17370	16882
1956	17193	17178	17119	17131	17078	17171	16652	17380	17467	17574	17509	17486	17243
1957	17286	17283	17276	17168	17110	17216	17094	17358	17323	17206	17010	16787	17176
1958	16374	16080	15815	15561	15482	15659	15613	15935	16227	16023	16310	16266	15945
1959	16205	16278	16442	16531	16606	16951	16925	16699	16887	16706	16804	16990	16675
1960	16925	16968	16923	16844	16813	16883	16724	16882	16981	16775	16577	16258	16796
1961	15977	15883	15914	15958	16135	16377	16328	16593	16707	16675	16729	16633	16326
1962	16450	16535	16613	16730	16779	16962	16874	17035	17243	17150	17013	16858	16853
1963	16577	16670	16735	16821	16925	17069	17005	17152	17351	17309	17165	17066	16995
1964	16857	16904	16968	17025	17101	17314	17366	17473	17767	17414	17620	17581	17274
1965	17434	17518	17618	17710	17805	18095	18096	18302	18527	18521	18563	18549	18062
1966	18418	18617	18760	18893	19029	19389	19257	19517	19684	19693	19600	19598	19214
1967	19409	19382	19255	19276	19236	19487	19264	19549	19572	19511	19684	19634	19447
1968	19423	19459	19490	19542	19608	19935	19768	19928	20068	20043	20063	20040	19781
1969	19836	19928	20016	19995	20027	20385	20163	20494	20480	20391	20186	20161	20167
1970	19814	19761	19788	19621	19417	19603	19304	19414	19469	18811	18597	18794	19167
1971	19541	18487	18448	18454	18544	18741	18657	18695	18886	18770	18764	18673	18623
1972	18526	18617	18734	18813	18943	19278	19107	19381	19562	19623	19699	19723	19151
1973	19592	19728	19836	19899	19991	20324	20351	20369	20499	20542	20565	20449	20154
1974	20139	20040	20027	20074	20137	20418	20129	20333	20411	20196	19810	19211	20077
1975	18552	18137	18000	17958	18043	18240	17982	18421	18673	18671	18621	18580	18323
1976	18492	18548	18691	18842	18909	19147	18905	19230	19453	19240	19296	19282	18997
1977	19072	19076	19253	19402	19574	19880	19693	19918	20122	20063	20057	20077	19682
1978	19948	19980	20122	20242	20363	20647	20417	20657	20867	20884	20961	20967	20505
1979	20833	20853	20972	20992	21065	21314	21033	21069	21261	21151	21006	20932	21040
1980	20719	20666	20723	20482	20210	20134	19673	19992	20192	20197	20247	20190	20285
1981	20005	19989	20085	20177	20260	20448	20243	20366	20495	20258	20018	19697	20170
1982	19338	19286	19213	19045	18905	18971	18629	18660	18701	18375	18150	18000	18790
1983	17868	17883	17954	18070	18213	18466	18401	18627	18673	18913	18957	18934	18432
1984	18877	19009	19167	19239	19319	19445	19427	19616	19666	19600	19526	19463	19372

Bureau of Labor Statistics Data

National Employment, Hours, and Earnings

Series Catalog:

Series ID : eeu30000001

Not Seasonally Adjusted

Industry : Manufacturing (continued)

SIC Code : 20-39

Data Type : ALL EMPLOYEES (in thousands)

Data:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Ann
1985	19300	19262	19285	19243	19256	19372	19140	19268	19303	19233	19175	19113	19248
1986	18951	18933	18929	18935	18949	19035	18815	18976	19043	18969	18935	18888	18947
1987	18709	18751	18787	18823	18880	19031	18912	19118	19235	19229	19265	19244	18959
1988	19065	19098	19137	19191	19247	19433	19272	19400	19464	19484	19507	19470	19314
1989	19345	19330	19350	19367	19399	19527	19333	19486	19477	19406	19369	19302	19391
1990	19014	19106	19099	19110	19131	19267	19081	19198	19181	19079	18870	18780	19076
1991	18536	18402	18339	18321	18378	18478	18338	18518	18520	18443	18351	18247	18406
1992	18005	17978	17973	18039	18099	18226	18125	18226	18226	18155	18129	18082	18104
1993	17954	17967	17974	17975	18029	18139	18033	18167	18206	18174	18160	18122	18075
1994	18020	18041	18092	18145	18229	18421	18299	18495	18529	18526	18537	18523	18321
1995	18122	18446	18460	18484	18514	18633	18462	18623	18627	18570	18520	18523	18524
1996	18343	18389	18366	18378	18447	18558	18400	18577	18550	18523	18487	18469	18457
1997	18331	18360	18397	18409	18477	18609	18458 (p)	18664 (p)					

p : preliminary

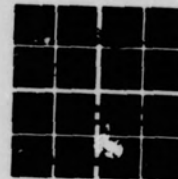
**IMPROVING INTERMODAL TRANSPORTATION
IN NEW ENGLAND**

