2-20-97 J USSOH MOCS 33388



#### Surface Transportation Board Bashington, B.C. 20423-0001

File in Docket FD-<del>33286</del> 33388

March 21, 1997

The Honorable John Glenn United States Senate 200 N. High Street, Suite 600 Columbus, OH 43215 Attn: Ms. Anisa Bell

Dear Senator Glenn:

Thank you for your letter forwarding correspondence from your constituent, Mr. Edward Caine, regarding the proposed merger of Conrail and CSX. He expresses concern over the competitive harm that would result from the merger of these two railroads.

As you know, Norfolk Southern also has proposed a merger with Conrail. I can assure you that the Surface Transportation Board (Board) is committed to preserving balanced and effective competition in the East regardless of what merger proposal comes before the Board. In that regard, following extensive negotiations, the railroads reportedly have reached an agreement for addressing the competitive concerns raised by these merger proposals. As always, the Board will thoroughly analyze any settlement agreement presented as part of a merger proceeding and will take appropriate action to ensure that competitive concerns are properly remedied.

In the meantime, while we have not yet received a formal application from anyone, we do have proceedings pending before the Board for the proposed CSX/Conrail merger (STB Finance Docket No. 33220) and for the proposed NS/Conrail merger (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 will have your correspondence and that of your constituent made a part of the public record for the CSX/Conrail case.

I appreciate your interest in these matters. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

#### COMMETTERS:

- GOVERNMENTAL AFFAIRS
- · ARMED SERVICES
- . SELECT COMMITTEE ON INTELLIGENCE
- . SPECIAL COMMITTEE ON AGING

# United States Senate

WASHINGTON, DC 20510-3501

February 7, 1997

Ms. Linda Morgan
Congressional Affairs
U.S. Surface Transportation Board
12th and Constitution Avenue, NW
Washington, D.C. 20423

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Dear Ms. Morgan:

Enclosed please find correspondence from Mr. Edward Caine, President and CEO of WCI Steel in Warren, Ohio, regarding the possible merger of Conrail and CSX.

I would appreciate your looking into this situation as soon as possible and look forward to receiving the results of your inquiry. Please direct all correspondence on this issue to my district office at the following address:

Senator John Glenn 200 N. High Street, Suite 600 Columbus, Ohio 43215 ATTN: Ms. Anisa Bell

You may reach Ms. Bell at (614) 469-6697. Thank you for your assistance.

Best regards.

**United States Senator** 

JG:ab

WCISTEEL

Edward R. Caine President and CEO

November 26, 1996 Rec'din Cols. 2/4/97

The Honorable John Glenn U.S. Senate 503 Hart Building Washington, DC 20515

Dear Senator Glenn:

WCI Steel is served at this time by two railroads at our plant in Warren, Ohio. All raw materials, such as iron ore, coke and scrap, are shipped by rail as well as significant amounts of tonnage destined for delivery to our customers. We are speaking about millions of tons of freight shipped annually.

The two railroads now serving WCI are Conrail and CSX. A merger of these two systems at this time appears to be onerous for the continued competitiveness of WCI versus competition serviced by more than one rail system. The threat is that one set of non-competitive rates will be set by CSX. CSX will then likely allow access to WCI by other railroads but set prohibitively high rates for access to the routes, marshaling yards and other needed facilities. In other words, their cost to WCI would be non-competitive.

WCI Steel has invested capital heavily in the past eight years. To date \$260 million in facilities have been completed, with a plan to invest an additional \$200 million in the next five years. All investment is in Ohio.

We need to remain competitive. We need your help. We cannot survive in a non-competitive atmosphere. Please watch the development of this issue on our behalf. WCI Steel cannot be the only company in Ohio that could be negatively impacted. We will be speaking to others in business as well as taking our message to state government.

Sincerely,

Edward R. Caine

President and Chief Executive Officer

cc: Jack Walter-Director, Corporate Affairs



# Surface Transportation Board

File in Dockel 11-33220 33388

March 21, 1997

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I appreciate your interest in these matters. If I may be of further assistance, please do not hesitate to contact me.

