

STB

FD

33388

5-13-97

J

ALGOMA STEEL INC.

P.O. Box 1400
Sault Ste. Marie

Ontario, Canada
P6A 5P2

May 6, 1997.

File PF19 31



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

**Re: Verified Statement; Proposed CSX/NS/Conrail
Transaction: STB Finance Docket No. 33388**

Dear Mr. Williams:

It is our understanding the CSX Corporation and the Norfolk Southern Corporation are progressing towards the joint acquisition of Conrail.

Algoma Steel Inc., located at Sault Ste. Marie, in the Province of Ontario, Canada has been a customer of CSX Corporation for a number of years. We have as well been a customer of Conrail on various occasions over the years specifically on the carriage of coal from mines in the West Virginia vicinity to the docks on Lake Erie.

Algoma Steel Inc. is the third largest steel mill in Canada located at the extreme east end of Lake Superior. Algoma is a fully integrated steel mill producing approximately 2,000,000 N.T. of steel products per year on sales of approximately \$1.2 billion dollars. We employ approximately 5,300 people in our operation at Sault Ste. Marie. We move our iron ore out of Wawa, Ontario and Marquette, Michigan to Sault Ste. Marie. As well we take approximately 1.4 million tons of coal out of various mines in West Virginia over the docks in Toledo, Ohio for furtherance by self-unloading vessels to Sault Ste. Marie.

For many years we have used CSX Transportation to move our coal from the coal fields to the docks at Toledo and have found CSX to be an efficient, responsive and competitive railway company. They presently haul 100% of our coal requirements over Toledo during the period April to November each year.

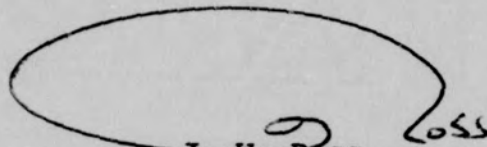
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Our experience with CSX Transportation in moving our coal has been excellent and this is to confirm our support for the joint acquisition of Conrail. This acquisition will be of benefit to Algoma from the standpoint of potential coal storage at Lake Erie which is not now available on CSX alone. As well, potential coal sources will be expanded for us with Conrail coal locations being amalgamated with the CSX locations we now use. Equipment supply expansion will enhance the entire operation with the potential ability to draw on both companies' fleets.

I, J. W. Ross, 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 6th day of May, 1997.

Sincerely,

ALGOMA STEEL INC.,

A large, loopy handwritten signature in dark ink, appearing to read "J. W. Ross".

J. W. ROSS,
Manager,
Traffic Department.

JWR:nst



Office of the Chairman

5-13
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 16, 1997

Mr. Raymond G. Heinzelmann
President
Port of Philadelphia & Camden
3460 N. Delaware Ave., Room 207
Philadelphia, PA 19134

Dear Mr. Heinzelmann:

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, particularly relating to Atlantic ports, 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 I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan
Linda J. Morgan



NORTH ATLANTIC PORTS ASSOCIATION i n c o r p o r a t e d

President

RAYMOND G. HEINZELMANN
Port of Philadelphia & Camden
3460 N. Delaware Ave., Rm. 207
Philadelphia, PA 19134
(215) 427-8304

Vice President

JAMES J. WHITE
Maryland Port Admin.
World Trade Center
Baltimore, MD 21202
(410) 385-4400

Secretary/Treasurer

RALPH F. COX
Massachusetts Port Auth.
Fish Pier E. II, Northern Ave.
Boston, MA 02210
(617) 973-5354

Executive Director

JOHN J. MALONE
31 Coventry Dr.
Lewes, DE 19958
(302) 645-9732

General Counsel

FRANCIS A. SCANLAN, ESQ
P.O. Box 120
Bryn Mawr, PA 19010
(610) 525-1470

Immediate Past President

MICHAEL T. BLACK
Cranston, RI

Traffic Board Chairman

THOMAS F. VALLEAU
Portland, ME

Directors:

DAVID F. BELLEFONTAINE
Halifax, N.S.
AL SOPPITT
Saint John, N.B.
THOMAS F. VALLEAU
Portland, ME
THOMAS J. ORFE
Portsmouth, NH
A. ROSS POPE
Boston, MA
PHILIP MORAN
Cranston, RI
ROBERT N. NELSON
Providence, RI
JAMES D. SCHINE
New Haven, CT
FRANK N. CAGGIANO
New York, NY
LILLIAN C. BORRONE
New York, NY
BASIL MAHER
New York, NY
CHARLES MILLARD
New York, NY
JOSEPH A. BALZANO
Philadelphia, PA
PAUL D. DEMARIANO
Philadelphia, PA
R. ADAM MCBRIDE
Wilmington, DE
ANTHONY A. CHIARELLO
Baltimore, MD
THOMAS J. SIMMERS
Baltimore, MD
H. ROBERT JONES
Norfolk, VA
W. MILLARD MEIGGS
Norfolk, VA
MARTIN J. MOYNIHAN
Richmond, VA

May 9, 1997

Linda J. Morgan, Chairman
Surface Transportation Board
Department of the Treasury
1925 K Street, NW
Washington, DC 20423-0001

Dear Chairman Morgan:

I am writing on behalf of the membership of the North Atlantic Ports Association (NAPA) regarding the proposed purchase, dissolution and distribution of assets of Conrail, by CSX and Norfolk Southern Corporations. This matter, which will soon be before you, is of profound importance to the members of NAPA, which represents port interests in the North Atlantic range, from Maine to Virginia. As a body, we are resolute that the concerns we voice will be heard by the Surface Transportation Board and by all affected parties. We realize that the Board cannot prejudge any matter and will decide any case on the record before it, but feel that we should express our concern that the public port interest be given strong consideration by the Board in any future merger or acquisition proceedings, by requiring competitive access to ports.

Ports and railroads are directly linked in today's intermodal freight transportation system. As international cargo movements continue their rapid increase, the intermodal railroad network is critical to the competition viability of major ports, and of great importance to the railroads themselves. It is fair to say that without such connections, the nation's international cargo movements could not be handled without huge negative social, economic and environmental impacts, among these, increased truck movements, gridlock in port cities and considerable excess cost and delay for receivers and consignees.

*"To Encourage and promote the development of foreign and domestic commerce
through the ports of the North Atlantic Range"*

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 13 11 29 AM '97
OFFICE OF
CHAIRMAN MORGAN

The North Atlantic Ports operate in a very competitive environment. Ports on the U.S. East Coast not only compete among themselves for regional cargoes, but also for long-distance cargoes. The North Atlantic ports are linked to the outside world by various transportation modes, including barge/feeder services, railroads and trucking lines. If any one of these modes fails to offer competitive service, the effectiveness of that port is significantly diminished. This is why it is critically important that all seaports on the North Atlantic have direct rail access to at least two Class 1 railroads. Despite claims to the contrary, the route network publicly proposed by CSX and NS does not seem to meet that crucial standard.

The following points are the minimum requirements for competitive rail access to the North Atlantic Ports:

- Competitive access to all ports on the North Atlantic by at least two Class 1 railroads.
- Competitive access to marine terminals, or designated near-dock facilities, by at least two Class 1 railroads.
- Conditions that guarantee that for any shared trackage, the parties shall operate as equals. Provisions should be as follows: 1) any railroad sharing access on another railroad's track will be charged fairly and equitably at rates which allow unhampered, competitive service; 2) no restrictions on connecting service, on-line or off-line customers shall be permitted; 3) no unfair time, distance or operating rights restrictions shall be maintained by the owner of the track against the carrier, or by the carrier(s) against the owner; 4) prompt resolution of disputes under a federal arbitration program, similar to those provided for under the Railway Labor Act.
- A system must be guaranteed by the federal government that allows for prompt and orderly designation of additional or substitute carriers, with the assent of the affected communities, should one of the Class 1 carriers discontinue service to the impacted region.

It should be noted that over the years, Congress has made statements regarding a national policy encouraging rail competition. We believe that the position of the North Atlantic Ports, set forth above, is consistent with statements made or accompanying virtually all federal railroad legislation since the passage of the 3 R Act in 1973, that there should be a policy to foster competition among all carriers by rail.

Although the North Atlantic Ports Association is desirous of reaching an amicable agreement with the affected parties prior to the commencement of any proceeding, we clearly would have difficulty supporting any merger action that comes before the Board that does not address the conditions as outlined above.

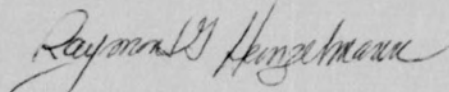
Linda J. Morgan, Chairman

Page 3

5/9/97

Thank you for your consideration of these matters. We would be happy to provide additional data if requested.

Sincerely,

A handwritten signature in cursive script, appearing to read "Raymond G. Heinzelmann".

Raymond G. Heinzelmann, Ph. D.
President

RGH/sp

c: John W. Snow, President & CEO
CSX Corp.
David R. Goode, Chairman, President & CEO
Norfolk Southern Corp.
NAPA Board Members



Office of the Chairman

5-13-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-3338 8*

May 21, 1997

Mr. Jack H. Roskoz
Executive Vice President
New York State Electric & Gas Corp.
Corporate Drive - Kirkwood Industrial Park
P.O. Box 5224
Binghamton, NY 13902-5224

Dear Mr. Roskoz:

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



Jack H. Rosko
Executive Vice President

May 9, 1997

Chairman Linda J. Morgan
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

Re: Conrail Acquisition, Finance Docket # 33388

Dear Chairman Morgan:

As the largest shipper in New York State, New York State Electric & Gas Corporation (NYSEG) strongly urges the Surface Transportation Board (STB) to adopt a 365-day procedural schedule in proceeding 33388 and, therefore, deny the proposed procedural schedule (CSX/NS-4) of 255 days. NYSEG adapts and incorporates by reference the comments filed by CURE on May 1 in this proceeding.

The breakup of Conrail by CSX and Norfolk Southern corporations is the largest and most complex rail acquisition in history. There is simply too much at stake to rush this proceeding.

The sheer complexity of this proposed merger and the estimated premium of \$4 billion are unprecedented. As a shipper in upstate New York, it is absolutely necessary that we have enough time to thoroughly review all of the proposals and adequately evaluate the impact that such a merger will have on our company.

All shippers need time to consider the effect of this proposed transaction on competition among rail carriers in the effected regions. We believe that the STB should not expedite the proceeding to 255 days.