**VOLUME V
THE SELKIRK HURDLE**

JUNE, 1976

**PREPARED FOR
NEW ENGLAND REGIONAL COMMISSION
BOSTON, MASSACHUSETTS**

REEBIE ASSOCIATES
Transportation Management Consultants



CONCLUSIONS

This investigation into the Selkirk Hurdle has produced some startling findings, the recognition of which should aid materially in improving the efficiency of rail transportation in New England. And, in so doing, aid the economy of the region. Because of the importance of these findings they have been brought forward for emphasis.

CONTINUED USE OF SELKIRK HURDLE

Continued use of the Selkirk Hurdle by ConRail as the southernmost rail gateway adversely affects southern New England interregional rail service. Compared to alternate gateways across the Hudson River further south, routing rail traffic through Selkirk adds a minimum of one day to the transit time and imposes circuitry ranging from 92 to 246 miles depending upon the southern New England city. Approximately 200,000 cars per year are affected. In the context of total New England interregional rail traffic, this is 29.5% of the inbound freight and 28.4% of the outbound freight. Although rates are equalized southern New England manufacturers who use rail service suffer because they incur higher costs because it takes longer for them to receive needed material and to deliver merchandise to their customers. The rail carrier suffers from increased operating costs which lessens ability to compete effectively. Finally, the consumers suffer because they ultimately must bear the cost of freight transportation inefficiency. This may be paid directly at the store in the form of higher prices or indirectly in federal and state taxes which are used to provide subsidies to financially ailing rail carriers who have never identified the need to improve their operations or the manner in which the operations could be improved.

DECLINE OF RAILROADS IN NEW ENGLAND

The Selkirk Hurdle has contributed to the decline of the northeastern railroads. While there are many other factors involved, an analysis of the comparative interregional modal market share between southern and northern New England nonetheless shows that rail service is least competitive with truck to those regions most directly affected by the Selkirk Hurdle. This includes the southern regions of the United States. The fact takes on even greater significance when it is realized that these regions during the past decade have been the most rapidly developing parts of the country. Moreover these regions are served by what are considered to be the better managed and financially sound railroads. The problem therefore lies in the

RAIL TRAFFIC THROUGH NEW ENGLAND GATEWAYS

Year	- MECHANICVILLE - (includes Rotterdam Jct)			- SELKIRK -			- MAYBROOK - (Poughkeepsie Bridge)			- HARLEM RIVER - (New York Harbor Carfloat)			- TOTAL -		
	Eastbound	Westbound	Total	Eastbound	Westbound	Total	Eastbound	Westbound	Total	Eastbound	Westbound	Total	Eastbound	Westbound	Total
	Loaded Cars			Loaded Cars			Loaded Cars			Loaded Cars			Loaded Cars		
1967*	175,521	71,982	247,503 33.1%	102,000	32,580	134,580 18.0%	167,072	64,700	231,772 31.0%	93,150	39,648	132,798 17.8%	537,743	208,910	746,653 100.0%
1962	203,548	81,004	284,552 32.2%	118,264	36,664	154,928 17.5%	162,540	56,199	218,739 24.7%	154,663	71,341	226,004 25.6%	639,015	245,208	884,223 100.0%
1954	238,102	95,295	333,397 29.0%	180,943	77,383	258,326 22.4%	192,926	63,994	256,920 22.3%	203,671	99,049	302,720 26.3%	815,642	335,721	1,151,363 100.0%
1929	294,476	124,593	419,069 25.0%	296,402	147,696	444,098 26.5%	252,089	65,846	317,935 19.0%	306,369	190,207	496,576 29.6%	1,149,336	528,342	1,677,678 100.0%

* Figures for Selkirk in 1967 are estimates.