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United States Senate

**WASHINGTON, DC 20510-3501** 

COMMUTTEES:

- · GOVERNMENTAL AFFAIRS
- . ARMED SERVICES
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- . SPECIAL COMMITTEE ON AGING

February 7, 1997

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Edward R. Caine

President and Chief Executive Officer

cc: Jack Walter-Director, Corporate Affairs

2-20-97 MOCNJ



#### Surface Transportation Board Washington. B.C. 20423-0001

File in Docket JD-<del>23286</del> 33388

March 21, 1997

The Honor able Steven R. Rothman U.S. House of Representatives Washington, D.C. 20515-3009

Dear Congressman Rothman:

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

## Congress of the United States House of Representatives Washington, DC 20515-3009

February 13, 1997

OFFICE OF CHAIRMAN MORGA

Ms. Amy Northcut Chief Executive Officer Surface Transportation Board 12th and Constitution Ave, NW Washington, D.C. 20423

Dear Ms. Northcut:

I am writing on behalf of the Mayor of one of the communities in my District, George D. Fosdick, of Ridgefield Park, New Jersey.

Enclosed you will find a copy of Mayor Fosdick's letter. I would greatly appreciate a member of your staff contacting my legislative director, Jim Wall, at your earliest possible convenience, to discuss this matter.

Thank you for your attention to this critical issue.

Sincerely,

Member of Congress

n.h...

cc: Mayor George D. Fosdick

SR:has

OHN H. ANLIAN

GEORGE D. FOSDICK

SARAH WAKLIKOWSKI

BRIAN J. HUBERT

JAN 21 WET posed of Commissioners

234 MAIN STREET

RIDGEFIELD PARK, N. J. 07660

201 - 641-4950 FAX NO: 201 - 641-1248

January 17, 1997

Congessman Steven Rothman 25 Main Street Hackensack, NJ 07601

Re: Proposed Merger, Conrail-CSX

Dear Congressman Rothman:

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 the 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.

Puor Jaulick

cc: Board of Commissioners M. T. Durkin, Esq.

Citizens Committee

MOCNJ



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

File in Dockel FD - 33330 33388

March 21, 1997

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Washington, DC 20515-3009

February 13, 1997

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Member of Congress

SR:has

cc: Mayor George D. Fosdick

JOHN H. AKLIAN

GEORGE D. FOSDICK

SARAH WARLIKOWSKI

**BRIAN J. HUI** 

Village Clerk JAN 21 WE Poard of Commissioners

234 MAIN STREET

RIDGEFIELD PARK, N. J. 07660

201 - 641-4950 FAX NO: 201 - 641-1248

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Thank you.

norgh much

cc: Board of Commissioners

M. T. Durkin, Esq. Citizens Committee



#### Surface Transportation Board Bashington, D.C. 20423-0001

File in Docket 11-33220 33388

March 21, 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, Mr. Arthur Annone. He expresses concern over the effect on rail traffic through New Castle County, Delaware, by a proposed merger of Conrail Inc. and CSX Corporation.

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 assure you, however, that the Board must and will conduct a thorough environmental review, including the consideration of safety issues, in reaching a decision on a major merger transaction such as the proposed CSX/Conrail consolidation. We welcome public participation in the environmental review process.

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,

## United States Senate

**WASHINGTON, DC 20510-0802** 

January 27, 1997

Ms. Linda J. Morgan Chairwoman Surface Transportation Board 1201 Constitution Ave. NW Washington DC, 20432

Dear Chairwoman Morgan:

A constituent of mine, Mr. Arthur Annone, has contacted me regarding the proposed merger between CSX and Conrail. For your information, I have enclosed a copy of her letter.

I would appreciate any information you can provide that would would help me respond to Mr. Annone's concerns. If you have questions regarding my request, please feel free to contact Jay Rupert of my staff at (202) 224-5042.

Thank you for your consideration.

Sincerely

Joseph R. Biden, Jr. United States Senator

Enclosure

FEB 10 2 30 PH "9

817 Bezel Road Shipley Ridge Wilmington, DE 19803 302-762-3525

## Arthur C. Annone

January 14, 1997

L JUR. +60 #232427

Honorable Joseph R. Biden 221 Russell Senate Office Building Washington, D.C. 20510

Dear Senator Biden:

As a resident of North Wilmington, I write this letter out of concern regarding the possible raerger of Conrail Inc. and CSX Corp.

I have read with growing alarm articles in the NewsJournal paper that the newly formed rail transportation company will discontinue using Conrail lines and increase usage on CSX lines. Since I own a house located approximately 200 feet from the CSX line that runs through New Castle County, this information causes me to worry for the safety of my wife and two children.

It seems to make sense that the Conrail lines that run along less populated and more industrial areas of New Castle County are the appropriate place for these trains, many of which carry hazardous materials. This would allow a large number of people located along the CSX lines in New Castle County to sleep better at night knowing that they won't have to wake up and evacuate their home because of an unforeseeable train accident. Quite frankly, they would also sleep better at night without the increased noise pollution and smoke that comes from these diesel engines.

