

STB

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J

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

A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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ALBANY  
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1875 CONNECTICUT AVENUE, N.W.  
WASHINGTON, DC 20009-5728

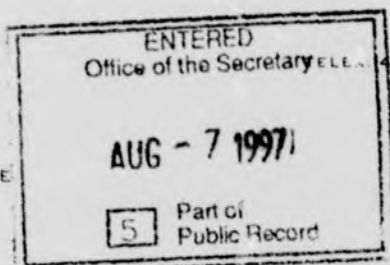
(202) 986-8000

40274 FACSIMILE: (202) 986-8102

WRITER'S DIRECT DIAL

(202) 986-8050

LOS ANGELES  
NEWARK  
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SALT LAKE CITY  
SAN FRANCISCO  
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(A LONDON-BASED  
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July 31, 1997

## VIA FACSIMILE AND FIRST-CLASS MAIL

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

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

Dear Secretary Williams:

At yesterday's discovery conference, Judge Leventhal accepted for purposes of the discovery process Applicants' revised designations of certain of their responses (CR-4, CSX-11, and NS-9, as revised orally) to our interrogatories (ACE, et al.-2, -3, and -4) as "confidential" or "highly confidential" under Decision No. 1 in this proceeding. Judge Leventhal also indicated that the Board could make its own determination of the appropriateness of such claims later when it had the parties' evidence before it. American Electric Power, Atlantic City Electric Company, Delmarva Power & Light Company, and The Ohio Valley Coal Company respectfully disagree with Judge Leventhal's determination to accept Applicants' revised designations rather than treat the responses as public, but given the Board's deferential standard applicable to most discovery disputes (see Decision No. 6 at 7), and the possibility that we may be able to present our case without relying on the responses themselves, we do not wish to burden the Board with an appeal now of a matter that may not require its resolution later. At the same time, the Board's deferential standard, which is designed to discourage appeals of discovery rulings, should not prejudice American Electric Power, et al. at the evidentiary stage if a ruling is necessary. Accordingly, this is to advise

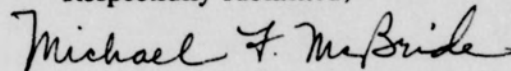
Mr. Vernon A. Williams

July 31, 1997

Page 2

the Board that we are not filing an appeal of Judge Leventhal's ruling on Applicants' revised designations, but reserve the right to challenge those designations if and when the matter is before the Board on the merits.

Respectfully submitted,



Michael F. McBride

Attorney for American Electric Power.

Atlantic City Electric Company.

Delmarva Power & Light Company. and

The Ohio Valley Coal Company

cc:     Restricted Service List  
          The Honorable Jacob Leventhal

STB

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7-23-97

J

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LAW OFFICES,

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

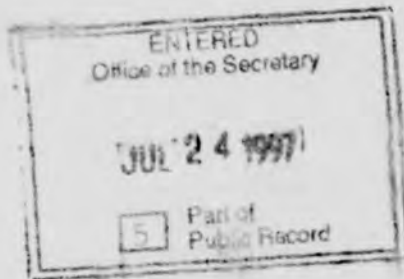
888 SEVENTEENTH STREET, N.W.

WASHINGTON, D.C. 20006-3939

TELEPHONE: (202) 298-8660

FACSIMILES: (202) 342-0693

(202) 342-1316



July 23, 1997

Via Hand Delivery

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



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

Dear Secretary Williams:

By this letter, the Applicants wish to advise the Board as to their understanding that Decision No. 12, served today, does not affect two matters pending before the Board. Those two matters are: 1) ARU-6, the Petition of Allied Rail Unions for Declaratory Order Regarding Existing Acquisition of Control of Conrail by NS and CSX, filed July 18, 1997; and 2) Motion to Waive Highly Confidential Requirement Regarding United Transportation Union's Inside Counsel, filed July 16, 1997.

Among other things, Decision No. 12 sets forth procedural deadlines for responding to motions and other pleadings. In relevant part, Decision 12 refers to the Board's earlier decision on the matter, Decision No. 6, served May 30, 1997, slip op. at 7. There is at least one difference between Decision No. 12 and Decision No. 6, however: Decision No. 12 provides that "any reply to any motion filed with the Board itself in the first instance must be filed within 3 working days of the date of filing of the motion," Decision No. 12, slip op. at 50 (emphasis added), whereas Decision No. 6 provides that "any reply to any procedural motion filed with the Board itself in the first instance must be filed within 3 working days of the date of the filing of the motion." Decision No. 6, slip op. at 7 (emphasis added). Decision No. 6 does not set forth any time restriction with

The Honorable Vernon Williams  
July 23, 1997  
Page -2-

regard to the filing of replies to motions not procedural in nature.<sup>1/</sup>

The two pleadings referred to above, ARU-6 and the undesignated motion by the United Transportation Union, were filed with the Board following service of Decision No. 6 and before the service of Decision No. 12. Neither is procedural in nature -- one charges Norfolk Southern and CSX with unlawful control of Conrail and the other requests modification of the protective order to expand the scope of persons permitted to review highly confidential material -- and therefore the Decision No. 6 time restriction for replying to procedural motions does not apply. The Applicants therefore understand that a response filed within the 20 days provided for in 49 C.F.R. § 1104.13(a) would be timely. A response to each of the ARU and UTU pleadings is contemplated within the allotted time.

A response to ARU-6 is due on August 7, 1997, and a response to the undesignated motion by the United Transportation Union is due on August 5, 1997. If Applicants' understanding is not correct and a response to either or both is due within three business days of the filing of the motion, then the Applicants ask that this letter be considered a request for extension of time to August 7 and August 5, respectively, in which to respond to each of the two motions.

In the case of ARU-6, the petition charges NS and CSX with major substantive violations of law and seeks various forms of coercive relief, including the divestiture of securities for which they paid in excess of \$10 billion. Applicants cannot reasonably be expected to respond to such serious charges and petitions seeking such coercive and other forms of major substantive relief, which we believe to be totally unfounded, in three business days. In the case of the UTU motion, the time to respond would already have passed if Decision No. 12 is interpreted contrary to our understanding and applied retroactively.

---

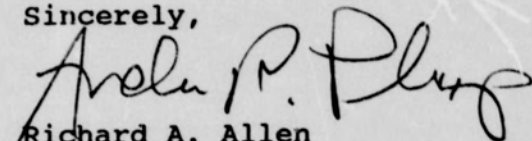
<sup>1/</sup> We note that the three-day rules on motions filed with the Board itself were also expressly limited to "procedural" motions in UP/SP (Decision No. 9, Notice of Acceptance of the Application, and Decision No. 6, Notice of Issuance of the Procedural Schedule), and in BN/SF (Decision served March 7, 1995, Notice of Issuance of New Procedural Schedule), and thus were similar to Decision No. 6 in the present docket.

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

The Honorable Vernon Williams  
July 23, 1997  
Page -3-

Applicants respectfully reserve the right to request reconsideration of Decision No. 12 with regard to the quoted provision, or any other provision.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andrew R. Plump". The signature is fluid and cursive, with a large, sweeping "P" and "L".

Richard A. Allen  
Andrew R. Plump  
John V. Edwards

On Behalf of Applicants

cc: Administrative Law Judge  
Jacob Leventhal  
All Parties of Record

STB

FD

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6-26-97

J

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**ARNOLD & PORTER**

555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206

(202) 942-5000  
FACSIMILE: (202) 942-5999

DENNIS G. LYONS  
(202) 942-5858

NEW YORK  
DENVER  
LOS ANGELES  
LONDON

June 26, 1997

**BY HAND DELIVERY**

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



J

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:

Here, as set forth in my letter of June 25, 1997, are four diskettes containing the text of Volumes 8B and 8C of the Application, which are formatted in WordPerfect 6.1.

The diskettes are submitted on behalf of the Applicants in the above matter.

Respectfully yours,

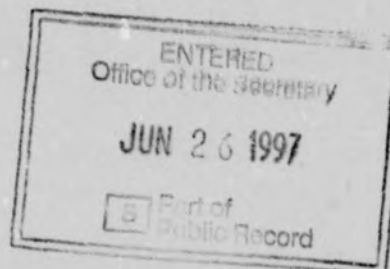
**ARNOLD & PORTER**

By: 

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

Enclosures

cc: Richard A. Allen, Esq.



STB

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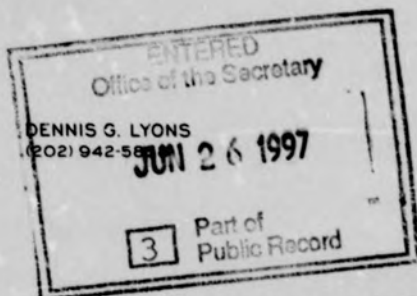
6-25-97

J

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## ARNOLD & PORTER

555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206

(202) 942-5000  
FACSIMILE: (202) 942-5999

June 25, 1997

NEW YORK  
DENVER  
LOS ANGELES  
LONDON



### **BY HAND DELIVERY**

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

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

Dear Secretary Williams:

Here, as set forth in my letter of June 23, 1997, is a set of diskettes containing the text of the Application, with the exception of the text of Volumes 8B and 8C (which will be provided shortly). The diskettes are formatted in WordPerfect 5.1 (or other formats readable under or convertible into WordPerfect 7.0); spreadsheets are formatted in Excel 5.0.

The diskettes are submitted on behalf of the Applicants in the above matter.

Respectfully yours,

ARNOLD & PORTER

By: 

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

Enclosures

cc: Richard A. Allen, Esq.

STB

FD

33388

6-16-97

J

180209



180209

LAW OFFICES

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

888 SEVENTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-3939  
TELEPHONE : (202) 298-8660  
FACSIMILES: (202) 342-0633  
(202) 342-1316

Richard A. Allen

June 16, 1997



Via Hand Delivery

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

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

Dear Secretary Williams:

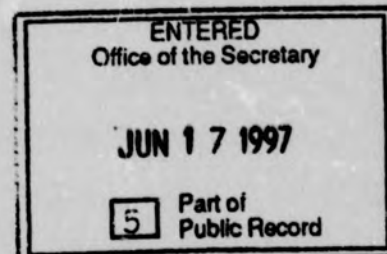
Enclosed for filing in the above-referenced docket please find an original and twenty five copies of NS-4, Certification of Service. Also enclosed is a 3 1/2" computer disk containing the filing in Wordperfect 5.1 format, which is capable of being read by Wordperfect for Windows 7.0.

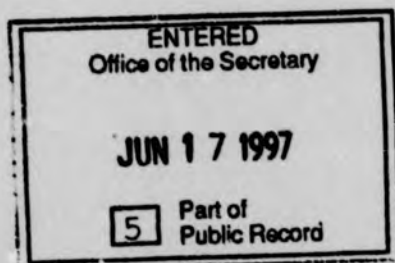
Should you have any questions regarding this, please call.

Sincerely,

Richard A. Allen  
ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

Enclosures





BEFORE THE  
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 33388



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

CERTIFICATION OF SERVICE

The Surface Transportation Board ("Board") issued Decision No. 9 granting the petitions of CSX Corporation and CSX Transportation, Inc. (collectively, "CSX") (CSX-1) and of Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively, "NS") (NS-1).

The Decision ordered Applicants CSX and NS to serve the Council on Environmental Quality, the Environmental Protection Agency Office of Federal Activities and the Federal Railroad Administration with copies of Decision No. 9 and to file a certification with the Board that the same has been done. On behalf of NS, the undersigned hereby certifies that such service was made today as follows: A copy of Decision No. 9 was served today by U.S. Mail upon each of the three aforementioned agencies by counsel for CSX on behalf of both CSX and NS, together with a copy of the attached letter, which represented that such service was being made on behalf of both CSX and NS.

Respectfully submitted,

Richard A. Allen  
Zuckert, Scoutt & Rasenberger, Esq.  
888 17th Street, NW #600  
Washington, D.C. 20006  
(202) 298-8660

Counsel for Norfolk Southern Corporation  
and Norfolk Southern Railway Company

June 16, 1997

Enclosure

cc: All Parties

**ARNOLD & PORTER**

555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206

(202) 942-8000  
FACSIMILE (202) 942-8999

DENNIS G. LYONS  
(202) 942-8998

NEW YORK  
DENVER  
LOS ANGELES  
LONDON

June 16, 1997

Environmental Protection Agency  
Office of Federal Activities  
Ariel Rios Building  
1200 Pennsylvania Ave., N.W.  
Washington, D.C. 20044

Council on Environmental  
Quality  
722 Jackson Place, N.W.  
Washington, D.C. 20503

Federal Railroad Administration  
Office of Safety Enforcement  
400 7th St., S.W.  
Washington, D.C. 20590

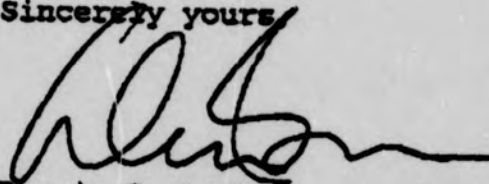
Re: STB Finance Docket No. 33388

Ladies & Gentlemen:

A copy of Decision No. 9, decided June 11, 1997,  
of the Surface Transportation Board in the above matter  
is enclosed for each of you.

Order paragraph 2 of the Order requires that  
Applicants CSX Corporation, CSX Transportation, Inc.  
(collectively, "CSX") and Norfolk Southern Corporation  
and Norfolk Southern Railway Company (collectively,  
"NS") serve copies of this Order on you. This mailing  
constitutes such service both on behalf of our client,  
CSX, and on behalf of NS, as authorized by its counsel.

Sincerely yours,



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

Enclosure

STB

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6-16-97

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**ARNOLD & PORTER**555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206(202) 942-5000  
FACSIMILE: (202) 942-5999DENNIS G. LYONS  
(202) 942-5856NEW YORK  
DENVER  
LOS ANGELES  
LONDON

June 16, 1997

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

J

Re: Certification of Additional Service;  
STB Finance Docket No. 33388

Dear Secretary Williams:

Enclosed please find CSX-4, the Certification of Additional Service in the above-referenced docket.

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

Thank you for your assistance in this matter. Please contact myself (202-942-5858), Mary Gabrielle Sprague (202-942-5773) or Susan Cassidy (202-942-5966) if you have any questions.

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

Very truly yours,

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

Enclosures

ENTERED	
Office of the Secretary	
JUN 16 1997	
5	Part of Public Record



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CSX-4

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 OF SERVICE**

The Surface Transportation Board ("Board") issued Decision No. 9 granting petitions of CSX Corporation and CSX Transportation, inc. (collectively, "CSX") (CSX-1) and of Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively, "NS") (NS-1).

The Decision ordered Applicants CSX and NS to serve the Council on Environmental Quality, the Environmental Protection Agency Office of Federal Activities, and the Federal Railroad Administration with copies of Decision No. 9 and to file a certification with the Board that the same has been done. The undersigned accordingly, on behalf of CSX, certifies that such service was made today by U.S. mail on behalf of CSX to the three agencies mentioned, together with a copy of the attached letter.

Respectfully submitted,

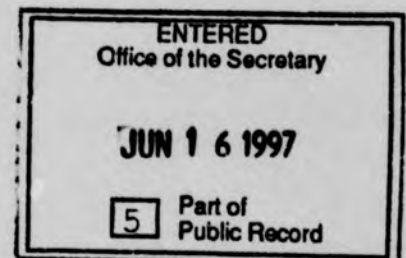
**DENNIS G. LYONS**  
Arnold & Porter  
555 12th Street, N.W.  
Washington, DC 20004-1202  
(202) 942-5000

Counsel for CSX Corporation  
and CSX Transportation, Inc.

June 16, 1997

Attachment

cc: Environmental Protection Agency  
Federal Railroad Administration  
Council on Environmental Quality



**ARNOLD & PORTER**

555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206

(202) 942-5000  
FACSIMILE: (202) 942-5999

DENNIS G. LYONS  
(202) 942-5858

NEW YORK  
DENVER  
LOS ANGELES  
LONDON

June 16, 1997



Environmental Protection Agency  
Office of Federal Activities  
Ariel Rios Building  
1200 Pennsylvania Ave., N.W.  
Washington, D.C. 20044

Council on Environmental  
Quality  
722 Jackson Place, N.W.  
Washington, D.C. 20503

Federal Railroad Administration  
Office of Safety Enforcement  
400 7th St., S.W.  
Washington, D.C. 20590

Re: STB Finance Docket No. 33388

Ladies & Gentlemen:

A copy of Decision No. 9, decided June 11, 1997, of the Surface Transportation Board in the above matter is enclosed for each of you.

Order paragraph 2 of the Order requires that Applicants CSX Corporation, CSX Transportation, Inc. (collectively, "CSX") and Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively, "NS") serve copies of this Order on you. This mailing constitutes such service both on behalf of our client, CSX, and on behalf of NS, as authorized by its counsel.

Sincerely yours

A handwritten signature in dark ink, appearing to read 'Dennis G. Lyons'. The signature is fluid and cursive, with a large, sweeping 'D' and 'L'.

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

Enclosure

STB

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6-12-97

J

BUSINESS



# BMTS

June 10, 1997

Mr. Vernon Williams, Secretary  
Surface Transportation Board  
STB Finance Docket No. 33388  
1925 K Street NW  
Washington DC 20423-0001



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

Verified Statement on Behalf of the  
Binghamton Metropolitan Transportation Study  
Finance Docket No 33388

The Binghamton Metropolitan Transportation Study Policy Committee (BMTS) wishes to express its support for the acquisition of Conrail by Norfolk Southern and CSX.

BMTS is the metropolitan planning organization (MPO) responsible under federal law (23 USC 134) for conducting the cooperative transportation planning process in the Binghamton metropolitan area. Our transportation planning efforts encompass movement of freight as well as people. As such, we have examined the importance of both truck and rail freight movement to the local and regional economy. Binghamton is in an historically important location for rail freight, being at the junction of the Conrail (former Erie) Southern Tier Line and the CP Delaware & Hudson line, with service also being operated by the New York, Susquehanna & Western. Despite this apparently competitive environment, Conrail has controlled access to most local shippers, and has not been overly responsive to their needs, or to developing rail business locally. This has resulted in increased reliance on truck for most freight shipment, with concurrent impact on the regional highway network. In addition, Conrail has in general limited its maintenance of the Southern Tier Line to the minimum required under a contractual obligation to the New York State Department of Transportation. That contract expires in June, 1998, leaving open the possibility of continued deterioration of the rail infrastructure.

BMTS believes that the acquisition of Conrail by Norfolk Southern and CSX will have a number of immediate positive benefits for the region. NS, the ultimate owner of the Southern Tier Line, has indicated their interest in upgrading the infrastructure and in seeking and developing local business. In the context of generally creating competitive access throughout the northeast U.S., and specifically to the New Jersey side of the Port of New York, there is the likelihood, in our view, that local businesses will be able to negotiate more competitive shipping costs. This will not only enhance the local and regional economy, but facilitate BMTS' mission of creating an efficient, multimodal metropolitan transportation network. Deteriorating rail infrastructure in the hands of a monopolistic owner has meant just the opposite.

Furthermore, ownership by Norfolk Southern will facilitate the interchange of goods to markets in the southeastern U.S. in a way that was not possible with Conrail. This will provide local businesses the opportunities to broaden their range of raw material suppliers, as well as to develop new markets

**BINGHAMTON METROPOLITAN TRANSPORTATION STUDY**  
P.O. BOX 1766, BROOME COUNTY OFFICE BUILDING  
BINGHAMTON, NEW YORK 13902  
(607) 778-2443

STB Finance Docket No 33388

June 10, 1997

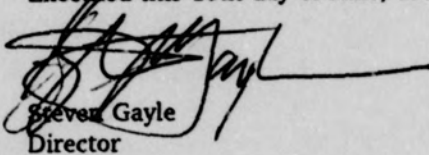
Page 2

for finished goods.

For the foregoing reasons, the Binghamton Metropolitan Transportation Study Policy Committee expresses its strong support for the acquisition of Conrail by Norfolk Southern and CSX.

I, Steven Gayle, Director of the Binghamton Metropolitan Transportation Study, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized by BMTS Policy Committee Resolution 97-08, adopted by consensus on the 9th day of June, 1997, to file this verified statement.

Executed this 10th day of June, 1997.

  
Steven Gayle  
Director

STB

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6-11-97

J

SHEILA ELLIS HIXSON

20TH LEGISLATIVE DISTRICT  
MONTGOMERY COUNTY



HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401-1991

CHAIRMAN  
WAYS & MEANS COMMITTEE

(410) 841-3469  
(301) 858-3469

June 2, 1997

Vernon A. Williams  
Secretary  
Surface Transportation Board  
12<sup>th</sup> and Constitutional Avenue, N.W.  
Washington, D.C. 20423

Re: STB Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc.; Norfolk Southern Corporation and Norfolk Southern Railway Corporation—Control and Operating Lease/Agreements—Conrail Inc. and Consolidated Rail Corporation

Dear Secretary Williams:

I am writing to express my strong support for the restructuring of the Northeast rail system based on the pending partition of Conrail's lines between CSX and Norfolk Southern.

As a Maryland elected official, I am excited about the economic development potential this merger would provide. By increasing the market reach of both NS and CSX, and enhancing their ability to compete with motor carriers for more business, this restructuring promises to benefit shippers and communities throughout Maryland and the eastern half of the United States.

Additional freight moving on CSX will mean fewer trucks clogging our highways and more freight cars and locomotives coming into CSX's Maryland shops for repair and maintenance. This bodes well for local employment and our regional economy.

I urge the Surface Transportation Board to give this pro-competitive, balanced proposal consideration and approval.

Sincerely,

Sheila E. Hixson

HOME ADDRESS  
1008 BROADMERE CIRCLE  
SILVER SPRING, MARYLAND 20904  
(301) 384-8738



LEGISLATIVE OFFICE ADDRESS  
ROOM 221 - LOWE HOUSE OFFICE BUILDING  
(410) 841-3027  
TOLL FREE FROM WASHINGTON AREA  
(301) 858-3027

# OFFICE OF THE MAYOR

FRANK P. CASULA

(301) 725-5300 EXT. 124  
(410) 792-9047 (BALTO.)  
(301) 953-9694 (METRO)  
(410) 792-2108 (FAX)



CITY OF LAUREL  
8103 SANDY SPRING ROAD  
LAUREL, MARYLAND 20707-2502

June 9, 1997

Vernon A. Williams, Secretary  
Surface Transportation Board  
12th and Constitutional Avenue, N.W.  
Washington, D.C. 20423



Dear Secretary Williams:

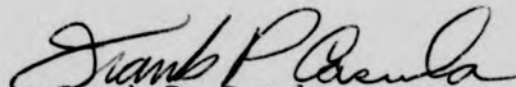
I am writing to express my strong support for the restructuring of the Northeast rail system based on the pending partition of Conrail's lines between CSX and Norfolk Southern.

The opportunities this merger would provide are indeed exciting from the viewpoint of economic development. By increasing the market reach of both NS and CSX, and enhancing their ability to compete with motor carriers for more business, this restructuring promises to benefit shippers and communities throughout Maryland and the eastern half of the United States.

Additional freight moving on CSX will mean fewer trucks clogging our highways, and as you may know, the City of Laurel is in close proximity to Route I-95, the Baltimore-Washington Parkway, and Maryland Route 198. Whenever there is a traffic accident on any of these vital routes, we often experience large trucks being re-routed down our historic Main Street.

I urge the Surface Transportation Board to give this pro-competitive, balance proposal consideration and approval.

Sincerely,

  
Frank P. Casula  
Mayor

cc: The Honorable Craig A. Moe, Council President  
Laurel City Council Read File  
Mr. Ernest J. Zaccanelli, City Administrator  
Mrs. Kristie M. Mills, Deputy City Administrator  
TRS/RF





June 4, 1997



Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
Twelfth and Constitution Ave., N.W.  
Washington D.C. 20423

FD 33388

Re: Conrail, Norfolk Southern and CSX

Dear Secretary Williams:

I am writing on behalf of The Coastal Corporation, a Fortune 500 Company with \$11 billion in assets and a strategic interest in the availability of economical transportation. We are a significant user of rail services and have been following the proposed transaction among Conrail, Norfolk Southern and CSX through its various stages.

Coastal is strongly supportive of the proposed division of Conrail assets between Norfolk Southern and CSX. This transaction should provide us with major benefits in terms of faster, more direct and more reliable service. The scope and overlap of the two systems will guarantee both meaningful competition between the two carriers and significant economies for them as well. Both should be able to serve our eastern markets efficiently and cost effectively. We expect enhancements in both product movements, carrier service and transportation expense.

We encourage the Board to give this transaction expedited consideration and approve this needed improvement in freight traffic by rail in the Northeast.

Please file this letter of support in any proceeding brought with regard to this transaction, and advise me whether any further action on my part is required.

Sincerely,

Leslie Wm. Adams  
Director, Corporate Law

/lwa

cc: Mr. Vern G. Bauer  
Norfolk Southern Rwy.

Ms. Heidi M. Shattuck  
C.S.X. Rwy.

**The Coastal Corporation**

COASTAL TOWER • NINE GREENWAY PLAZA • HOUSTON TX 77046-0995 • 713/877-1400 • TLX 166008

STB

FD

33388

6-10-97

J



*A. Schulman Inc.*

*Corporate Headquarters*

June 5, 1997



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

Re: Finance Docket #33388, CSX Corp., etc.-  
Request for Comments on "Petition for Waiver of  
49 C.F.R. 1180.4(c) (2) (vi)"

Dear Secretary Williams,

Regarding the above-referenced Finance Docket, we at A. Schulman, Inc., sharing an interest in rail transportation in the United States as both shipper and receiver of commodities as well as a user of intermodal transportation facilities throughout the United States, request the Board to give expedient consideration to authorizing CSX in the construction of rail connections at Greenwich, Ohio; Crestline, Ohio; Sydney, Ohio and Willow Creek, Indiana.

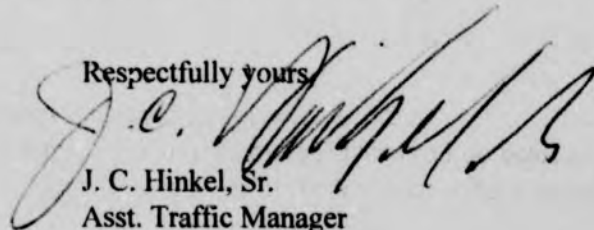
In view of our feelings that the Board will eventually authorize the proposed joint acquisition of Conrail by CSX and Norfolk Southern, anything that CSX or Norfolk Southern can do prior to final approval by the Board would certainly enhance a much smoother transition.

We at A. Schulman, Inc. have experienced a most frustrating encounter surrounding the Southern Pacific-Union Pacific acquisition, such as: interchanges, transit times, trackage rights and customer service. Therefore, anything the Board feels is within reason for either CSX or Norfolk Southern to do in preliminary stages that would make this transition smoother and less painful on shippers and receivers of goods should be strongly considered.

With plants located in Akron, Ohio; Bellevue, Ohio; Orange, Texas and St. Thomas, Ontario, we commend CSX in their efforts to expedite this transition and improve service immediately, rather than six months or a year from the date of approval, and therefore, support the petition in question.

Furthermore, we at A. Schulman, Inc. support the overall proposal of the acquisition of Conrail by CSX and Norfolk Southern. We appreciate this opportunity to provide our comments and feelings to the Board.