SOURCES: Carload Statistics summarized by Louis Peter Rossi for 1929, 1954 and 1967 in "The New England Gateway: A Preliminary Investigation of The Rail Route Alternatives in the Poughkeepsie Bridge Route", a Master's Thesis, Department of Civil Engineering, North Carolina State University at Raleigh, 1968.

1962 Carload Statistics summarized in Exhibit IV-1, The New England Railroad Study, Volume I: Rail Freight Traffic Patterns, Study prepared for the Undersecretary for Transportation, U.S. Department of Commerce, Arthur D. Little, Inc., November, 1963.

NEW YORK HARBOR CARFLOAT OPERATION
ESTIMATED COSTS AS OF APRIL, 1976

TRAFFIC LEVEL CASE	A	B	C	D
Daily Cars	200	400	600	800
Annual Cars (365 days)	73,000	146,000	219,000	292,000
No. of 8-Hr. Shifts Required	2	2	3	3
Number of Float Bridges	3	3	3	4
Tug Annual Hours	4,928	9,308	14,235	13,688
Tugs Required	2	3	4	4
8-Hr. Tug Shifts Required	2	3+	5	5
Carfloats Required	7	9	12	15
Switch Engines Required*	2	3	3	4
Switch Engine Annual Hours	5,840	11,680	17,520	23,360
Tug & Carfloat Ownership/Leasing Cost	\$102,500	\$102,500	\$102,500	\$102,500
Tug Operating Cost @ \$56.50/Hour	278,500	526,000	804,500	773,500
Tug Maintenance Cost @ \$90,000	180,000	270,000	360,000	360,000
Carfloat Maintenance Cost @ \$5,000	35,000	45,000	60,000	75,000
Float Bridge Operating Cost @ \$8/Man Hr.	93,440	93,440	140,160	140,160
Float Bridge Maintenance Cost @ \$2,000	12,000	12,000	12,000	16,000
Floating Cost Total	\$701,440	\$1,048,940	\$1,479,160	\$1,467,160
Floating Cost/Car	\$9.61	\$7.18	\$6.75	\$5.02
Switching Expense*				
Locomotive Dept. & Maint. @ \$11,050	\$ 22,100	\$ 33,150	\$ 33,150	\$ 44,200
Crew Wages @ \$37.50/Engine Hour	219,000	438,000	657,000	876,000
Clerical Wages @ \$7.50/Shift Hour	43,800	43,800	65,700	65,700
Switch Engine-Operating Cost @ \$8.00/Hr.	46,700	93,450	140,150	186,900
Switching Cost Total	\$331,600	\$608,400	\$896,000	\$1,172,800
Switching Cost/Car	\$4.54	\$4.17	\$4.09	\$4.02
Billing & Loss & Damage/Car	\$1.00	\$1.00	\$1.00	\$1.00
Expense Summary				
Switching-Greenville	\$4.54	\$4.17	\$4.09	\$4.02
Floating Cost	9.61	7.18	6.75	5.02
Switching-Bay Ridge	4.54	4.17	4.09	4.02
Billing & Loss & Damage	1.00	1.00	1.00	1.00
TOTAL	\$19.69	\$16.52	\$15.93	\$14.06