I strongly urge you to adopt a 365-day procedural schedule and so fairly determine if the proposed merger is truly in the public interest.

Respectfully,

cc: Mr. Vernon A. Williams
The Honorable Gus Owen
Parties on the Service List

An Equal Opportunity Employer

New York State Electric & Gas Corporation, Corporate Drive - Kirkwood Industrial Park, P.O. Box 5224, Binghamton, New York 13902-5224 (607) 762-7134 Fax (607) 762-8499

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 13 4 21 PM '97
OFFICE OF
CHAIRMAN MORGAN

WIND RIVER RESOURCES CORP.

**HC 62 BOX 110
CLOTHIER, WV 25047
(304) 369-1071**



May 7, 1997

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

**VERIFIED STATEMENT OF
PHILLIP R. COOPER**

on behalf of

Wind River Resources Corp.

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

I am Phillip R. Cooper, President and Owner of Wind River Resources Corp.. I have the ultimate responsibility for all business activities of Wind River Resources Corp. including overseeing our transportation requirements. I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

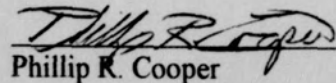
Wind River Resources Corp. is a surface mining company and ships coal to our customers, who are primarily utilities located in West Virginia, Virginia and Maryland. We handle approximately 11,000 carloads of coal annually via CSX.

We believe that the acquisition of Conrail by CSX will allow us to expand and extend our market reach in the north. In particular, the acquisition will bring us new access to Conrail served utility customers in the region.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times.

For these reasons, Wind River Resources Corp. urges the Board to approve the joint application of CSX and NS.

I, Phillip R. Cooper, 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 7th day of May 1997.


Phillip R. Cooper
President

April 28, 1997



**VERIFIED STATEMENT
of
MIDWEST INDUSTRIAL SUPPLY, INC.
Canton, Ohio**

FINANCE DOCKET NO. 33388



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

Dear Mr. Williams:

My name is Robert Vitale, and I am President of Midwest Industrial Supply, Inc. in Canton, Ohio. I have been President and CEO of Midwest since its inception twenty-two years ago. It is my responsibility to have a management team to run this business successfully.

Midwest Industrial Supply, Inc. is a manufacturer with sales of \$5,000,000 + annually. Transportation is a vital factor to the success of our business. We utilize truck and rail, divided 15% rail and 85% other modes. Primarily, we ship to the west coast and receiver from northeast in the United States. Some of our shipments are to and from locations in the Northeast and Midwest on Conrail.

Based upon our experience in providing the services described above and working with various railroads, we would like to express our support of Norfolk Southern and CSX in their efforts to acquire Conrail, and then divide the Conrail system. There is a need for competition in the territory served by Conrail, and for two competing railroads in the Northeast which own their own track and facilities. For too long, customers which ship or receive product into and out of the Northeast have had the service of only one rail carrier. And as is the case when only one company is able to operate in a particular market, service suffers and the price is non-competitive. While there may have been an historical reason for insulating northeastern railroading from competition, that time is past, and it is time for customers interested in this market to have service by more than one rail carrier which owns its facilities. And, the rail carriers which will compete in the Northeast should not be just any rail carriers. They must be carriers which are of comparable size and scope, and provide a competitive service.

P.O. BOX 8431 CANTON, OHIO 44711
TEL: 330-456-3121 FAX: 330-456-3247
<http://www.midwestind.com>
e-mail: custserv@midwestind.com

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
April 28, 1997
Page Two

RE: FINANCE DOCKET NO. 33388

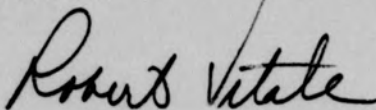
Growth in the intermodal industry will benefit my company. Providing rail competition in the Northeast, particularly from two competitors which have strong rail systems in the Southeast, should promote the growth of intermodal traffic, which in turn will enhance my business as a supplier to the intermodal industry. Norfolk Southern's capital investment in its intermodal facilities and service are well known in the industry, as are its strong commitments to growth and service. Further, we have been impressed with Norfolk Southern's commitment to safety, as evidenced by its evidence of continued success in winning the Harriman Award.

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

I, Robert Vitale, 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 April 28, 1997.

Sincerely,

MIDWEST INDUSTRIAL SUPPLY, INC.



Robert Vitale
President



DOBROW SERVICES INC.

DOBROW INDUSTRIES DIV

April 29, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
STB Finance Docket No. 33286
1201 Constitution Ave., N. W.
Washington, DC 20423



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:

VERIFIED STATEMENT OF DOBROW INDUSTRIES, INC.
FINANCE DOCKET NO. 33388

My name is Edward Dobrow, and I am president of Dobrow Industries, Inc. I have held my present position for 21 years.

Dobrow Industries, Inc. is a scrap metal processor. We have facilities located at 1301 West 2nd Street and 500 West 23rd Street, Muncie, Indiana. These facilities are presently served by NS. We sell to customers located from Missouri and Illinois to Virginia. These facilities are located on the lines of NS, CR, CSX and others. During 1996, we shipped approximately 500 carloads to these destinations.

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

I, Edward J. Dobrow, 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 April 29, 1997.

Sincerely,

Edward J. Dobrow
President
Dobrow Industries, Inc.

MID-CONTINENT

PAPER CONVERTERS INC.



751 South 'O' Street, Richmond, IN 47374-6800
1-800-875-4006 • (765) 966-4000 • Fax: (765) 966-3239
www.mid-cont.com

April 29, 1997

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



Mr. Williams:

We support the approval of the transaction by which CSX and Norfolk Southern will acquire control of Conrail, and then 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. There is a distinct need for two competing railroads in the Northeast which own their own track and facilities. For too long, customers which ship or receive product into and out of the north-east have had the service of only one rail carrier. And as is the case when only one company is able to operate in a particular market, service suffers and the price is non-competitive. While there may have been an historical reason for insulating northeastern railroading from competition, that time is past, and it is time for customers interested in this market to have service by more than one rail carrier which owns its facilities. And these 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 relatively equal size and scope provide the greatest opportunities for seamless service, efficient equipment utilization and seamless synergies.

In addition, we are looking forward to experiencing not only the change from being served by one rail carrier increasing to two, but also the greatly expanded market reach which single-line service by NS and CSX will offer. 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, I believe that approval of the joint application of NS and CSX to acquire Conrail should be approved by the STB.

I, Thomas J. Hogrefe, 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 April 29, 1997.

Sincerely,

Thomas J. Hogrefe
President
Mid-Continent Paper Converters, Inc.



Material Sales Co., Inc.

AN AFFILIATE OF HEDRICK INDUSTRIES

P.O. BOX 1040 • SALISBURY, NC 28145-1040 • 704/633-4241
FAX 704/633-4243

May 8, 1997



Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Ave., NW
Washington, DC 20423

F033388

RE: CSX Corporation and Norfolk-Southern
Application to Control & Operate Lines of Consolidated Rail Corp.

Dear Secretary Williams:

As President of Material Sales Company, I am responsible for the sales and marketing of all material produced by Hedrick Industries, a sand, gravel and crushed stone producer.

Our primary plant is located at Gravelton, NC, on a CSX siding. We ship by rail and truck. Normally, we ship 8 to 12 rail cars per day. One of our biggest and best customers is Globe Metallurgical located in Niagara Falls, NY, on a Conrail Siding. We ship 5 or more rail cars per week to Globe on a year-round basis. It is critical to Globe that these cars arrive in a timely fashion because Globe has limited storage space and our material has to be fed into furnaces on a 24 hour per day basis every day.

We believe that the proposed acquisition of Conrail would be in our best interests because:

1. A single-line haul would provide a more efficient utilization of rail cars which are sometimes in short supply.
2. A single line rate would likely be less expensive to our customers who pay the freight.
3. A single line might increase our business in the Northeast and Canada if the freight rate is less to our potential customers.

In conclusion, Material Sales Company supports the application to acquire Conrail and requests that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency and promote the growth of rail traffic in the East.

I, Anthony M. Arnold, 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 8th day of May, 1997.

AMA:jh

Anthony M. Arnold
President



Pine Branch Coal Sales, Inc.

P.O. BOX 246 • CHAVIES, KY 41727 • (606) 436-3712

May 6, 1997

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



Dear Mr. Williams:

I am David A. Duff, Vice President of Pine Branch Coal Sales, Inc., located in Chavies, Kentucky. I am responsible for the total operation of our company which is a coal mining and production company. I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

Pine Branch Coal Sales, Inc. produces and ships coal to our customers, who are public utility and industrial accounts located in the south-central, central, and north-central areas of the U.S.. We load approximately 14,000 carloads of coal annually via CSX.

We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the northeast, east-central, and southeastern areas of the U.S.. In particular, the acquisition may bring us new access to Conrail served utility and industrial coal users in these regions.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times.

For these reasons, Pine Branch Coal Sales, Inc., urges the board to approve the joint application of CSX and NS.

I, David A. Duff, declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge. Further, I certify that I am qualified and authorized to file this verified statement. Executed this sixth day of May 1997.

Sincerely,

David A. Duff
Vice President, Pine Branch Coal Sales, Inc.

KNOTT FLOYD LAND COMPANY, INC.

P. O. Box 2765
Pikeville, KY 41502



**VERIFIED STATEMENT OF
M. LYNN PARRISH
on behalf of
KNOTT FLOYD LAND COMPANY, INC.
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**

I am M. Lynn Parrish, Chairman, of Knott Floyd Land Company, Inc. Knott Floyd Land Company's office is located in Banner, Kentucky. Our mailing address is P. O. Box 2765, Pikeville, KY 41502. I am responsible for overall operations of the company as well as overseeing the transportation requirements of the company. I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

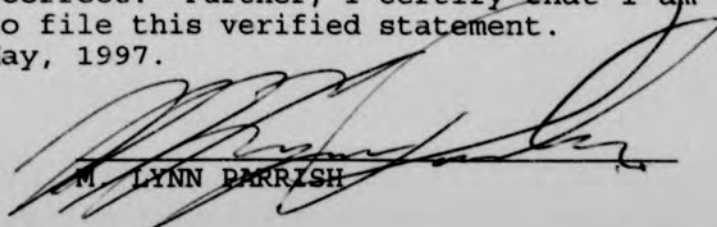
Knott Floyd Land Company controls coal reserves, produces coal from surface and underground mines, and ships various qualities of coal to industrial and utility customers throughout the Southeast and Midwest. We handle approximately 1,200 carloads of coal annually via CSX.