Respectfully yours,



J. C. Hinkel, Sr.  
Asst. Traffic Manager



**JEFFREY J. SNELL**  
ATTORNEY AT LAW  
253 WEST AURORA ROAD, SUITE 200  
SAGAMORE HILLS, OHIO 44067

MAILING ADDRESS:  
P.O. Box 569  
SAGAMORE HILLS, OHIO 44067-0569

LICENSED TO PRACTICE IN OHIO AND FLORIDA

216/467-9600

FAX 216/467-9314

May 20, 1997

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



Verified Statement

*Re: Proposed CSX/NS/Conrail Transaction, STB Finance Docket No. 33388*

Dear Secretary Williams:

I am writing you express my strong support for the joint acquisition of Conrail by CSX Corporation and Norfolk Southern as proposed in the above referenced docket. Ohio's industrial, business and agricultural interests need the best possible rail transportation. I believe this merger will provide our key industries with transportation options providing increased market reach at potentially lower costs.

Many of these industries will be able to access key Eastern, Midwestern, Southern and even international customers and suppliers with single line service. This will make rail service faster, more reliable and more efficient. This is a major benefit to Ohio.

The proposed transaction also offers residents of Ohio opportunities for new business and industrial growth with the resultant new jobs. This is crucial for our ability to compete in the global economy. The enhanced CSX and NS systems will also increase the number of East Coast ports to which our state's companies will have efficient and cost effective access. This will create new possibilities for exporting Ohio's manufactured goods and agricultural commodities.

Without questions, the proposed transaction would link America's premier rail transportation companies. This is an advantage for shippers in terms of both service and efficiency. CSX's global access via its Sealand subsidiary; its domestic barge line and international logistics company, will generate many new commercial and employment opportunities for the people of Ohio.

The joint acquisition of Conrail by CSX and Norfolk Southern is a positive for Ohio

Page 2

Letter to Vernon A. Williams

and the United States. I urge the Surface Transportation Board to approve the transaction as proposed.

I, Jeffrey J. Snell, 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 this 20 day of May, 1997.

Sincerely,

Jeffrey J. Snell

cc: D.M. Levin, Chairman  
Consolidated Rail Corporation  
2001 Market St., 17N  
Philadelphia, PA 19101-1417

Burges & Burges, Strategists  
26100 Lake Shore Blvd.  
Cleveland, OH 44132

J.W. Snow, Chairman  
CSX Corporation  
P.O. Box 85629  
Richmond, VA 23285-5629



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## **PHILADELPHIA FOREST PRODUCTS**

---

P.O. Box 37

Southampton, PA 18966

(609) 665-9422

June 3, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
STB Finance Docket No. 33388  
1925 K Street N.W.  
Washington, DC. 20423-0001



RE: CSX Corp. And CSX Transportation  
Inc.; Norfolk Southern Railway Company - Control  
and Operating Leases/Agreements - Conrail Inc.,  
STB Finance Docket No. 33388.

**VERIFIED STATEMENT OF RICHARD J. SASSO  
PHILADELPHIA FOREST PRODUCTS**

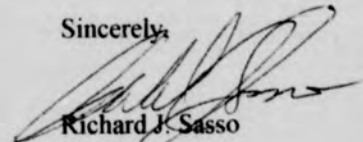
My name is Richard J. Sasso, I am traffic manager of Philadelphia Forest Products. I have held my position for 16 years. My duties include management of shipping, receiving, and warehousing. I am responsible for setting up reload warehouses in various regions of the country.

Philadelphia Forest Products is a wholesaler of building materials, such as lumber and plywood, and we have facilities in Eugene OR. and Pennsauken, NJ. These facilities are currently served by SP and Conrail and we ship and receive in excess of 300 cars per year.

Here is a distinct need for two competing railroads in the Northeast, and I support STB approval of the joint application by which Norfolk Southern and CSX plan to acquire control of Conrail, divide assets and improve to a much greater extent the balance of rail competition in the Northeast. The presence of two carriers in our area can only result in better market access and equipment availability as well as improved customer service.

I, Richard J. Sasso, 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 June 3, 1997.

Sincerely,



Richard J. Sasso  
Traffic Manager



OFFICES: Southampton, PA ♦ Natick, MA ♦ Columbia, MD ♦ Hull, MA ♦ Southington, CT  
WAREHOUSES: Baltimore, MD ♦ Pennsauken, NJ ♦ Arlington, VT



Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1201 Constitution Avenue NW  
Room 2215  
Washington DC 20423



Dear Mr. Secretary: *FD33386*

Erb Lumber supports the acquisition of Conrail by CSX Transportation and Norfolk Southern.

We believe this proposed merger is positive, and if approved will offer improved and expanded service opportunities.

This would permit our company to keep transportation costs down while being the recipient of expeditious service.

We hope this matter will receive early consideration by the Surface Transportation Board and that Congress will not act to block or delay deliberation of this matter.

Thank you for your consideration.

*Sincerely*

*GARY J. ROGERS*  
TRANSPORTATION MANAGER  
ERB LUMBER, INC.





A Subsidiary of Republic Group Incorporated

**SUSAN HALL**  
Vice President - Sales

June 4, 1997

The Honorable Vernon A. Williams  
Office of the Secretary  
Surface Transportation Board  
STB Finance Docket Number 33388  
1925 K Street, N.W.  
Washington, D.C. 20423-0001



Verified Statement of Republic Gypsum Company

Dear Sir:

My name is Susan Hall, and I am Vice President of Sales for Republic Gypsum Company. I have held my present position for five years. My duties include wallboard sales and marketing.

Republic Gypsum Company is a wallboard manufacturing facility. Our facility is located in Duke, Oklahoma. This facility is presently served by Hollis & Eastern Railroad and BNSF at Altus, Oklahoma. We sell to suppliers located in the central and eastern regions of the United States. We ship an average of 133 rail cars per month and expect that number to double in approximately one year due to a major plant expansion currently in progress.

We support approval of the transaction by which CSX and Norfolk Southern will acquire control of Conrail if these two companies divide the assets and trackage of Conrail in the manner which has been described to me, and which will be described in the joint application of CSX and NS to control Conrail. A distinct need exists for two competing railroads in the Northeast who will own their own track and facilities. For too long, customers who ship or receive goods into and out of the northeast have had the service of only one rail carrier. When only one company is able to operate in a particular market, service suffers and the price becomes noncompetitive. While there may have been historical reasons for insulating northeastern rail service from competition, that time is past. It is time for customers interested in this market to have service by more than one rail carrier. And those rail carriers cannot be just any rail carriers. They must be comparable in terms of their size, scope and ability to provide a competitive service. From what I understand of railroad operations, I believe that in the 1990's, two carriers of



A Subsidiary of Republic Group Incorporated

**SUSAN HALL**  
Vice President - Sales

The Honorable Vernon A. Williams  
Office of the Secretary  
Surface Transportation Board  
June 4, 1997  
Page 2

relatively equal size and scope provide the greatest opportunities for seamless service, efficient equipment utilization and seamless synergies.

In addition, we look forward to experiencing not only the change from being served by one rail carrier, but also the greatly expanded market reach which single line service by NS and CSX can give. An extensive addition of single line rail service will allow us to provide increased market penetration to areas in which we have been unable to compete adequately.

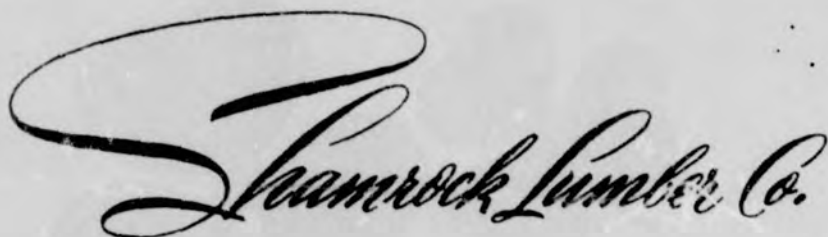
To summarize, we believe that the joint application of NS and CSX to acquire Conrail should be approved by the STB.

I, Susan Hall, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement. Executed on June 4, 1997.

Sincerely,

Susan Hall, Vice President Sales  
Republic Gypsum Company

SH/jr



May 30, 1997

The Honorable Vernon A. Williams  
Office of the Secretary  
Case Control Branch  
Surface Transportation Board  
Attn: STF Finance Docket #33388  
1201 Constitution Avenue, N.W.  
Washington, D.C. 20423-0001

Re: Verified Statement of Shamrock Lumber  
Proposed CSXT/NS/Conrail Transaction  
Surface Transportation Docket No. 33388

Dear Secretary Williams:

My name is Mike Gambee. I am Sales Manager with Shamrock Lumber Co. with headquarters in Eugene, OR. My office is located in Portland, OR. My responsibilities as Sales Manager include buying product, selling product and the direct oversight of our transportation requirements from plants we buy product from to our customers.

Shamrock Lumber Co. is a Forest Products Wholesale company with sales of \$25,000,000.00 annually. Transportation is a vital factor to the success of our business. Approximately 85% of our business moves by rail. Primarily, we buy from six locations; Newark, CA, Antioch, CA, Apex, NV, Altus, OK, Laredo, TX and Cody, WY. Over 90% of our customers are served by Conrail, CSXT or Norfolk Southern.

The Northeast is a vital part of our business and how the lines of Conrail are divided is of extreme interest to us. I support the proposed joint acquisition of Conrail and urge the Board to approve it promptly. The two recent Western line consolidations have proven to us that time is of the essence in dealing with these matters to avoid the service disruptions we have already experienced.

I, Mike Gambee, declare under penalty of perjury that the foregoing is true and accurate. Further, I certify that I am qualified and authorized to file this verified statement. Executed this 30th day of May, 1997.

Sincerely,

Mike Gambee  
Sales Manager

**JONES-HAMILTON CO.**

8400 ENTERPRISE DRIVE, NEWARK, CALIFORNIA 94560-3310

TEL: (510) 797-2471  
FAX: (510) 797-0162

June 4, 1997

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



RE: STB Finance Docket No. 33388, CSX Corporation and CSX Transportation Inc.;  
Norfolk Southern Corporation and Norfolk Southern Railway Corporation -  
Control and Operating Lease/ Agreements- Conrail Inc. and Consolidated Rail  
Corporation

Dear Secretary Williams:

My name is Robert C. Messemer. I am a Consultant for the Jones-Hamilton CO., with Corporate Headquarters at 8400 Enterprise Drive, Newark, California 94560-3310. My office is located at 66 Scenic Hill Road, Trumbull, Connecticut 06611. As a Consultant for Jones-Hamilton CO., I assist them in developing Distribution and Transportation Strategy for the products they purchase and ship throughout the United States. I have been in the Distribution /Transportation Industry for over 35 years. My last position, prior to my Consulting Business, was Director of Distribution and Purchasing for a major international chemical corporation.

Jones- Hamilton CO. is a Chemical Company with manufacturing facilities in Newark, California and Toledo, Ohio. They ship Hydrochloric Acid, Sodium Bisulfate and Specialized Sulfuric Acid to the Chemical, Petroleum and Agricultural Industries. They also have partnerships with other major Chemical Companies throughout the United States. From these facilities, they ship thousands of tons of Hydrochloric Acid. Jones.- Hamilton places several hundred thousand tons of product in the transportation pipeline every year by truck and rail. A good percentage of this business moves in rail.

The Toledo plant now served by Conrail will be affected by this merger. A great volume of Hydrochloric Acid presently moves into and is shipped from this plant by rail in joint line service with the CSX. We understand that if the CSX and Norfolk Southern gain control and divide assets and trackage in accordance with their application, that Jones-Hamilton's Toledo plant will be served by the CSX Railroad. Since a great volume of inbound material is now routed CSX-Conrail and outbound Conrail-CSX, joint line



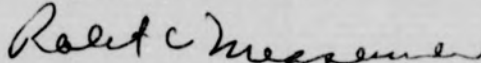
service will be eliminated and single line CSX service will be available. This should reduce transportation cost, improve service and improve efficiency of the Jones-Hamilton tank car fleet, which moves product in and out of the plant. The improved cycle times will, in addition to increased equipment utilization, reduce inventories and improve responsiveness to customer expectations.

The single line service via CSX should also permit the CSX to be more competitive with the tank truck carriers that move thousands of tons in and out of the Toledo plant. The current joint line service will not develop this competition because of the high cost of joint line service. With improved service and lower transportation cost Jones-Hamilton can penetrate new markets for Hydrochloric Acid and develop new rail business.

There is a need for balanced rail competition in the Northeast United States. This application, if approved, will create two eastern rail carriers of similar size and provide opportunities for seamless service, efficient equipment utilization and ongoing productivity opportunities.

Jones-Hamilton CO. supports the approval of the CSX/NS application to acquire Conrail. We respectfully request that the Surface Transportation Board expeditiously approve the CSX/NS application to acquire Conrail.

Respectfully submitted,



Robert C. Messemer  
Consultant  
Jones-Hamilton CO.



# HEARTLAND CO-OP

2829 Westown Parkway, Suite 350  
West Des Moines, Iowa 50266

June 4, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
STB Finance Docket No. 33388  
1925 K Street, N.W.  
Washington, D.C. 20423-0001



## VERIFIED STATEMENT OF HEARTLAND CO-OP

My name is Larry Petersen, and I am General Manager of Heartland Co-op. I have held my present position for four years. My duties include the oversight of operations and the long term direction of Heartland Co-op.

Heartland Co-op is primarily a grain purchaser and shipper of corn and soybeans in Central Iowa. We are owned by over 1600 producers located in a six county area surrounding Des Moines, Iowa. We also own and operate facilities that sell and apply crop fertilizer and pesticides in this same geographical area.

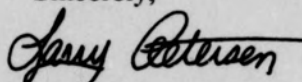
We have a grain shipping facility located at S.E. 18th Street in Des Moines, Iowa. This facility is presently served by NS. We predominately sell grain from this location to customers on the Mississippi River at St. Louis as well as feeders located in the Southeast section of the United States. These facilities are located on NS lines. During 1996, we shipped 4350 covered hopper cars of grain from this location. It is anticipated that our 1997 shipping schedule will surpass the 1996 car loading total.

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 the lines of NS, we would welcome the benefit of increased market access for single-line rail transportation. Joint line rail service into and out of the Northeast has tended to inhibit our ability to move this traffic, and the single-line service which NS proposes would be of benefit to us. With single line service, I believe our facility would be able to compete in these markets with other companies enjoying single line service into the Northeast.

We have used NS for several years and have been satisfied with their service. We are confident that they would be able to provide good service on any CR lines which they acquire. For all the reasons described above, I support the application of NS and CSX to acquire Conrail.

I, Larry Petersen, 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 June 4, 1997.

Sincerely,

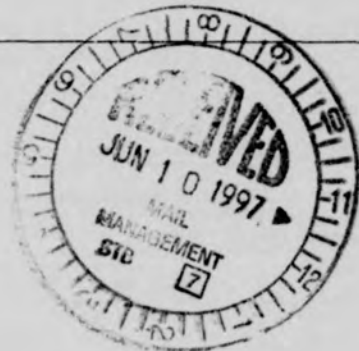
A handwritten signature in dark ink, appearing to read "Larry Petersen", with a stylized, flowing script.

Larry Petersen  
General Manager

# The Chamber

The Owensboro-Daviess County Chamber of Commerce

June 4, 1997



Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 24231-0001

Re: Finance Docket No. 33388  
CSX/Norfolk Southern Acquisition and Control of Conrail

Dear Secretary Williams,

It is a pleasure for me to offer my support for the proposal being brought before the Surface Transportation Board in the captioned proceeding. The enhanced rail transportation service resulting from the proposed transaction should generate significant new business and industrial growth in Owensboro. Such growth is crucial to us because it creates new jobs for our community's residents. In addition, this growth should result in more railroad jobs on the expanded CSX and NS rail system and will provide an expanded market reach for Kentucky's rail shippers. Our coal producers and vehicle manufacturers will have direct rail access to Northeast markets for the very first time.

For these reasons and on behalf of our businesses, I urge the Board to approve the application filed in the captioned proceeding expeditiously and thereby enable Kentucky to realize the benefits of the rail service which will result from the proposed transaction.

Sincerely,

A handwritten signature in dark ink, appearing to read 'David C. Adkisson'.

David C. Adkisson  
President & CEO

cc: Mr. John W. Snow, Chairman  
Mr. Jay S. Westbrook, Resident Vice President

# The Board of Chosen Freeholders

## County of Passaic



JOHN R. O'BRIEN  
DIRECTOR

EDWARD J. MURPHY  
CLERK



MICHAEL ADAMO

PETER C. EAGLER

WALTER W. PORTER Jr.

NORMAN M. ROBERTSON

SCOTT RUMANA

GEORGIA D. SCOTT

June 5th, 1997

The United States Surface Transportation Board  
1925 K Street  
Washington, DC 32202

Dear Sir/Madam:

*FD 33388*

Enclosed, herewith, please find one certified copy of resolutions R-25, adopted by the Board of Chosen Freeholders at a regular meeting held on June 4th, 1997 which you will find self explanatory.

Very truly yours,

*Edward J. Murphy*

Edward J. Murphy,  
Clerk of the Board of  
Chosen Freeholders

EJM:ek  
Enc.



6-4-97  
R-25

WHEREAS in excess of \$20 million in public funds have been expended by local, State and Federal agencies to preserve and rehabilitate the existing freight line; and

RECORD OF VOTE													
FRESHOLDER	Ave	Nay	N V	Abs.	Res.	Sec.	FRESHOLDER	Ave	Nay	N V	Abs.	Res.	Sec.
ADAMS	X					✓	ROBERTSON	X					
BURDEN	X						RUMANA	X					
O'BRIEN	X						SCOTT	X					
PORTER	X				✓								

X - Indicates Vote      Abs. - Absent      N V - Not Voting  
 Res. - Resolution Moved      Sec. - Resolution Seconded

WHEREAS the United States Congress in 1991 under the Intermodal Surface Transportation and Efficiency Act (ISTEA) authorized in excess of \$48.6 million in additional federal public funds to provide commuter rail service from Hawthorne, New Jersey to Warwick, New York along the NYS&W Rail line in and through Passaic County, which included the purchase of equipment, rehabilitation and construction of stations, parking facilities and other facilities necessary for the restoration of such commuter rail service; and

WHEREAS the County of Passaic, in cooperation with Morris, Sussex and Bergen Counties, as well as New Jersey Transit, are working cooperatively toward the restoration of passenger rail service on the NYS&W Rail line; and

WHEREAS New Jersey Transit completed an Environmental Assessment (EA) for the restoration of rail passenger service between Hoboken and Sparta in which the Federal Transit Administration issued a Finding of No Significant impact (FONSI) in September, 1996 thereby finding that there would be no negative environmental impact; and

WHEREAS New Jersey Transit is currently negotiating a Memorandum of Understanding (MOU) with NYS&W which will establish an operating and maintenance framework for shared passenger and freight service;

NOW THEREFORE BE IT RESOLVED by the Passaic County Board of Chosen Freeholders that the Board hereby expresses its strong support for the continuation of active rail freight and reinstitution of passenger service on the NYS&W rail line to and through the County of Passaic; and

BE IT FURTHER RESOLVED that the Board of Chosen Freeholders of the County of Passaic urges the Federal Surface Transportation Board which will soon be considering the application of Norfolk Southern and CSX Transportation Corporation for the sale and division of Conrail, to consider the implications of the proposed sale on:

1. The future viability of the NYS&W freight line through Passaic County and Northern New Jersey;
2. The many millions of dollars in public funds that have already been invested in the preservation and restoration of the NYS&W Rail line;



3. The impact of the termination of rail service on the NYS&W on both local and regional economic development efforts and significant truck traffic increases;

4. The future implementation of passenger rail service on the NYS&W line to Passaic County and Northern New Jersey; and

BE IT FURTHER RESOLVED that the Passaic County Board of Chosen Freeholders urges the State of New Jersey to go on record with the United States Surface Transportation Board to make certain that freight and future passenger rail service remain viable on the NYS&W Rail line through Passaic County and Northern New Jersey; and

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to Governor Christine Todd Whitman; the Honorable Frank Lautenberg, U.S. Senator; the Honorable Robert Toricelli, U.S. Senator; the New Jersey Congressional Delegation; the Honorable Andrew Ciesla, Chairperson of the New Jersey State Senate Transportation Committee; the Honorable Alex DeCroce, Chairperson of the New Jersey State Assembly Transportation and Communication Committee; the United States Surface Transportation Board; the New Jersey Department of Transportation; New Jersey Transit Corporation; the North Jersey Transportation Planning Authority; the Freeholder Boards of Morris, Sussex and Bergen Counties; the Norfolk Southern Railroad Corporation; the CSX Transportation Corporation; the Delaware Otsego Corporation; and the Passaic County Municipalities (Paterson, Hawthorne, Pompton Lakes, and West Milford).

Dated: June 4th, 1997.

MHG/JR

The foregoing Resolution has been  
Requested By:

Reviewed By:

Nicola R. DiDonna  
Nicola R. DiDonna, County Administrator

APPROVED AS TO FORM AND LEGALITY

BY Michael J. Levin  
ASS. COUNTY COUNSEL

DATE 5/30/97

**BOARD OF CHOSEN FREEHOLDERS OF THE COUNTY OF PASSAIC**

**STATE OF NEW JERSEY.**

I, Edward J. Murphy, Clerk of the Board of Chosen Freeholders of the County of Passaic, do hereby certify  
that the annexed is a true copy of a Resolution, passed at a ..... Regular  
meeting of the Board of Chosen Freeholders held on the ..... 4th ..... day of  
June ..... 199 7

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Passaic this  
5th ..... day of June ..... 199 7



*Edward J. Murphy*

.....  
Clerk of the Board of Chosen Freeholders  
of the County of Passaic

STB

FD

33388

6-10-97

J

180133

J 180133

**ULMER & BERNE LLP**  
ATTORNEYS AT LAW

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

E-mail Address  
[cmccracken@ulmer.com](mailto:cmccracken@ulmer.com)

**CHRISTOPHER C. MCCrackEN**  
Direct Dial (216) 902-8905

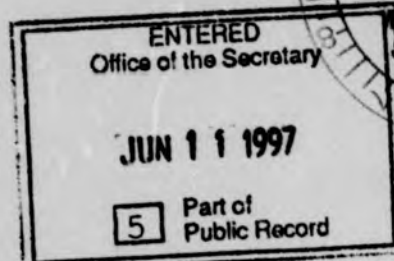
Bond Court Building  
1300 East Ninth Street, Suite 900  
Cleveland, Ohio 44114-1583  
Fax (216) 621-7488

(216) 621-8400

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

June 6, 1997

Honorable Vernon A. Williams  
Office of the Secretary  
Surface Transportation Board  
Case Control Unit  
1925 K Street, N.W.  
Washington, D.C. 20423-001



**Attention: STB Finance Docket No. 33388**

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 Sir:

On April 10, 1997, the applicants of the above-referenced proceedings submitted their notice of intent to participate jointly in the acquisition of Conrail Inc. pursuant to the October 14, 1996 Merger Agreement, as amended, and under agreements made between CSX and Norfolk Southern. This letter is to request that the Surface Transportation Board place Ashta Chemicals Inc. ("Ashta") and its representatives indicated below on the service list of all parties of record prepared and issued under the provisions of 49 C.F.R. §1180.4(a)(4). Please serve us with copies of all pleadings filed to date together with the decisions of this Board on this Docket.

Ashta expects to participate in this proceeding as an active party. As such, in accordance with 49 C.F.R. §1180.4(a)(2), Ashta selects the acronym "ASHT-x" for identifying all documents and pleadings it submits.

Christopher C. McCracken  
Inajo Davis Chappell  
Ulmer & Berne LLP  
1300 East 9th Street  
Suite 900  
Cleveland, Ohio 44114-1583

ULMER & BERNÉ LLP

Honorable V.A. Williams

2

June 6, 1997

Copies of this letter are being served upon Administrative Law Judge Jacob Leventhal and each of applicants' representatives.

Respectfully submitted,

*Chris McCracken*  
Christopher C. McCracken

114:diw

STB

FD

33388

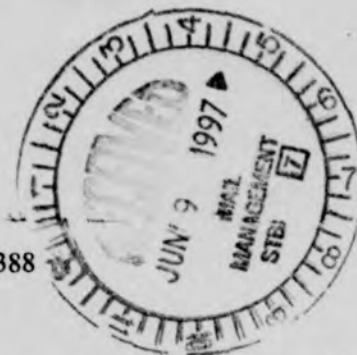
6-9-97

J

**JOHN J. H. SCHWARZ, M.D.**

24TH DISTRICT  
P.O. BOX 30036  
LANSING, MICHIGAN 48909-7536  
OFFICE: (517) 373-3447  
FAX: (517) 373-5849  
DISTRICT: (616) 962-7733  
TDD: (517) 373-0543

**THE SENATE  
LANSING, MICHIGAN**



**PRESIDENT PRO TEMPORE**

APPROPRIATIONS COMMITTEE  
SUBCOMMITTEES:  
HIGHER EDUCATION, CHAIRMAN  
COMMUNITY HEALTH  
JOINT CAPITAL OUTLAY  
SCHOOL AID AND DEPARTMENT  
OF EDUCATION

HEALTH POLICY AND SENIOR CITIZENS,  
VICE CHAIRMAN  
MICHIGAN CAPITOL COMMITTEE  
LEGISLATIVE COUNCIL  
LEGISLATIVE RETIREMENT

**June 2, 1997**

**Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street NW  
Washington, DC 20423-0001**

**Re: Conrail Merger, Finance Docket No. 33388**

**Dear Mr. Williams:**

I am writing to express my support for the proposed acquisition of Conrail by Norfolk Southern and CSX. This proposal by CSX and Norfolk Southern, which represents a major consolidation of Class I railroads, will have a positive impact on my Senate district and have far-reaching benefits for our nation's rail transportation system. My interests in this proposed merger are as follows:

I support any plan which promotes balanced rail competition in the territory serviced by Conrail. Michigan's industries--automotive manufacturing, agriculture, mining and chemicals--will all reap benefits through a viable competitive rail service which provides shipping alternatives.

Acquisition of Michigan's Conrail lines will make Norfolk Southern a major player. CSX already operates significant miles of track in Michigan. The third major railroad in Michigan is Canadian National, which recently spent almost \$200 million on a tunnel from Port Huron to Sarnia, Ontario. Canadian National has more employees in Michigan than Norfolk Southern and CSX combined, and Canadian National's viability must be a prime consideration in any restructuring of rail trackage in our state.

A single dominant railroad in the Northeast is unacceptable. The package offered by Norfolk Southern and CSX brings rail competition to areas where Conrail has, in effect, had an outright monopoly. Norfolk Southern and CSX's proposal will provide the benefits of competitive rail service to those in Michigan who ship or receive goods to and from these areas.

It is my position that competitive access through ownership of rail lines by many strong, highly regarded railroads is necessary to achieve an appropriate level of railroad competition in the United States. I offer my strong support to the proposed acquisition of Conrail by Norfolk Southern and CSX, and am confident the Surface Transportation Board will find the merits of this merger acceptable and proceed with approving the consolidation.

**Yours very truly,**

**JOHN J. H. SCHWARZ, M.D.  
State Senator, 24th District  
President pro tempore**

**JJHS/rmj**





June 4, 1997

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street NW  
Washington DC 20423-0001

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

Dear Mr. Williams:

FD 33388

On behalf of the Lansing Regional Chamber of Commerce, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX.

Current proposals call for the Conrail line between Lansing and Jackson to be acquired by the Norfolk Southern Railroad. The CSX already serves our region from Webberville to Grand Ledge and west. Norfolk Southern will now join CSX and the CNN to serve this region. Three railroads instead of two will provide balanced and excellent service for our region.

Therefore, we truly believe that acquisition of Conrail by NS and CSX will benefit our community by making NS a stronger railroad. Such a combination will allow industries in our community to reach markets by rail that they have heretofore either been unable to reach or have been able to reach only at a competitive disadvantage.

The competitive package NS and CSX have offered to bring rail competition to areas where Conrail has, in effect, had an outright monopoly should provide the benefits of competitive rail service to those in our community who ship or receive goods to and from these areas.