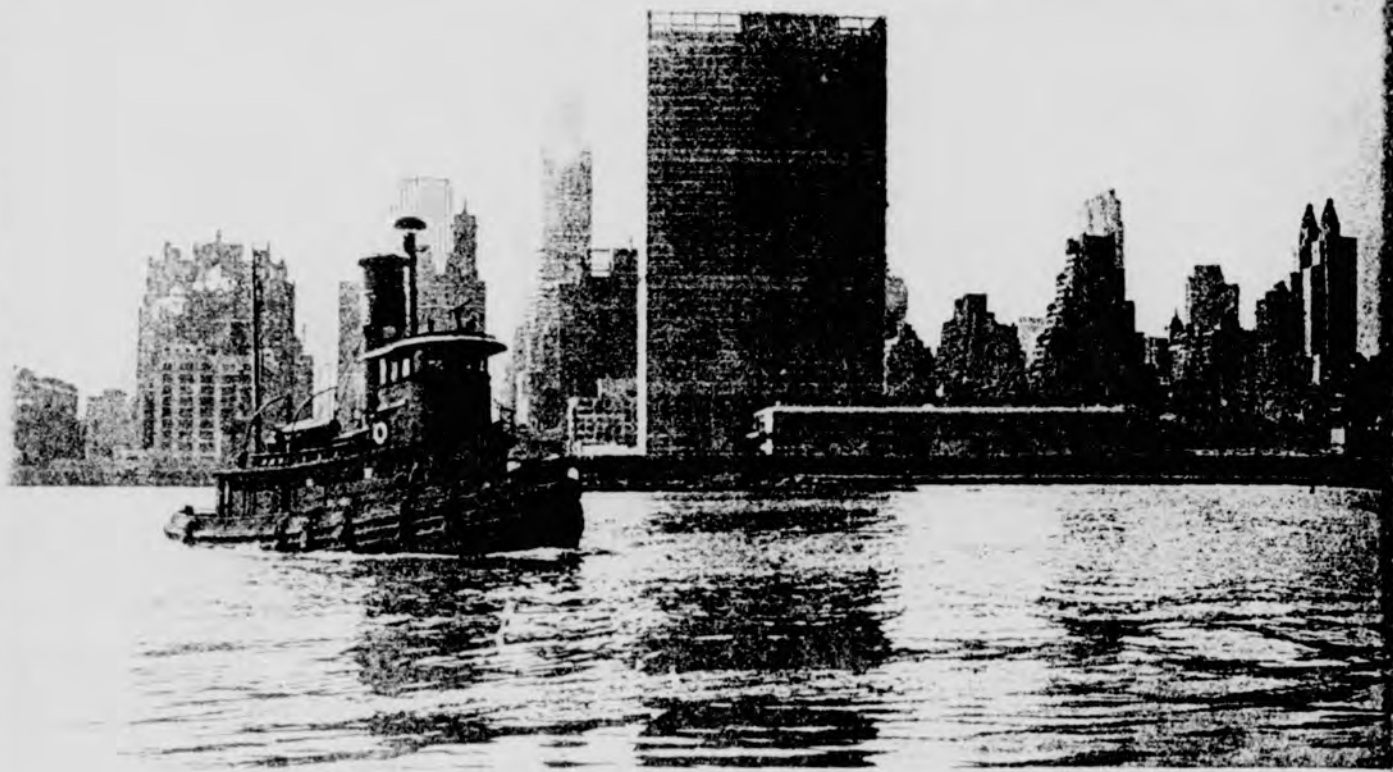
* Each Side of New York Harbor



steel rails to the sunrise

the long island rail road

by ron ziel and george foster

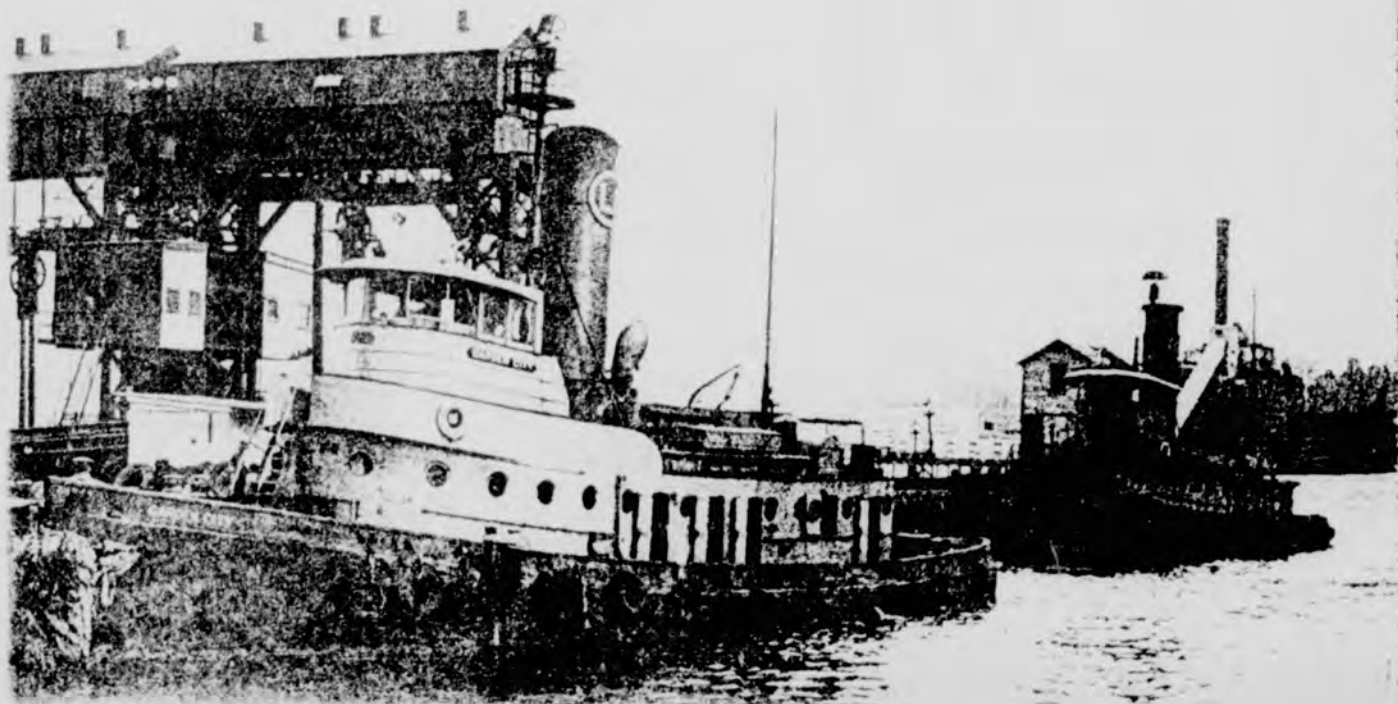


Collection of William J. Rogers

Harbor Workers

The tugboat industry is a vital part of the harbor economy. It is responsible for the movement of cargo and passengers between the harbor and the mainland. The industry is also responsible for the maintenance of the harbor and the surrounding area. The tugboat industry is a highly skilled profession and requires a lot of training and experience. The industry is also a very competitive one and the tugboats must be able to move quickly and efficiently. The tugboat industry is a vital part of the harbor economy and it is essential for the movement of cargo and passengers between the harbor and the mainland.

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Job Growth Since 1976 Is Mostly in Manhattan

By A. O. SULZBERGER Jr.

New York City has added about 135,000 jobs in the private sector since the economic crisis of the 1970's, almost all of them in Manhattan, according to new figures by the Federal Bureau of Labor Statistics.

A borough-by-borough breakdown of the increase shows that Manhattan attracted 134,800 jobs since December 1976, but that the other boroughs combined showed no net gain for the period.

"The other boroughs participated in the decline in the 70's, but they are not participating in the recovery to a significant degree over all," said Samuel M. Ehrenhalt, regional commissioner of the agency, in an interview yesterday.