We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the northeast. In particular, the acquisition will bring us new access to Conrail served utility and industrial customers in this region.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times.

For these reasons, Knott Floyd Land Company urges the Board to approve the joint application of CSX and NS.

I, M. Lynn Parrish, 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 9th day of May, 1997.


M. LYNN PARRISH

BEVERAGE SALES, INC.

2002 LOUISIANA AVENUE - 70601
PO BOX 3026
LAKE CHARLES, LOUISIANA 70602
(318) 436-3715



May 5, 1997

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

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

Dear Sir:

Beverage Sales, Inc., receives approximately 100 rail cars per year via Norfolk Southern Lines. Any improvement in service from Norfolk Southern will be most beneficial to our company; as President and Traffic Manager, I feel qualified to make this verified statement.

Sincerely,

A handwritten signature in cursive script that reads 'George Abraham'.

George Abraham
President

TELEPHONE:

OFFICE (800) 248-1535
PARTS (800) 248-7856
UNIT TRAIN (800) 248-6361

MINES LOCATED AT:

FORK RIDGE, TENNESSEE
DAVISBURG, KENTUCKY

APPOLO FUELS Inc.

PRODUCERS & SHIPPERS OF QUALITY COAL

P.O. BOX 1727

MIDDLESBORO, KENTUCKY 40665

STERLING

HIGNITE COAL

RED SPRINGS

POPLAR LICK

STRAY

MASON

VERIFIED STATEMENT OF

GARY ASHER

on behalf of

APPOLO FUELS, INC.

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



I am Gary Asher, President of Appolo Fuels, Inc. Appolo is located in Middlesboro, Kentucky. I am responsible for acquiring new contracts, supplying our present contracts and various other duties, which may include overseeing transportation requirements. I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

Appolo Fuels, Inc. mines and ships coal to our customers, who are buyers located in the Southeast Region of the United States.

We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the Southeast. In particular, the acquisition will bring us new access to CSX - served industrial customers in this region.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available to our shipments, thereby enhancing the consistency of our transit times.

For these reasons, Appolo Fuels, Inc. urges the Board to approve the joint application of CSX and NS.

I, Gary Asher, 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 6th day of May 1997.

Gary Asher

Tranco, Inc.
1126 South 70th Street
West Allis, WI 53214
Telephone 414-475-3180
FAX 414-475-3256



May 7, 1997

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

Re: Verified Statement of Tranco, Inc.
Proposed CSX/NS/Conrail Transaction
Surface Transportation Docket No. 33388

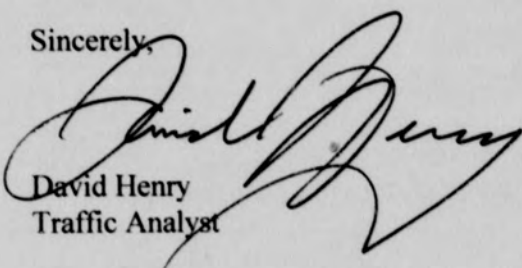
Dear Secretary Williams,

My name is David Henry. I am Traffic Analyst for Tranco, Inc. In my position I am responsible for transportation logistics (including picking rail carriers).

I am writing to offer my strong support for the proposed joint acquisition of Conrail by CSX and Norfolk Southern and urge the Board to approve it promptly. I believe that the proposed acquisition would be in the best interest of Tranco, Inc.

I, David Henry, 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 7th day of May, 1997.

Sincerely,


David Henry
Traffic Analyst



HIRAM WALKER & SONS
LIMITED

May 8, 1997



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

Dear Mr. Williams:

My name is Lawrence LaBute, and I am the Distribution manager of Hiram Walker & Sons Ltd. I have been with my company for nearly 33 years. My duties include responsibilities for transportation and logistics.

Hiram Walker & Sons Ltd. is a manufacturer of alcoholic beverages. We have facilities located in Windsor, Ontario, Canada. These facilities are located on the lines of the Canadian National Railway which is also an agent for the Norfolk Southern.

Additionally, we ship many intermodal trailerloads of product through the Detroit, Michigan gateway to the United States Northeast.

We support the approval of the transaction by which CSX and Norfolk Southern will acquire control of Conrail, and then 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 NS and CSX to control Conrail. There is a distinct need for two competing railroads in the Northeast which own their own track and facilities.

We look forward to experiencing the greatly expanded market reach which single line service by NS and CSX will offer. An extensive addition of single line rail service will allow us to provide increased market penetration to areas in which rates and service have long been a disadvantage.

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

Sincerely,
HIRAM WALKER & SONS LTD.


L. L. LaBute
Distribution Manager

cc: Messrs. W. J. Hanley
J. R. Hamilton

DISTILLERS OF

Canadian Club.

HEAD OFFICE, WALKERVILLE — BOX 2518, WINDSOR, ONTARIO, CANADA N8Y 4S5 TELEPHONE: (519) 254-5171
AN ALLIED DOMECQ COMPANY



Greater Buffalo Partnership

The Chamber
Of Commerce
For Western New York

May 9, 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 Ms. Morgan:

The Greater Buffalo Partnership is writing in opposition to 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. The number of communities whose economic health is at stake have not had a sufficient amount of time to review what effects the NS/CSX proposal could have on rail competition within their respective regions.

The Greater Buffalo Partnership is an organization of 3,300 member firms representing 200,000 employees many of whom have a vested interest in the proposed division of Conrail. The Partnership represents the Niagara marketplace, a region that encompasses the eight counties of Western New York and the Niagara Peninsula of Southern Ontario. Our members are business and community stakeholders concerned about increased anti-competitive rail rates throughout Niagara. As a Canadian-American border region, our members also feel it is important to protect the north/south goods movement by rail that is an important part of our industrial and economic fabric. Regions like Niagara need time to understand the complex and diverse potential effects of Conrail's division according to CSX and NS.

CSX and NS have argued in their petition that the proposed transaction is not as complex as the previous application from CSX and Conrail and the NS hostile bid of last Fall. We believe that this claim is oversimplified given the numerous issues that remain unresolved. It is important for communities, such as Niagara, to understand the potential impacts of this proposal and respond with this information so that your agency can make a fully informed decision regarding approving or denying the CSX/NS proposal.

Working Together
For Growth and Progress

300 Main Place Tower
Buffalo, New York 14202-3797

Tel: (716) 852-7100
Fax: (716) 852-2761

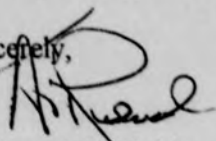
When Congress established the Surface Transportation Board in the Interstate Commerce Commission Termination Act of 1995, the ICC at that time could take up to 31 months to approve a transaction involving Class I railroads. Recognizing the need for some increased efficiencies, the 1995 law adopted a 15 month overall time limit for agency review and final action. Given that the division of Conrail is a major transaction and its potential impacts not completely understood, the Surface Transportation Board should not shortcut the allotted 15 months to study CSX's and NS's proposal to determine if "the transaction is consistent with the public interest." 49 U.S.C. § 11324(c).

Section 11324(b) of ICCTA requires the Surface Transportation 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 transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. We are advised that the proposed division 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 Partnership believes that the uniqueness of this transaction, coupled with the Surface Transportation Board's required public interest investigation leaves no option except to allow the full statutory period to be utilized. Therefore, on behalf of the Greater Buffalo Partnership's 3300 business and community member organizations, we strongly urge the Board to deny Norfolk Southern's and CSX's request for an expedited procedural schedule.

Thank you for your consideration.

Sincerely,



Andrew J. Rudnick

cc: The Honorable Gus. A. Owen, Vice Chairman, STB
The Honorable Vernon Williams, Secretary, STB
Senator Alfonse D'Amato
Senator Daniel P. Moynihan
Congressman Jack Quinn
Congressman William Paxon
Congressman John J. LaFalce
Congressman Amo Houghton
Erie County Executive Dennis Gorski
Mayor Anthony Masiello
Mayor James Galie

SEABOARD

of **Farms**
Kentucky Inc.

May 6, 1997



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

Verified Statement

RE: Proposed CSX/NS/Conrail Transaction: STB
Finance Docket No. 33388

Dear Secretary Williams:

I am Tony Kluemper, Director of Corporate Purchasing for Seaboard Farms, headquartered in Kansas City. My office address is P. O. Box 116, Hickory, KY 42066. In my position I am responsible for the procurement and logistics of inbound feed ingredients (i.e. grain, soybean meal) for Seaboard's poultry feed mills located at Mayfield, KY, Canton, GA, Athens, GA and Chattanooga, TN. I have been in my current position since July 1992, and have worked in the logistics field for 6 years. I am writing to offer my company's strong support for the proposed joint acquisition of Conrail by SCX and NS and to urge the Board to approve it promptly.

Although Seaboard Farms is also involved in overseas shipping and trading, bakery, short line rail road, clothing and pork production in the western US. 40% of the business is in processed chicken, primarily grown and processed in the southeast. Although the Kentucky feed mill derives a majority of ingredients locally, we depend on rail for the transportation of grain, meal and phosphates into the GA and TN facilities. Seaboard has inbound rail volume of approximately 6,800 cars, representing approximately \$7.5 million in rail revenues. At the present time most of my origins for grain are Indiana and Illinois (to a smaller extent Kentucky and Ohio); for meal, Illinois and Alabama. Outbound finished feed is trucked to local poultry farms.

Vernon A. Williams
May 6, 1997
Page Two

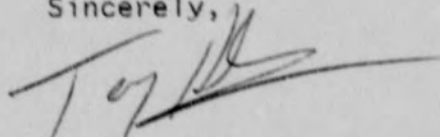
Seaboard Farms strongly believes that the proposed division of Conrail's assets between CSX and NS would be in our best interests, as well as in the interest of our customers. We strongly urge the Board to approve this application for the following reasons:

- 1) Greater Purchasing Power -- The enlargement of CSX's network would greatly increase sources for grain which should result in lower costs through a reduction in grain basis. This means that with more sources, there will be more competition which should benefit us in the marketplace.
- 2) Expedited Routing -- Combining CSX's rail lines with Conrail's should produce a more efficient system, thereby expediting transit and increasing turn times of system and our private equipment.
- 3) Equipment -- Although we run trains with private equipment to one facility, we depend on system equipment of the balance of transportation needs. An expanded fleet should increase the availability of system cars and help to increase turn times.
- 4) Tracing -- Shipment tracking will be easier when the systems are integrated.