We strongly support the proposed acquisition of Conrail by NS and CSX and we urge that it be promptly approved.

BY: Melvin T. Kent  
Melvin T. Kent  
President

# Crawford County Commissioners

112 E. MANSFIELD STREET, BUCYRUS, OHIO 44820

TELEPHONE: (419) 562-5876

FAX: (419) 562-3491

**CARL W. WATT**  
PRESIDENT

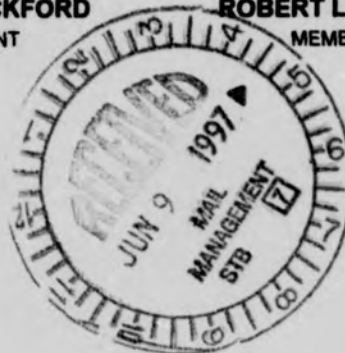
**BARBARA BLACKFORD**  
VICE PRESIDENT

**ROBERT L. LAIPPLY**  
MEMBER

**JEAN CHANEY**  
CLERK

June 5, 1997

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street NW  
Washington, DC 20423-0001



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

Dear Mr. Williams:

On behalf of Crawford County, Ohio, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX. I am President of the Board of Commissioners for Crawford County, Ohio and have been duly authorized to speak on the Board's behalf. Crawford County has had a long-standing relationship with Norfolk Southern.

The Board of Commissioners believes that acquisition of Conrail by Norfolk and CSX will benefit our community by making Norfolk Southern a stronger railroad. Such a combination will allow industries in our community to reach markets by rail that they have heretofore either been unable to reach or have been able to reach only at a competitive disadvantage.

We support the proposed acquisition of Conrail by Norfolk and CSX and we urge that it be approved.

Sincerely,

A handwritten signature in cursive script that reads "Carl W. Watt".

Carl W. Watt, President  
Board of Commissioners,  
Crawford County, Ohio

CWW/jc

nscsxltr.wps.jc

# TOWN OF CEREDO

OFFICE OF THE MAYOR  
(304) 453-1041

*An All West Virginia City*

POST OFFICE BOX 691  
CEREDO, WEST VIRGINIA 25507



June 5, 1997



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

Re: Finance Docket No. 33388 - CSX/Norfolk Southern  
Acquisition and Control of Conrail

Dear Mr. Williams:

I am writing to convey the Town of Ceredo's (W. Va.) wholehearted support for the proposal which is being brought before the Board in the captioned proceeding. The Town of Ceredo's industrial, business, and agricultural interests must have access to reliable rail transportation, and the proposed transaction will enable them to receive more competitive rail service and provide them with single line access to many more customers and suppliers.

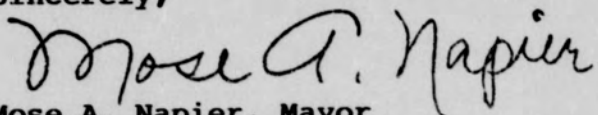
I am confident that the enhanced transportation service resulting from the proposed transaction will generate significant new business and industrial growth in the Town of Ceredo. Such growth is crucial to us because it creates new jobs for Ceredo residents. I also anticipate that the transaction will result in more railroad jobs on the expanded CSX and NS rail systems.

In addition to the direct and indirect benefits which will accrue to the Town of Ceredo by virtue of the proposed acquisition of Conrail by CSX and Norfolk Southern, the enlarged CSX and NS Systems will be able to compete more effectively with motor carriers. The motor carriers will always retain a major share of the intercity freight business by virtue of their speed and flexibility, and good truck service is as important

to us as good rail service, but some diversion of freight traffic from the highways to the railroads would help reduce highway traffic to more acceptable levels.

In conclusion, the Town of Ceredo urges the Board to approve the application filed in the captioned proceeding as expeditiously as possible and thereby enable its residents to begin realizing the benefits of the improved rail service which will result from the proposed transaction.

Sincerely,

  
Mose A. Napier, Mayor  
Town of Ceredo

Copy: Mr. John W. Snow  
Chairman  
CSX Corporation  
P. O. Box 85629  
Richmond, Virginia 23285-5629

# **LUMBER** *City*

A DIVISION OF EAST COAST BUILDING SUPPLY CORPORATION  
POST OFFICE BOX 2226  
CHESAPEAKE, VIRGINIA 23327  
(757) 436-0808

**Greentree**  
404 Greentree Road  
Chesapeake, VA 23320  
(757) 436-0808

**Lee Hall**  
1 Elmhurst Street  
Newport News, VA 23603  
(757) 837-2000

**Sandston**  
100 Lumber Drive  
Sandston, VA 23150  
(804) 737-6091

**Western Branch**  
3304 Taylor Road  
Chesapeake, VA 23321  
(757) 483-2243

The Honorable Vernon A. Williams  
Secretary  
Case Control Branch  
Surface Transportation Board  
Att: STB Finance Docket # 33388  
1925 K Street N.W.  
Washington, D.C. 20423-0001



Dear Mr. Williams:

My name is Paul Gabriele I am Vice President of Purchasing for Lumber City in Chesapeake, VA.

Lumber City receives lumber, I-beams and joist, oriented strand board, gypsum wallboard by rail. In 1996 we received over 200 carloads delivered by Norfolk Southern.

We support the proposed acquisition of conrail by Norfolk Southern & CSXT. Since our facilities are located on the lines of Norfolk Southern, We would welcome the benefit of increased market access for single line rail transportation. We have been served by Norfolk Southern for several years and have been satisfied with their service. We are confident that they would be able to provide good service on any Conrail line which they acquire.

For the reason described above, I support the application of Norfolk Southern to merge with Conrail.

Sincerely,

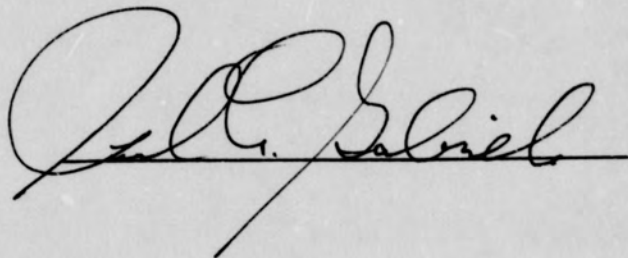
A handwritten signature in dark ink, appearing to read "Paul Gabriele".

Paul Gabriel, Vice President of Purchasing  
Lumber City



**VERIFICATION**

I PAUL GABRIELE, 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 5/26, 1997.

A handwritten signature in cursive script, appearing to read "Paul Gabriele", is written over a horizontal line. The signature is fluid and stylized, with a long, sweeping underline that extends to the right.



# Seaforth

SEAFORTH MINERAL & ORE CO., INC.

3690 ORANGE PLACE, SUITE 495  
CLEVELAND, OHIO 44122 USA

TELEPHONE: (216) 292-5820

U.S. WATS: (800) 292-9022

TELEFAX: (216) 292-1033

June 3, 1997



Mr. Vernon A. Williams  
Surface Transportation Board  
12th & Constitution Ave. NW  
Washington, DC 10423

RE: STB Finance Docket No. 33388

Dear Vernon:

My name is Gary McClurg. I am Chief Executive Officer of Seaforth Mineral & Ore Co., Inc. in Cleveland, Ohio. My office address is 3690 Orange Place, Suite 495, Cleveland, Ohio 44122. In my position I am responsible for coordinating the transportation strategy for the manufacturing location owned by Seaforth Mineral, including the transportation of inbound raw materials as well as outbound product. I have been in my current position since 1990, and have worked in the minerals field for 20 years.

Seaforth Mineral is a medium-sized mineral processor of fluorspar, manufacturing for a wide variety of customers. Seaforth Mineral fluorspar is found in steel, glass and ceramic products. We are reliant on two rail carriers at our East Liverpool, Ohio location servicing various rail routes. Both Conrail and CSX service our important customers in the Carolinas, many of which are also served by Norfolk Southern. It appears with the proposed split-up of Conrail that we will not have as much flexibility and competition. We request that for our Conrail siding that we will be granted rights to have access to both CSX and Norfolk Southern service.

Sincerely,

Gary B. McClurg  
Chief Executive Officer

GBM/js

g:/actwin2/docs/transp3.wpd



# VILLAGE OF GLENWOOD

13 South Rebecca Street

**WILLIAM J. ASSELBORN, JR.**  
Mayor  
(708) 758-5155



Glenwood, Illinois 60425

**RENEE LARCHER**  
Clerk  
(708) 758-5150

June 4, 1997

Mr. Vernon Williams  
Secretary  
Surface Transportation Board  
1201 Constitution Avenue, N.W.  
Room 2215  
Washington, DC 20423



RE: CSX - Conrail Merger / Financial Docket No. ~~33320~~

33388

Dear Secretary Williams:

On behalf of the Village of Glenwood, I would like to convey my strong support for the proposed merger of the Conrail and CSX rail systems. The efficient movement of goods is extremely important to the economic health of this region. The proposed merger will improve service, reduce costs, and strengthen competition, and will be of great benefit to the producers, shippers and consumers of Glenwood.

The merger will allow new direct, single-line service on an unparalleled rail network of 29,645 miles across 22 states, including all the major markets east of the Mississippi. Shippers will benefit from more frequent and reliable service, shorter routes, an improved cost structure, and better equipment supply and utilization. Improved service and greater efficiency will result in lower transportation costs.

Shippers and producers will also receive the benefits of the integration of CSX and Conrail's rail and non-rail business operations. The combined company will be an international transportation company, offering shippers single-source access to rail, truck, and container shipping, and the nation's largest barge shipping company, plus the traffic handling and marketing capability to help shippers manage these national and international multi-model operations.

**Trustees:**  
Ronald Clark  
Sam Dobbins  
Kerry M. Durkin

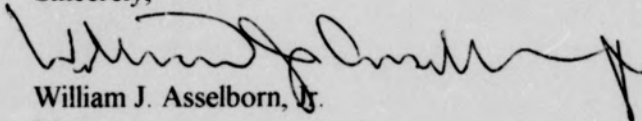
Telephone (708) 758-5150  
FAX No. (708) 758-4896

**Trustees:**  
Peter J. Gergel  
Robert Hoefler  
Christine Duvauchelle

The merger offers important benefits to the citizens of Glenwood in the form of reduced truck traffic and a consequent reduction in highway congestion. Currently trucks ship most of the freight in the northeast. The new more efficient combined rail system will be able to compete more effectively with trucks for this freight, diverting trucks from the highways and thus relieving traffic congestion, reducing the number of highway accidents, and reducing air pollution. Finally, the combined system offers significant opportunities for enhanced passenger rail service, including a reduction in delays and improved service quality.

For these reasons, the village of Glenwood offers its support for the proposed merger of CSX and Conrail and asks that the Surface Transportation Board grant its approval to the merger application.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William J. Asselborn, Jr.', with a stylized flourish at the end.

William J. Asselborn, Jr.  
Mayor

**MAYOR**

Jerry G. Matheny

**CITY COUNCIL**

Clair W. Clark, President

Robert Distler

Richard Hasselschwert

Wayne Massau

Lisa Smith

Eugene Vanderbunt

**City of  
Wauseon****"THE CITY YOU'LL TAKE TO HEART"**

230 CLINTON STREET

WAUSEON, OHIO 43567

Phone 419 - 335-9022

Fax 419 - 335-3887

Fax 419 - 335-3866 Office

**Director of Law**

Jeffrey L. Robinson

**Ass't. Director of Law**

Jan H. Stamm

**Director of Finance**

Wayne J. Badenhop

**Director of Public Service**

Dennis L. Richardson



June 5, 1997

Vernon A. Williams, Secretary  
Surface Transportation Board  
12th and Constitution Ave., N.W.  
Washington, DC 20423

RE: CSX and Norfolk Southern Control - Conrail  
STB Finance Docket No. 33388

Dear Secretary Williams:

I am writing to express my strong support for the planned control of Conrail by CSX Corporation and Norfolk Southern Corporation as proposed in the above referenced docket. Ohio's industrial, business, and agricultural interests need the best possible rail transportation. I feel this transaction will provide our key industries with new transportation options and increased market reach at a potentially lower cost.

Many industries will be able to access key Eastern, Midwestern, Southern and even international customers and supplies with a single line service. This will make rail service faster, more reliable, and more efficient, which will benefit Ohio tremendously.

CSX and Norfolk Southern's control of Conrail also offers Ohio residents the opportunity for new business and industrial growth with the result of new jobs. This is crucial for our ability to compete in the global economy. Approval of this control application will also increase the number of East Coast ports to which our state's companies will have efficient and cost-effective access. This will create new possibilities for exporting Ohio's manufactured goods and agricultural commodities.

The control of Conrail by CSX and Norfolk Southern is a positive step for Ohio and the United States. I urge the Surface Transportation Board to approve the control application as proposed.

Sincerely yours,

Jerry G. Matheny, Mayor  
Wauseon, Ohio

JGM/tlm

STB

FD

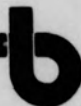
33388

6-6-97

J

BUSINESS

R.L. BANKS & ASSOCIATES, INC.



1717 K Street, NW, Washington, DC 20006-1515  
(202) 296-6700 FAX (202) 296-3700

4 Britton Avenue, Belvedere, CA 94920-2431  
(415) 789-5061 FAX (415) 789-5019

June 3, 1997



Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

SUBJECT: Finance Docket No. 33388

Dear Mr. Secretary:

Please include this firm on your Service List for Board decisions only.

Sincerely,

George K. Withers, Jr.

/kw

STB

FD

33388

6-2-97

J

MOCOH



# Congress of the United States

Washington, DC 20515

May 7, 1997

CHAIRMAN MORGAN

JUN 2 3 55 PM '97

RECEIVED  
SURFACE TRANSPORTATION

The Honorable Linda Morgan, Chairman  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20515

Dear Madam Chairman,

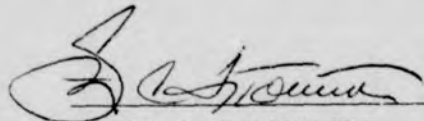
We are writing in opposition to the joint petition by the CSX Corporation and the Norfolk Southern Corporation for an expedited procedural schedule for consideration of their acquisition of Conrail.

After reviewing the issues involved in the breakup of Conrail, we feel it is in the public interest that the Surface Transportation Board utilize the full 15-month statutory period permitted under the law. While the applicants have argued in their petition that the proposed transaction is less complex because the two principal acquiring parties of Conrail have reached agreement, we strongly disagree. In reality, the issues involved in the Conrail breakup are numerous and complex. Furthermore, the majority of these are far from being resolved.

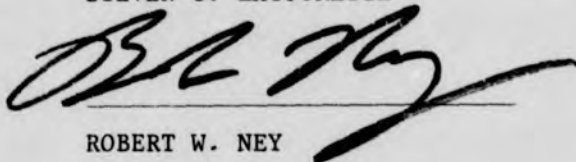
In addition, it is unknown what the impact of this \$10 billion transaction will have on the State of Ohio, our communities and businesses. In particular, the livelihoods of Conrail employees and their families throughout our State and the nation are uncertain. This, combined with the vacancy on the Board, makes it imperative the Board be allowed the full statutory period permitted under the law. In 1995, when the Congress established the Surface Transportation Board in the Interstate Commerce Commission Termination Act (P.L. 104-88), it set a 15-month overall time limit for agency review and final action. Given the factors cited above, we believe it is in the public interest for the Board to utilize the full 15-month period established in the Interstate Commerce Commission Termination Act.

We urge the Surface Transportation Board to oppose an expedited procedural schedule and utilize the full statutory period established by Congress. Madam Chairman, we respectfully request that you place a copy of this correspondence in the official docket.

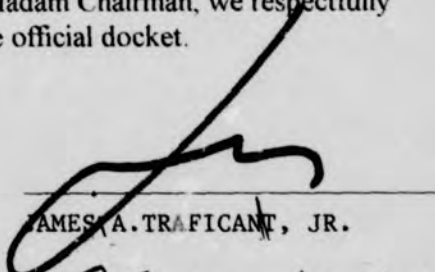
Sincerely,



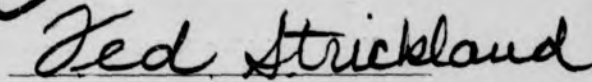
STEVEN C. LATOURETTE



ROBERT W. NEY



JAMES A. TRAFICANT, JR.



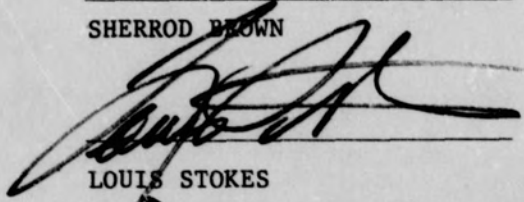
TED STRICKLAND

Dennis J. Kucinich

DENNIS J. KUCINICH

Sherrod Brown

SHERROD BROWN

  
LOUIS STOKES

Marcy Kaptur

MARCY KAPTUR



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

June 13, 1997

The Honorable Steven C. LaTourette  
U.S. House of Representatives  
Washington, D.C. 20515-3519

Dear Congressman LaTourette:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

The Board recently adopted a 350-day procedural schedule for deciding the merits of the control application to be filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case, including the preparation of a full Environmental Impact Statement, which is warranted here given the nature and scope of the environmental issues that are likely to be raised. Applicants intend to file their control application with the Board on June 16, 1997. Because this proceeding is pending before the Board, it would be inappropriate for me to comment on the specific merits of the case.

I am having your letter made a part of the public docket in this proceeding, and your name will be added to the service list to ensure that you will receive copies of all future decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable James A. Traficant, Jr.  
U.S. House of Representatives  
Washington, D.C. 20515-3517

Dear Congressman Traficant:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

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Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable Robert W. Ney  
U.S. House of Representatives  
Washington, D.C. 20515-3518

Dear Congressman Ney:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

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Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable Ted Strickland  
U.S. House of Representatives  
Washington, D.C. 20515-3506

Dear Congressman Strickland:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

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Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable Dennis J. Kucinich  
U.S. House of Representatives  
Washington, D.C. 20515-3510

Dear Congressman Kucinich:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

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Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable Sherrod Brown  
U.S. House of Representatives  
Washington, D.C. 20515-3401

Dear Congressman Brown:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

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I am having your letter made a part of the public docket in this proceeding, and your name will be added to the service list to ensure that you will receive copies of all future decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable Louis Stokes  
U.S. House of Representatives  
Washington, D.C. 20515-3511

Dear Congressman Stokes:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

The Board recently adopted a 350-day procedural schedule for deciding the merits of the control application to be filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case, including the preparation of a full Environmental Impact Statement, which is warranted here given the nature and scope of the environmental issues that are likely to be raised. Applicants intend to file their control application with the Board on June 16, 1997. Because this proceeding is pending before the Board, it would be inappropriate for me to comment on the specific merits of the case.

I am having your letter made a part of the public docket in this proceeding, and your name will be added to the service list to ensure that you will receive copies of all future decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

June 13, 1997

The Honorable Marcy Kaptur  
U.S. House of Representatives  
Washington, D.C. 20515-3509

Dear Congresswoman Kaptur:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

The Board recently adopted a 350-day procedural schedule for deciding the merits of the control application to be filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case, including the preparation of a full Environmental Impact Statement, which is warranted here given the nature and scope of the environmental issues that are likely to be raised. Applicants intend to file their control application with the Board on June 16, 1997. Because this proceeding is pending before the Board, it would be inappropriate for me to comment on the specific merits of the case.

I am having your letter made a part of the public docket in this proceeding, and your name will be added to the service list to ensure that you will receive copies of all future decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

STB

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6-2-97

J

MOCIL



WILLIAM O. LIPINSKI

30 DISTRICT, ILLINOIS

COMMITTEE ON  
TRANSPORTATION AND INFRASTRUCTURE  
RANKING DEMOCRATIC MEMBER,  
SUBCOMMITTEE ON AVIATION  
SUBCOMMITTEE ON RAILROADS  
DEMOCRATIC STEERING COMMITTEE

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

OFFICES:

1501 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-1303  
(202) 225-5701

5832 SOUTH ARCHER AVENUE  
CHICAGO, IL 60638  
(312) 286-0481

12717 SOUTH RIDGELAND AVENUE  
PALOS HEIGHTS, IL 60463  
(708) 371-7480

6215 WEST 79TH STREET  
SUITE 2A  
BURBANK, IL 60459  
(708) 430-0104

May 7, 1997

The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20463-0001

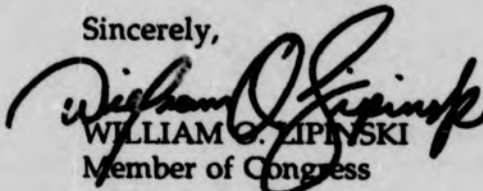
Dear Madam Chairman:

I write to strongly urge the Surface Transportation Board to reject a proposal by CSX Corporation and Norfolk Southern (NS) to expedite or reduce the Board's schedule for deliberations on the acquisition of Conrail Inc. by the two carriers.

I believe the Board was correct and acting in the public interest when, in its first rulemaking on the CSX - Conrail merger schedule, it set a 365-day schedule to review the proposed merger. I do not support the view of CSX and NS that now less time is needed for the Board's review simply because the two acquiring parties have reached agreement on the division of Conrail. To the contrary, I believe even more time is needed to assess the impact of this extensive, complex and unique acquisition of Conrail. Because of this transaction's far reaching effects on the applicant rail carriers and on the entire railroad industry, on the Northeast and on the entire nation, the Board must give a full and lengthy review of the transaction to ensure that the public interest is truly served.

I am confident that the Board will reject the accelerated schedule proposed by CSX and NS and will instead adopt a schedule with enough time to fully consider this critically important matter. Thank you for your time and attention to this matter. With best wishes and kind regards, I remain

Sincerely,

  
WILLIAM O. LIPINSKI  
Member of Congress

WOL/cc

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SURFACE TRANSPORTATION  
BOARD  
JUN 2 3 56 PM '97  
OFFICE OF  
CHAIRMAN MORGAN





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

June 13, 1997

The Honorable William O. Lipinski  
U.S. House of Representatives  
Washington, D.C. 20515-1303

Dear Congressman Lipinski:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board). The proceeding is docketed at the Board as STB Finance Docket No. 33388.

The Board recently adopted a 350-day procedural schedule for deciding the merits of the control application to be filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case, including the preparation of a full Environmental Impact Statement, which is warranted here given the nature and scope of the environmental issues that are likely to be raised. Applicants intend to file their control application with the Board on June 16, 1997. Because this proceeding is pending before the Board, it would be inappropriate for me to comment on the specific merits of the case.

I am having your letter made a part of the public docket in this proceeding, and your name will be added to the service list to ensure that you will receive copies of all future decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

*Add to  
service  
list*

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD - 33388*

May 22, 1997

The Honorable David M. Beasley  
Governor  
State of South Carolina  
Post Office Box 11369  
Columbia, SC 29211

Dear Governor Beasley:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

Applicants also have requested an expedited procedural schedule. Consistent with established precedent, the Board has sought comments from the public on applicants' proposed schedule. The comment period ended on May 1, 1997, and the Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case.

I am having your letter made a part of the public docket in this proceeding, and will have your name added to the service list to ensure that you receive all future Board decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



# State of South Carolina

## Office of the Governor

DAVID M. BEASLEY  
GOVERNOR

Post Office Box 11369  
COLUMBIA 29211

April 29, 1997

The Honorable Linda Morgan  
Chairwoman  
The Surface Transportation Board  
1201 Constitution Avenue, NW  
Washington, D.C. 20423

Re: Financial Docket No. 33388 - CSX/Norfolk Southern  
Acquisition and Control of Conrail

OFFICE OF  
CHAIRMAN MORGAN

MAY 01 2 38 PM '97

RECEIVED  
SURFACE TRANSPORTATION BOARD

Dear Ms. Morgan:

I am writing to request that the Board expedite the application by CSX and Norfolk Southern to acquire Conrail, and limit the timetable for the process to 255 days.

The system created by the acquisition will have great benefits for South Carolina industries. It will bring single-line service between our state and the Northeast and Midwest, thus providing more reliability, better service and increased efficiency. By creating two strong rail competitors in the East, it will expand the market reach of companies in South Carolina and throughout the region.

Additionally, it will positively impact some of our key industrial sectors that ship by rail, including grain, paper, chemicals and metals, and thus further our statewide efforts to create jobs and opportunity for all South Carolinians.

Because this proposal has such great potential for the state, I hope you will move quickly so that our companies and our economy can begin to enjoy the benefits of the acquisition as soon as possible. Thank you.

Sincerely,

David M. Beasley

cc: Mr. John W. Show  
Chairman, President and CEO  
CSX Corporation  
P.O. Box 85629  
Richmond, Virginia 23285

Mr. David R. Goode  
Chairman, President and CEO  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510

FedEx Retrieval Copy

\_\_\_\_\_

STB

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5-29-97

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0101353001

**ARNOLD & PORTER**555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206(202) 942-5000  
FACSIMILE (202) 942-5999NEW YORK  
DENVER  
LOS ANGELES  
LONDONDENNIS G. LYONS  
(202) 942-5858

May 29, 1997

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

J

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

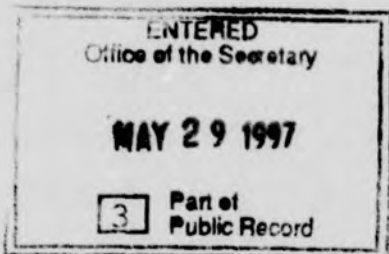
Dear Secretary Williams:

I hereby submit, on behalf of CSX Corporation and CSX Transportation, Inc. (collectively, "CSX") and in connection with the above-referenced proceeding, a check made payable to "Surface Transportation Board," in the amount of \$889,500.00, required under 49 C.F.R. § 1002.2(f) upon the filing of a primary railroad control application that the Surface Transportation Board determines to be a major transaction. On April 21, 1997, the Board issues Decision No. 2 in this proceeding, which in part sets forth the Board's determination that the proposed transaction was a major transaction as defined at 49 C.F.R. § 1180.2(a). Decision No. 2, slip op. at 3.

We understand that Norfolk Southern Corporation and Norfolk Southern Railway Co. (collectively, "NS") have submitted a check in like amount in connection with this proceeding.

It is the parties' intention that CSX, NS and Conrail will be filing the primary Railroad Control Application on or after June 16, 1997.

If there are any questions regarding this matter, please call me.



Respectfully yours,

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

Enclosure

cc: Richard A. Allen, Esq.

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5-29-97

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179962

ARNOLD & PORTER

555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206

(202) 942-5000  
FACSIMILE (202) 942-5999

DENNIS G. LYONS  
(202) 942-5858

NEW YORK  
DENVER  
LOS ANGELES  
LONDON

May 29, 1997

**BY HAND**

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



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

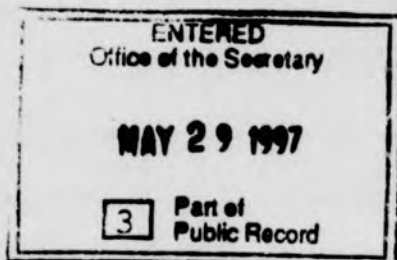
Dear Secretary Williams:

I hereby submit, on behalf of CSX Corporation and CSX Transportation, Inc. (collectively, "CSX") and in connection with the above-referenced proceeding, a check made payable to "Surface Transportation Board," in the amount of \$889,500.00, required under 49 C.F.R. § 1002.2(i) upon the filing of a primary railroad control application that the Surface Transportation Board determines to be a major transaction. On April 21, 1997, the Board issues Decision No. 2 in this proceeding, which in part sets forth the Board's determination that the proposed transaction was a major transaction as defined at 49 C.F.R. § 1180.2(a). Decision No. 2, slip op. at 3.