The figures are consistent with previously released data on the city's economic recovery, but they go into greater detail on how specific businesses have fared in the past few years.

Decline in Manufacturing Jobs

They show, for example, a continued decline in manufacturing and retail trade and a growth in service and tourist-based industries.

They show that between December 1976 and December 1980, the Bronx lost 5,500 jobs and Brooklyn 7,500, while Queens gained 6,200 and Staten Island 7,000. In the case of Staten Island, this represents an increase of 18 percent.

"Two-thirds of the jobs are in Manhattan. Naturally, that's where the growth would be," said Herbert Binstock, a professor of labor and urban values at Queens College and Mr. Ehrenhalt's predecessor at the Bureau of Labor Statistics. Mr. Binstock said that a major reason Queens and Staten Island showed small gains was their declining manufacturing base.

major New York businesses point out the problem faced by those trying to revitalize the local borough economies.

Manufacturing jobs, many of them in the outer boroughs, continued to decline even while other businesses in the city started to recover financially. This drop, which was about 19 percent or 47,500 jobs, accounted largely for the poor showing by the boroughs in the over-all figures.

A Gain in Real Estate

Both wholesale and retail trade dropped. The wholesale trade, situated mostly in Manhattan, has been on a long-term decline. In this four-year period, it lost 8,000 jobs, all but one-sixth in Manhattan, falling to 237,200 jobs over all.