Seaboard Farms supports the application of CSX, NS and Conrail and requests that the Board move as quickly as possible to assure approval. We believe that this joint acquisition will enhance efficiency, improve service and give us more sourcing options.

I, Tony Kluemper, 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 6th day of May, 1997.

Sincerely,



Tony Kluemper
Director of Corporate Purchasing



FLORIDA CRUSHED STONE COMPANY

May 7, 1997



Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docket No. 3338
1201 Constitution Ave., N. W.
Washington, D.C. 20423

RE: Support for the joint acquisition of Conrail by CSX Transportation and Norfolk Southern

Dear Secretary Williams:

I am writing to offer my company's support for the proposed joint acquisition of Conrail by CSX Transportation and Norfolk Southern.

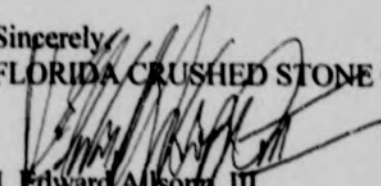
Florida Crushed Stone Company, and its associated companies, are independent producers of electric power and Portland cement as well as a major producer of construction aggregates at our Brooksville complex. We use rail to secure approximately 450,000 tons of coal annually, and ship bulk cement via rail.

Florida Crushed Stone envisions the proposed acquisition to be in our best interest for the following reasons:

1. The potential for expanding our coal sources which possibly could allow for lower negotiated fuel prices and, in turn, could present an opportunity for lower electric rates in Florida.
2. Enabling railroads to better compete with trucks for interstate market share in turn may help lower high truck traffic along its already congested interstate highways.

In summary, Florida Crushed Stone Company supports the application of CSX and Norfolk Southern to jointly acquire Conrail, and respectfully requests Board approval of their plan.

Sincerely,
FLORIDA CRUSHED STONE COMPANY


J. Edward Allsopp, III
Vice President / Sales & Marketing

JEAll/njt



Corporate Offices: 2001 Rexford Road
Charlotte, NC 28211
704-365-7300

VERIFIED STATEMENT OF ANTHONY J. ANDRICHUK

Mr. Vernon A. Williams
Secretary
Finance Docket No. 33220
Surface Transportation Board
1201 Constitution Avenue, NW
Washington, DC 20423

33388



My name is Anthony J. Andrichuk, and I am employed by National Gypsum Company, located at 2001 Rexford Road, Charlotte, North Carolina 28211.

I have been employed by National Gypsum for 30 years and have been in my present position of Logistics Manager for 18 years. I am responsible for supervising much of the rail transportation services for National Gypsum. I am authorized to submit this statement on behalf of the company.

On February 20, 1997 we submitted a statement supporting Finance Docket No. 33220, CSX Transportation (CSX) and Consolidated Rail Corporation (CR).

This statement is essentially the same with the purpose of supporting the joint acquisition of ConRail (CR) by CSX Transportation (CSX) and Norfolk Southern Corporation (NS).

We have several plants currently utilizing the CSX, the CR and the NS (added) on inbound raw materials:

<u>Plant</u>	<u>Product</u>	<u>Annual Volume</u>	<u>Comments</u>
Matteson, IL	Limestone	348 PD Cars	CSX to Chicago for IC Delivery
Tampa, FL	Limestone	155 PD Cars	Utilizing CSX Bids Terminal for Truck Delivery
Westwego, LA	Limestone	120 PD Cars	"

New Columbia, PA	Scrap Paper	60 Box Cars	Various Origins; Most CR Direct
Anniston, AL (New from Original Statement)	Scrap Paper	55 Box Cars	Various Origins; Most NS Direct

We also have outbound finished product traffic utilizing both railroads:

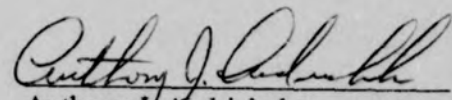
Plant	Product	Annual Volume	Comments
Medicine Lodge, KS	Plaster	370 Box Cars	BNSF-CR- For PVRR Delivery
Medicine Lodge, KS	Wallboard	84 Flat Cars	Various Southeastern Destinations on CSX

An announced new manufactured facility in Pennsylvania (scheduled for completion in 2000) will be rail served by the CSX, and in a strategic location for both inbound raw materials and outbound gypsum wallboard. Our customers served will be convenient to CSX or NS.

Other plants located at Wilmington, NC; Burlington, NJ; Baltimore, MD; and Shoals, IN could become rail serviceable with some upgrading as another positive option to the merger. Intermodal movements, particularly inbound, would also be a distinct possibility.

The merger would produce many benefits for National Gypsum in connection with our transportation requirements for building materials. These benefits would include better direct service, single invoicing, coordinate customer service, EDI for equipment ordering and tracing, upgrading of facilities, better train schedules, reduction of transit times, increased car supply and more locomotives.

For these reasons, National Gypsum supports the joint acquisition and urges the Commission to approve this merger.

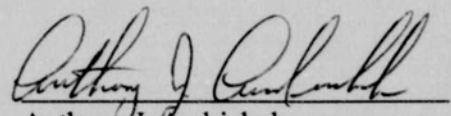

Anthony J. Andrichuk

VERIFICATION

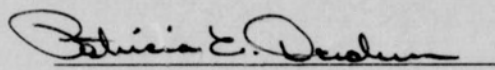
STATE OF: NORTH CAROLINA

COUNTY OF: MECKLENBURG

Anthony J. Andrichuk being duly sworn, deposes and says that he has read the foregoing statement, knows the facts asserted therein, and that the same are true as stated.


Anthony J. Andrichuk

Subscribed and sworn to before me
this 6 day of May
1997.


Notary Public

My Commission Expires: 11/10/2000

KEMIRON INC.
316 Bartow Municipal Airport
Bartow , Florida 33830



May 2 , 1997

Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Ave., N. W.
Washington , D. C.

RE: CSX Corporation and Norfolk-Southern - Application
to Control and Operate Lines of Consolidated Rail Corp.

Dear Secretary Williams:

My name is Jerry J. Habraken. I am Transportation Manager for the Kemiron Inc. Company in Bartow , Florida. My office address is 316 Bartow Municipal Airport Bartow, Florida 33830. In my position, I am responsible for coordination of the transportation strategy for four manufacturing locations owned by Kemiron Inc. including the transportation of inbound raw materials as well as outbound product. I have been at my current position since 1992, and have worked in the logistics field for 30 years. I am writing to offer my company's strong support for the CSX and NS application to acquire Conrail and to urge the Board approve it promptly.

Kemiron Inc. is a manufacturer of chemicals used in water and waste water treatment primarily for Governmental water treatment plants including City , and County facilities. We receive carloads of ore and chemicals into all of our plants in the locations at Fontana, Ca. , St. Louis, Mo. Rowley, Utah and Bartow, Florida. Our St. Louis and Bartow plants are served by CSX, NS, and Conrail . Our customer base is throughout the United States but we serve the eastern states out of our Bartow plant. Our ability to grow in the Northeast has been slow due to our inability to be competitive because of high transportation expenses and service commitments.

Kemiron believes that the proposed acquisition of Conrail would be in our best interests, as well as in the interest of our future customers. We strongly urge the Board to approve this application for the reasons detailed below:

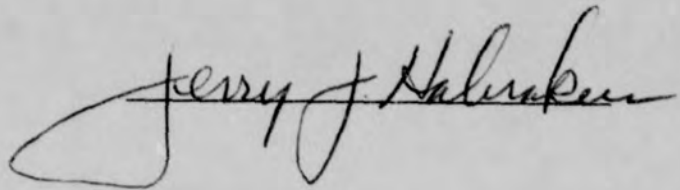
1. We believe that the acquisition of Conrail by CSX and NS would produce better service, better equipment utilization, and more competitive rates. Since CSX would serve the northeast single-line our traffic would move faster, be more reliable, and allows for better shipment tracking then dealing with several carriers as we presently do.

2. We expect that with the increased number of destinations we are able to reach in a single-line service will give us a larger marketing area to sell our product and be competitive. This benefit is extremely beneficial to Kemiron Inc. because of our being able to expand our market to service customers who have had a limited opportunity for competition. The merger of CSX and NS will open the East and Northeast for Kemiron and provide us with reduced intransit service time and lower costs due to the single-line. We are a National company and this will truly give us the ability to grow in the area covered by the merger.
3. We are convinced that the Conrail acquisition will increase rail business, and that would be good for all of the shippers who rely on rail. Kemiron Inc. is aware that congestion on the highways will be reduced in the eastern corridor especially and generally throughout the area as a result of rail being more competitive. As a result of the merger we expect there will be greater efficiency and it will return more freight to the rails which will strengthen them and give us shippers both better service and costs. I would expect that all rail shippers will see these developments as extremely important in their long term viability.

In conclusion , Kemiron supports the application to acquire Conrail and requests that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency and promote the growth of rail traffic in the East

I, Jerry J. Habraken, 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 2nd day of May , 1997

A handwritten signature in cursive script, reading "Jerry J. Habraken". The signature is written in dark ink and is positioned below the typed name and date.

VOLKSWAGEN



3800 Hamlin Road
Auburn Hills, MI 48326
Tel. (248) 340-5000

May 8, 1997

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



Re: STB Finance Docket No. 33388

Dear Secretary Williams:

My name is Ken Fletcher. I am employed by Volkswagen of America, Inc. My office is located at 3800 Hamlin Rd, Auburn Hills, MI 48326. I have been with Volkswagen since 1976.

In my present capacity, it is my duty to route new vehicles from our production facility in Puebla, Mexico to various destinations in the United States and Canada.

Volkswagen is in support of the proposed joint acquisition of Conrail by CSX and Norfolk Southern. Volkswagen will produce over 200,000 units for U.S. and Canadian consumption in 1998, growing to over 300,000 entering into the new millennium. In 1996 we railed over 70,000 units from Mexico. Another 70,000 were shipped via Ocean freight to the United States. We rely heavily on the rail transportation mode as our preferred method of shipment. We rail from Mexico to our vehicle processing centers located near major metro market areas, such as Houston, TX, San Diego, CA, Brunswick, GA, Montreal, PQ, Toronto, ON and Vancouver, BC. From Houston we rail to Portland, OR, Denver, CO, Chicago, IL, Kansas City, MO, Toledo, OH and Minneapolis, MN.

Currently, our vehicles that are shipped via rail to the eastern United States are routed via either Chicago or St. Louis for interchange with eastern rail carriers. We believe that the Acquisition will be of particular benefit to our company by creating two carriers of similar size and scope, each with connections to the Western railroads, able to compete aggressively for our business.