We understand that Norfolk Southern Corporation and Norfolk Southern Railway Co. (collectively, "NS") have submitted a check in like amount in connection with this proceeding.

It is the parties' intention that CSX, NS and Conrail will be filing the primary Railroad Control Application on or after June 16, 1997.

If there are any questions regarding this matter, please call me.



Respectfully yours,

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

Enclosure  
cc: Richard A. Allen, Esq.

STB

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5-27-97

J

BUS/NESS



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*FD-33388*

June 10, 1997

Mr. Albert V. Schulte  
4487 South SR 109  
Anderson, IN 46013

Dear Mr. Schulte:

Thank you for your letter expressing concern over the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. The proceeding is docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently adopted a 350-day procedural schedule for deciding the merits of the control application to be filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely rescission of this case. Applicants now intend to file their control application with the Board on June 16, 1997. Because this proceeding is pending before the Board, it would be inappropriate for me to comment on the specific merits of the case, or the specific issues you raise in your letter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Albert V. Schulte  
4487 South SR 109  
Anderson, Ind. 46013  
May 23, 1997

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

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067 MAY 27 1997  
NATIONAL ARCHIVES

Surface Transportation Board  
Ms. Linda J. Morgan, Chairman  
20th & K Street  
Washington, D. C.

Sir

I am a clerk with the Consolidated Rail Corp. I have worked for the railroad for 37 years. I have seen the NYC/PRR merger, the bankruptcy of the Penn Central and now probably the demise of the Conrail Corp. At each of these times I have seen promises made by the various managements regarding the high level of service to customers and shippers. I have seen promises made to the ICC and various state agencies about how service and jobs will be retained. Almost all of these promises left small loop holes, which the various companies said, they would only be used if business declined.

Mr. Goode and Mr. Snow both say some jobs will be lost, but more new jobs will be created because of new business growth.

Mr. Goode and Mr. Snow both say the transit time for goods will be less because there will be no need to interchange cars.

Mr. Goode and Mr. Snow both say they will reduce the number of large trucks on the highways by moving this freight intermodally.

Mr. Goode and Mr. Snow both say they will increase the amount of freight cars and the amount of intermodal traffic.

Mr. Goode and Mr. Snow both say they will upgrade and enlarge ConRails Intermodal Terminals.

Mr. Goode and Mr. Snow both say they will do the maintenance on the ConRail tracks to raise the track speeds.

They are totally correct in the assumption that some job will be lost. And they are correct about new jobs being created, but the new jobs will require for the people to move to another part of the country.

They are only partially correct about reducing the amount of time of car interchange. a single car now takes about 24 hours to be delivered and pulled from an interchange. Whereas, an entire train moving from/to CR/NS/CSX takes only the amount of time consumed during a crew change. This amounts to about 10 minutes delay to the train.

At first a small reduction in the number of large highway trucks will occur. But after a certain percentage is reached the trucking industry will lower there freight rates bringing the traffic back to the trucks. A small rate war will ensue until a happy median is established between truck and rail.

There will be an increase in the number of intermodal and freight cars, but as time passes and the truckers lower there rates, the numbers will return to normal. At this point Mr. Goode and Mr. Snow will be faced with either raising rates or lowering them. If they raise the rates the business will return to the truckers. If they lower rates they will start to loose money unless new business can be found. Another option will be to short haul each other. After this option fails they will start to steal each others patrons. This option will lead to an all out war between the two. In this situation only one will survive, and in my opinion that would be the NS. The country would be left with only one class 1 railroad in the East and South.

For Mr. Goode and Mr. Snow to upgrade and enlarge Conrails Intermodal Terminals, it will take a lot of money. After the take-over both companies will have a lot of extra expenses for about 8 to 11 months, because of the start-up costs. For them to add to that the extra expense of securing land, laying new tracks, paving storage lots and roadways in the new or expanded terminals is an expense which will probably be



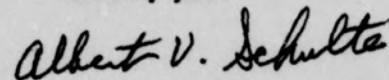
put on hold for about 18 to 24 months. If this is done and the trucking industry lets the railroads steal a large portion of there business. These terminals, without the expansion, will not be able to handle the new business.

The track speeds on ConRail were lowered for safety purposes, not because of poor maintainence. These problems could be either lessened or eliminated if their were 3 equally competitive class 1 railroads in the Eastern United States.

Access could be given to both the NS and the CSXT to the New York and New England areas and in return access would be given to ConRail to the Southern part of the country.

Doing this would eliminate the possibility of the NS and CSXT destroying each other in a corporate war. It would give the customers a true choice of carriers for their goods.

sincerely yours

A handwritten signature in cursive script that reads "Albert V. Schulte". The signature is written in dark ink and is positioned above the printed name.

Albert V. Schulte

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5-27-97

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SLPA

STATES



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*FD-33388*

May 29, 1997

The Honorable Howard L. Fargo  
House of Representatives  
Commonwealth of Pennsylvania  
121 Main Capitol Building  
House Box 202020  
Harrisburg, PA 17120-2020

Dear Representative Fargo:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan

HOWARD L. FARGO  
MAJORITY CAUCUS CHAIRMAN  
121 MAIN CAPITOL BUILDING  
HOUSE BOX 202020  
HARRISBURG, PENNSYLVANIA 17120-2020  
PHONE: (717) 787-3288



HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

DISTRICT OFFICES  
2 BUTLER ROAD  
KITTINGING, PA 16201  
PHONE: (412) 543-6878

315 ELM STREET  
GROVE CITY, PA 16127  
PHONE: (412) 458-4911

1-800-287-0085

May 12, 1997

The Honorable Linda Morgan  
Chairperson  
United States Surface Transportation Board  
12<sup>th</sup> & Constitution Avenue, NW  
Washington, DC 20423

Re: Support 365-Day Review for CSX/NS Merger

Dear Chairperson Morgan:

This is to express my support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS); the most complex merger in the rail industry's history. I strongly urge the board to reject the schedule proposed by CSX and NS to reduce the Board's schedule for deliberations on this critically important matter.

I do not support the view of CSX and NS that less time is needed for Board review, simply because the two acquiring parties have reached agreement on the carve-up of Conrail. Based on the data I have seen on the carve-up of Conrail, I believe that more time is needed to assess the economic impact of this transaction on those industries directly and/or indirectly dependent on the nation's railroads. The STB must institute a 365-day schedule to provide for a full review of this transaction and ensure that public interests are truly served.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Howard L. Fargo".

Howard L. Fargo  
State Representative  
8<sup>th</sup> Legislative District

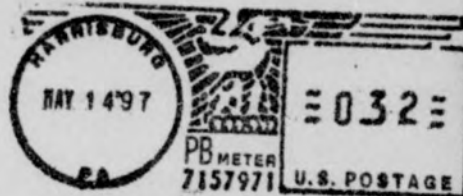
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BOARD  
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OFFICE OF  
CHAIRMAN MORGAN

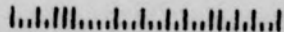


HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

HOWARD L. FARGO  
OFFICE OF THE MAJORITY CAUCUS CHAIRMAN



The Honorable Linda Morgan  
Chairperson  
United States Surface Transportation Board  
12<sup>th</sup> & Constitution Avenue, NW  
Washington, DC 20423



STB

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5-23-97

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SLNJ

STATES





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*JD - 33388*

May 29, 1997

The Honorable Joseph V. Doria, Jr.  
New Jersey General Assembly  
31st Legislative District  
235 Broadway  
Bayonne, NJ 07002

Dear Assemblyman Doria:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



## NEW JERSEY GENERAL ASSEMBLY

ASSEMBLY DEMOCRATIC LEADER  
JOSEPH V. DORIA, JR.  
31ST LEGISLATIVE DISTRICT  
235 BROADWAY  
BAYONNE, NJ 07002  
201-437-5150, 5151  
FAX 201-437-1749

ASSEMBLY DEMOCRATIC LEADER  
STATE HOUSE CN098  
TRENTON, NJ 08625  
609-777-0973

May 20, 1997

Honorable Linda Morgan, Chairperson  
United States Surface Transportation Board  
12th & Constitution Avenue, NW  
Washington, D.C. 20423

Dear Chairperson Morgan:

This is to express my support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS) - the most complex merger in the rail industry's history. I strongly urge the Board to reject the presumptuous schedule proposed by CSX and NS to reduce the Board's schedule for deliberations on this critically important matter.

I do not support the view of CSX and NS that less time is needed for Broad review, simply because the two acquiring parties have reached agreement on the carve-up of Conrail. Based on the data I have seen on the carve-up of Conrail, I believe that more time is needed to assess the economic impact of this transaction on those industries directly and/or indirectly dependent on the nation's railroads. The STB must institute a 365 day schedule to provide for a full review of this transaction and ensure that public interests are truly served.

Thank you for your consideration.

Sincerely,

Joseph V. Doria, Jr.  
Assembly Democratic Leader

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 23 1 09 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

STB

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5-23-97

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SLNJ

STATES



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in Docket*

*JS - 33388*

May 29, 1997

The Honorable Joseph Charles, Jr.  
New Jersey General Assembly  
P.O. Box E  
151 Martin Luther King Drive  
Jersey City, NJ 07304

Dear Assemblyman Charles:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan



## NEW JERSEY GENERAL ASSEMBLY

ASSOCIATE MINORITY LEADER  
JOSEPH CHARLES, JR.  
ASSEMBLYMAN, 31ST DISTRICT  
P.O. BOX E  
151 MARTIN LUTHER KING DRIVE  
JERSEY CITY, NJ 07304  
(201) 432-1400 (OFF)  
(201) 623-0501 (BUS)  
(201) 432-1750 (FAX)

COMMITTEES  
MEMBER, INSURANCE  
MEMBER, EDUCATION  
CHAIRMAN, LEGISLATIVE  
BLACK CAUCUS

May 13, 1997

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 23 1 09 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

The Honorable Linda Morgan  
Chairperson  
United States Surface Transportation Board  
12th & Constitution Avenue, NW  
Washington, DC 20423

Re: Support 365-Day Review for CSX/NS Merger

Dear Chairperson Morgan:

This is to express my support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS) - the most complex merger in the rail industry's history. I urge the Board to reject the schedule proposed by CSX and NS to reduce the Board's schedule for deliberations on this critically important matter.

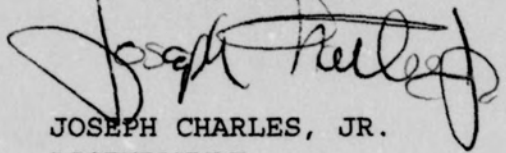
I do not support the view of CSX and NS that less time is needed for Board review, simply because the two acquiring parties have reached agreement on the carve-up of Conrail. Based on the data I have seen on the carve-up of Conrail, I believe that more time is needed to assess the economic impact of this transaction on those industries directly and/or indirectly dependent on the nation's railroads. The STB must institute a 365-day schedule to provide for a full review of this transaction and ensure that public interests are truly served.



The Honorable Linda Morgan  
Re: Support - 365-Day Review for CSX/NS Merger  
May 13, 1997  
Page 2

Thank you for your consideration.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Joseph Charles, Jr.", written over a horizontal line.

JOSEPH CHARLES, JR.  
ASSEMBLYMAN

JC:CS

cc: Jeffrey A. Warsh, Vice-Pres.  
MWW/Strategic Communications, Inc.



STB

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33388

5-23-97

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PUBLIC



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in Docket*  
*FD-33388*

May 29, 1997

Mr. Cloyd G. Case  
54793 Belmont Stakes Drive  
Mishawaka, IN 46545

Dear Mr. Case:

Earlier this year, you wrote to President Clinton regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the President consider the impact of the proposal on affected rail employees. By law, the merger proposal decision must be made by the Surface Transportation Board (Board), of which I am Chairman. The President has forwarded your letter to me for a response.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letters made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

The President of The United States  
President Mr. Bill Clinton  
1600 Pennsylvania Ave.  
Washington, D.C.

Dear Mr. President,

I am writing this to you with my concerns over the merger-break up of Conrail, by the CSX and N.S. railroads.

I have been a Railroad Employee for most of my life (31) years. I was hired by the former Erie Lackawanna Railway Co., which later became part of the government organized Consolidated Rail System. I was furloughed for a time by the massive cuts, Conrail made back in the early eighties, when then President Reagan Deregulated the transportation industry.

In my opinion, Conrail is doing just fine on their own. Why! would anybody want to break up a very profitable company. Which is very important to the American Economy and National Defense. Besides, a three railroad system would be better for competition rather than two.

Point: As we allow these rail mergers, we loose valuable rail lines. Look at what happened to the former Erie Lackawanna and Pennsylvania Railroads when Conrail was formed.

We can not allow this to continue. Also we have to look at the lost Tax Revenue for State and Local economies. Let's start regulating the rail industry a little better. It is to important to a lot of people. The rail industry touches upon every walk of life. It effects the life of every worker in this country.

Point: We can not afford to loose anymore of our Rail Plant in this country. Just for the sake of the almighty dollar.

What kind of future we have will hinge on the involvement and interest, that our State and National Governments have in this breakup of Conrail. The future of local economies, as well as unrelated jobs in these effected area's, will also be effected by any aversive action by the other railroads.

Not only are our jobs at stake, but our pride, integrity and contract. We gave up alot, over the past twenty years to help Conrail out, now we finally got a contract that is not excellent but a respectable one, for the most part. And now, the CSX and N.S. can come in and totally wipe it out. Is this what we, the ones that make the system work, deserve?

CHAIRMAN MORGAN  
OFFICE OF

MAY 23 1 09 PM '97

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SURFACE TRANSPORTATION  
BOARD

After all we are the only industry in this country, that is not allowed to go on strike. We can not go out on a national strike. For the rail industry is too important to the economy and national defense. So, Please treat us with a little respect. And hold extensive hearings on this upcoming merger breakup of Conrail. Send your people out here on the front line, and talk to us, the every day worker. We have all had job experience in the matter of railroad mergers and breakup's.

I am asking that you and any other of your political friends, that a long hard look at this upcoming proposal, and make sure of the sincerity of the CSX and NS railroads are 100 % and not the normal cloak that the big business ( railroads) so often wear. We know these people, and how they can hide the truth.

Please, Mr. President, I implore you to get involved in this matter. For our families and our fellow employees, in other jobs, please take action and get involved. This is one Railroad Merger that should not be allowed to happen. Like I said before, send your people out. and interview, us little people, who makes it all work.

Mr. President, let's keep Conrail intact, do not allow it to be broken up for any reason.

Mr. President, thank-you for your time, please get involved.

*Cloyd G Case*

Cloyd G. Case  
54793 Belmont Stakes Drive  
Mishawaka, In. 46545  
219-256-2744

STB

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5-23-97

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PUBLIC



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in Docket*  
*FD-33388*

May 28, 1997

Mr. Robert G. MacFarlane  
7957 Longview Road  
Broadview Hts., OH 44147-1225

Dear Mr. MacFarlane:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



MAY 23 1 09 PM '97

OFFICE OF  
CHAIRMAN MORGAN

Dear Madam Chairman,

Enclosed is a copy of a letter composed by someone else, however, expressing my feelings.

As a 38 year rail employee, I am concerned with my pension, health benefits, and all around job welfare with this purchase and division of Conrail by CSX and NS.

Therefore, I appreciate your taking the time to read and evaluate the situation.

Thank you for your time.

Robert G. McFarlane  
Conrail - Trainman

7957 Longview Road  
Broadview HTS, Ohio  
44147-1225

# Congress of the United States

Washington, DC 20515

May 7, 1997

The Honorable Linda Morgan, Chairman  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20515

Dear Madam Chairman,

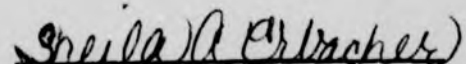
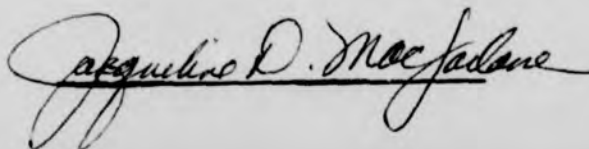
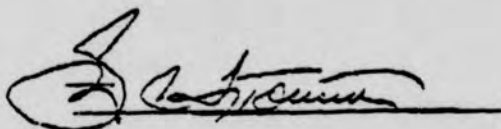
We are writing in opposition to the joint petition by the CSX Corporation and the Norfolk Southern Corporation for an expedited procedural schedule for consideration of their acquisition of Conrail.

After reviewing the issues involved in the breakup of Conrail, we feel it is in the public interest that the Surface Transportation Board utilize the full 15-month statutory period permitted under the law. While the applicants have argued in their petition that the proposed transaction is less complex because the two principal acquiring parties of Conrail have reached agreement, we strongly disagree. In reality, the issues involved in the Conrail breakup are numerous and complex. Furthermore, the majority of these are far from being resolved.

In addition, it is unknown what the impact of this \$10 billion transaction will have on the State of Ohio, our communities and businesses. In particular, the livelihoods of Conrail employees and their families throughout our State and the nation are uncertain. This, combined with the vacancy on the Board, makes it imperative the Board be allowed the full statutory period permitted under the law. In 1995, when the Congress established the Surface Transportation Board in the Interstate Commerce Commission Termination Act (P.L. 104-88), it set a 15-month overall time limit for agency review and final action. Given the factors cited above, we believe it is in the public interest for the Board to utilize the full 15-month period established in the Interstate Commerce Commission Termination Act.

We urge the Surface Transportation Board to oppose an expedited procedural schedule and utilize the full statutory period established by Congress. Madam Chairman, we respectfully request that you place a copy of this correspondence in the official docket.

Sincerely,



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33388

5-23-97

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD-33388*

May 28, 1997

Mr. Kenneth L. Traugher  
121 Lathers  
Garden City, MI 48134

Dear Mr. Traugher:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan

May 10, 1997

Linda J. Morgan  
Surface Transportation Board  
1925 K. St. N.W.  
Washington, D.C. 20423

Dear Linda Morgan:

I am writing this to you with my concerns over the merger--break up of Conrail, by CSX and Norfolk Southern railroads.

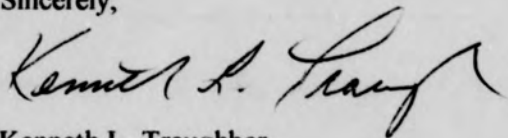
I hired out with Conrail a little over 28 years ago, in Detroit, Michigan, not in Atlanta, GA, not in Roanoke, WV, not in Jacksonville, FL. I am now over 52 years old and cannot nor do I feel I have to relocate. I have children, grandchildren and other ties that I feel I should not have to break up my family up because of CORPORATE GREED. We were sold out because of GREED. I do not see how management can be bought out while we are left holding the short end of the stick. We union employees are entitled to ESOP as much as any non-agreement person and more so than many of them. We agreement people helped make Conrail great, just as much as management and more so, we did the work!!!

I sincerely feel that this matter should be looked into and the workers of Conrail should receive the same consideration as management.

I am deeply concerned about how this will affect my family and my future.

Thank you for your time and consideration.

Sincerely,



Kenneth L. Traugher  
121 Lathers  
Garden City, MI 48134

OFFICE OF  
CHAIRMAN MORGAN

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 28, 1997

Mr. Kenneth L. Traugher  
121 Lathers  
Garden City, MI 48134

Dear Mr. Traugher:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan

May 10, 1997

Linda J. Morgan  
Surface Transportation Board  
1925 K. St. N.W.  
Washington, D.C. 20423

Dear Linda Morgan:

I am writing this to you with my concerns over the merger--break up of Conrail, by CSX and Norfolk Southern railroads.

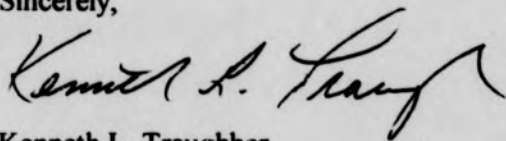
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I sincerely feel that this matter should be looked into and the workers of Conrail should receive the same consideration as management.

I am deeply concerned about how this will affect my family and my future.

Thank you for your time and consideration.

Sincerely,



Kenneth L. Traugher  
121 Lathers  
Garden City, MI 48134

CHAIRMAN MORGAN

MAY 23 1 03 PM '97

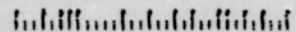
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Kenneth L. Traugher  
121 Lathers St.  
Garden City, MI 48135-3116



Linda J. Morgan  
Surface Transportation Board  
192 K ST. N.W.  
Washington, D.C. 20423



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5-21-97

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
STB - 33388*

May 28, 1997

Stanley J. Kmet, Ph.D.  
Executive Director  
Governor's Council for Sustainable Florida  
P.O. Box 10688  
Tallahassee, FL 32302

Dear Dr. Kmet:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

Applicants also have requested an expedited procedural schedule. Consistent with established precedent, the Board has sought comments from the public on applicants' proposed schedule. The comment period ended on May 1, 1997, and the Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





## for Sustainable Florida®

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#### President

Ms. Rachel Scott  
Florida Power & Light Co.

#### Vice President

Ms. Mary Kumpe  
Kumpe & Assoc.

#### Secretary

Ms. Suzan Ozker  
Gulf Atlantic Mgt. Group

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Mr. Clay Henderson  
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Mr. Charles Littlejohn  
Charles Littlejohn & Assoc.

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Florida Group

Ms. Christine Madsen  
InterMedia, Inc.

The Honorable Buddy MacKay  
State of Florida

Ms. Patti McKay  
1000 Friends of Florida

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Moore/Bowers

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Popham Haik

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Mr. Philip W. Simpson  
Environmental Consulting &  
Technology, Inc.

Ms. Barbara Sheen Todd  
Former Pinellas County  
Commissioner

Mr. Link Walther  
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Ms. Katy Moss Warner  
Walt Disney World Co.

Mr. Estus Whitfield  
Executive Office of the  
Governor

Mr. Otis Wragg  
Wragg & Casas

### Executive Director

Dr. Stanley J. Kmet

May 13, 1997

The Honorable Linda Morgan, Chair  
Surface Transportation Board  
1201 Constitution Avenue, N.W.  
Washington, D.C. 20434

Dear Ms. Morgan:

The Governor's Council for Sustainable Florida is comprised of men and women from Florida's private sector who advise the governor on policies that balance economic growth in Florida with sound environmental practices. The pending acquisition of Conrail by CSX corporation and Norfolk Southern is of obvious interest to the Council because the railroads are indispensable to our state's industries and businesses.

The Council believes that the proposed rail plan would be tremendous benefit to our state from both an economic and environmental perspective. The creation of two competitive rail systems in the East would give Florida shippers freight options and efficient routes that simply do not exist now. By establishing single-line service from our markets to the large cities of the Northeast, freight rail, for the first time in more than two decades will be able to complete head-to-head with the trucking industry along North-South interstates such as I-95.

The result will divert truck traffic off our congested highways and increase the growth of railroads in Florida. As a result, our state's air quality has the potential for improvement. Rail is one of the cleanest methods for transporting freight. According to a study by the Texas Transportation Institute, vehicles stalled in traffic emit up to 250% more pollutants than free-flowing traffic. The Environmental Protection Agency has reported that, on a per-ton-mile basis, railroads also emit one-tenth the hydrocarbons and diesel particulates as do trucks, and one-third the oxides of nitrogen and carbon.

For these reasons, the Governor's Council supports the pending rail acquisition and urges you to move to approve the application to be submitted to the Surface Transportation Board by CSX Corporation and Norfolk Southern. Your prompt review will allow Florida to begin moving quickly to a more flexible, cleaner transportation system.

Sincerely,

Stanley J. Kmet, Ph.D.  
Executive Director

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 21 1 53 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

P. O. Box 10688 • Tallahassee, Florida 32302  
Phone (904) 877-0067 • FAX (904) 877-1080



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33388

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J

BUSINESS



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in Rocket*  
*JS-33388*

May 28, 1997

Mr. Robert J. Russell, P.E.  
Secretary  
Niagara Frontier Transportation Committee  
438 Main Street  
Buffalo, NY 14202

Dear Mr. Russell:

Thank you for your letter forwarding a copy of your organization's Resolution 97-2 regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Your resolution expresses concern over potential competitive impacts of the transaction, and urges that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



# NIAGARA FRONTIER TRANSPORTATION COMMITTEE

438 Main Street ♦ Buffalo, New York 14202  
(716)-856-2026 ♦ FAX (716)-856-3203

May 9, 1997

Ms. Linda Morgan, Chairwoman  
Surface Transportation Board  
12th Street & Constitution Ave., N.W.  
Washington, D.C. 20423

Dear Ms. Morgan:

Attached please find a copy of Resolution 97-2 approved by the Niagara Frontier Transportation Committee (NFTC), the Metropolitan Planning Organization (MPO) for the Buffalo-Niagara Falls Urban Area.

This resolution, involving the Conrail merger, includes a "Conrail Merger Position Statement" which represents regional issues of concern for the Buffalo-Niagara Falls Urban Area. It is requested that these regional issues be considered before a ruling on the merger request is made.

Very truly yours,

ROBERT J. RUSSELL, P.E.  
Secretary, NFTC

RJR/PEK/lls  
Attach.

cc David Gantt, Chair, Assembly Committee on Transportation  
J. A. Utermark, Freight & Economic Development Division, NYSDOT, 7A-302  
D. J. Smith, Interim Staff Director, NFTC

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SURFACE TRANSPORTATION  
BOARD  
MAY 21 1 53 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

**RESOLUTION #97-6**  
**NIAGARA FRONTIER TRANSPORTATION COMMITTEE**

**REGIONAL POSITION ON CONRAIL MERGER**

**WHEREAS**, Consolidated Rail Corporation (Conrail) has agreed to a merger agreement with CSX Corporation and Norfolk Southern Corporation to reorganize railroad service in the Northeast, Mid-Atlantic, Southeast and Eastern Mid-West; and

**WHEREAS**, the merger could have a significant effect on the competitive balance of rail transportation, as well as on New York's state and local economies; and

**WHEREAS**, New York and local governments have made substantial financial investments in rail freight to ensure the continued viability of the rail freight industry; and

**WHEREAS**, all three railroads are Class I carriers which serve the Buffalo-Niagara Falls region; and

**WHEREAS**, the merger request between Conrail, CSX and Norfolk Southern must be considered by the U.S. Surface Transportation Board; and

**WHEREAS**, the Surface Transportation Board is receptive to regional issues of concern before ruling on the merger request; and

**WHEREAS**, the Surface Transportation Board can attach conditions and establish routes to protect rail competition in New York State and the Buffalo-Niagara-Falls region before approving the merger request; and

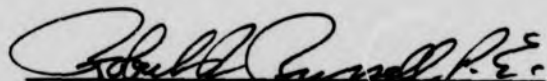
**WHEREAS**, the Niagara Frontier Transportation Committee (NFTC) is the designated Metropolitan Planning Organization (MPO) responsible for transportation planning in the Buffalo-Niagara-Falls region; and

**WHEREAS**, the members of the NFTC recognize the opportunity to enlighten the Surface Transportation Board of regional issues of concern;

**NOW THEREFORE BE IT RESOLVED**, that the NFTC does hereby endorse the attached *Conrail Merger Position Statement* as representing regional issues of concern; and

**BE IT FURTHER RESOLVED**, that copies of this resolution be transmitted to the U.S. Surface Transportation Board, the NYSDOT Freight & Economic Development Division, and the NYS Assembly Standing Committee on Transportation.

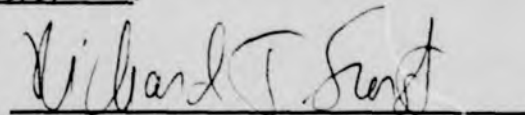
BY:

  
Robert J. Russell, P.E., Secretary, NFTC

Resolved this day, APR 25 1997.