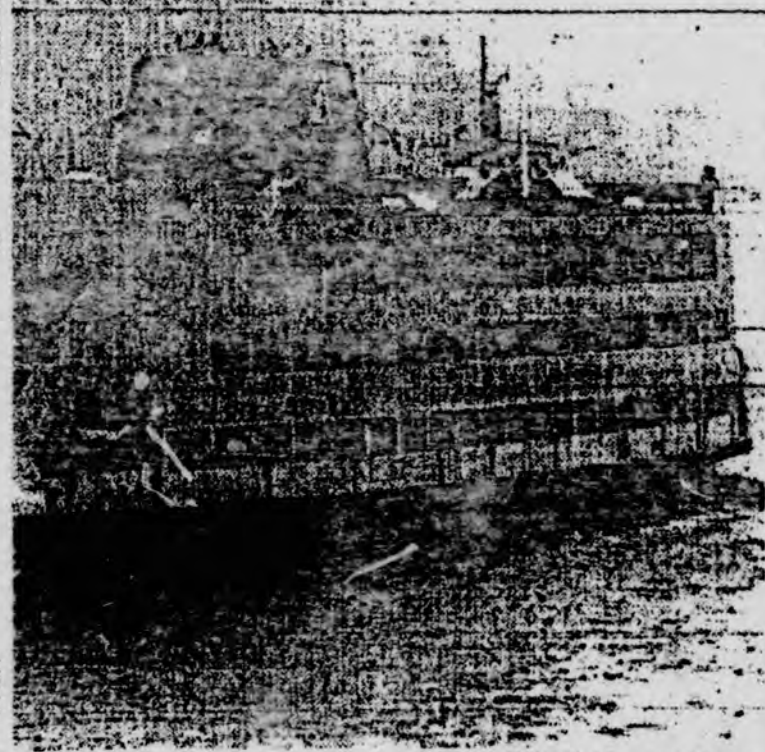
Retail lost 17,100 jobs in the four boroughs, compared with only 2,200 jobs lost in Manhattan. Over all, 379,200 people were employed in retail jobs in December 1980, about half in Manhattan.

There was significant growth in the financial, insurance and real-estate areas. These grew by almost 40,000 jobs between 1976 and 1980, almost all of them in Manhattan. There was a loss of 4,000 jobs in these areas in the other boroughs.

Growth in the service industries, including advertising, management consulting, computer data services and research and development, was up more than 20 percent. Of the 144,000 jobs in this sector citywide, 113,300 are in Manhattan.

Service Jobs Increase

Of the 144,000 jobs in the service sector, 113,300 are in Manhattan, 30,700 in the other boroughs.



The New York Times - Keith Meyers

ries More Passengers, but No Cars

Staten Island yesterday on boats, and is the first one in the 75 years since the city took over the run not to have ramps for transporting cars. Designated for commuting than for sightseeing, coinciding with the fact that the ferryboat.

Revising Money to Build

Payment has been made to the Copyright Clearance Center for this article.

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ies More Passengers, but No Cars

aten Island boats, and is the first one in the 73 years since the city took over the run not to have ramps for transporting cars. Designed more for commuting than for sightseeing, coin-operated binoculars are affixed on the new ferryboat.

Pension Money to Build

the interest rates offered on municipal bonds and taxable bonds had waned and that the state might be to find a way to meet both its financial needs and its obligation to keep the on funds solvent. "With the interest rates we're paying today, we have to able," he said.

High Interest Rates Cited
 Mr. E. Introne, Mr. Carey's Director of State Operations, said last night use of the pension funds "holds promise of alleviating some of the utilities posed by the capital market." With the high interest rates, he said, "you start thinking about interlocking your capital needs by relying on investment funds within the state."

Mr. Regan made an unusual appearance at the Democratic Governor's economic development cabinet meeting Friday, preaching fiscal austerity offering lessons in the state's new get procedures. The state is currently changing the way it conducts its business to generally accepted accounting principles.

Mr. Regan was calling for austerity, saying the Governor urged voters to support the \$200 million in bond issues for the state's infrastructure.

programs to finance prison projects, since the courts might order the state to alleviate overcrowding in prisons.

In the meantime the Legislature's fiscal committees began considering fiscal austerity. The Senate Finance and Assembly Ways and Means Committees heard the pleas of a variety of groups for state assistance to overcome the impact of the Federal budget cuts.

But Assemblyman Arthur J. Kremer, the chairman of the Ways and Means Committee, said: "We have no choice but to let these cuts go through. To pick them up would cost \$200 million."

New Power for Legislature
 The hearings were the first round in the Legislature's consideration of Mr. Carey's proposals for spending Federal money. This year marks the first time the Legislature will have a say in how Federal dollars are spent. Previously these funds were under the virtually exclusive control of the Governor.