Additionally, we will re-establishing a port operation at Wilmington, DE beginning late June this year. This facility will use rail in the future. Because both CSX and Norfolk Southern have rail loading facilities in the Wilmington area, the transaction will allow for intense competition between the carriers from Wilmington to all major markets in the Northeast and South.

Because we depend on rail to transport our cars assembled in Mexico to the United States, stability and reliability of transportation in a competitive market environment is critical to our logistics success. Therefore, Volkswagen supports the joint application by CSX, Norfolk Southern and Conrail and urges the Board to approve it promptly.

I, Kenneth S. Fletcher, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 9th day of May 1997.

Sincerely,



Kenneth S. Fletcher

JAMES RIVER COAL SALES, INC.

701 EAST BYRD STREET
SUITE 1100
RICHMOND, VIRGINIA 23219-4529
804-780-3003

JOHN R. TELLMANN
PRESIDENT

VERIFIED STATEMENT OF

John R. Tellmann
on behalf of
James River Coal Sales, Inc.
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



May 6, 1997

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

Dear Mr. Williams:

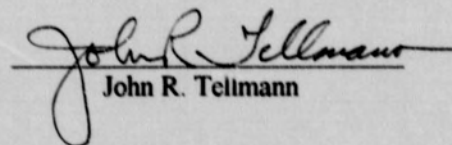
I am John R. Tellmann, President of James River Coal Sales, Inc. We are located at 701 E. Byrd Street, Suite 1100, Richmond, Virginia 23219. I am responsible for the sale and transportation of all coal produced on behalf of James River Coal Company and subsidiaries. I am writing to express our companies support for the acquisition of Conrail by CSX and Norfolk Southern.

James River Coal Sales, Inc., sells coal produced by James River Coal Company and subsidiaries. We ship approximately 12.5 million tons per year to various utility, industrial and export customers who are located mainly in the Eastern half of the United States. We ship approximately 130,000 car loads annually of coal on the CSX system.

We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the Eastern portion of the United States. In particular, the acquisition will bring us new access to Conrail served utility and industrial customers in this region.

In our business, consistent, reliable rail transportation is crucial to our logistics management. The coal industry can experience equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times. For these reasons, James River Coal Sales, Inc. urges the board to approve the joint application of CSX and NS.

I, John R. Tellmann, declare under the penalty of perjury, that the forgoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed the 6th day of May, 1997.


John R. Tellmann

BARNES & WALLACE

BUILDING SUPPLY COMPANY, INC.

815 Pinecrest Road Phone 286-9936

CORINTH, MISSISSIPPI 38834

May 8, 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 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 OF TRAVIS L. WALLACE

BARNES & WALLACE BLDG. SUPPLY CO., INC.

My name is Travis L. wallace, and I am owner and lumber buyer for Barnes & Wallace Building Supply Company, Inc. We have been in business since 1971. As owner and buyer for the company, I am responsible for securing lumber products in quantities sufficient to enable a small company to compete with the large chain stores. Shipping by rail is the only way this can be accomplished in today's market.

Barnes & Wallace now operates two stores, and these are served by Norfolk Southern Railway. We receive by rail freight, approximately fifteen cars per year. Certainly, we feel we have been served well and fairly by Norfolk Southern.

There is definitely a need for two competing railroads in the Northeast, and I support STB's approval of the joint application by which Norfolk Southern and CSX paln to acquire control of Conrail, divide assets and improve to a much greater extent the balance of rail competition in the Northeast. One reason we support this proposal is that it would increase our market access, and give us greater availability of products at a fair market price.

I Travis L. Wallace, declare under the penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file the verified statement. Executed on May 8, 1997.

Sincerely,

A handwritten signature in cursive script that reads "Travis L. Wallace".

Owner & Buyer, Barnes & Wallace Bldg. Supply

tw/ow



BRUNSWICK RIVER TERMINAL, Inc.

P. O. BOX 38 ★ BRUNSWICK, MISSOURI 65236
816-549-3351 ★ FAX 816-549-3442 ★ 800-278-4229

VERIFIED STATEMENT OF BRUNSWICK RIVER TERMINAL, INC.



May 9, 1997

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

Dear Mr. Williams:

My name is Bill Jackson, and I am President and General Manager of Brunswick River Terminal, Inc., and have been for twenty years. My duties include scheduling inbound and outbound fertilizer and grain rail shipments. I negotiate rail rates and manage rail capital improvement expenditures.

Brunswick River Terminal, Inc. is a fertilizer and grain distribution point in Central Missouri. We have one facility located at Brunswick, Missouri. This facility is presently served by NS. We sell to and receive from customers/suppliers located all across the United States and Canada. These facilities are located on the BN, Santa Fe, MP, CSX, CN, and CP. During 1996, we shipped/received 1141 carloads to/from these destinations/origins.

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 traffic, and the single-line service which NS proposes will be beneficial. With single line service, our facility will be able to compete in markets with other companies who enjoy single line service into the Northeast. We have worked with NS for twenty years and have been very satisfied with their service. We are confident that they will 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.

Bill Jackson

I, Bill Jackson, 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

May 9, 1997.

Sincerely,

W. P. Jackson

W. P. (Bill) Jackson

Rehandlers of Grain & Fertilizer



John A. Brandt
President



LAFAYETTE COAL CO.

200 Frontage Road
Burr Ridge, IL 60521

630-986-1456

FAX: 630-986-1606

May 8, 1997



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

Dear Mr. Williams:

VERIFIED STATEMENT OF JOHN A. BRANDT on behalf of LAFAYETTE COAL COMPANY
Finance Docket No. 33388

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

I am John A. Brandt, President of Lafayette Coal Company. Lafayette Coal Company is located in 200 Frontage Rd., Suite 300, Burr Ridge, IL 60521. I am responsible for day to day operations. I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

Lafayette coal company sells and ships coal to our customers, who are utility and industrial consumers located in Eastern U.S.. We handle approximately +1000 carloads of coal annually via CSX.

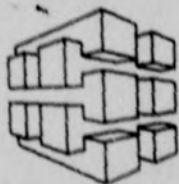
We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the Eastern U.S.. In particular, the acquisition will bring us new access to Conrail-served mine customers in this region.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times.

For these reasons, Lafayette Coal Company urges the Board to approve the joint application of CSX and NS.

I, John A. Brandt, 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 8th day of May 1997.

John A. Brandt
John A. Brandt
President



THE CHAMBER

GREATER FORT WAYNE CHAMBER OF COMMERCE

May 9, 1997

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docket No. 33388
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 Consolidate Rail Corporation

Dear Mr. Williams:

My name is Philip P. Laux. On behalf of the Greater Fort Wayne Chamber of Commerce of Fort Wayne, Indiana, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX. I am President and CEO of the Fort Wayne Chamber and have been duly authorized to speak on its behalf.

Fort Wayne has a longstanding relationship with Norfolk Southern. Norfolk Southern has been a valuable corporate citizen through its support of various civic and philanthropic projects. In addition, Norfolk Southern's strong and effective industrial development efforts have proven to be invaluable to our community, as well as other areas in our state.

We truly believe the proposed acquisition of Conrail by Norfolk Southern and CSX will benefit our community by making Norfolk Southern a stronger competitor. 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.

(continued)

826 Ewing Street
Fort Wayne
Indiana
46802-2182
219-424-1435
FAX: 219-426-7232

TO: Vernon Williams, Surface Transportation Board, Washington, D.C.
FROM: Philip P. Laux, President & C.E.O., Fort Wayne Chamber of Commerce
RE: CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and Norfolk Southern Railway Company
- Control & Operating Leases/Agreements -
Conrail Inc. and Consolidated Rail Corporation

May 9, 1997

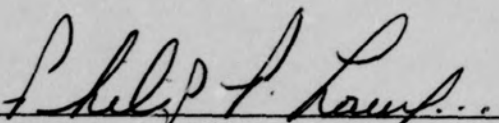
Page 2 of 2

The competitive package Norfolk Southern and CSX have offered bring rail competition to areas where Conrail has, in effect, had an outright monopoly. The proposed acquisition 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 Norfolk Souther and CSX and we urge that it be promptly approved.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified and authorized to make this statement.

By:


Philip P. Laux, President & C.E.O.
Greater Fort Wayne Chamber of Commerce

PPL/skk
(5-9pltr)

cc: File

Charles O. Monroe, Jr.
Director of Marketing
Coal & Coke Services

Savage

5250 South Commerce Drive
Suite 200
Salt Lake City, Utah 84107
(801) 263-9400
FAX (801) 269-0543

May 8, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, D. C. 20423



Re: Verified Statement of Savage Industries Inc.;
Proposed CSX/NS/Conrail Transaction: STB Finance
Docket No. 33388

Dear Secretary Williams:

My name is Charles O. Monroe, Jr. I am Director of Marketing for Savage Industries Inc. ("Savage"). I have worked in the coal industry since 1975. In addition to Savage, I have worked for Pocahontas Land Corporation (a wholly owned subsidiary of Norfolk Southern) and ARCO Coal Company (a Division of Atlantic Richfield).

As information, Savage is a privately owned Salt Lake City based bulk material handling, transportation and logistics company of national scope. We have 35 active operations in 17 states and move some 30 million tons of product each year, including over 20 million tons of coal, waste coal (for fuel) and lignite. With significant operations in most major producing regions, Savage is our nation's leader in over-the-road coal transport.

A sampling of our customers includes Andalex Resources, Peabody Coal, Coastal Resources, MAPCO Coal and Cyprus-Amax Coal from the producing side, along with PacifiCorp, VEPCO and Rochester (NY) Gas and Electric from the utilization side and BNSF, Union Pacific/Southern Pacific and CSX from the transportation industry.

For CSX, Savage designed, constructed and now operates the Flint Coal Terminal in Flint, Michigan. The facility is the result of CSX's innovation and dedication to better customer service. Each year up to 300,000 tons of stoker coal is delivered to the Flint Terminal by CSX unit trains. The coal is offloaded, stored and, on a just-in-time basis,

Mr. Vernon A. Williams
May 8, 1997
Page 2

delivered to up to ten General Motors power plants. CSX's innovative approach to industrial coal delivery at Flint had several positive impacts such as:

- Better equipment utilization
- Improved product handling (i.e. less degradation)
- Reducing customer coal stockpiles (at plant site)
- Better customer communication
- Improved Safety

We have found CSX to be a forward looking company dedicated to providing best value to its customers.