Recommended by the Niagara Frontier Transportation Planning and Coordinating Committee (NFTPCC) on 4/9/97.

BY:

  
Richard T. Swist, Chairman, NFTPCC



## NIAGARA FRONTIER TRANSPORTATION COMMITTEE

438 Main Street ♦ Buffalo, New York 14202

(716)-856-2026 ♦ FAX (716)-856-3203

### Conrail Merger Position Statement

The NFTC believes that the commercial well-being of the area is best met by access to multiple forms of transportation, including rail, highway, air and water. To that end, the following issues are recommended as measures which would strengthen the viability of rail service which has had a major presence in the Buffalo-Niagara Falls region for 160 years.

- Separate ownership of the Conrail Buffalo-Selkirk-River Line route (the former NYC Water Level-West Shore routes) and the Southern Tier Line (former Erie railroad route between Jersey City and Buffalo).
- Competitive access to the Southeast via the NS connection at Hagerstown, MD, via Harrisburg, PA.
- Access by both railroads to the Port of New York and other North Atlantic ports.
- Competitive access to the Pennsylvania and West Virginia coal fields that supply local companies and regional utilities with coal.
- Protection of regional carriers such as the Buffalo & Pittsburgh RR by continued availability of "overhead" traffic.
- Competitive access west to Chicago and to northern Canadian markets, especially via Canadian Pacific and Canadian National Railroads.
- Independent terminal railroad providing interline switching from Lackawanna to Niagara Falls, including management of CP Draw and the Buffalo Belt Line, *or open access to all railroads at reasonable switch charges.*
- Crossover capabilities between the Hornell branch and Conrail mainline tracks east of Dick Road.
- Elimination of local barriers preventing one carrier from interchanging with any other carrier on a given route.
- Responsive and experienced personnel assigned to deal with maintenance, moving stock, marketing, invoicing, problem solving and customer relations.
- Cooperating in expediting reuse of numerous "brownfield" sites located both on and adjacent to railroad-owned properties.
- Responsive and priority treatment of Amtrak and other passenger carrier trackage rights and operational needs.

*Italics: Added via amendment by NFTC vote on April 25, 1997.*

STB

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33388

5-21-97

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PUBLIC





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FA-33388*

May 29, 1997

Mr. Milan Vukmanovich  
1043 East 171st Street  
Cleveland, OH 44119

Dear Mr. Vukmanovich:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

**Congress of the United States****Washington, DC 20515****May 7, 1997**

The Honorable Linda Morgan, Chairman  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20515

OFFICE OF  
CHAIRMAN MORGAN

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RECEIVED  
SURFACE TRANSPORTATION

Dear Madam Chairman,

We are writing in opposition to the joint petition by the CSX Corporation and the Norfolk Southern Corporation for an expedited procedural schedule for consideration of their acquisition of Conrail.

After reviewing the issues involved in the breakup of Conrail, we feel it is in the public interest that the Surface Transportation Board utilize the full 15-month statutory period permitted under the law. While the applicants have argued in their petition that the proposed transaction is less complex because the two principal acquiring parties of Conrail have reached agreement, we strongly disagree. In reality, the issues involved in the Conrail breakup are numerous and complex. Furthermore, the majority of these are far from being resolved.

In addition, it is unknown what the impact of this \$10 billion transaction will have on the State of Ohio, our communities and businesses. In particular, the livelihoods of Conrail employees and their families throughout our State and the nation are uncertain. This, combined with the vacancy on the Board, makes it imperative the Board be allowed the full statutory period permitted under the law. In 1995, when the Congress established the Surface Transportation Board in the Interstate Commerce Commission Termination Act (P.L. 104-88), it set a 15-month overall time limit for agency review and final action. Given the factors cited above, we believe it is in the public interest for the Board to utilize the full 15-month period established in the Interstate Commerce Commission Termination Act.

We urge the Surface Transportation Board to oppose an expedited procedural schedule and utilize the full statutory period established by Congress. Madam Chairman, we respectfully request that you place a copy of this correspondence in the official docket.

Sincerely, MILAN VUKMANOVICH  
1043 EAST 171<sup>ST</sup> STREET  
CLEVELAND, OHIO, 44119

CONRAIL EMPLOYEE SINCE 4/25/75

Milan Vukmanovich



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*JD - 33388*

May 29, 1997

Mr. William P. Curcio  
Executive Vice President  
Eastern Propane  
255 Oak Ridge Road  
P.O. Box 285  
Oak Ridge, NJ 07438

Dear Mr. Curcio:

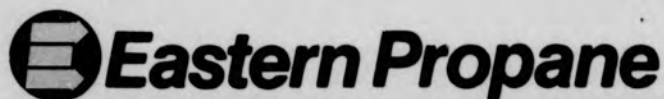
Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



255 OAK RIDGE ROAD, P.O. BOX 285 OAK RIDGE, NEW JERSEY 07438 TEL. (201) 697-3111  
May 6, 1997 FAX (201) 697-7876

The Honorable Linda Morgan  
Chairperson  
United States Surface Transportation Board  
12th & Constitution Avenue, NW  
Washington, DC 20423

Re: Support 356-Day Review for CSX/NS Merger

Dear Chairperson Morgan:

This is to express my support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS) the most complex merger in the rail industry's history. I strongly urge the Board to reject the presumptuous schedule proposed by CSX and NS to reduce the Board's schedule for deliberations on this critically important matter.

I do not support the view of CSX and NS that less time is needed for Board review, simply because the two acquiring parties have reached agreement on the carve-up of Conrail. I believe that more time is needed to assess the economic impact of this transaction on those industries directly and/or indirectly dependent on the nation's railroads. The STB must institute a 365 day schedule to provide for a full review of this transaction and ensure that public interests are truly served.

Thank you for your consideration. If you have any questions or require additional information please contact my office.

Sincerely,

William P. Curcio  
Executive Vice President

cc: Sussex County Freeholder Durina  
Sussex County Freeholder Clark  
Dave Ferguson  
Jim Zigenfuss  
Tom Drabic  
Bob Kurdock

CHAIRMAN MORGAN  
OFFICE OF

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 21, 1997

The Honorable Ralph Regula  
U.S. House of Representatives  
Washington, D.C. 20515-3516

Dear Congressman Regula:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding, and will have your name added to the service list to ensure that you receive all future Board decisions in this case. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



RALPH REGULA  
16TH DISTRICT, OHIO



RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-3516  
(202) 225-3876

DISTRICT OFFICE  
4150 BELDEN VILLAGE STREET NW  
SUITE 408  
CANTON, OH 44718  
(330) 489-4414

TOLL-FREE DISTRICT NUMBER  
1-800-826-9015

COMMITTEE:  
APPROPRIATIONS  
SUBCOMMITTEES:  
CHAIRMAN, INTERIOR  
TRANSPORTATION  
COMMERCE, STATE, JUSTICE

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3516

May 8, 1997

The Honorable Linda Morgan, Chairman  
Surface Transportation Board  
1925 K St. N.W.  
Washington, DC 20515

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 21 1 53 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

Dear Madam Chairman:

I would like to express my concern with requests to establish a time limitation on the Surface Transportation Board's consideration of the acquisition of Conrail by the CSX Corporation and the Norfolk Southern Corporation.

This is a major acquisition having many ramifications throughout the country. Your review should not be limited by artificial or arbitrary time constraints. The Surface Transportation Board should ensure that all relevant issues are properly reviewed within the statutorily-provided review period. The facts and complexities of the acquisition should be the determining factor. Nor do I believe that the Board's review should be arbitrarily prolonged if the situation does not call for it.

I appreciate your consideration of this matter. With best wishes, I am

Sincerely,

Ralph Regula, M.C.

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 28, 1997

Mr. Patrick A. Good  
58243 C.R.7  
Elkhart, IN 46517

Dear Mr. Good:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

May 14, 1997

Ms. Morgan,

I am writing with regard to the acquisition of Conrail. I am strongly opposed to this take over. I believe that even though the acquisition will increase the competition in the north east corridor the impact on the employees will have a devastating affect.

As an agreement employee I stand to lose 22 years of seniority which will remove all that I have worked for all of my working career.

When I hired on the railroad was Penn Central. In 76 I became a part of Conrail. The cuts that incurred in the next few years (caused by the employees sacrificing key agreements to keep Conrail an operating railroad) put me in the unemployment line. I hung in, working now and again to do my part in keeping things going. As it stands with Conrail my wages haven't kept up with inflation. To lose what little I have left will in fact be devastating to my meager way of life. The New York Dock agreement will help if it isn't taken apart, but that is only for 6 years after that I will have to lower my living standards because I still have over 20 years to work.

In the 80's when Conrail was first made public the people of Conrail pleaded with Congress that Conrail should be left Conrail. The NS at that time was pushing to buy Conrail to be butchered up and used just to go to the places that they didn't have lines. Today with the CSXT involved with the acquisition more of the line will be saved but much of it will be disposed of.

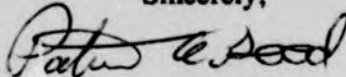
There is a healthy competition that now exists between the three railroads in Michigan, Indiana, Illinois, Ohio, New York, and Pennsylvania. What held true in the 80's holds true today the Conrail's presents is healthy. We have a viable railroad that has seen an increase in shipping of 4.6% in the first quarter of this year. With the proposed acquisition there will be a large monopoly in many areas that have contributed to the increase in shipping and very possibly destroy much of it.

The only reason Conrail is being disposed of is GREED from the CEO down through all the VP,s and beyond.

The CSXT/NS is going to have controlling interest in Conrail. With that control they can remove the greedy management now trying to suck as much money out as possible. They can also setup trackage rights and interchanges with Conrail leaving Conrail and its employees intact. Conrail can then remain independent and not be butchered up.

Everyone I have spoken to has the same basic opinion the acquisition of Conrail is not in the countries best interest or in the employees best interest. It is only in the interest of the CSXT/NS and their only interest is in decreasing competition.

Sincerely,



Patrick A. Good  
58243 C.R.7  
Elkhart, IN 46517

CHAIRMAN MORGAN  
OFFICE OF

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SURFACE TRANSPORTATION  
BOARD

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BUSINESS



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD-33388*

May 29, 1997

Ms. Sara B. Glenn  
Government Relations  
Mobil Business Resources Corporation  
1250 H Street, N.W., Suite 500  
Washington, D.C. 20005

Dear Ms. Glenn:

Thank you for providing me with a copy of the follow-up letter sent in May by Mobil Oil Corporation to Governor Whitman regarding the possible rail restructuring in the East. As you may know, the Board currently is reviewing comments regarding the procedural schedule for handling the joint application of CSX and Norfolk Southern to acquire control of Conrail, which is docketed at STB Finance Docket No. 33388. As this proceeding is pending before the Board, it would be inappropriate for me to comment on the merits of the case. However, as I indicated in my last letter to you, I will carefully review any submissions made for the record in this matter.

I appreciate your interest in this important issue.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



# Mobil Oil Corporation

PAULSBORO INTEGRATED BUSINESS UNIT  
PAULSBORO, NEW JERSEY 08066

HARRY A. MCVEIGH, MANAGER

May 19, 1997

The Hon. Christine T. Whitman  
Office of The Governor  
CN-001, State House  
Trenton, NJ 08625

Dear Governor:

On behalf of Mobil Corporation, I am again writing you to communicate Mobil's position concerning the outcome of the pending eastern railroad consolidation. I last wrote you on March 18, 1997, to communicate Mobil's concern regarding the potential anticompetitive impacts of the pending division of Conrail, Inc. between CSX Corporation and Norfolk Southern Corporation (NS).

Currently, Mobil's refinery and lubricants manufacturing plant, both in Paulsboro, and chemical manufacturing plant in Edison, are "captive" to Conrail. Mobil is precluded from obtaining competitive rail transportation options for our facilities since there is no rail transportation alternative to Conrail in southern New Jersey. Availability of service-oriented, cost-competitive rail transportation is critical to our ongoing efforts to become competitive with other petrochemical businesses located in the Gulf Coast, the Midwest and with other regional competitors.

Recent unofficial announcements by CSX and NS suggest they will pursue a general course of enhancing rail competition for eastern rail shippers. Simply granting general access to more than a single railroad at freight origins in New Jersey does not, in and of itself, assure Mobil of competitive and cost-effective rail transportation options.

Without competitive rail-to-rail options at Mobil's freight destinations as well as at Paulsboro and Edison freight origins, Mobil will be faced with reduced rail-to-rail competition and higher freight costs for transport of inbound raw materials and outbound finished products. Further, following acquisition of Conrail by CSX and NS, shippers without access to at least two rail carriers at freight origin and destination will face payment of higher transportation rates, as CSX and/or NS railroads take immediate steps to recover the costs associated with the billion dollar Conrail acquisition from shippers.

Freight shippers with access to multiple competing railroads at a shipping origin, but with access to only a single railroad at a shipping destination, still face monopoly pricing by the destination or "bottleneck" rail carrier. This will offset any potential competitive gains generated by rail-to-rail competition at the freight origin.

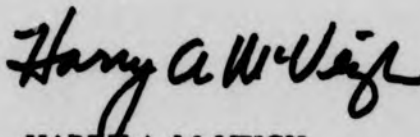
A "bottleneck" situation occurs routinely when: (1) two railroads serve the origin, but only one railroad serves the destination, or (2) two railroads participate jointly (interline) in only one of the segments of the freight movement. In both cases, the rail carrier providing transportation over the "bottleneck" segment of the freight movement can dictate both the routing and the rates paid by shippers over the entire length of the transportation, from origin to destination. The railroad providing the transportation over the "bottleneck" destination segment may effectively eliminate its competition by charging higher-than-market switching charges to the origin rail carrier.

In effect, the "bottleneck" carrier can control access at origins where rail-to-rail competition may exist, even to the point of insisting that it be employed as the rail carrier for the entire origin to destination freight movement. This unreasonable and anticompetitive practice was recently upheld by the Surface Transportation Board and is currently under challenge in the courts by shippers.

Mobil continues to support general merger conditions for acquisition of Conrail by CSX and NS that guarantee broad access to competitive transportation options at both freight origin and destination for all rail shippers to be served by the reconsolidated Conrail, CSX, and NS railroads.

I request your consideration in this matter and hope we can count on your support to assure that the outcome of the sale of Conrail and its division between the CSX and NS railroads will, in fact, provide cost-competitive and efficient rail transportation options for Mobil's New Jersey facilities, as well as for all New Jersey shippers seeking cost-competitive rail transportation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Harry A. McVeigh". The signature is fluid and cursive, with the first name "Harry" being more prominent.

HARRY A. McVEIGH

Manager

Paulsboro Marketing and Refining Business

## **DISTRIBUTION**

### **Addressees:**

#### ***New Jersey:***

Christine Todd Whitman, Governor  
John J. Haley, Jr., Commissioner of Transportation  
Donald T. DeFrancesco, Senate President  
John Bennett, Senate Majority Leader  
John A. Lynch, Senate Minority Leader  
Andrew Ciesla, Senate Transportation Committee Chairman  
Jack Collins, Speaker of the Assembly  
Paul DiGaetano, Assembly Majority Leader  
Joseph V. Doria, Jr., Assembly Minority Leader  
Alex DeCroce, Assembly Transportation & Communications Chairman  
Raymond Zane, Senator  
Gary Stuhltrager, Assemblyman  
John Matheussen, Senator  
Sean Dalton, Assemblyman  
George Geist, Assemblyman  
Jack Sinagra, Senator  
Peter Barnes Jr., Assemblyman  
Barbara Buono, Assemblywoman

#### ***U. S. Congress:***

Frank Lautenberg, Senator  
Robert Torricelli, Senator  
Robert Andrews, Congressman  
Robert Franks, House Transportation & Infrastructure Committee  
Frank LoBiondo, House Transportation & Infrastructure Committee  
Robert Menendez, House Transportation & Infrastructure Committee  
William Pascrell, House Transportation & Infrastructure Committee

### **Courtesy Copies:**

David R. Goode, President and CEO, Norfolk Southern Corporation  
David M. LeVan, President and CEO, Consolidated Rail Corporation  
John W. Snow, President and CEO, CSX Corporation  
Edward M. Emmett, President, National Industrial Transportation League  
Dennis Rochford, President, Maritime Exchange of the Delaware River and Bay  
Linda Morgan, Surface Transportation Board

STB

FD

33388

5-19-97

J

WHSE

*PRES*



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in Docket*  
*FD-33388*

May 29, 1997

Mr. Larry J. Orange  
939 Vineland Ave.  
Bridgeton, NJ 08302

Dear Mr. Orange:

Earlier this year, you wrote to President Clinton regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the President consider the impact of the proposal on affected rail employees. By law, the merger proposal decision must be made by the Surface Transportation Board (Board), of which I am Chairman. The President has forwarded your letter to me for a response.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letters made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

400 Seventh St., S.W.  
Washington, D.C. 20590

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

MAY 19 2 03 PM '97

OFFICE OF  
CHAIRMAN LINDA MORGAN

May 15, 1997

The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K St., N.W.  
Suite 820  
Washington, D.C. 20423

Dear Madam Chairman:

The Vice President's office has referred the enclosed letter to this Department for response.

We believe this falls within your jurisdiction and have taken the liberty of forwarding it to your office for action.

Thank you for your assistance.

Sincerely,

Peggy Burford  
Information Management  
Specialist

Enclosure



THE WHITE HOUSE  
WASHINGTON

<b>ACTION</b>	
is assigned to	
<b>S-10 FRA</b>	
CONTROL NO	
<b>970411-002</b>	
SIMS	S-10

4-4-87  
DATE

MEMORANDUM FOR: DOT 100

FROM: SUE J. SMITH *SP*  
DIRECTOR, OFFICE OF AGENCY LIAISON

SUBJECT: REFERRAL OF CASEWORK IN BULK

An unprecedented number of individuals still write the President and the First Lady for help. I know that this has meant a far greater volume of mail for your agency than ever before. I appreciate your continuing cooperation in our efforts to be as responsive as possible.

The attached letters have not received a White House Staff response. I am forwarding this correspondence to your agency for any appropriate action.

Please return the original incoming letter, along with a copy of any written or telephone response, to me at the address below. I also would appreciate your sending a copy of your agency's log of the names and addresses of these individuals. Any misreferrals should be returned to my office. If you have questions you can reach me at 456-7486.

Sue J. Smith  
Director, Office of Agency Liaison  
Room 6, OEOB  
The White House  
Washington, D.C. 20500

Again, thank you for your continuing help.

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AG-21A5  
3-24  
DUT  
March 12, 1997  
President Bill Clinton  
1600 Pennsylvania Avenue  
Washington, D.C. 20500

Dear President Clinton:

I am writing you with hope you can help us retain our jobs and have some kind of job security. I am a conductor with Conrail and have been working on the railroad for 23 years. Conrail is being sold to the CSX and Norfolk Southern railroads with the apparent reason being greed. We are all fearful of losing our jobs. Conrail has been like one big happy family to us and is now being destroyed. It seems to center around one man, CONRAIL'S CEO "Dave LeVan ." He talked of a friendly merger with the CSX, but now has become, what seems like a hostile takeover by the CSX and the N.S. If this takeover by the CSX and the N.S. is allowed to happen I believe there will be fierce battles over power in the Northeast between the two. We would like Conrail to remain Conrail, but if that's not possible could you help us achieve job protection. I am also writing to Mayor Ed Rendell of Philadelphia, because Conrail centers around this area.

Thanks for your time!

Sincerely yours,

*Larry J. Orange*

Larry J. Orange  
939 Vineland Ave.  
Bridgeton, N.J. 08302

STB

FD

33388

5-18-97

J

WHSE

*PRES*



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
STB-33388*

May 29, 1997

Mr. Thomas L. Wolfel  
4983 Talford Ct.  
Columbus, OH 43232

Dear Mr. Wolfel:

Earlier this year, you wrote to President Clinton regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the President consider the impact of the proposal on affected rail employees. By law, the merger proposal decision must be made by the Surface Transportation Board (Board), of which I am Chairman. The President has forwarded your letter to me for a response.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letters made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

400 Seventh St., S.W.  
Washington, D.C. 20590

May 15, 1997

The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K St., N.W.  
Suite 820  
Washington, D.C. 20423

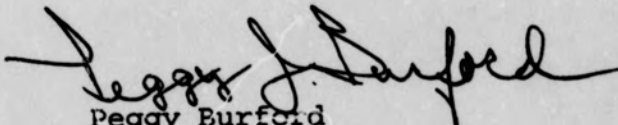
Dear Madam Chairman:

The Vice President's office has referred the enclosed letter to this Department for response.

We believe this falls within your jurisdiction and have taken the liberty of forwarding it to your office for action.

Thank you for your assistance.

Sincerely,

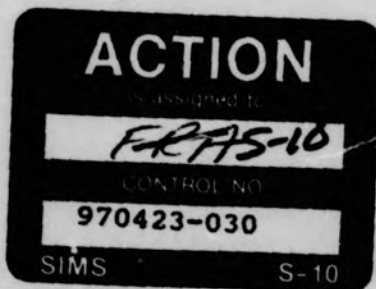
  
Peggy Burford  
Information Management  
Specialist

Enclosure

CHIEF OF STAFF  
LINDA MORGAN

MAY 16 2 23 PM '97

RECEIVED  
SURFACE TRANSPORTATION BOARD



THE WHITE HOUSE  
WASHINGTON

18 April 97  
DATE

MEMORANDUM FOR:

FROM: —

DOT -110  
SUE J. SMITH *SV*  
DIRECTOR, OFFICE OF AGENCY LIAISON

SUBJECT:

REFERRAL OF CASEWORK IN BULK

An unprecedented number of individuals still write the President and the First Lady for help. I know that this has meant a far greater volume of mail for your agency than ever before. I appreciate your continuing cooperation in our efforts to be as responsive as possible.

The attached letters have not received a White House Staff response. I am forwarding this correspondence to your agency for any appropriate action.

Please return the original incoming letter, along with a copy of any written or telephone response, to me at the address below. I also would appreciate your sending a copy of your agency's log of the names and addresses of these individuals. Any misreferrals should be returned to my office. If you have questions you can reach me at 456-7486.

Sue J. Smith  
Director, Office of Agency Liaison  
Room 6, OEOB  
The White House  
Washington, D.C. 20500

Again, thank you for your continuing help.



mwk 4/10  
Agias

DOT

11

BULK

March 24, 1997

**WILLIAM J. CLINTON**  
**UNITED STATES PRESIDENT**  
The White House  
Executive Office of the President  
1600 Pennsylvania Ave., N.W.  
Washington, D.C. 20500

Dear MR. PRESIDENT:

I am writing to you about my concern about the Norfolk Southern Railway acquiring part of Conrail. U.S. Representative Bud Shuster, Chairman of the House Transportation and Infrastructure Committee, has stated that he has received commitments from top ranking officials of CSXT and Norfolk Southern, that 1200 shop jobs will be saved on Conrails Altoona and Hollidaysburg shops located in Pennsylvania. As an eighteen year employee for the Norfolk Southern in the Mechanical department who inspects and repairs freight cars, I am very concerned about whether I will have a job when this acquisition is finished.

I am writing you for your response to my concerns and to see what you, as my President, will do to help preserve the many jobs that are at stake in Columbus, Ohio. Our yard and repair facility is located at 2450 Fairwood Ave., Columbus, Ohio 43207. It seems that all the worry is about the Conrail employees, but no one seems to know that there are three railroads involved who's employees also stand a very strong chance of losing their jobs.

Thank you for your time and response to my concerns.

Sincerely,

*Thomas E. Wolfel*

Thomas E. Wolfel  
Carman  
4983 Talford Ct.  
Columbus, OH 43232

STB

FD

33388

5-16-97

J

SLNJ

STATES



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*FD-33388*

May 29, 1997

The Honorable C. Louis Bassano  
New Jersey Senate  
324 Chestnut Street  
Union, NJ 07083

Dear Senator Bassano:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan



NEW JERSEY SENATE

C. LOUIS BASSANO

CHAIRMAN, SENIOR CITIZENS, VETERANS'  
AFFAIRS & HUMAN SERVICES COMMITTEE  
SENATOR, 21<sup>ST</sup> DISTRICT (UNION-ESSEX)  
LEGISLATIVE OFFICE

324 CHESTNUT STREET  
UNION, NEW JERSEY 07083  
(908) 687-4127

OFFICE OF  
CHAIRMAN MORGAN

MAY 16 4 12 PM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

May 9, 1997

The Hon. Linda Morgan, Chairperson  
United States Transportation Board  
12th & Constitution Ave., N.W.  
Washington, D.C. 20423

Re: Support 365-Day Review for CSX/NS Merger

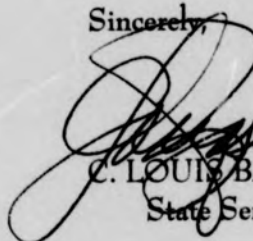
Dear Chairperson Morgan:

I am writing to express my support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS) - the most complex merger in the rail industry's history. I strongly urge the Board to reject the presumptuous schedule proposed by CSX and NS to reduce the Board's schedule for deliberations on this critically important matter.

I do not support the view of CSX and NS that less time is needed for Board review, simply because the two acquiring parties have reached agreement on the carve-up of Conrail. Based on the data I have seen on the carve-up of Conrail, I believe that more time is needed to assess the economic impact of this transaction on those industries directly and/or indirectly dependent on the nation's railroads. The STB must institute a 365-day schedule to provide for a full review of this transaction and ensure that public interests are truly served.

Thank you for your consideration. If you have any questions or require additional information, please feel free to give me a call.

Sincerely,



C. LOUIS BASSANO  
State Senator

CLB:sms



**C. LOUIS BASSANO**

CHAIRMAN, SENIOR CITIZENS, VETERANS'  
AFFAIRS & HUMAN SERVICES COMMITTEE

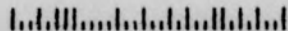
SENATOR, 21<sup>ST</sup> DISTRICT (UNION-ESSEX)

LEGISLATIVE OFFICE

324 CHESTNUT STREET  
UNION, NEW JERSEY 07083



The Hon. Linda Morgan, Chairperson  
United States Transportation Board  
12th & Constitution Ave., N.W.  
Washington, D.C. 20423



STB

FD

33388

5-16-97

J

BUSINESS





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 29, 1997

Mr. James W. Harris, P.E.  
Executive Director  
New York Metropolitan Transportation Council  
1 World Trade Center  
Suite 82  
New York, NY 10048-0043

Dear Mr. Harris:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan

NEW YORK METROPOLITAN TRANSPORTATION COUNCIL

James W. Harris, P.E.  
Director

May 9, 1997

Ms. Linda Morgan, Chairperson  
Surface Transportation Board  
12th Street and Constitution Ave. N.W.  
Washington, DC 20423

Dear Ms. Morgan:

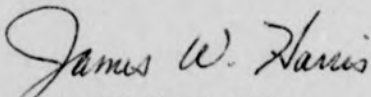
We understand that the CSX Corporation and Norfolk Southern have petitioned the Surface Transportation Board to provide an expedited 255 day review process for the Conrail Acquisition proposal expected to be submitted shortly. This letter is to inform you that the New York Metropolitan Transportation Council does **not** support the expedited 255 day procedural schedule (as in Federal Register Doc. 97-10337).

The acquisition of Conrail is a significant opportunity for improving the rail competitiveness in the New York metropolitan region. Therefore, careful review and analysis are mandatory. In order to develop the regional position that will benefit the regional and the national economy, in-depth discussions with stakeholders are required.

To assure that the rail competitiveness in the region will be achieved, we urge you to maintain the 365-day schedule that was originally proposed by the Surface Transportation Board.

Thank you for your consideration.