I hope that you understand the concern that this matter gives me, and see fit to put your valuable time in to researching what can be done to protect the quality of life for citizen's of Delaware that this increased rail usage would diminish. Please feel free to contact me if you have any questions or comments.

Sincerely,

Arthur C. Annone

Certail Cenume



# Surface Transportation Board Bashington, B.C. 20423-0001

File in Docket 1D-33286 33388

March 21, 1997

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Arthur C. Annone



# Surface Transportation Board

File in Docket 33388

March 21, 1997

The Honorable Charles S. Robb United States Senate Washington, D.C. 20510-4603

Dear Senator Robb:

Thank you for your letter forwarding correspondence from your constituent, Mr. Kenneth David Elliotte, regarding the proposed merger of Conrail and CSX. He expresses concern over the competitive harm that would result from the merger of these two railroads.

As you know, Norfolk Southern also has proposed a merger with Conrail. I can assure you that the Surface Transportation Board (Board) is committed to preserving balanced and effective competition in the East regardless of what merger proposal comes before the Board. In that regard, following extensive negotiations, the railroads reportedly have reached an agreement for addressing the competitive concerns raised by these merger proposals. As always, the Board will thoroughly analyze any settlement agreement presented as part of a merger proceeding and will take appropriate action to ensure that competitive concerns are properly remedied.

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Sincerely,

CHARLES S. ROBB

WASHINGTON OFFICE:
Russell Senate Office Building
First and Constitution Avenue, NE, Room 154
Washington, DC 20510
(202) 224-4024
Email: senator@robb.senate.gov

Hinted States Senate Washington, DC 20510-4603

ARMED SERVICES
FOREIGN RELATIONS
INTELLIGENCE
JOINT ECONOMIC COMMITTEE
Vice Cheirman
Democratic Policy Committee

December 26, 1996

Mr. Richard S. Fitzsimmons
Director, Office of Congressional Services
Surface Transportation Board
1201 Constitution Avenue, N.W.
Room 4146
Washington, DC 20423

Dear Mr. Fitzsimmons:

I have been contacted by Mr. Kenneth David Elliotte of the Stone Container Corporation in Hopewell, Virginia, expressing concern about the possible merger of CSX and Conrail. I am enclosing a copy of the correspondence I've received.

I would appreciate it if you could review the letter and respond to the concerns raised by Mr. Elliotte. Many thanks for your consideration.

Sincerely,

Charles S. Robb

CSR/egf Enclosure

cc: Mr. Kenneth David Elliotte

BEC 30 2 50 PN '96

OFFICE OF CHAIRMAN MORGAN

910 Industrial Street, P.O. Box 201, Hopewell, Virginia 23860

Hopewell Mill

804.541.9600

December 13, 1996

The Honorable Charles S. Robb U.S. Senate 493 Russell Senate Office Building Washington, DC 20510

Dear Senator Robb:

This letter is written to you because, quite frankly, I really don't understand how to ensure that competition will be protected in the pending CSXT & Conrail merger. I am not opposed to the merger but I am absolutely convinced that without governmental involvement in structuring this merger that the results will be higher freight rates due to a reduction in rail competition.

Attached is a general position paper for your review. The concept of protecting rail competition by ensuring access to the Conrail markets by both NS & CSXT is my only point. There are many ways to accomplish this if a government and shippers representative is part of the merger agreement process.

If this remains only a railroad company issue, the shipping public will be paying unnecessarily higher freight rates. It is imperative that the government get involved at this point. This will prevent abuse and minimize the need for a future Interstate Commerce Commission type resurrection.

Your consideration of this matter would be greatly appreciated.

Sincerely,

Kenneth David Elliotte

Manager Traffic & Materials Coordination

ennets Paul Ellate

KDE:bbf

Attachment



## **Stone Container Corporation**

INTERNAL CORRESPONDENCE

DATE:

December 13, 1996

To:

K. D. Elliotte

Location:

Location:

Hopewell, Virginia Transportation

CC:

From:

Subject:

The Future of Competition in the Northeast

The announced CSXT & NS merger combination with Conrail will be progressing through the regulatory and judicial systems in the months ahead. It is very important that you get involved to protect the shipping public's ability to continue to operate in a competitive environment.