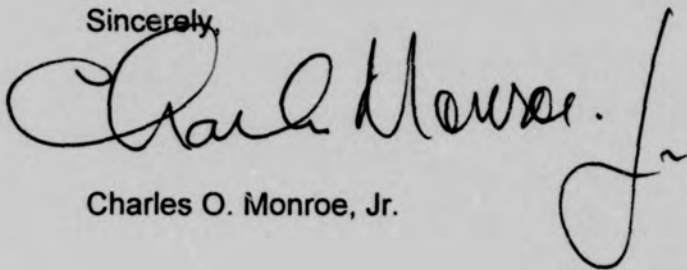
As you know, the proposed joint acquisition of Conrail will improve the single-line route structures available for product shipments, and should result in better overall service. The acquisition would improve car supply and locomotive utilization to the benefit of rail customers who use Conrail. The acquisition would also provide additional intermodal opportunities (rail to truck) such as the Flint Facility. These facilities would provide additional savings and better customer service.

Stability and reliability of transportation is critical to Conrail's logistics management and future. This goal has been demonstrated by the recent BN and Santa Fe merger and the Union Pacific and Southern Pacific merger.

I urge you again to keep in mind the interest of customers and operating efficiencies. I urge you to seriously consider approving the proposed joint acquisition of Conrail.

I, Charles O. Monroe, Jr., 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 8th day of May, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles O. Monroe, Jr.", with a large, stylized flourish at the end.

Charles O. Monroe, Jr.

Wine Merchants Ltd.

May 6, 1997

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 to offer my company's strong support for the proposed joint acquisition of Conrail by CSX and NS and to urge the Board to approve it promptly. We believe that the proposed transaction would be in our best interests, as well as in the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates. With the enhanced CSX and NS systems, we expect more efficient, reliable service. We also expect that with the increased number of single-line destinations, we will be better able to penetrate new and more distant markets.

The proposed transaction would increase rail business for the combined system that would be good for all of the shippers who rely on rail. Further, trucks dominate the nation's freight markets, especially in the East. Because the new systems would create greater efficiency, it would lead to more freight traffic on the rails diverted from truck promoting more long term capital investment and ensuring that rail service would grow into the future.

In conclusion, we support the application of Conrail, CSX and NS and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency and promote the growth of rail traffic in the East.

I, Marshall M. Reisman, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 6th day of May, 1997.

A handwritten signature in cursive script, appearing to read "Marshall M. Reisman".

Marshall M. Reisman
Owner
Wine Merchants of Syracuse, Ltd.

IKERD-BANDY CO., INC.

P.O. Box 375

Manchester, Kentucky 40962

Office 606/598-7744

Fax 606/598-7679

VERIFIED STATEMENT OF

WILLIAM S. BRYANT

on behalf of

IKERD-BANDY CO., INC.

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



I am William S. Bryant, Vice President of Ikerd-Bandy. Ikerd-Bandy is located in Eastern Kentucky. I am responsible for sales and shipping coal. I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

Ikerd-Bandy mines and ships coal to our customers, who are utilities, located in the southeast. We handle approximately 9700 car loads of coal annually via CSX.

We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the northeast. In particular, the acquisition will bring us new access to Conrail-served utilities customers in this region.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times.

For these reasons, Ikerd-Bandy urges the Board to approve the joint application of CSX and NS.

I William S. Bryant 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 6th day of MAY, 1997.

A handwritten signature of William S. Bryant in cursive script.

William S. Bryant
Vice President

MICHAEL J. McGEE

RAIL INDUSTRY SPECIALIST

10674 GOLF ROAD

ORLAND PARK, ILLINOIS 60462 U.S.A.



May 5, 1997

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

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

**VERIFIED STATEMENT OF MICHAEL J. McGEE
RAIL INDUSTRY SPECIALIST**

My name is Michael J. McGee, and I am the Managing Director of Rail Industry Specialist. I have been self employed in the Rail Industry for five(5) years and began my tenure in 1981.

Rail Industry Specialist is a General Contractor of Rail Related Services transacting business in the United States, Canada and Australia. These activities generate revenue earning loads over Conrail and Norfolk Southern of approximately 300 cars per year.

In this regard, there 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 CSXT plan to acquire Conrail, divide its assets and improve the balance of rail competition in the Northeast.

I, Michael J. McGee, declare under the penalty of perjury that the foregoing is true and correct. I certify that I am qualified and authorized to file this verified statement. Executed on May 5, 1997.

Very truly yours,



Mayor
Sam Deiwert

CITY of DELPHI

201 South Union Street
Delphi, Indiana 46923
Phone (317) 564-2097

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docker No. 33388
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

Dear Mr. Williams:

My name is Sam Deiwert. On behalf of the City of Delphi, Indiana, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX. I am the Mayor of Delphi and have been duly authorized to speak on its behalf.


The City of Delphi, Indiana has a long-standing relationship with Norfolk Southern and, before their merger, the Norfolk & Western. In addition, NS's strong and effective industrial development efforts have proven to be invaluable to our community, as well as other areas in our state.

We truly believe that the proposal accusation 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 competitive disadvantage.

The competitive package NS and CSX have offered rail competition to areas where Conrail has, in effect, had an outright monopoly. This proposed acquisition 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 my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified and authorized to make this statement.

By  5-8-97
Honorable Sam Deiwert

Mayor
Sam Deiwert

CITY of DELPHI

201 South Union Street
Delphi, Indiana 46923
Phone (317) 564-2097

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docker No. 33388
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

Dear Mr. Williams:

My name is Frank Fitch. On behalf of the Delphi Economic Development Commission, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX. I am the President of the Delphi Economic Development Commission and have been duly authorized to speak on its behalf.

The Delphi Economic Development Commission has a long-standing relationship with Norfolk Southern and, before their merger, the Norfolk & Western. In addition, NS's strong and effective industrial development efforts have proven to be invaluable to our community, as well as other areas in our state.

We truly believe that the proposal accusation 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 competitive disadvantage.

The competitive package NS and CSX have offered rail competition to areas where Conrail has, in effect, had an outright monopoly. This proposed acquisition 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 my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified and authorized to make this statement.

By Frank Fitch
Frank Fitch



Office of the Chairman

5-13
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 21, 1997

The Honorable Leonard Lance
New Jersey General Assembly
Hunterdon, Mercer and Warren Counties
119 Main Street
Flemington, NJ 08822

Dear Assemblyman Lance:

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

LEONARD LANCE
ASSEMBLY MEMBER, 23RD DISTRICT
HUNTERDON, MERCER AND WARREN COUNTIES
119 MAIN STREET
FLEMINGTON, NEW JERSEY 08822
908-788-6900
FACSIMILE: 908-788-0416

COMMITTEES:
VICE CHAIR, APPROPRIATIONS COMMITTEE
MEMBER, JOINT BUDGET OVERSIGHT COMMITTEE
MEMBER, STATE GOVERNMENT COMMITTEE
MEMBER, STATE HOUSE COMMISSION

May 9, 1997

The Honorable Linda Morgan
Chairperson
United State Surface Transportation Board
12th and Constitution Avenue, NW
Washington, D.C. 20423

OFFICE OF
CHAIRMAN MORGAN

MAY 13 11 29 AM '97

Dear Ms. Morgan:

I am writing to request that the Surface Transportation Board adhere to its customary 365-day review period for the acquisition of Conrail by CSX Corporation and Norfolk Southern Corporation.

I understand that the STB is considering a proposal by CSX and Norfolk Southern to reduce the review period because the two acquiring parties have reached agreement on the carve-up of Conrail. Given the great impact this merger will have on the rail industry in New Jersey, I believe more time, not less, is required for a full review.

I appreciate your consideration of my request. Best wishes.

Sincerely,

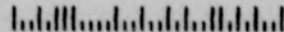
Leonard Lance
Assembly Member

LEONARD LANCE
ASSEMBLY MEMBER, 23RD DISTRICT
HUNTERDON, MERCER AND WARREN COUNTIES
119 MAIN STREET
FLEMINGTON, NEW JERSEY 08822



KILMER P&DC NJ 05/10/97 15:42 ISS#3

The Honorable Linda Morgan
Chairperson
United State Surface Transportation Board
12th and Constitution Avenue, NW
Washington, D.C. 20423



STB

FD

33388

5-12-97

J



Office of the Chairman

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

File in
Docket
JD-33388

May 21, 1997

Mr. Richard A. Durina
Deputy Director
Board of Chosen Freeholders
County of Sussex
Plotts Road
Newton, NJ 07860

Dear Deputy Director Durina:

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

County of Sussex

Board of Chosen Freeholders

Richard A. Durina
Deputy Director

Erma Gormley
Board Member



Thomas J. Clark
Freeholder Director

Jeffrey A. Staple
Board Member

John R. Warren
Board Member

May 7, 1997

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 05 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:

My name is Richard A. Durina and I am Freeholder Deputy Director from Sussex County, New Jersey and Secretary of the NJTPA. I wish 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 to 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
May 7, 1997
Page 2

Thank you for your consideration. If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

Richard A. Durina

Richard A. Durina *(eam)*
Freeholder Deputy Director

RAD/eam

cc: Michael Turner, Deputy Public Affairs Director, MWW/Strategic Comm., Inc.
Sussex County Board of Chosen Freeholders
Carmine Marchionda, County Administrator

Imperial

PAPER STOCK COMPANY

May 6, 1997



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

Re: Support for NS and CSX Plan to Purchase and Divide
Conrail's Trackage and Assets

Dear Mr. Williams:

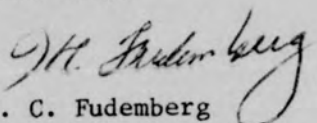
My name is Harold C. Fudenberg. I am the President of Imperial Paper Stock Company in Bridgeton, Missouri and we are on the Norfolk Southern Railroad. Our Corporation does a considerable amount of railroad business with the Norfolk Southern Railroad, particularly out of St. Louis, MO. We buy and sell scrap paper in carload lots all over the United States.

We approve the Norfolk Southern Railroad's and CSX's approach to acquire the Conrail with certain divestitures of Conrail lines and trackage rights to other rail carriers to ensure rail competition in the northeastern and midwestern United States for the future. We support Norfolk Southern's and CSX's plan believing it will enable us to expand our marketing into areas we have been unable to reach because of the ensuing non-competitive railroad charges.