Sincerely,



James W. Harris, P.E.  
Executive Director

CA/JWH/vg-s

pc: A. Borenstein, J. E. Bergman, C. Adidjaja, NYMTC

THE METROPOLITAN PLANNING ORGANIZATION

1 WORLD TRADE CENTER • SUITE 82 EAST • NEW YORK • NY • 10048-0043 • TEL 212.938.3300 • FAX 212.938.3295 • BBS 212.938.4371

WEBSITE [WWW.DOT.STATE.NY.US/REG/NYMT/COUNCIL.HTML](http://WWW.DOT.STATE.NY.US/REG/NYMT/COUNCIL.HTML)

MAY 16 4 12 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

NEW YORK METROPOLITAN TRANSPORTATION COUNCIL

James W. Harris, P.E.  
Director

**STB FINANCE DOCKET NO. 33388**

The attached letter was sent to the following:

25 copies  
Office of the Secretary  
Case Control Unit  
Attn: STB Finance Docket No. 33388  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0111

1 copy  
Administrative Law Judge Jacob Leventhal  
Federal Energy Regulatory Commission  
888 First Street, N.E. - Suite 11F  
Washington, DC 20426

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

1 copy  
Richard A. Allen, Esq.  
Zuckert, Scoutt & Rasenberger, L.L.P.  
888 Seventeenth Street, N.W.  
Washington, DC 20006-3939

1 copy  
Paul A. Cunningham, Esq  
Harkins Cunningham  
1300 Nineteenth Street, N.W.  
Suite 600  
Washington, DC 20036

THE METROPOLITAN PLANNING ORGANIZATION

1 WORLD TRADE CENTER • SUITE 82 EAST • NEW YORK • NY • 10048-0043 • TEL 212.938.3300 • FAX 212.938.3295 • BBS 212.938.4371

WEBSITE [WWW.DOT.STATE.NY.US/REG/NYMTTC/COUNCIL.HTML](http://WWW.DOT.STATE.NY.US/REG/NYMTTC/COUNCIL.HTML)

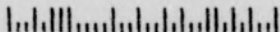
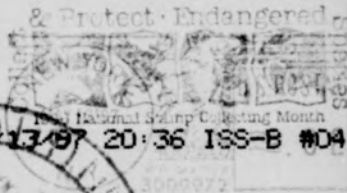
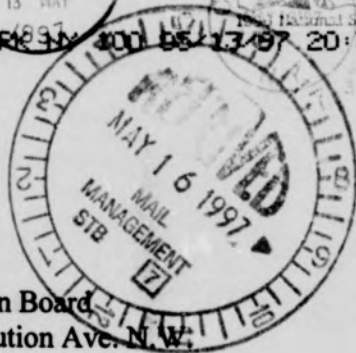
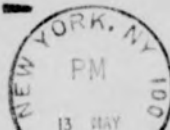
ENV 90 (11/91)

# NYMTC

NEW YORK METROPOLITAN  
TRANSPORTATION COUNCIL

ONE WORLD TRADE CENTER  
SUITE 82 EAST  
NEW YORK, NY 10048

Ms. Linda Morgan  
Chairperson  
Surface Transportation Board  
12th Street & Constitution Ave. N.W.  
Washington, DC 20423



STB

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5-15-97

J

CIT/ES



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*FD-33388*

May 29, 1997

Mr. Robert L. Dimmig  
Executive Director  
Town of Tonawanda Development Corp.  
2882 Delaware Avenue  
Kenmore, NY 14217-2731

Dear Mr. Dimmig:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





development corp.

kenmore, new york 14217-2731 • 2882 delaware avenue • (716) 875-8164 • fax (716) 875-8199  
e-mail: ttde@tonawanda.ny.us url: www.tonawanda.com

May 15, 1997

Ms. Linda Morgan  
Chairwoman  
Surface Transportation Board  
12th Street & Constitution Ave., N.W.  
Washington, D.C. 20423

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 15 4 27 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

Re: Review process - Acquisition of Conrail by CSX.

Dear Ms. Morgan,

On behalf of the Town of Tonawanda Development Corporation, I would respectfully convey our support of the 365-day schedule originally proposed by the Surface Transportation Board. It is our belief that a 265-day schedule, as proposed to the Board, is not in the public interest.

The Town of Tonawanda is fortunate to host several large, multi-national corporations - including General Motors, Dunlop, DuPont, FMC and 3M - which collectively employ several thousand persons in manufacturing facilities. These and other employers in the Town depend heavily on rail service to deliver raw materials and ship finished products. We have worked diligently for many years with these corporations and local, county, state and federal agencies to strengthen our manufacturing base through investments in infrastructure, workforce training and other critical areas.

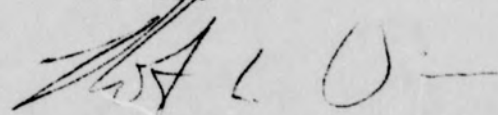
The acquisition of Conrail by CSX Corporation and Norfolk Southern Corporation represents one of the largest corporate mergers in history, and certainly one of the more complex. The effects on rail and highway transportation in the Northeast United States - including the Town of Tonawanda - will be widespread and profound. It is imperative that the proposed merger be carefully evaluated. The Town of Tonawanda Development Corporation wants to assure the fairest and most beneficial outcome since so much is at stake.

The enormity of this merger and its myriad effects on the national, regional and local economies needs considerable study. Such study requires time to identify issues, gather information, assess impacts, evaluate alternatives and specify merger requirements. As a

party which intends to provide input to such deliberations, the Town of Tonawanda Development Corporation requires time to research and properly develop our submission.

The 365-day process is already shortened from what could be allowed. The still shorter 255-day process is, simply, too short to permit the vigilance required of the Surface Transportation Board. The Board should assure the national interests, and the interests of all affected parties, are considered to the fullest extent.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'R. Dimmig', followed by a horizontal line.

Robert L. Dimmig  
Executive Director, TTDC

Cc: Congressman John J. LaFalce  
State Senator Mary Lou Rath  
State Assemblyman Robin L. Schimminger  
Erie County Legislator Charles Swanick  
Town of Tonawanda Supervisor Carl J. Calabrese



development corp.

kenmore, new york 14217-2731 • 2882 delaware avenue • (716) 875-8164 • fax (716) 875-8199  
e-mail: ttde@tonawanda.ny.us url: www.tonawanda.com

**FACSIMILE TRANSMITTAL COVER SHEET**

TO:

ATTN:

FROM:

DATE:

NO. OF PAGES:

(Including cover sheet)

**COMMENTS:**

Linda

Please accept our comments,  
as follows, on the proposed  
review schedule.

Thank you for the  
opportunity.

Bob

STB

FD

33388

5-15-97

J

BUSINESS



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 29, 1997

Mr. Gary Roesch  
Operations Manager  
NOCO Energy Corp  
700 Grand Island Blvd.  
P.O. Box 86  
Tonawanda, NY 14151-0086

Dear Mr. Roesch:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

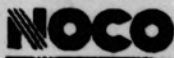
As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan

**ENERGY CORP.**

700 GRAND ISLAND BOULEVARD  
P.O. BOX 86  
TONAWANDA, NY 14151-0086  
(716) 874-6200

May 15, 1997

The Honorable Linda J. Morgan  
Chairwoman, Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423-0001



**RE: Finance Docket No. 33388, CSX Corp./Norfolk Southern Corp.  
Control & Operating Leases/Agreements - Conrail, Inc.**

Dear Honorable Morgan:

NOCO Energy Corp. is writing to oppose the joint petition by Norfolk Southern Corp. (NS) and CSX Corp. (CSX) in request of an expedited procedural schedule for consideration of their acquisition of Conrail.

As a large user of the rail system, we feel sufficient time has not been given to review the effects this proposal could have, particularly on our business.

Please reconsider your position on this matter. NOCO Energy Corp. strongly urges the Surface Transportation Board to deny NS and CSX's request for an expedited procedural schedule.

Sincerely,

Gary Roesch  
Operations Manager

GR:bp

OFFICE OF  
CHAIRMAN MORGAN

MAY 15 2 55 PM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD



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J

PUBLIC



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 28, 1997

Mr. Paul M. Waldecker  
24749 Pennie  
Dearborn Hgts, MI 48125

Dear Mr. Waldecker:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

MAY 15 2 55 PM '97

OFFICE OF  
CHAIRMAN MORGAN

Surface Transportation Board:  
Ms. LINDA J. MORGAN

Ms. Morgan,  
The sale of Conrail to the CSX and NS would be a very bad thing to say the least. It would affect many thousands of lives in a very negative way. If we can look at what really happened and clear away all the clutter, it all comes down to POWER and a CEO of Conrail that is ~~e~~ obsessed with it. In a video tape speech he gave he told us all exactly that.

He told us of the Railroads that were eyeing us, ones that might take us over, large Western Railroads that would love to have Conrail and give the country a good thing. A coast to coast Railroad, true seamless service, no loss of jobs, no loss of taxes, no loss of service to all the industries and consumers.

What a wonderful thing for everyone and our country. There would be only a few people out of work and they would be Conrails CEO and his hand picked cronies. Because these few individuals saw this as a threat to their POWER they desperately sought out to merge with another Railroad that would protect them. Not because of a loss of income, the money means nothing much to them. They count there dollars by the multiple millions, while we count ours by 1s, 5s, and 10s.

There loss would be a loss of POWER, and because of that, a selfish, self centered C.E.O. and cronies, sought out the CSX Railroad to merge with. If you take a few moments to place a map of all the CSXs lines on a table and then place map with Conrails lines over it, the very obvious is stated, one almost mirrors the other.

Why would two Railroads merge having so many duplicate lines. Certainly not for economic reasons. The only reason for a merge with the CSX is so Conrails CEO could keep his POWER.

And he, Conrails CEO told us that exactly in a video tape that he made with the CEO of CSX Railroad. We were told that in the tape that when the CEO of CSX Corp. retired (in the near future) that the new man with all the POWER will be,... thats right, you guessed it, the CEO from Conrail.

For a while it looked like Conrails CEO dodged a bullet, but that was not to be, the N.S. Railroad filed suit. So the N.S. and CSX Corp. got together and cut a backroom deal. The very prosperous N.S. Railroad would get the lions share of Conrails premium lines because it would lay out the lions share of cash. Which, as any Railroad analyst will tell you was to much money to pay for this Railroad, when the CSX got involved in a bidding war with the N.S. it (CSX) lost, causing the backroom deal, and as part of that deal the services?!?!, of Conrails CEO will not be needed according to the N.S. and CSX. This is the reason behind all of this one man and the possible loss of his power

This was the cause. And now, the affect will be devastating. Many mile lines will be abandon, affecting service to many small and medium size businesses. Thousands of people will be out of work. Still many more will be forced to work for a terminal railroad which the CSX and N.S. say will be the Conrail\_Detroit line.

This means working for half wages on a SCAB railroad. Between the loss of railroad service to Conrails exsisting customers, quality service, built up by quality professional Conrail employees. And the loss of all the jobs and family incomes, incomes that buy cars, houses, and vacations in many different states spending money on tourism all over the country.

And over time, the many Billions of tax dollars that will be lost forever!!! The effect on the railroads retirement system will be even more horrific. Our retirement is funded by us (railroad employees)and only by us. What d6 you think ~~to~~ about the loss of m6lliond of dollars from our retirement? All of these things will surely happen, and there is no way to sugar coat words to say, that it will not. Please, for the sake of not only all of Conrails employees, but for all the other jobs and services that will be affected by this nightmare, as it ripples outward taking many thousands of others in its wake. Please do not allow Conrail to be sold and broken up. Just look at our record, we are very solvent, making good profit and giving good service.

Ther6 is absolutely no logical reason at all for Conrail to be sold. Please oppose the sale of Conrail viguriously, in any form. It would be bad for the whole country!!

Thank you for reading my letter. I pray



it will give you good cause to not allow the sale of  
our railroad, saving our jobs, and Conrail.

Thank you,

Paul M. Waldecker

I am an Engineer on  
Conrail, member of Division 1  
Brotherhood of Locomotive Engineers  
Union. Please save our jobs!!

Paul M. Waldecker



# The war is over. The real fight begins

*Having won the hearts and stock certificates of Conrail's owners, Norfolk Southern and partner CSX must now win the support of a formidable array of interested bystanders. By Luther S. Miller, Editor.*

**N**orfolk Southern won the Great War in the East with three principal weapons: (1) A sensible, pro-competitive plan for dismembering Conrail and dividing the pieces 50-50 with CSX; (2) the knowledge that the fastest way to a shareholder's heart is through his wallet; and (3) a war chest brimming with enough cash and credit to help pay for the costliest transaction in the history of railroading. Also working to NS's

advantage was its reputation as the nation's best-managed, best-disciplined, and perhaps most customer-friendly railroad, which gave its bold strategy a credibility that its rivals never achieved. "We fought fairly, honestly, and with the integrity that defines the way we conduct business," said NS Chairman, President, and CEO David R. Goode when it was all over, and no one seemed ready to question that.

Norfolk Southern won, but this war really had few losers (with the possible, and important, exception of lower-level Conrail employees). CSX's multi-modal empire will have a stronger railroad component. Conrail shareholders, who sided with "hostile" bidder NS at the decisive moment of battle, will be the biggest winners of all, getting \$115 for a share of stock that just months ago was trading at slightly more than \$60. Middle and top-level Conrail management will be handsomely compensated. At the very top, David LeVan will leave the battlefield with a reported \$22 million. Nearly 1,200 non-unionists whose jobs may be axed will get more than \$400,000 each, and around 1,660 others who remain will get an average of \$300,000. Long-term, the biggest winners may be shippers; with the Conrail monopoly on the Northeast broken, customers will be in a position to bargain for lower rates and better service.

The final system plan was still in negotiation late in March and probably won't be known until it's filed with the Surface Transportation Board sometime in late May or early June. Merger negotiators cannot afford to adhere to the Wilsonian ideal of open covenants openly arrived at. But the basic plan seems clear: Norfolk Southern will absorb most of the old Pennsylvania Railroad, with ex-New York Central main lines stitched onto the CSX network (see map). There will be areas of joint ownership in the critical northern New Jersey area, and possibly a jointly-owned terminal railroad.

For the record, David Goode would only say: "Norfolk Southern will step into Conrail's shoes most places in Pennsylvania. We will also



RAILROAD AGE MAP BY DEAN SAUVOLA  
INSET PHOTOS BY MIKE DEL VECCHIO



Canadian National weighed in early with a plan for a "New York Network," contending that under the present NS-CSX plan New York State would be "significantly disadvantaged" because "rail competition is denied from the north and seriously limited from the west."

extend our reach north to the Port of New York and New Jersey and introduce a number of new north-south services that will link the metropolitan New York area with Philadelphia, Baltimore, and the Northeast." He was more forthcoming, even lyrical, in describing the benefits he believes will accrue from the restructuring that he and his army of in-house and outside strategists pursued with such button-down, bulldog, right-is-might tenacity.

#### SPRINGTIME IN THE NORTHEAST

"There will be a blossoming of competition, the likes of which the Northeast has not experienced in decades," Goode told a hearing convened by the Subcommittee on Transportation of the Senate Appropriations Committee in Washington on March 20. "Our restructuring plan will create two far-flung transportation networks, each serving virtually all major markets east of the Mississippi River. Each will link domestic manufacturing centers with consumer markets, and also with Atlantic Coast ports, which will speed the flow of goods from U.S. origins to overseas destinations. Similarly, the proposed restructuring will lessen the transit times for products moving among the U.S., Canada, and Mexico. This will help make a broad base of American businesses more competitive internationally, and will reduce costs to consumers."

More subdued was CSX Corp. Chairman, President, and CEO John Snow, who now says he knew the "merger-of-equals" that he and Conrail's LeVan proclaimed on Oct. 15 was doomed three days after they announced it but he could not persuade LeVan to accept the partition he and Goode had secretly arrived at. The coffin was nailed down, he confirmed, when "Conrail shareholders resoundingly refused to opt-out of the Pennsylvania law that would have allowed us to proceed with the merger." He acknowledged that the Snow-LeVan master plan encountered opposition far beyond the counterattack mounted by Norfolk Southern: "Statements by federal regulators, public officials, and numerous customers made it clear that regulatory approval was not achievable without major concessions to Norfolk Southern and that, in fact, a negotiated settlement with Norfolk Southern that provided competitive balance in the region was the pre-

ferred course." Conrail was not a party to that settlement because "we could not overcome Conrail's resistance on retaining virtually all of its system."

Not present at the Washington hearing, because he was attending a funeral, was LeVan, who stuck by his guns long after he had run out of ammunition and is regarded by many as being more victim than villain of the piece. Timothy O'Toole, Conrail's senior vice president, law and government affairs, did show up to assure the committee that Conrail "will cooperate fully to ensure an orderly transition." While he said Conrail was not party to the NS-CSX discussions for dismembering Conrail, he did say that the amended merger agreement says it's CSX's intention that Conrail's shops at Altoona and Hollidaysburg, its Pittsburgh service center, and "a major operating presence in Philadelphia (including headquarters of the surviving corporation) shall be maintained."

#### LABOR'S LOVE LOST?

A kind of "thank God it's over" euphoria swept not only the immediate field of combat but the entire railroad industry when the pending settlement was leaked late in February. Railroad presidents calling each other robber barons does little to polish the image of an industry already under attack by many of its customers for perceived anti-competitive behavior.

But while the war is over, the fighting isn't. First, it must be resolved who gets what and at what price. "Fluid" was a word frequently used last month to describe that situation. "It's a minefield," said one analyst.

Meanwhile, CSX and NS must now fight for the support, or at least the neutrality, of a large number of affected interests—labor, customers, connecting railroads, and a large number of political constituencies that fear the loss of jobs or service or both.

Labor is far from happy. Conrail management and Conrail labor had something of a love affair going a number of years ago, when management persuaded labor to pitch in with contract concessions to help keep the railroad a going concern. But today labor feels betrayed. It also feels uninformed. "What we know so far is what the parties have chosen to tell us through press releases and newspaper leaks, and I guarantee there is a lot we haven't been told," said Robert Scardeletti, international president of the Transportation Communications Union, who represented the Rail Labor Division of the Transportation Trades Department, AFL-CIO, at the Senate hearing.

"The winners are the Wall Street arbitrageurs, the same ones who denounced CSX and Conrail when the price wasn't as high as they thought they could get," charged Scardeletti. "It is clear who the losers will be—those who have put their sweat and money into preserving rail service in the Northeast. It is the public, the federal taxpayer, and the employees who stand to lose the most."

He expressed concerns about post-breakup service levels. "We have seen throughout the country the creation of short lines after a merger, as the merged carrier seeks to cut costs or raise cash. The result is less dependable rail service and the loss of good jobs only to be replaced by lower-

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wage, typically non-union jobs." As for the immediate affect on Conrail workers: "We have seen the news reports about the \$1.15 billion going to the management employees of Conrail. That's \$1.15 billion for a couple of thousand employees with hundreds of management employees getting bonuses worth over a million dollars. Over 10% of the purchase price has been carved out to pay off management employees even if they start a new job the next day. No such luck for rank-and-file workers. We will not sit back," Scardeletti warned, "and let union employees get less than management employees. I have already seen the stories that union employees will be okay because they will get six years of their salary. At best, if they have enough years on the railroad, they get a one-year severance payment if they flat out lose their job because of the merger."

"But try to collect. First, the employee must prove that he or she lost a job because of the transaction. And proving it is not easy. In the unusual event that the Surface Transportation Board determines that a job is lost because of the transaction, the worker is entitled to protection. But he or she also must be prepared to show up for work whenever called, or everything is lost. But if another job is secured, any income is deducted from his or her protections."

One task of NS and CSX is to convince the STB that the premium they're paying for Conrail won't impoverish them to the extent that maintenance or service levels will suffer—and many observers believe this will be no real problem.

But Scardeletti is a non-believer. "The financial impact on CSX is enormous," he said. "I guarantee you that the employees of CSX subsidiaries are praying they get the buyout package offered to Conrail management as CSX puts them on the block to raise cash. While they have my sympathy, our concern is the rail industry. CSX cannot be allowed to do to itself what we should prohibit them from doing to Conrail—cutting back on capital investment, selling essential rail assets, cutting employees—in the desperate attempt to find the cash to pay off their share of the \$10.5 billion."

## WHAT CUSTOMERS ARE SAYING

One early supporter of the Conrail split-up was Pennsylvania Power & Light, which annually receives eight million tons of coal by rail. PP&L reached an early understanding with NS, and on March 20

Goode was able to quote the utility as saying the restructuring "would reintroduce competition to rail service in the Northeast, benefit electricity consumers in Pennsylvania, and lower the cost of transporting coal to PP&L power plants." A Dow Jones report, noting that PP&L is now captive to Conrail, quoted PP&L as acknowledging that it will still have no choice of carriers but that Norfolk Southern had agreed to lower its rates for the utility if the merger is approved.

Certainly, most shippers will benefit under the restructuring. The initial reaction from the National Industrial Transportation League was that it "sets the conditions to be placed on this merger higher than those of the two previous mergers—BNSF and UP-SP." The CSX-NS agreement calls for balanced competition and enhancing competition in some markets."

NITL's representative at the Senate hearing, Occidental Chemical's Robert L. Evans, took a broad and somewhat troubled view of the national picture. "When the dust settles, the U.S. will be served by two mega-railroads in the West and two mega-railroads in the East. In the debate before Congress over sunseting the ICC, shippers argued that rail mergers should be judged like mergers of any other company—solely by antitrust laws. Congress chose a different approach. The STB is instructed by statute to take the antitrust laws into account, but is not restricted by those laws."

"Instead, the STB can find a rail merger to be completely anticompetitive, yet still approve it because it produces rail efficiencies, and the Department of Justice cannot challenge the merger as anticompetitive in court. Taken to the extreme, the STB could allow only one railroad in the U.S. because it would produce efficiency. Obviously, rail shippers would have no benefits of competition."

As for the present case, Evans has high hopes. He noted that in most mergers, additional competition has been offered through trackage rights, but "CSX and Norfolk Southern have promised a plan to expand and enhance rail-to-rail competition, even to areas where today no competition exists. And much of the competition will be developed through line sales. Two competing railroads that own their own tracks are preferable to one railroad merely renting track space."

## AN UNFINISHED STORY

Many other affected parties have been—

STB

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*STB-33388*

May 28, 1997

Mr. Ronald L. Gilley  
2029 Ayers Rd.  
Millbury, OH 43447

Dear Mr. Gilley:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

2029 Ayers Rd.  
Millbury, OH 43447

May 10, 1997

Surface Transportation Board  
1925 K St., N.W.  
Washington, DC 20423

Attention: Linda J. Morgan

I have 32 years of service as an engineer for Conrail. Having been through two mergers already, Penn Central and PC and Erie, and the rest of the bankrupts, I consider myself one who can at least talk about the pros and cons of combining one railroad with another.

First, there is absolutely nothing good about a merger or takeover except for the stockholders and managers of the two companies. These people stand to make big bucks, both on their stock holdings and "severance" pay (managers). All the holders of stock are not happy because I know some who are retired and were using stock dividends as part of their pension, and now will be forced to sell the stock and pay capital gains on that money.

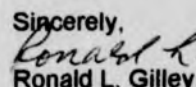
Second, I have yet to see a merger or takeover where jobs were not lost or where people were not forced to sell their homes and move to another area, or even to another state. It is hard on families that have roots in the same area for 20 or 30 years, to leave everything they have worked so hard to achieve and relocate in an area where they don't know anyone, and have nothing.

Third, both the CSXT and NS have been telling us that carving up Conrail between them will be good for shippers. How can this be? Currently, shippers have a choice of carriers. After all is said and done, depending upon whose line they end up on, they will only have the NS or CSXT. There will be no competition, so the railroads will be able to charge whatever the market will bear. Prices will go up, which means the consumer, you and me, will pay more for what we buy - assuming I have money with which to buy anything.

Just last week I heard that both NS and CSXT were going to issue bonds to accomplish this deal. I am 54 years old and cannot remember a railroad doing that in my lifetime. It appears that we have two carriers who, while fighting over the prize, drove the price so high that neither one them can now afford to buy.

Let me just say that there is no need for this takeover, buyout, or whatever you want to call it. Conrail is a healthy carrier who on their own tried to buy the Cotton Belt from Union Pacific. We are running almost 100 trains a day (24 hours) on our Chicago-Buffalo mainline. This, of course, is what makes us such a prize. I would hope that we could learn from history; i.e. the Penn Central collapse. We should not allow two carriers who are healthy to drive each other to such a point that they become at-risk financially.

I believe that the only responsible stance in this matter is to set it aside and maintain the status quo. Although Conrail may not have the most talented managers, we have seen what it takes to "take care of business" and are willing to put forth whatever is needed to succeed. We have pride in our accomplishments to date, and are determined to do whatever is needed for success in the future.

Sincerely,  
  
Ronald L. Gilley

OFFICE OF  
CHAIRMAN MORGAN

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*FD-33388*

May 29, 1997

Mr. John C. O'Keeffe  
Freeholder  
County of Morris  
Courthouse  
Morristown, NJ 07963-0900

Dear Mr. O'Keeffe:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan



**JOHN C. O'KEEFFE**

Freeholder  
County of Morris  
Courthouse  
Morristown, NJ 07963-0900

May 9, 1997

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OFFICE OF  
CHAIRMAN MORGAN  
MAY 15 2 55 PM '97

The Honorable Linda Morgan, Chairperson  
United States Surface Transportation Board  
12th & Constitution Avenue, NW  
Washington, DC 20423

RE: Support 365-Day Review for CSX/NS Merger

Dear Chairperson Morgan:

I am a member of the Morris County New Jersey Board of Chosen Freeholders, the elected governing body of the County. Additionally, I am the Board's designated representative to and voting member of the North Jersey Transportation Planning Authority (NJTPA). The NJTPA is a member of the Association of Metropolitan Planning Organization and represents the northern thirteen counties of New Jersey.

This letter is to express my support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS) - the most complex merger in the rail industry's history. I strongly urge the Board to reject the presumptuous and self-serving schedule proposed by CSX and NS to reduce the Board's schedule for deliberations on this critically important matter.

I do not support the contention of CSX and NS that less time is needed for Board review, simply because the two acquiring parties have reached agreement on the carve-up of Conrail. Based on the data I have seen on the carve-up of Conrail, I believe that more time is needed to assess the economic impact of this transaction on those industries directly and/or indirectly dependent on the nation's railroads. The STB must institute a 365-day schedule to provide for a full review of this transaction and ensure that public interests are truly served.

Thank you for your consideration. If you have any questions or require additional information, please contact me at the address above.

Very truly yours,

Handwritten signature of John C. O'Keeffe.  
John C. O'Keeffe, Freeholder

cc: Freeholder Board Members  
Mr. Frank Reilly, Division Head, Morris County Transportation Mgmt.

CONRAIL CARVE-UP  
NEW JERSEY  
TALKING POINTS

- Norfolk, Virginia-based Norfolk Southern (NS) and Richmond, Virginia-based CSX Corporation have agreed to acquire Conrail for \$10.2 billion. A joint application is expected to be submitted to the U.S. Surface Transportation Board (STB) for review in June 1997. A final decision from the STB is expected by June 1998.
- Norfolk Southern and CSX have requested that the U.S. Surface Transportation Board (STB) waive its usual and customary 365-day review and adopt an unprecedented 255-day review of the Conrail carve-up. A full review of the complex proposal is clearly necessary to protect the vital interests of New Jersey businesses and commuters.
- The proposed Conrail carve-up will substitute one form of market power dominance for another, limit shipping options for New Jersey businesses and restrict their access to markets north and west. A duopoly will substitute for the existing monopoly with little real rail competition emerging as a result.
- Both companies have a vested interest in reducing competition posed by smaller, independent railroads currently serving New Jersey and the Northeast. CSX / NS will have the incentive and the means to facilitate a closed market duopoly.
- Since the introduction of the North American Free Trade Agreement (NAFTA) in January 1994, trans-border rail volumes between the United States and Canada have increased by more than 40%.
- The Conrail carve-up presents an opportunity to introduce competition in the rail industry where competition has never existed. Efforts to increase competition in the rail industry must include all Class I and regional railroads in order to maximize competition.
- Access to all markets with competitive shipping rates and switching charges is crucial to New Jersey businesses. Chemical manufacturers, consumers of newsprint, aluminum, plastics and petroleum may be forced to purchase newsprint from southern markets at a greater cost since proposed carve-up will restrict access to markets north and west.
- Rail freight industry accounts for 600,000 New Jersey rail jobs. Port of New York & New Jersey accounts for 200,000 jobs. 200 Conrail jobs in Mt. Laurel, New Jersey threatened by the Conrail carve-up.