It is absolutely essential to the well being of many citizens that this combination be devised in a manner to foster "keen" railroad to railroad competition. The CSXT & NS are very capable of protecting their best interest whereas the shipping public will require intervention of the Justice Department and their state and federal elected officials to ensure fair treatment. The perfect way to minimize the need of long term governmental supervision is to now assist in the design of a railroad system that encourages and promotes competition.

The elements of the combination railroad should include:

- A. All existing Conrail stations be open for service by any railroad.
- B. All stations of the existing NS and CSX systems be open to the other railroad.
- C. Eighty-five (85) percent of the existing Conrail stations be made available for service by <u>both</u> NS & CSXT (through direct ownership of trackage & operating yards.)
- D. Switching charges between CSXT & NS be federally regulated to ensure the rate is nominal, fair, does not interfere with access, and does not escalate in an uncontrolled fashion.

Rail and truck competition is not adequate by itself but we must also have rail to rail competition to ensure low cost of transportation. Low cost of transportation directly translates to lower cost for all Americans as they buy their daily needs.

Please get involved and make sure that both CSXT & NS railroads are competitive in the Northeast. We <u>cannot</u> leave it to NS & CSXT to divide the market in a monopolistic fashion.

Your review of this matter is greatly appreciated.

David Ellet

Kenneth David Elliotte

KDE:bbf



A higher level of excellence.



# Surface Transportation Board

File in Docket 1D-<del>33286</del> 33388

March 21, 1997

The Honorable Charles S. Robb United States Senate Washington, D.C. 20510-4603

Dear Senator Robb:

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United States Senate Washington, DC 20510-4603

COMMYTEES:

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CSR/egf Enclosure

cc: Mr. Kenneth David Elliotte

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## **Stone Container Corporation**

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December 13, 1996

The Honorable Charles S. Robb U.S. Senate 493 Russell Senate Office Building Washington, DC 20510

Dear Senator Robb:

This letter is written to you because, quite frankly, I really don't understand how to ensure that competition will be protected in the pending CSXT & Conrail merger. I am not opposed to the merger but I am absolutely convinced that without governmental involvement in structuring this merger that the results will be higher freight rates due to a reduction in rail competition.

Attached is a general position paper for your review. The concept of protecting rail competition by ensuring access to the Conrail markets by both NS & CSXT is my only point. There are many ways to accomplish this if a government and shippers representative is part of the merger agreement process.

If this remains only a railroad company issue, the shipping public will be paying unnecessarily higher freight rates. It is imperative that the government get involved at this point. This will prevent abuse and minimize the need for a future Interstate Commerce Commission type resurrection.

Your consideration of this matter would be greatly appreciated.

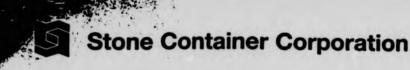
Kenneth Paul Ellate

Kenneth David Elliotte

Manager Traffic & Materials Coordination

KDE:bbf

Attachment



INTERNAL CORRESPONDENCE

DATE:

December 13, 1996

To:

K. D. Elliotte

Location:

Location:

Hopewell, Virginia Transportation

CC:

From:

Subject:

The Future of Competition in the Northeast

The announced CSXT & NS merger combination with Conrail will be progressing through the regulatory and judicial systems in the months ahead. It is very important that you get involved to protect the shipping public's ability to continue to operate in a competitive environment.

It is absolutely essential to the well being of many citizens that this combination be devised in a manner to foster "keen" railroad to railroad competition. The CSXT & NS are very capable of protecting their best interest whereas the shipping public will require intervention of the Justice Department and their state and federal elected officials to ensure fair treatment. The perfect way to minimize the need of long term governmental supervision is to now assist in the design of a railroad system that encourages and promotes competition.

The elements of the combination railroad should include:

A. All existing Conrail stations be open for service by any railroad.

B. All stations of the existing NS and CSX systems be open to the other railroad.

C. Eighty-five (85) percent of the existing Conrail stations be made available for service by both NS & CSXT (through direct ownership of trackage & operating yards.)

D. Switching charges between CSXT & NS be federally regulated to ensure the rate is nominal, fair, does not interfere with access, and does not escalate in an uncontrolled fashion.

Rail and truck competition is not adequate by itself but we must also have rail to rail competition to ensure low cost of transportation. Low cost of transportation directly translates to lower cost for all Americans as they buy their daily needs.

Please get involved and make sure that both CSXT & NS railroads are competitive in the Northeast. We <u>cannot</u> leave it to NS & CSXT to divide the market in a monopolistic fashion.

Your review of this matter is greatly appreciated.

Kenneth David Elliotte

KDE:bbf



A higher level of excellence.