Therefore, we support and endorse Norfolk Southern's and CSX's plan to introduce rail competition into those areas which Conrail has enjoyed a virtual monopoly since its formation in the 1970's.

We think Norfolk Southern's and CSX's plan presented before the Surface Transportation Board provides us with access to these markets in the Midwest and Northeast, and therefore, we support their plan.

Sincerely,


H. C. Fudenberg
President
Imperial Paper Stock Company

HCF/bh



Office of the Chairman

5-12-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
JD-33388*

May 21, 1997

Mr. Andrew J. Rudnick
President
Greater Buffalo Partnership
300 Main Place Tower
Buffalo, NY 14202-3797

Dear Mr. Rudnick:


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



Greater Buffalo Partnership

The Chamber
Of Commerce
For Western New York

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 49 PM '97
OFFICE OF
CHAIRMAN MORGAN

May 9, 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 Ms. Morgan:

The Greater Buffalo Partnership is writing in opposition to 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. The number of communities whose economic health is at stake have not had a sufficient amount of time to review what effects the NS/CSX proposal could have on rail competition within their respective regions.

The Greater Buffalo Partnership is an organization of 3,300 member firms representing 200,000 employees many of whom have a vested interest in the proposed division of Conrail. The Partnership represents the Niagara marketplace, a region that encompasses the eight counties of Western New York and the Niagara Peninsula of Southern Ontario. Our members are business and community stakeholders concerned about increased anti-competitive rail rates throughout Niagara. As a Canadian-American border region, our members also feel it is important to protect the north/south goods movement by rail that is an important part of our industrial and economic fabric. Regions like Niagara need time to understand the complex and diverse potential effects of Conrail's division according to CSX and NS.

CSX and NS argued in their petition that the proposed transaction is not as complex as the previous application from CSX and Conrail and the NS hostile bid of last Fall. We believe that this claim is oversimplified given the numerous issues that remain unresolved. It is important for communities, such as Niagara, to understand the potential impacts of this proposal and respond with this information so that your agency can make a fully informed decision regarding approving or denying the CSX/NS proposal.

Working Together
For Growth and Progress

300 Main Place Tower
Buffalo, New York 14202-3797

Tel: (716) 852-7100
Fax: (716) 852-2761

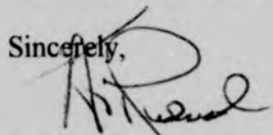
When Congress established the Surface Transportation Board in the Interstate Commerce Commission Termination Act of 1995, the ICC at that time could take up to 31 months to approve a transaction involving Class I railroads. Recognizing the need for some increased efficiencies, the 1995 law adopted a 15 month overall time limit for agency review and final action. Given that the division of Conrail is a major transaction and its potential impacts not completely understood, the Surface Transportation Board should not shortcut the allotted 15 months to study CSX's and NS's proposal to determine if "the transaction is consistent with the public interest." 49 U.S.C § 11324(c).

Section 11324(b) of ICCTA requires the Surface Transportation 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 transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. We are advised that the proposed division 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 Partnership believes that the uniqueness of this transaction, coupled with the Surface Transportation Board's required public interest investigation leaves no option except to allow the full statutory period to be utilized. Therefore, on behalf of the Greater Buffalo Partnership's 3300 business and community member organizations, we strongly urge the Board to deny Norfolk Southern's and CSX's request for an expedited procedural schedule.

Thank you for your consideration.

Sincerely,



Andrew J. Rudnick

cc: The Honorable Gus. A. Owen, Vice Chairman, STB
The Honorable Vernon Williams, Secretary, STB
Senator Alfonse D'Amato
Senator Daniel P. Moynihan
Congressman Jack Quinn
Congressman William Paxon
Congressman John J. LaFalce
Congressman Amo Houghton
Erie County Executive Dennis Gorski
Mayor Anthony Masiello
Mayor James Galie

K&E SAND AND GRAVEL

*A Division of Edgewater Construction Co., Limited.
P.O. Box 369, Wyoming, Ontario, Canada, N0N 1T0*



May 6, 1997

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

33388

Dear Mr. Secretary:

K&E Sand and Gravel supports the acquisition of Conrail by CSX and Norfolk Southern. We believe this proposed merger is positive, and if approved will offer better and expanded service opportunities. This would permit our company to keep transportation costs down while receiving faster 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.

John Esser
President



BERWIND COAL SALES COMPANY

509-15th Street
Windber, PA 15963-1603
(814) 467-4519, Ext. 21
Fax: (814) 467-4559

VERIFIED STATEMENT OF ROBERT R. BRUMBAUGH
ON BEHALF OF BERWIND COAL SALES COMPANY

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



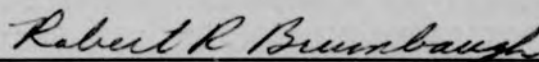
I am ROBERT R. BRUMBAUGH, Vice President of Berwind Coal Sales Company. Berwind Coal Sales Company is located in Windber, Pennsylvania. I am responsible for coal sales and transportation, and I am writing to express our company's support for the acquisition of Conrail by CSX and NS.

Berwind Coal Sales Company processes and ships coal to our customers, who are domestic utility and export customers located in the eastern United States and export terminals in Baltimore and the Lake Region. We handle approximately 7,000 carloads of coal annually via Conrail.

We believe that the acquisition of Conrail by CSX and NS will allow us to expand and extend our market reach in the Eastern and Central United States. In particular, the acquisition will bring us new access to CSX-served coal customers in this region.

In our business, consistent and reliable rail transportation is crucial to our logistics management. The coal industry often experiences equipment shortages. The acquisition will increase the equipment supply available for our shipments, thereby enhancing the consistency of our transit times. For these reasons, Berwind Coal Sales company urges the Board to approve the joint application of CSX and NS.

I, Robert R. Brumbaugh, 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 9th day of May, 1997.


Robert R. Brumbaugh

INTERNATIONAL FIBRE RESOURCES, INC.



P.O. Box 13288
Florence, S.C. 29504 USA
Tel. 803-665-8674
Fax. 803-665-8648
Tlx. 805161 Recycle Fir

May 9, 1997



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

RE: Verified Statement of INTERNATIONAL FIBRE RESOURCES, INC.;
Proposed CSXT/NS/Conrail Transaction;
Surface Transportation Docket No. 33388

Dear Secretary Williams:

My name is Russell S. Arnold. I am the General Manager for INTERNATIONAL FIBRE RESOURCES, INC. In my position, I am responsible for the purchasing of scrap paper from the major mills. We ship approximately 30,000 tons of scrap paper a year by truck and rail. The scrap paper is transported to ports by rail. It is then stored for future sales or exported.

I am writing to offer my strong support for the proposed joint acquisition of Conrail by CSX and Norfolk Southern and urge the Board to approve it promptly. I believe that the proposed acquisition would be in the best interest of INTERNATIONAL FIBRE RESOURCES, INC.

I, Russell S. Arnold, 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. Executer this 9th day of May, 1997.

Sincerely,

INTERNATIONAL FIBRE RESOURCES, INC.

Russell S. Arnold
General Manager

RSA/jcn

PICKENS RAILWAY COMPANY

Chipley H. Johnson, President
Railway: 415 E. Cedar Rock St. Pickens, SC 29671
Office: 198 North Main St. Cornelia, GA 30531
Shop Telephone: (864) 878-3581

Telephone 706-778-8004
Fax 706-778-6243

May 8, 1997

VERIFIED STATEMENT OF Chipley H. Johnson

PICKENS RAILWAY COMPANY

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
STB Finance Docket #33388
1925 K. Street, NW
Washington, DC 20423-0001



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

Dear Mr. Williams:

My name is Chipley H. Johnson and I am President of Pickens Railway Company. I have held my present position for 1 year. My duties include management of all functions of the Pickens Railway, including operations, marketing and maintenance.

The Pickens Railway is a Class III railroad which operates between Easley and Pickens, SC and between Honea Path and Anderson, SC. We connect with Norfolk Southern at Easley and Anderson, SC and with CSXT at Belton, SC. Customers which we serve on our line include Frigidaire Div., Owens Corning, BASF Corp., located at Anderson, SC as well as other customers. These customers ship and/or receive appliances, chemicals, construction materials and other commodities. During 1996, 4200 carloads were handled over our lines. We handle freight in all types of equipment on a daily basis, providing transportation and switching service for our customers.

As a short line which connects with Norfolk Southern and CSX, we support the acquisition of competitive routes in the Northeast by Norfolk Southern and CSX. Since Conrail has a virtual monopoly on service into and out of the Northeast, we believe an acquisition of Conrail by Norfolk Southern and CSX will place us in the advantage position of having competing rail carriers in the Northeast from which to choose. There are many factors used to determine which carriers to use. Pricing is certainly one

Page -2-

STB

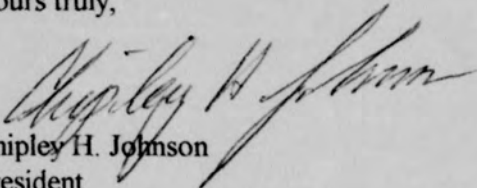
Mr. Vernon A. Williams

consideration, but so are other incentives. We have found Norfolk Southern to be a reliable connecting line that is interested in our business. The addition of more points served by Norfolk Southern direct would be of great benefit to us, since single line service is more efficient than joint line service. Reaching more points direct through our Norfolk Southern and CSX connections should increase the rail traffic which we receive from our customers, since our service to or from those points should be improved. The competitive package which Norfolk Southern and CSX have proposed will bring rail competition to areas where Conrail has had a virtual monopoly and should provide competitive rail service options to our company.

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

I, Chipley H. Johnson, President of Pickens Railway Company, 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 this 8th day of May 1997.

Yours truly,



Chipley H. Johnson
President
Pickens Railway Company

May 7, 1997



The Honorable Vernon A. Williams
Office of the Secretary
Surface Transportation Board
Attn: STB Finance Docket #33388
1925 K Street, N.W.
Washington, DC 20423-0001

Verified Statement of : HARRY D. BERESFORD
UNITED STATES SHIPPERS, INC.
RE: FINANCE DOCKET #33388

Dear Sir,

My name is Harry D. Beresford and I am President and Chief Executive Officer of United States Shippers, Inc., 145 3rd Avenue S., Edmonds, WA 98020. I have held my present position for fifteen years. As President of United States Shippers, I am responsible for the overall performance of my company. This responsibility includes supporting those initiatives that expand market development and foster company growth.