Mr. Kremer, a Democrat from Long Beach, L.I., noted ruefully that the Legislature had obtained this power at a time when it would be charged with distributing Federal dollars instead of

Mr. Kremer said that the Legislature's power to control the money is a double-edged sword. He said that the Legislature's power to control the money is a double-edged sword.

city show, the earnings, a combination decline in manufacturing and retail trade and a growth in service and tourist-based industries.

They show that between December 1976 and December 1980, the Bronx lost 3,500 jobs and Brooklyn 7,500, while Queens gained 6,200 and Staten Island 7,000. In the case of Staten Island, this represents an increase of 15 percent.

"Two-thirds of the jobs are in Manhattan. Naturally, that's where the growth would be," said Herbert Blumstock, a professor of labor and urban values at Queens College and Mr. Ehrenhalt's predecessor at the Bureau of Labor Statistics. Mr. Blumstock said that a major reason Queens and Staten Island showed small gains was their stability in population.

"The white, middle-class boroughs had that demographic log to cling on to," he said. "The other two were simply swept away."

'All Eggs in One Basket'

As of the end of 1980, there were 2,501,400 jobs in New York City, as a whole, a 5.1 percent increase over 1976. This increase is only a fraction of the 620,000 jobs that the city lost between 1969 and 1976, the period of the sharpest job decline in its history.

"The question is, can you really have a balanced city economy if all your eggs are going into one basket," Mr. Ehrenhalt said, referring to the concentration of job growth in Manhattan.

A breakdown of the changes in the

There was significant growth in the financial, insurance and real-estate areas. These grew by almost 40,000 jobs between 1976 and 1980, almost all of them in Manhattan. There was a loss of 4,000 jobs in these areas in the other boroughs.

Growth in the service industries, including advertising, management consulting, computer data services and research and development, was up more than 20 percent. Of the 244,000 jobs in this sector citywide, 212,300 are in Manhattan.

Restaurant Jobs Increase

Of the 28,100 jobs in the hotel industry, which grew by 3,400 jobs in the four-year period, 25,300 are in Manhattan.

Of the 47,100 jobs in legal services, 43,200 are in Manhattan. This sector grew by 3,400 jobs, of which 900 were in the four boroughs outside of Manhattan.

The number of restaurant jobs grew in Manhattan by 4,000 and declined in the other boroughs by 1,100. All 5,300 new jobs in amusement and recreation services were in Manhattan. Jobs in the motion-picture industry grew by 6,300 in Manhattan and declined by 300 elsewhere in the city.

"The big growth was in all the sectors that make New York City a national center and an international center," said Mr. Ehrenhalt. "That's what makes us different from any other city in the country."

Changes in the New York City Work Force

Numbers of workers in the private sector; figures are rounded.

	Dec. 1976	Dec. 1980	Net change	Percent change
Br t	186,400	180,900	- 5,500	- 3.3%
Brooklyn	374,100	368,600	- 5,500	- 2.0
Manhattan	1.7 million	1.8 million	+134,800	+ 7.9
Queens	313,000	379,200	+ 6,200	+ 1.7
Staten Island	38,000	46,000	+ 8,000	+18.0
Total	2.8 million	2.8 million	+134,800	+3.1%

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**Intermodal Goods Movement Study:
New York City Rail Freight Access**