CONRAIL CARVE-UP  
NEW JERSEY  
TALKING POINTS  
(cont)

- The NS / CSX proposal threatens to limit opportunities for the State of New Jersey to establish new rail commuter routes in the future and raises questions about how cooperative CXS and NS will be with New Jersey Transit. (CSX is leading the attack in Congress against shared freight/commuter service and to reduce the number of Amtrak routes.)
- Should merger be approved, the following NJ Transits projects requiring access to the New York Susquehanna & Western Railway Corp. "rights of way", will be threatened:
  - *Sussex County Commuter Project*
    - \$52.1 million ISTEA project.
    - New rail service from Warwick, NY to Harthorne, NJ.
  - *Saddle Brook Project*
    - Ridgefield to the Hudson County for Ferry connections
    - Intended to relieve congestion on Route 4, 46 and 80.
  - *West Shore Project*
    - Upstate New York to Hoboken.
    - Future of Ridgefield Park at stake.
  - *Hudson - Bergen Light Rail Project*
    - Future of light rail project calls for connection to the Vince Lombardi Park & Ride.
    - Unknown whether right of way would be made available.
- \$20 million invested by the State of New Jersey via the Local Rail Freight Assistance Fund railway rights of way will be wasted.
- Together with the New York, Susquehanna and Western (NYS&W) and the New York and Atlantic (NY&A), Canadian National is proposing the "Northeast Network" to promote railway competition in New Jersey and both protect and expand New Jersey jobs and businesses.
- "Northeast Network" is based on three core components:
  - a network of existing routes;
  - the substantial broadening of access for competing railroads; and,
  - effective alliances with regional railroads.
- For New Jersey, Northeast Network translates into a CN of investment of \$46 million for local infrastructure and the creation of approximately 100 new rail jobs.

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STATES





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in Docket*  
*FD-33388*

May 29, 1997

The Honorable Robin Schimminger  
New York State Assembly  
Room 847  
Legislative Office Bldg.  
Albany, NY 12248

Dear Assemblyman Schimminger:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



ROBIN SCHIMMINGER  
140th District

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIRMAN  
Committee on Economic Development,  
Job Creation, Commerce and Industry

COMMITTEES  
Codes  
Health  
Ways & Means

May 13, 1997

Hon. Linda J. Morgan, Chair  
Surface Transportation Board  
1925 K Street, NW  
Washington D.C. 20423-0001

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SURFACE TRANSPORTATION  
BOARD  
MAY 14 12 24 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

Dear Ms. Morgan:

I am writing to express my concern over the joint petition submitted by Norfolk Southern Corp. (NS) and CSX Corp. (CSX) requesting an expedited procedural schedule for consideration of their acquisition of Conrail.

As Chairman of the New York State Assembly's Committee on Economic Development, Job Creation, Commerce and Industry, and as a legislator representing the Buffalo area, I am especially concerned as to the impact this proposed merger will have on job creation and job retention in New York State. It has been brought to my attention that many employers, particularly in Western New York, are uncertain about what the future holds for them if this merger does indeed occur. These businesses deserve to have a better understanding of how they will be affected, and should be given an opportunity to study this issue in more depth than they have been able to thus far.

If the Surface Transportation Board does in fact approve NS's and CSX's request for an expedited procedural schedule, the people and businesses being affected will not have enough time, or enough information, to assess and react to the full impact of this venture. At the present time, Buffalo is painfully uncertain about the degree of importance it will have in supporting rail traffic. I have been informed that CSX has not yet released its plans for employment and shipping in the area, nor have they had an opportunity to focus on the issue of increasing passenger rail service - an issue of great importance to the Western New York region, and an issue Conrail had promised to address.

Page 2

It is my understanding that the division of Conrail by NS and CSX is unprecedented because it is the first time two rail competitors have worked together to eliminate a financially healthy competitor. This is obviously a major transaction and its potential impacts on the business community have not yet entirely been ascertained. At this time, NS and CSX are not yet sure as to what the degree of their presence would be in various areas of the state. Until the proper information is collected and studied in further detail, I would urge the Surface Transportation Board to take the allotted 15 months to study the NS and CSX proposal before making its decision.

Thank you for your consideration.

Sincerely,



Robin Schimminger, Chair  
Economic Development Committee

RS:jss

cc: The Honorable Gus A. Owen, Vice Chairman, STB  
The Honorable Vernon Williams, Secretary, STB  
Senator Alfonse D'Amato  
Senator Daniel Patrick Moynihan  
Congressman Amo Houghton, Jr.  
Congressman John J. LaFalce  
Congressman Bill Paxon  
Congressman Jack Quinn



STATE OF NEW YORK  
ALBANY

ROBIN SCHIMMINGER  
140th District

Room 847  
Legislative Office Bldg.  
Albany, NY 12248

CHAIRMAN  
Committee on Small Business

COMMITTEES  
Codes  
Commerce, Industry & Economic Development  
Health  
Ways & Means

Commission on  
Public Management Systems

FAX COVER SHEET

Telephone: (518) 455-4767

Fax: (518) 455-4724

DATE: May 14, 1997

TO: The Honorable Linda Morgan, Chair, STB

FAX#: (202) 565-9015

FROM: Assemblyman Robin Schimminger, NYS Assembly

NUMBER OF PAGES 3 (including cover sheet)

If you do not receive all pages, please call (518) 455-4767.

COMMENTS:

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD-33388*

May 15, 1997

**The Honorable Michael R. McNulty**  
U.S. House of Representatives  
Washington, D.C. 20515-3221

Dear Congressman McNulty:

Thank you for your letter on behalf of your constituents regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Your constituents express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE  
OVERSIGHT

WASHINGTON OFFICE  
2442 RAYBURN BUILDING  
WASHINGTON, D.C. 20515-3221  
(202) 225-5076



MICHAEL R. McNULTY  
CONGRESS OF THE UNITED STATES  
21ST DISTRICT, NEW YORK

April 21, 1997

DISTRICT OFFICES:

ROOM 827  
LEO W. O'BRIEN  
FEDERAL BUILDING  
ALBANY, NY 12207  
(518) 465-0700

U.S. POST OFFICE  
SCHENECTADY, NY 12305  
(518) 374-4547

33 2ND STREET  
TROY, NY 12180  
(518) 271-0822

9 MARKET STREET  
AMSTERDAM, NY 12010  
(518) 843-3400

Honorable Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423

Dear Ms. Morgan:

I wish to endorse the efforts of eight hundred fifty Conrail employees to save their jobs at the Diesel Facility and Yard in Selkirk, New York. Conrail employees in the Capital Region of New York State generate a weekly payroll in excess of \$650,000. I am concerned about their futures because during the past ten years the Capital Region has experienced significant workforce reductions by some of its major industrial employers.

Selkirk is the link between New York City, New England, the Midwest and Canada. This facility was opened in 1968 on twelve hundred fifty acres and is located about eight miles south of Albany, the State's Capital. It has a capacity of eight thousand five hundred cars with one hundred twenty seven tracks. Selkirk also has an enclosed major locomotive maintenance shop that can hold twenty three engines. More than thirty-two hundred cars per day can be sent to as many as seventy destinations.

The Selkirk facility is an important part of the economy of the Hudson Valley. The efforts of Conrail employees have my support. Your consideration of their views consistent with current laws, rules, and agency policy will be greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. McNulty".

MICHAEL R. MC NULTY  
Member of Congress

MRM/kah

OFFICE OF  
CHAIRMAN MORGAN

MAY 13 11 29 AM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

STB

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5-12-97

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD- 33388*

May 21, 1997

The Honorable Marcy Kaptur  
U.S. House of Representatives  
Washington, D.C. 20515-3505

Dear Congresswoman Kaptur:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding. Your name has been placed on the service list, and you should receive all future Board decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

MARCY KAPTUR  
MEMBER  
9TH DISTRICT, OHIO

COMMITTEES:  
APPROPRIATIONS

SUBCOMMITTEES  
RURAL DEVELOPMENT,  
AGRICULTURE, AND RELATED AGENCIES  
DISTRICT OF COLUMBIA  
VA. HUD, AND INDEPENDENT AGENCIES



Congress of the United States  
House of Representatives  
Washington, DC 20515-3509  
May 8, 1997

WASHINGTON OFFICE  
2104 RAYBURN BUILDING  
WASHINGTON, DC 20515-3509  
(202) 225-4146

DISTRICT OFFICE  
FEDERAL BUILDING  
234 SUMMIT ST., ROOM 719  
TOLEDO, OH 43604  
(419) 259-7500

CHAIRMAN MORGAN

MAY 12 3 44 PM '97

RECEIVED  
SURFACE TRANSPORTATION

The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K St NW Room 842  
Washington, D.C. 20423-0001

Dear Ms. Morgan

I am writing to express my support for the Surface Transportation Board's schedule of 365 days to consider the acquisition of Conrail by CSX and Norfolk Southern (NS). I strongly urge the Board to reject a proposal by CSX and NS, or any other proposal that might be submitted, to reduce the Board's schedule for deliberations on this critically important matter.

The Board was correct and acted in the public interest when, in its final rule making on the merger schedule, the Board extended the time for consideration from the CSX proposed 255 days to 365 days to allow for full and equitable input from all parties affected by the merger. I do not support the view of CSX and NS that less time is needed for Board review simply because the two acquiring parties have reached agreement on the breakup of Conrail. To the contrary, based on preliminary reports outlining the agreement between CSX and NS, even more time is needed to assess the impact of the acquisition of Conrail because of the far reaching effects on the Northeast, Midwest, and other regions of the country. Because so many major questions have been raised a full 365 day schedule is mandatory to allow full review of the merger and ensure the public interest is truly served.

I, therefore, request that the STB decide to keep the current 365 day review schedule and reject the schedule proposed by CSX and NS to reduce the review period.

Sincerely,

*Marcy Kaptur*  
MARCY KAPTUR  
Member of Congress

STB

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5-8-97

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JS - 33388*

May 21, 1997

The Honorable Bobby L. Rush  
U.S. House of Representatives  
Washington, D.C. 20515-9997

Dear Congressman Rush:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding, and will have your name added to the service list to ensure that you receive all future Board decisions in this case. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan



**BOBBY L. RUSH**  
1ST DISTRICT  
ILLINOIS



COMMERCE COMMITTEE  
SUBCOMMITTEES:  
TELECOMMUNICATIONS, TRADE, AND  
CONSUMER PROTECTION  
ENERGY AND POWER

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

May 6, 1997

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 8 5 24 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K St. N.W.  
Washington, DC 20423

Dear Chairman Morgan:

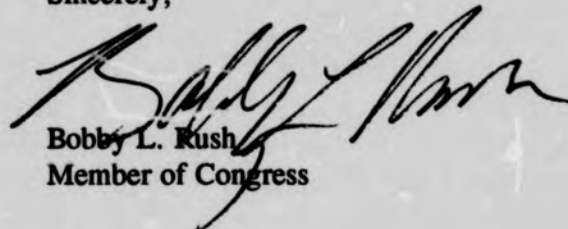
I am writing to express support for the Surface Transportation Board's Schedule of 365 days to consider the acquisition of Conrail by CSX and the Norfolk Southern (NS).

I believe the Board was correct and acting in the public interest when, in its final rule making on the merger schedule, the Board extended the time for consideration from the CSX proposed 255 days to 365 days to allow for full and equal input from all parties affected by this merger. I believe that even more time is needed to assess the impact of the acquisition of Conrail because of the far reaching effects on the Northeast and Midwest regions of the country.

This merger is critically important to all regions of the United States, particularly in the Midwest. A full 365 day schedule is necessary to give full review of the merger and insure the public interest is truly served. I urge the Board to maintain the 365 day review schedule so that this matter may receive full and adequate consideration.

Thank you for your consideration of this matter. I look forward to your favorable response.

Sincerely,



Bobby L. Rush  
Member of Congress

STB

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5-8-97

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GOVKY



COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR

PAUL E. PATTON  
GOVERNOR

April 28, 1997



Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 2423-0001

RE: Finance Docket No. 33388  
CSX/Norfolk Southern Acquisition and Control of Conrail

Dear Secretary Williams:

It is a pleasure for me to offer my support for the proposal being brought before the Surface Transportation Board in the captioned proceeding. The enhanced rail transportation service resulting from the proposed transaction should generate significant new business and industrial growth in Kentucky. Such growth is crucial to us because it creates new jobs for the Commonwealth's residents. In addition, this growth should result in more railroad jobs on the expanded CSX and NS rail system and will provide an expanded market reach for Kentucky's rail shippers. Our coal producers and vehicle manufacturers will have direct rail access to Northeast markets for the very first time.

For these reasons and on behalf of our citizens I urge the Board to approve the application filed in the captioned proceeding expeditiously and thereby enable Kentucky to realize the benefits of the rail service which will result from the proposed transaction.

Sincerely,

  
Paul E. Patton

cc: Mr. John W. Snow, Chairman  
Mr. Jay S. Westbrook, Resident Vice President

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 21, 1997

The Honorable John D. Dingell  
U.S. House of Representatives  
Washington, D.C. 20515-2216

Dear Congressman Dingell:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and for a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding, and will have your name placed on service list to ensure that you receive all future Board decisions in this case. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

JOHN D. DINGELL  
16TH DISTRICT, MICHIGAN

RANKING MEMBER  
COMMITTEE ON COMMERCE  
CO-CHAIR  
HOUSE GREAT LAKES  
TASK FORCE  
MEMBER  
MIGRATORY BIRD  
CONSERVATION COMMISSION

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2216**

May 7, 1997

WASHINGTON OFFICE:  
ROOM 2328  
RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2216  
(202) 225-4071

DISTRICT OFFICES:  
5466 SCHAEFER ROAD  
DEARBORN, MI 48126-3277  
(313) 866-1276  
23 EAST FRONT STREET  
SUITE 103  
MONROE, MI 48161-2228  
(313) 243-1849

The Honorable Linda Morgan, Chairwoman  
Surface Transportation Board  
12th St. and Constitution Avenue, N.W.  
Washington, D.C. 20423

Dear Ms. Morgan:

It is my understanding that the Surface Transportation Board originally proposed a 365-day schedule for consideration of the acquisition of Conrail by CSX and Norfolk Southern Railroads. Given the extremely complex issues surrounding this merger, I would hope that the Board will adhere to a 365-day schedule for its deliberations on this matter.

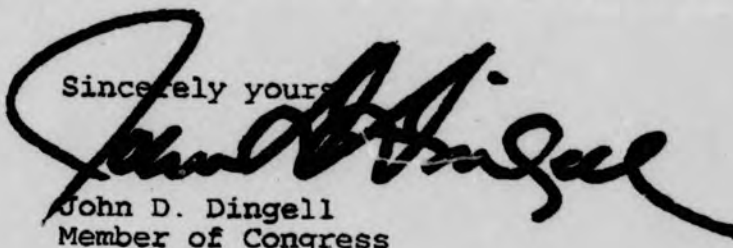
As you know, any approval by the STB must make certain that the public interest is served. The previous action taken by the Board in extending the time for consideration from 255 to 365 days is consistent with this mandate. While it is understandable that some parties may desire more expeditious approval, history has demonstrated that such a major transaction needs careful review and consideration of possible consequences in the years to come.

In particular, there are many questions which surround the future of rail service in midwestern states such as Michigan, and I think it is important that the Board, the Congress and the public have every opportunity to understand the ramifications of this transaction.

I appreciate your consideration of these comments, and look forward to following the Board's deliberations in this matter.

With every good wish,

Sincerely yours,

  
John D. Dingell  
Member of Congress

rdh

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SURFACE TRANSPORTATION  
BOARD  
MAY 8 5 08 PM '97  
OFFICE OF  
CHAIRMAN MORGAN



JOHN D. DINGELL  
16TH DISTRICT, MICHIGAN

RANKING MEMBER  
COMMITTEE ON COMMERCE  
CO-CHAIR  
HOUSE GREAT LAKES  
TASK FORCE  
MEMBER  
MIGRATORY BIRD  
CONSERVATION COMMISSION

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-2216**

WASHINGTON OFFICE  
ROOM 2328  
RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-2216  
(202) 225-4071

DISTRICT OFFICES:  
5486 SCHAEFER ROAD  
DEARBORN, MI 48126-3277  
(313) 846-1276  
23 EAST FRONT STREET  
SUITE 103  
MONROE, MI 48161-2228  
(313) 243-1848

**FACSIMILE COVER SHEET**

**TO: Linda Morgan**

**FROM: Hon. John Dingell**

**DATE: May 8, 1997**

**FAX #: 202-565-9021**

**NUMBER OF PAGES INCLUDING COVER SHEET: 2**

**MESSAGE:**

**IF YOU HAVE ANY QUESTIONS OR IF FAX IS NOT  
COMPLETE, PLEASE CALL (202) 225-4071**

STB

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33388

5-8-97

J

MOCIL



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD-33388*

May 21, 1997

The Honorable Rod R. Blagojevich  
U.S. House of Representatives  
Washington, D.C. 20515-1305

Dear Congressman Blagojevich:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for its handling by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants have requested an expedited procedural schedule. Consistent with established precedent, the Board sought comments from the public on applicants' proposed schedule, and the comment period ended on May 1, 1997. The Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding, and will have your name added to the service list to ensure that you receive all future Board decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

• ROD R. BLAGOJEVICH  
5TH DISTRICT, ILLINOIS

COMMITTEE ON  
NATIONAL SECURITY

COMMITTEE ON  
GOVERNMENT REFORM  
AND OVERSIGHT

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-1305**

501 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-1305  
(202) 225-4061  
FAX: (202) 225-5603

4064 NORTH LINCOLN AVENUE  
CHICAGO, IL 60618  
(773) 868-3240  
FAX: (773) 868-0036

May 6, 1997

The Honorable Linda Morgan  
Chairperson  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423-0001

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAY 8 5 24 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

Dear Chairperson Morgan:

I write to express my support for the Surface Transportation Board's schedule of 365 days to consider the acquisition of Conrail by CSX and the Norfolk Southern (NS). I strongly urge the Board to reject a proposal by CSX and NS, or any other proposal that might be submitted, to reduce the Board's schedule for deliberations on this critically important matter.

I believe the Board was correct and acting in the public interest when, in its final rule making on the merger schedule, the Board extended the time for consideration from the CSX proposed 255 days to 365 days to allow for full and equal input from all parties affected by this merger. I do not support the view of CSX and NS that less time is needed for Board review, simply because the two acquiring parties have reached agreement on the breakup of Conrail. To the contrary, based on preliminary reports outlining the deal between CSX and NS, I believe that even more time is needed to assess the impact of the acquisition of Conrail because of the far reaching effects on the Northeast and, in particular, Chicago and the Midwest.

The pending division of Conrail's network by CSX and Norfolk Southern will have a major negative impact on Canadian National's Illinois and Midwest operations. A strong, competitive CN is critical to the economic health of Illinois and the Midwest. The railroad's Illinois operations have brought new jobs, economic development and increased railroad traffic to the state. CN currently employs 2,000 people in the Midwest.

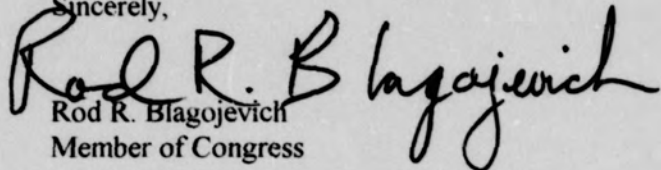
In 1996, CN opened the Gateway Intermodal Terminal in Harvey, Illinois. This state-of-the-art \$20 million terminal allows CN to meet the booming demand for intermodal shipping. In addition to the much-needed employment opportunities that the terminal has brought to Chicago's southern suburbs, the project has served as a magnet for related manufacturing and distribution. In addition, CN recently made a \$200 million commitment to Illinois with the opening of a new rail tunnel between Sarnia, Ontario and Port Huron, Michigan that accommodates multi-level rail

car and double stack container traffic aimed at Chicago.

Because so many major questions have been raised which will critically impact several regions of the United States -- particularly in the Midwest, a full 365 day schedule is mandatory to give full review of the merger and insure the public interest is truly served.

I have full confidence that the Surface Transportation Board will agree to keep the current 365 day review schedule and reject the presumptuous schedule proposed by CSX and NS to reduce the time required to fully consider this critically important matter.

Sincerely,

  
Rod R. Blagojevich  
Member of Congress

RB/sdw

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5-5-97

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JOSEPH R. BIDEN, JR.  
DELAWARE

8208 FEDERAL BUILDING  
844 KING STREET  
WILMINGTON, DE 19801  
(302) 573-6346

## United States Senate

WASHINGTON, DC 20510-0802



To: Secretary of Publications and Records

From: Rob Skomorucha- Delaware Projects Manager of Senator Biden's Wilmington Office.

RE: Service List for Case FD33388

I was recently informed by Mel Clemmens of the Surface Transportation Board that it would be possible to be put on a Service List in order to be updated on the CSX/Norfolk Southern merger. Thank you. Our fax number here is (302) 573-6351.  
Our address is:

Rob Skomorucha  
Office of Senator Joseph R. Biden  
Boggs Federal Office Building  
844 King Street  
Wilmington, Delaware 19801

-179524

MAY = 5 1997

**ADD TO SERVICE LIST ONLY**

STB

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5-1-97

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33388*

May 19, 1997

**The Honorable Arlen Specter**  
United States Senate  
Washington, D.C. 20510

Dear Senator Specter:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern about the transaction and specifically oppose an expedited procedural schedule for the handling of this transaction by the Surface Transportation Board (Board).

As I am sure you are aware, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Applicants requested an expedited procedural schedule, and consistent with established precedent, the Board has sought comments from the public on applicants' proposed schedule. The comment period ended on May 1, 1997, and the Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot, as you know, discuss the specific merits of the case itself, I can assure you that the Board will adopt a final schedule with a view toward providing both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this matter.

I am having your letter made a part of the public docket in this proceeding, and your name has been added to the service list so that you will receive copies of all future decisions in this case. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

ARLEN SPECTER, PENNSYLVANIA, CHAIRMAN

STROM THURMOND, SOUTH CAROLINA  
 FRANK M. MURKOWSKI, ALASKA  
 JAMES M. JOFFORDS, VERMONT  
 BEN NICHOLS, COLORADO  
 LARRY E. CRAIG, IDAHO  
 Y. TIM HUTCHINSON, ARKANSAS

JOHN D. ROCKEFELLER IV, WEST VIRGINIA  
 BOB GRAHAM, FLORIDA  
 DANIEL K. AKAKA, HAWAII  
 PAUL WELLSTONE, MINNESOTA  
 PATTY MURRAY, WASHINGTON

CHARLES BATTAGLIA, STAFF DIRECTOR  
 JIM GOTTLIEB, MINORITY CHIEF COUNSEL/STAFF DIRECTOR

# United States Senate

COMMITTEE ON VETERANS' AFFAIRS

WASHINGTON, DC 20510-6375

May 1, 1997

The Honorable Linda J. Morgan  
 Chairman  
 Surface Transportation Board  
 1925 K Street, NW  
 Washington, DC 20423-0001

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

Dear Madam Chairman:

I am writing in opposition to the joint petition by Norfolk Southern Corp. and CSX Corp. for an expedited procedural schedule for consideration of their acquisition of Conrail. The applicants have argued in their petition that their proposed transaction is not as complex as the previous application from CSX and Conrail and the Norfolk Southern hostile bid last Fall. I must emphatically disagree. There are too many outstanding issues that are unresolved: too many communities whose economic health is at stake; too many families of Conrail employees in Pennsylvania and elsewhere whose livelihoods hang in the balance; and too many businesses which are unsure of whether the takeover of Conrail will be anti-competitive.

I have said at Congressional hearings and in private conversations with the Chief Executive Officers of the railroads that there may be no more significant issue for Pennsylvania's economy at present than the future of Conrail. In my letter to you dated March 7, 1997, I noted that Conrail employs more than 8,000 Pennsylvanians and that it plays a vital role in the Commonwealth's economy and communities and that special attention should be paid to preserving relatively small companies such as Conrail in this era of megamergers.

When Congress established the Surface Transportation Board in the Interstate Commerce Commission Termination Act of 1995, the Interstate Commerce Commission at that time could take up to 31 months to approve a transaction involving two Class I railroads. Recognizing the need for some increased efficiencies, the 1995 law adopted a 15-month overall time limit for agency review and final action. 49 U.S.C. § 11325(b). Given its potential impact on Pennsylvania and other Northeastern States, the Surface Transportation Board should not shortcut the allotted 15 months to study the proposed takeover of Conrail and to find whether "the transaction is consistent with the public interest." 49 U.S.C. § 11324(c).

Section 11324(b) of ICCTA requires the Board to consider at least: (1) the effect of the proposed transaction on the adequacy of transportation to the public; (2) the effect on the public interest of including, or failing to include, other rail carriers in the area involved in the proposed transaction; (3) the total fixed charges that result from the proposed transaction; (4) the interest of rail carrier employees affected by the proposed transaction; and (5) whether the proposed

RECEIVED  
 SURFACE TRANSPORTATION  
 BOARD  
 MAY 1 5 25 PM '97  
 CHAIRMAN MORGAN

The Honorable Linda J. Morgan  
Page Two

transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. I am advised that the proposed dismemberment of Conrail by CSX and NS is unique and unprecedented because never before in our nation's history have two rail competitors combined to eliminate their other, financially healthy competitor. The uniqueness of this transaction coupled with the Board's required public interest investigation under Section 11324(b) mandates that the full period of time allowed by Section 11325(b) be used to carefully analyze whether this transaction indeed is in the public's interest.

The following unresolved issues are just a sample of what I believe the Board must address in the coming months in considering the takeover of Conrail:

1. Impact on Conrail Employees -- From the headquarters in Philadelphia to the locomotive repair shops in Altoona to the rail yard in Conway to the Customer Service Center in North Fayette Township, there are more than 8,000 Conrail employees in Pennsylvania. They had every reason to expect that the initial Conrail-CSX merger would have been a positive development for them. They should expect to benefit from the CSX-Norfolk Southern transaction at least as much. Their dedication throughout Conrail's turbulent past enabled the railroad to succeed to the point where it is worth \$10 billion. The Board must take concrete steps to determine what the impact will be on those employees, and has wide statutory discretion to impose conditions on the transaction to benefit them beyond the doctrine of New York Dock, which are grossly inadequate.
2. Impact on Communities -- Conrail provides essential rail service to hundreds of communities, which depend on such service as a significant part of their local economy. Further, Conrail employees live in communities and their job security will play a role in fostering continued economic development or in hastening adverse economic conditions.
3. Impact on Shippers -- Shippers in the Northeast and other parts of the country will be affected by this transaction, both in their access to competitive service and the rates they will pay. Congress has heard testimony from the coal industry and other shippers that depending on how the Board structures this merger, it could provide new opportunities for economic growth across several States, or could cripple budding attempts to open new markets for American products.
4. Impact on Ports -- Throughout the Eastern Seaboard, rail service is essential to the operations of ports in communities such as Philadelphia, Camden, Hampton Roads, Baltimore, and New York. The Conrail acquisition has the potential to alter the competitiveness of the Port of Philadelphia and others in the region.