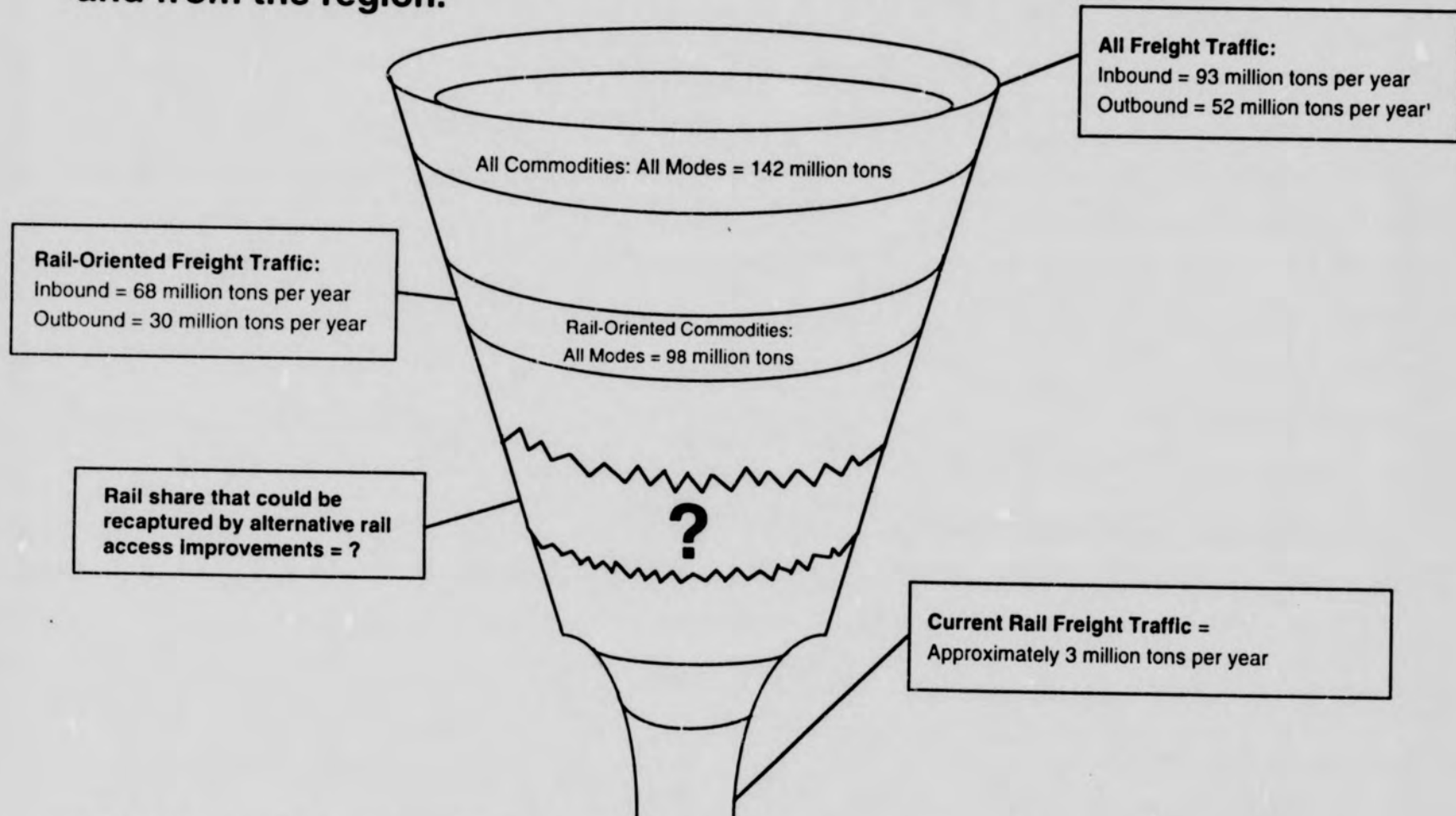
Task I Report: Market Assessment: Final

January 31, 1997

Prepared for:
New York City Economic
Development Corporation

Prepared by:
Mercer Management Consulting, Inc.
33 Hayden Avenue
Lexington, MA 02173-7993
(617) 861-7580

Rail-oriented commodities (i.e., commodities that commonly move on the nation's rail network) constitute a large fraction of the total freight traffic to and from the region.



- The balance of this project (Tasks 2 through 5) focuses on evaluating rail infrastructure investments designed to improve the proportion of total freight that flows by rail.

Approximate freight totals by DRI/McGraw Hill based on New Jersey DOT Intermodal Management System Database.

The New York Times

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NEW YORK, TUESDAY, SEPTEMBER 5, 1995

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Photograph by Nancy Sorel/The New York Times

Jose Reyes



PRESIDENT REBUTS SOME G.O.P. THEMES ON ECONOMIC WOES

A CHALLENGE TO WILSON

Clinton, in California, Asserts
the Problem Is Wages, Not
Immigration or Welfare

By ALISON MITCHELL

MONTEREY, Calif., Sept. 4 — Directly challenging some of the Presidential campaign themes of California's Republican Governor, President Clinton today told a cheering crowd here that immigration, affirmative action and welfare were not responsible for the economic distress of the middle class.

In a day that strongly resembled a Labor Day campaign kickoff in a state crucial to his re-election hopes, Mr. Clinton said the answers to stagnant wages lay instead with a higher minimum wage and more education and training programs for workers, two initiatives the White House has



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