The Honorable Linda J. Morgan  
Page Three

5. Impact on Other Railroads -- The Board has to analyze how the Delaware and Hudson and short line railroads are going to be affected. The presence of competing railroads will do much to keep shipping prices down and the access issue for short lines is of great importance to small businesses who are dependent on rail to bring their products to market or to obtain their raw materials.

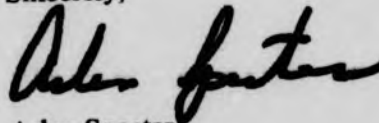
These are all complicated issues and merit the fullest attention of the Board. I would also note that the Board currently lacks a third member. Certainly a \$10 billion transaction with such far-reaching effects deserves to be considered by a fully constituted Surface Transportation Board.

The Applicants state on page 5 of their petition that because they have paid for their Conrail stock "up front," an expedited procedural schedule will reduce the alleged loss of the "substantial benefits that will certainly result from the acquisition and division of Conrail." As far as I know, the Applicants structured their deal for their own purposes, not for the public interest. The fact that their funds are tied up is no reason for the Board to shortcut its public obligation to carefully review and investigate this proposed transaction.

Finally, the Applicants claim that expedition is necessary because undue delay will cause an attrition of Conrail management and a possible degradation of Conrail's physical plant. (Petition at 5-6). I trust that Conrail management understands that it has a continuing obligation to provide quality rail carrier service to all of its shippers during the pendency of this proceeding and to continue maintenance and rehabilitation efforts, particularly where safety is involved. Accordingly, any fears about Conrail's behavior during the pendency of this proceeding are misplaced and do not constitute a legitimate reason for expediting the Board's investigation of this unprecedented transaction.

In conclusion, I strongly urge the Board to deny the Applicants' request for an expedited procedural schedule. The public's interest in the Board's careful analysis of this transaction requires that the full statutory period permitted under Section 11325(b) be utilized.

Sincerely,



Arlen Specter

AS:dr

cc: The Honorable Gus A. Owen, Vice Chairman  
The Honorable Vernon Williams, Secretary



STB

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MOCOH



Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD-33388*

May 14, 1997

The Honorable Deborah Pryce  
U.S. House of Representatives  
200 N. High Street  
Columbus, OH 43215

Dear Congresswoman Pryce:

Thank you for your letter enclosing correspondence from your constituents regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Your constituents express concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter and that of your constituents made a part of the public docket in this proceeding, and I am placing your name on service list to ensure that you receive all future Board decision in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

**Congress  
of the  
United States  
House of Representatives**

**DEBORAH PRYCE**  
OHIO  
15th DISTRICT



April 22, 1997

**Mr. Dan G King**  
Director, Office of Public Services  
Surface Transportation Board  
1925 K Street Northwest  
Room 848  
Washington, D.C. 20423-0001

Dear Mr. King:

Recently I was contacted by Mr. and Mrs. Daniel and Janice Birrell. Enclosed you will find a copy of correspondence which I have received from the Birrells regarding the Conrail sale. You will find the letter self-explanatory. I would appreciate your consideration of Mr. and Mrs. Birrell's concerns and a response I may share with them.

Should you have any questions or concerns, please feel free to contact Natalie Pence of my office at (614) 469-5614. Additionally, please let me know of any further developments on this matter which will help me respond to constituents in the future.

With kind regards, I remain

Very truly yours,

**DEBORAH PRYCE**  
Member of Congress

DP:np

OFFICE OF  
CHAIRMAN MORGAN

MAY 1 3 08 PM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

RECEIVED APR - 2 1997

Daniel & Janice Birrell & kids  
310 Potee RD.  
S. Vienna, OH 45369

Dear Congresswoman Pryce,

As residents of Madison county we are compelled to write and express our feeling on the sale and split up of Conrail. I have been employed by Conrail in the Communication and Signal department since 1978. I literally started digging ditches and have worked up to the position of Supervisor C&S for the Columbus area.

I have heard the state of Ohio had no representation at a recent Senate Transportation Appropriations Sub-Committee hearing. This concerns myself, my family, and approximately 1800 other Conrail employees and their families. First of all, we would rather remain employed in the same job we have been doing safely for these past years. The employees of Conrail are told we would be afforded New York Dock protection. As a last resort, it's better than nothing.

We are led to believe from the Carrier we would have to relocate or lose any job protection. My wife is a teacher at London Middle School. Our children have friends. This relocation affects much more than just me. When this agreement was written I'm sure the number of two income families was negligible and a spouse's occupation was not considered. I must consider my family first. It is too much to ask of them to move for such an unstable future.

I would like to thank Rob Nichols of your staff for his assistance in obtaining copies of the above mentioned agreement. Government does work; Mr. Nichols is a good example.

In conclusion, I would hope that you would take the time to consider the well being of the many employees of Conrail and their families. In closing, I am still doing my job to the best of my abilities and will offer any assistance to your office regarding railroad-highway crossing safety.

Sincerely,

*Daniel R. Birrell*  
The family of Daniel Birrell

3/22/97

CONRAIL®



CONSOLIDATED RAIL  
CORPORATION  
4882 TRABUE ROAD  
BUILDING R-13  
COLUMBUS, OH 43228  
TELE: (614) 771-3214  
FAX: (614) 771-3219  
INTERNET:

**DANIEL R. BIRRELL**

SUPERVISOR COMMUNICATIONS & SIGNALS  
COLUMBUS TERMINAL AREA  
COLUMBUS SAFETY COMMITTEE

dbirrell@freenet.columbus.oh.us



STB

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33388

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD -  
33388*

May 19, 1997

**The Honorable Alfonse D'Amato  
United States Senate  
Federal Building  
111 W. Huron Street  
Room 620  
Buffalo, NY 14202**

Dear Senator D'Amato:

Thank you for your letter enclosing correspondence from your constituent regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Your constituent complains that, due to the proposed transaction, Conrail has ceased negotiating over the use of the local train station in the City of Dunkirk, New York, for Amtrak passenger service.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Surface Transportation Board (Board) on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

While they may participate formally in the control proceeding before the Board, your constituents seek a more timely resolution to their problem. I am therefore referring this correspondence to the Board's Office of Compliance and Enforcement to look into this matter further.

I also am having your letter and that of your constituent made a part of the public docket in this proceeding. I appreciate your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



ALFONSE M. D'AMATO  
NEW YORK

FEDERAL BUILDING  
111 W. HURON STREET  
ROOM 620  
BUFFALO, NY 14202  
(716) 846-4111

# United States Senate

WASHINGTON, DC 20510-3202

April 22, 1997

OFFICE OF  
CHAIRMAN MORGAN

APR 28 6 11 PM '97

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

TO: Surface Transportation Board  
Linda J. Morgan, Chairperson  
Suite 820  
1925 K Street, N.W.  
Washington, D.C. 20423

FROM: Alfonse D'Amato  
United States Senator

Re: City of Dunkirk

Because of the desire of this office to be responsive to all inquiries and communications, your consideration of the attached is requested.

PLEASE TRY TO RESPOND WITHIN 4 WEEKS OF YOUR RECEIPT OF THE REQUEST. YOUR FINDINGS AND VIEWS, IN DUPLICATE, ALONG WITH RETURN OF THIS MEMO PLUS ENCLOSURE, WILL BE APPRECIATED.

Many thanks.

AD:bjo



**CITY OF DUNKIRK**  
**DEPARTMENT OF PUBLIC WORKS**  
CITY HALL, DUNKIRK, N. Y. 14048

MARGARET A. WUERSTLE  
MAYOR  
(716) 366-0452  
FAX (716) 366-2049

RANDY J. WOODBURY  
DIRECTOR OF PUBLIC WORKS  
(716) 366-9832  
FAX (716) 366-2049

07 MAR 31 PM 12:34

DAVID J. MANZELLA  
SENIOR ENGINEERING TECHNICIAN  
(716) 366-9832  
FAX (716) 366-2049

March 25, 1997

Chairman Linda Morgan  
Surface Transportation Board  
1925 K Street NW  
Washington DC 20423-0001      phone: 202-565-1592      fax: 202-565-9015

Dear Chairman Morgan:

CSPAN brought us coverage of your impressive Senate testimony on the pending Conrail mergers with CSX and NS. We especially noted your offer on behalf of the STB to assist municipalities along present Conrail routes that are concerned about their Amtrak service.

The City of Dunkirk is midway along the shore of Lake Erie between Erie, Pennsylvania, and Buffalo, New York. The City successfully negotiated with Amtrak for a stop on its Lake Shore Limited route, but this has been frustrated for more than a year because Conrail has been difficult to deal with on passenger use of the local train station and station platform. The City has architectural plans and the wherewithal to modify the train station as needed for an Amtrak stop, but Conrail has been immovable relative to rest rooms and other issues that should be trivial to work out.

With the pending mergers, Conrail now refuses to meet to work out final details. Conrail canceled a meeting with the City on March 19 and has indicated it will not resume consideration of the train station until CSX is in control. The City would like its Amtrak stop by June of this year. The City of Dunkirk hereby requests the Surface Transportation Board's assistance and advice.

Thank you for your consideration.

Sincerely,

Margaret A. Wuerstle  
Mayor, City of Dunkirk

Randy J. Woodbury  
DPW Director, City of Dunkirk

copies to: Senators Moynihan and D'Amato, Congressman Houghton

STB

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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD - 33388*

May 14, 1997

The Honorable Rob Portman  
U.S. House of Representatives  
8044 Montgomery Road  
Room 540  
Cincinnati, OH 45236

Dear Congressman Portman:

Thank you for your letter enclosing correspondence from your constituent regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Your constituent expresses concern over the transaction and urge in particular that the Surface Transportation Board (Board) consider the impact of the proposal on affected rail employees.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the interest of rail carrier employees affected by the proposed transaction. Let me assure you that the Board will give full consideration to the interest of affected rail employees, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, however, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter and that of your constituent made a part of the public docket in this proceeding. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

**ROB PORTMAN**  
• SECOND DISTRICT, OHIO

COMMITTEE ON  
WAYS AND MEANS  
ASSISTANT MAJORITY WHIP

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3502**

**March 27, 1997**

WASHINGTON OFFICE:  
238 CANNON OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-3164  
portmail@hr.house.gov

KENWOOD OFFICE:  
8044 MONTGOMERY ROAD  
ROOM 540  
CINCINNATI, OH 45236  
(513) 791-0381

BATAVIA OFFICE:  
175 EAST MAIN STREET  
BATAVIA, OH 45103  
(513) 732-2948

1-800-784-6366

Mr. David Konschik  
Director  
Surface Transportation Board  
Room 626, Office of Procedures  
1925 K Street NW  
Washington, D.C. 20423-0001

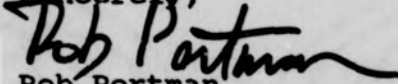
Dear Mr. Konschik:

Enclosed is correspondence I recently received from my constituent, Forster C. Moore, 722 Foster Street, Franklin, Ohio, 45005 regarding the potential Consolidated Rail Corporation (Conrail) rail-line merger.

Mr. Moore is concerned about the effect this merger could have on his employment. Any assistance you could provide in addressing his concerns would be greatly appreciated.

Thank you for your time and attention to this matter. Please forward any correspondence to my Kenwood Office.

Sincerely,

  
Rob Portman  
Representative

RP/je

Enclosure

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
APR 2 3 57 PM '97  
OFFICE OF  
CHAIRMAN MORGAN



MAR 14 1997

Mr. Rob Portman  
U. S. Representative  
Kenwood Office  
8044 Montgomery Rd.  
Room 540  
Cincinnati, Ohio 45236

March 10, 1997

Dear Sir:

I am writing to you in regard to a matter of serious concern to myself and many other of your constituents in the Cincinnati-Dayton area. We wish to bring to your attention our distress over the current plan by the CSX and NS railroads to divide the properties and assets of Consolidated Rail Corporation (Conrail) between themselves with the apparent blessings of the Surface Transportation Board in Washington, D. C.

As union affiliated employees of Conrail, we have not to date received any assurances or proposals concerning employee protection in respects to our many years of dedicated service in making Conrail a viable company.

It is not our desire to be left destitute while railroad management enrich themselves by selling us out. We need to know as both workers and voters that we can count on your assistance and support in seeing we receive justice in this blatant take-over.

Your assistance in this matter will be greatly appreciated and is imperative to our survival.

Sincerely yours,

Forster C Moore  
722 Foster St  
Franklin, Ohio 45005



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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
JD-33388*

May 22, 1997

The Honorable John H. Chafee  
United States Senate  
Washington, D.C. 20510-3902

Dear Senator Chafee:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding, and will have your name placed on the service list to ensure that you receive all future Board decisions in this case. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

JOHN H. CHAFEE  
RHODE ISLAND

CHAIRMAN, COMMITTEE ON  
ENVIRONMENT AND PUBLIC WORKS

COMMITTEE ON FINANCE

JOINT COMMITTEE  
ON TAXATION

SELECT COMMITTEE  
ON INTELLIGENCE

SENATE ARMS CONTROL  
OBSERVER GROUP

## United States Senate

WASHINGTON, DC 20510-3902

March 25, 1997

WASHINGTON OFFICE:

WASHINGTON, DC 20510

(202) 224-2321

TDD: (202) 224-7746

PROVIDENCE OFFICE:

10 DORRANCE STREET

SUITE 221

PROVIDENCE, RI 02903

(401) 528-5294

TOLL FREE NUMBER

IN RHODE ISLAND

1-800-662-5188

INTERNET ADDRESS:

senator\_chafee@chafee.senate.gov

Mr. Lee Gardener  
Chief Executive Officer  
Surface Transportation Board  
1925 K Street, NW  
Suite 500  
Washington, DC 20423-0001

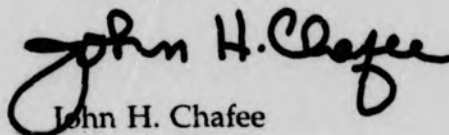
Dear Mr. Gardener:

It is my understanding that the Surface Transportation Board (STB) will be reviewing a proposed merger agreement between the CSX Rail Corporation and Conrail in the near future.

The Northeast's economy depends on a sound and competitive freight rail system. Any merger agreement ought to ensure competitive access for two or more Class 1 Carriers between major service nodes, and accommodate the co-development of intercity, commuter, and freight services where shared trackage is necessary. In addition a merger agreement should not preclude short-line and regional railroads from having effective and competitive access to national markets. As you may know, the Coalition of Northeast Governors (CONEG) has weighed in with similar concerns. These Northeastern governors, as well as leaders in the business community, remain hopeful that a proposed CSX-Conrail merger will not diminish competition in the Northeast, resulting in higher prices and lower quality freight rail service.

Thank you, in advance, for keeping these views in mind as you review the CSX-Conrail merger agreement.

Sincerely,

  
John H. Chafee

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BOARD  
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OFFICE OF  
CHAIRMAN MORGAN

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GOVWV



STATE OF WEST VIRGINIA  
OFFICE OF THE GOVERNOR  
CHARLESTON 25305

CECIL H. UNDERWOOD  
GOVERNOR

March 19, 1997



Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1201 Constitution Ave. NW  
Room 2215  
Washington, D.C. 20423

Dear Mr. Secretary,

Railroads have played an important role in the history of West Virginia. Either directly or indirectly, thousands of our families have depended on rail transportation for their livelihoods. West Virginians certainly understand the importance of the industry.

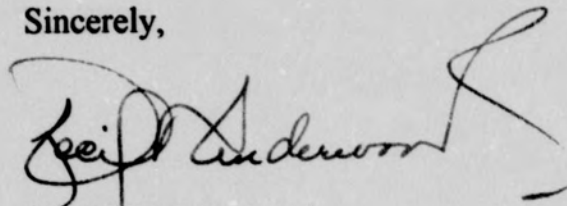
The proposed merger of the Conrail system into CSX Transportation and Norfolk Southern Corporation bodes well for West Virginia. I understand the merger, which is pending final negotiations and completion, would benefit both rail lines and West Virginia shippers, including coal and chemical producers and other important manufacturers.

We believe CSXT and Norfolk Southern are committed to achieving an equitable merger that would result in balanced competition. Such a resolution would benefit West Virginia companies by allowing them to deliver their products more efficiently to existing and additional marketplaces.

Combined, the three railroads – CSXT, Norfolk Southern and Conrail – employ more than 5,000 people in West Virginia. It is my understanding that CSXT and Norfolk Southern are committed to preserving their employment levels in West Virginia. In fact, CSXT executives have informed me that the merger would spur potential new opportunities in West Virginia, especially at CSXT's Huntington Locomotive Shop.

Please know that I fully support the proposed CSXT-Norfolk Southern-Conrail merger. I am confident CSXT and Norfolk Southern are committed to West Virginia, its people and employers. I believe they are working together to create stronger, more competitive companies that will benefit West Virginia and its citizens. The view from the Mountain State is clear: We believe in CSXT and Norfolk Southern and want them to prosper. We also believe the aforementioned proposed merger of Conrail assets into CSXT and Norfolk Southern would lead to that end.

Sincerely,



Cecil H. Underwood



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Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File  
in  
Docket  
FD-33388*

May 22, 1997

The Honorable Joseph R. Biden, Jr.  
United States Senate  
Washington, D.C. 20510-0802

Dear Senator Biden:

Thank you for your letter forwarding correspondence from your constituent, Dennis Rochford, regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Your constituent expresses concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter and that of your constituent made a part of the public docket in this proceeding. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

JOSEPH R. BIDEN, Jr.  
DELAWARE

# United States Senate

WASHINGTON, DC 20510-0802

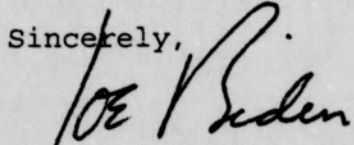
March 25, 1997

Ms. Linda J. Morgan  
Chairwoman  
Surface Transportation Board  
Suite 820  
1925 K St., NW  
Washington, D.C. 20423-0001

Dear Chairwoman Morgan:

Enclosed please find correspondence that I received from the Maritime Exchange for the Delaware River and Bay Authority, regarding the proposed breakup of Conrail Inc. I respectfully ask that you give the Exchange's concerns full and fair consideration in the context of reviewing the merger application. Thank you in advance for your consideration.

Sincerely,

  
Joseph R. Biden, Jr.  
United States Senator

enclosure

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
MAR 27 2 43 PM '97  
OFFICE OF  
CHAIRMAN MORGAN

Alfred J. Castagnola, Chairman  
John R. Galloway, Esq., Vice Chairman  
Dennis Rochford, President  
Lisa B. Himber, Vice President  
James F. Young, Esq., Secretary/Solicitor  
Mary Elisa Reeves, Esq., Asst. Secretary  
Dorothy Mather Iz, Treasurer

MARITIME  
EXCHANGE  
FOR THE DELAWARE  
RIVER AND BAY



400 Market Street  
Suite 1210  
Philadelphia, PA 19106  
Telephone: (215) 925-2615  
Facsimile: (215) 925-3422

March 19, 1997

Honorable Joseph R. Biden  
United States Senate  
SR-221 Russell Senate Office Building  
Washington, DC 20510-0802

Dear Senator Biden:

Enclosed is a Resolution which was adopted at the March 12, 1997 meeting of the Board of Directors of the Maritime Exchange for the Delaware River and Bay.

This resolution reflects the Maritime Exchange's position with respect to competitive rail access which is significant to the economic well-being of the tri-state port region in Southeastern Pennsylvania, Southern New Jersey and Delaware.

The two main points of concern are: 1) insurance that three Class I railroads service this region; and 2) the establishment of rail switching districts which would allow competitive access for shippers, port operators and other railroad users throughout the tri-state port region.

Sincerely,

Dennis Rochford  
President

DR:dam  
enclosure

# MARITIME EXCHANGE for the Delaware River and Bay

## RESOLUTION

WHEREAS, the Maritime Exchange for the Delaware River and Bay strongly believes that competitive rail access is vital to the economic well-being of the tri-state port region in Delaware, Southeastern Pennsylvania and Southern New Jersey; and

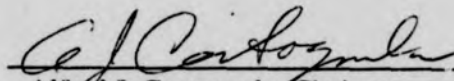
WHEREAS, this competitiveness impacts all shippers, port operators and others dependent on rail service in this port region; and

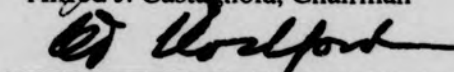
WHEREAS, it is essential to ensure this port region maintains three Class I railroads to remain competitive with other Atlantic Coast ports; and

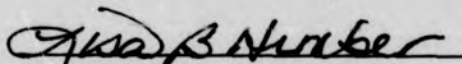
WHEREAS, the Maritime Exchange, in coordination with other private businesses and public port agencies, has determined that a rail switching district should be established in order to gain true competitive access to terminals and other facilities throughout this port region;

NOW BE IT RESOLVED, that the Board of Directors of the Maritime Exchange for the Delaware River and Bay strongly urge that the petitions filed by the rail carriers with the Surface Transportation Board include that three Class I railroads service the tri-state port region in Delaware, Southeastern Pennsylvania and Southern New Jersey; and

BE IT FURTHER RESOLVED, that said petitions also include the establishment of rail switching districts which will allow competitive access or open switching at a competitive rate to shippers, port operators and all other railroad users throughout this tri-state port region.

 (sign)  
Alfred J. Castagnola, Chairman

 (sign)  
Dennis Rochford, President

 (sign)  
Lisa B. Himber, Vice President

Adopted March 12, 1997 at Stated Meeting of Board of Directors  
of the Maritime Exchange for the Delaware River and Bay

STB

FD

33388

2-20-97

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USSNJ

MOC S





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in  
Docket  
FD-33220  
33388*

March 21, 1997

The Honorable Frank R. Lautenberg  
United States Senate  
Washington, D.C. 20510-3002

Dear Senator Lautenberg:

Thank you for your letter forwarding correspondence from your constituent, Mayor George D. Fosdick. Mayor Fosdick seeks certain relief as conditions to approval of the proposed merger of CSX and Conrail.

While the Surface Transportation Board (Board) has not yet received a formal application from anyone, we do have proceedings pending before the Board for the proposed merger of CSX and Conrail (STB Finance Docket No. 33220) and for a proposed merger of Norfolk Southern Corporation and Conrail (STB Finance Docket No. 33286). Because these are pending cases, it would be inappropriate for me to comment on the specific merits of these matters. I do note, however, that your constituents' concern appears to be a private dispute with the Susquehanna Railroad, but he certainly may participate in the environmental review process addressing safety issues or formally as a party of record once a CSX/Conrail merger application is filed with the Board. For more information on this process, please have Mayor Fosdick contact our Office of Public Services at (202) 565-1592.

I am having your letter and that of your constituent made a part of the public record for the CSX/Conrail case. I appreciate your interest in these matters, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan

United States Senate  
WASHINGTON, DC 20510-3002

COMMITTEES  
APPROPRIATIONS  
BUDGET  
ENVIRONMENT AND PUBLIC WORKS  
SMALL BUSINESS  
HELSINKI COMMISSION

February 7, 1997

Ms. Linda Morgan  
Chair  
Surface Transportation Board  
1201 Constitution Avenue, NW  
Washington, D.C. 20423

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
FEB 20 10 59 AM '97  
OFFICE OF  
CHAIRMAN MORGAN

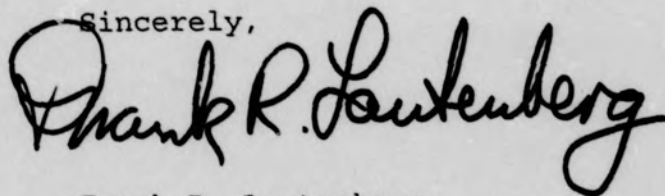
Dear Ms. Morgan:

I am enclosing a copy of a letter I received from Mayor George D. Fosdick concerning Susquehanna Railroad.

I would appreciate your providing me with any information you might have regarding this matter. Please respond to Louis Januzzi at my Newark office on your findings.

Thank you for your attention to this case.

Sincerely,



Frank R. Lautenberg  
United States Senator

FRL\lfj  
Enclosure

REPLY TO:

☐ 506 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-3002  
(202) 224-4744

Internet: frank.lautenberg@lautenberg.senate.gov

☐ ONE NEWARK CENTER 14TH FLOOR  
NEWARK, NJ 07102-5257  
(201) 645-3030

☐ BARRINGTON COMMONS  
208 WHITE HORSE PIKE  
SUITES 18-19  
BARRINGTON, NJ 08007-1322  
(609) 757-5353

JOHN H. ANLIAN  
JOHN B. DAVIS  
Commissioners

GEORGE D. FOSDICK  
Mayor

BRIAN J. HUBERT  
CARMEN A. OCELLO  
Commissioners

SARAH WARLIKOWSKI  
Village Clerk

# Board of Commissioners



234 MAIN STREET

RIDGEFIELD PARK, N. J. 07660

201 - 641-4950  
FAX NO: 201 - 641-1248

January 17, 1997

Senator Frank Lautenberg  
Gateway One, 10th Floor  
Gateway Center, Room 1001  
Newark, NJ 07102

Re: Proposed Merger, Conrail-CSX

Dear Senator Lautenberg:

As you know, we are engaged in a longstanding dispute with the Susquehanna Railroad over their location of an engine maintenance facility in our Village.

Very briefly, Susquehanna relocated this facility into Ridgefield Park because it sold its former Ridgefield rail yard/maintenance facility to CSX to allow CSX to develop an intermodal facility. Susquehanna located this facility adjacent to one of our parks and nearby to residential areas. The engine yard has been demonstrated to be a persistent threat to the safety, health and well being of our residents. Further, because we are pursuing legal action against Susquehanna, Susquehanna is refusing to allow us to place much needed sewer separation lines under their tracks. Previously, such permission was granted as a matter of courtesy.

Inasmuch as CSX is a principal player in our problem with Susquehanna, we believe proposed CSX-Conrail merger provides us with an opportunity to again try to resolve this problem. You have supported our position in the past and we specifically request that you contact all agencies involved in reviewing the proposed CSX-Conrail merger and request that as a condition of the merger, these three conditions be addressed:

- 1] Removal of the Susquehanna engine maintenance facility from Ridgefield Park.
- 2] Restoration of the Conrail Bridge over the Overpeck Creek to operable condition (in compliance with previously issued Coast Guard directives).

- 3] Address the several grade crossing problems which have already been created by the increased rail traffic.

We thank you for your past efforts on our behalf. We hope the proposed merger will provide an opportunity to finally reach a solution.

Thank you.

Yours truly,

  
Mayor

cc: Board of Commissioners  
M. T. Durkin, Esq.  
Citizens Committee





Office of the Chairman

**Surface Transportation Board**  
Washington, D.C. 20423-0001

*File in*  
*Docket*  
*JD - 33280*  
*33388*

March 21, 1997

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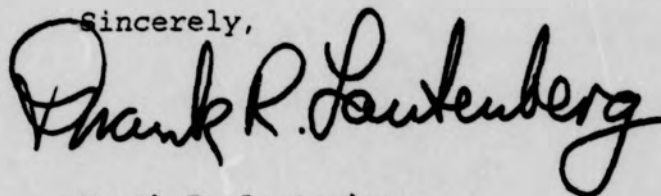
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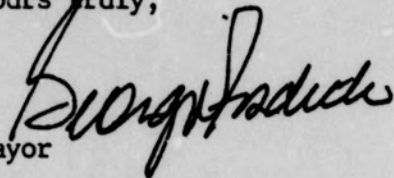
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