United States Shippers was founded as an intermodal marketing company and revenues generated from this activity continue to represent the bulk of our annual sales. As an intermodal marketing company, United States Shippers ships intermodal traffic throughout the United States, Canada and recently Mexico. Our service involves all major corridors and serving railroads including The Burlington Northern Santa Fe, Union Pacific/Southern Pacific, Conrail, The Norfolk Southern and CSX. During 1996 we moved 28,696 intermodal loads which involved all major rail lanes including those served by the Norfolk Southern, Conrail and CSX.

It is my understanding that CSX and NS intend to file an application to control Conrail, and to divide and operate its routes as part of their existing systems. I also understand that a key element of the NS plan is improved and expanded intermodal (and multimodal) services. Extended NS intermodal service will help to meet our transportation need throughout the territory now served by Conrail. Opening Conrail markets to service by two rail carriers of comparable size and scope, each with its own tracks and terminals, will offer us the advantages of competitive service and pricing without fragmenting the market and hurting service. For too long, customers which ship or receive products into and out of the Northeast have had the service of only one rail carrier. And as is the case when only one company is able to operate in a particular market, service suffers and the price is non-competitive. While there may have been a historical reason for insulating northeastern railroading from competition, that time is past, and it is time for customers interested in this market to have service by more than one rail carrier which owns its facilities. And, the rail carriers which will compete in the Northeast should not be just any rail carriers. They must be carriers which are of comparable size and scope, and provide a competitive service.

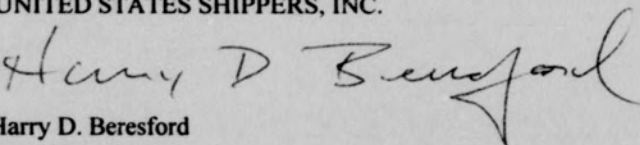
In addition to the competitive reasons stated above, my company would welcome the extension of NS service into the northeast. NS's capital investment in its intermodal facilities and service are well known in the industry, as are its strong commitments to growth and service. Further, we have been impressed with NS's commitment to safety, as evidenced by its evidence of continued success in winning the Harriman Award.

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

I, Harry D. Beresford, 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 May 7, 1997.

Sincerely,

UNITED STATES SHIPPERS, INC.

A handwritten signature in cursive script that reads "Harry D. Beresford". The signature is written in dark ink and is positioned above the printed name and title.

Harry D. Beresford
President

FAST SPOT, INC.

**3159 SCHRADER ROAD, SUITE 109
DOVER, NJ 07801**

PHONE (201)442-6420 FAX (201)442-6423

INNOVATION IN PHYSICAL DISTRIBUTION, TRANSPORTATION & WAREHOUSING

*File in Docket
FD-33388*

May 7, 1997

Ms. Linda J. Morgan, Chairperson,
Surface Transportation Board
1925 K Street N.W., Suite 500
Washington, DC 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 45 PM '97
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan:

Please find the attached copy of our letter to The New Jersey Commissioner of Transportation, John J. Haley Jr., summarizing our April 30, 1997 meeting. The letter provides information about our companies & our concerns regarding the sale and division of Conrail. Briefly, we believe an open access, controlled by the State of New Jersey, to the Ports of Elizabeth & Newark and the Oak Island Rail Yards is important to New Jersey, the Cities of Elizabeth & Newark as well as our intermodal ferry service.

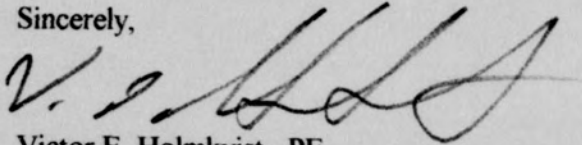
Since the April 30 meeting we have set a meeting for May 22 with The City of Newark to continue our effort to establish a home port for the New York Harbor Intermodal Ferry adjacent to the ports. In addition to The City of Newark we have established a high level of interest with The City of Newburgh, NY and the Bayridge section of Brooklyn, NY. Recently we met with and are now investigating the feasibility of ferry service to Albany, NY, with additional possibilities connecting The North Shore of Long Island to Southern New England.

Fast Spot Inc. is presently operating under a Cooperative Research & Development Agreement (CRTA) with the Picatinny Arsenal & are located in the Business Incubator Facility at Picatinny Arsenal in Dover, NJ. We are in process of converting military technology, for the control & positioning of tank gun turrets and helicopter gun turrets, to the control of our equipment. This system has proven to be accurate & reliable over the years and will provide proven control for our equipment while reducing our development costs.

Harbour Intermodal, Ltd. is located in the Business Incubator Facility at the New Jersey Institute of Technology in Newark, NJ. There they have access to the technology developed by The Institute for Transportation, also based at the college.

We have postured ourselves to be key players in the emerging transportation picture for New Jersey and the New York Port area in preparation for going national & then international. We represent the best technological improvement in the rail transportation industry since the diesel locomotive & the ability to improve American competitiveness in the world market. We ask your support to assure the New York Port does not simply change from a one-railroad lockout to a two-railroad lockout.

Sincerely,

A handwritten signature in dark ink, appearing to read 'V. E. Holmkvist', with a stylized, flowing script.

Victor E. Holmkvist, PE
Director of Engineering

CC: Mr. M. Gasparik, Harbour Intermodal, Ltd.
Mr. F. Wertz, Fast Spot, Inc.

3159 SCHRADER ROAD, SUITE 109

DOVER, NJ 07801

PHONE (201)442-6420 FAX (201)442-6423

INNOVATION IN PHYSICAL DISTRIBUTION, TRANSPORTATION & WAREHOUSING

May 5, 1997

Mr. John J. Haley, Jr.
Commissioner NJDOT
1035 Parkway Ave., CN 601
Trenton, NJ 08625-0601

Dear Commissioner Haley:

On behalf of Fast Spot, Inc. & Harbour Intermodal, Ltd. I would like to thank you for giving us a few moments of your time on April 30.

During the past year we have been developing the technology necessary to establish an efficient high volume intermodal ferry service. On December 13, 1996 we presented, & received enthusiastic support for, the ferry concept from the North Jersey Transportation Planning Authority (NJTPA). Subsequent meetings with the Cities of Newark & Elizabeth, NJ and Newburgh & New York City, NY have established the starting ports for the New York Harbor Intermodal Ferry Service based in Newark. We have established and maintained extensive dialogue with the Port Authority of New York & New Jersey and they have maintained their interest in participating in the system. Most recently, through the efforts of Congressman Robert Roe, our technology has been incorporated into the "New Jersey International Intermodal Transportation Corridor Evaluation Criteria for ISTEA Authorization"

Harbour Intermodal is negotiating with The KaMeWa Group for the exclusive worldwide use of the "AquaMaster Z Drive" propulsion system for the Hilx-404 class intermodal ferry. With this agreement we will begin the final design & financing, enabling the construction of the self propelled, bi-directional Hilx-404 capable of transporting 25 or more loaded railcars at an average speed of 15 knots. In addition the Hilx-404 will be capable of operating in as little as 9 feet of water and turning on it's own axes. Fast Spot's Lateral Sliding Table provides the capability to unload & reload the 25 railcars in approximately 30 minutes and will be the principal component in the port facilities for Harbour Intermodal's Hilx-404 throughout the world.

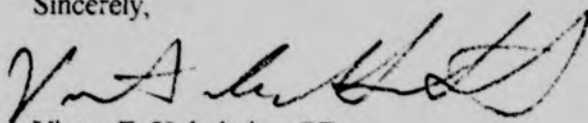
Harbour Intermodal is a SEC reporting company listed on The NASD OTC Bulletin Board (Hilx stock symbol is HICC). Solomon Brothers and other financial institutions have been presented with the information on the company and have expressed interest in exploring a possible raise of \$50,000,000 for the financing of the ferry system. Harbour Intermodal is a Delaware Corporation having their principal offices in Newark, NJ & Fast Spot is a New Jersey Corporation having their principal offices in Dover, NJ.

We are a seasoned group of qualified professionals who have expertly moved this venture to its present position of eminent success. As we briefly touched on with you, and discussed in depth with Mr. Penn & Ms. Hollows, it is our belief the joint acquisition and subsequent control of the rail access to the Ports of Newark & Elizabeth by Norfolk Southern & CSX could transfer the non-competitive lockout, previously enjoyed by Conrail, to NS & CSX. This could make it difficult to impossible for competing technologies, such as ours, and other competing railroads to access these ports. In addition there would be little advantage to the State of New Jersey or the Cities of Newark & Elizabeth replacing a one-owner lockout with a two-owner lockout.

A viable alternative could have NJDOT assuming ownership of the Oak Island Yards and the remaining "jointly owned" rail facilities in the area. New Jersey has, as pointed out by Mr. Penn, several very good short line railroads that could be the terminal operator for the facility with the NJDOT having control over the access and the terms of access to the ports.

We all realize the situation is not simple enough to be solved in one short paragraph & we are not proposing that it be. What must be done in the next few months is the development of a system under the direction of the NJDOT to assure New Jersey maintains considerable influence over the access to the ports & the financial arrangements developed for this access.

Sincerely,



Victor E. Holmkvist, PE
Director of Engineering

CC: Mr. J. Daley, Elizabeth Development Company
Mr. M. Gasparik, Harbour Intermodal, Ltd.
Ms. C. Hollows, NJDOT
Mr. J. Hummer, NJTPA
Mr. H. Lazarus, City of Newark
Mr. T. Matthews, NJDOT
Ms. L. Morgan, USDOT Surface Transportation Board
Mr. J. Penn, NJDOT
Mr. R. Roe, Robert A. Roe Associates
Mr. F. Wertz, Fast Spot, Inc.

ULTRAMAR DIAMOND SHAMROCK
C O R P O R A T I O N

File in
Docket
FD-33220

333 88

Chris Havens

Senior Vice President

Wholesale Marketing and Northeast Retail

May 5, 1997

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
12th Street & Constitution Avenue NW
Washington DC 20423
USA

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 45 PM '97
OFFICE OF
CHAIRMAN MORGAN

Dear Chairman Morgan:

Re: Impact of Conrail Merger on Petroleum Products Distribution
Finance Docket Nos. 33220 and 33286

I am writing on behalf of Ultramar Diamond Shamrock Corporation (UDS) to express our grave concern regarding the "break-up" of the Conrail system, as proposed by CSX and Norfolk Southern (NS), and to express our support for the modifications proposed by Canadian National Railway (CN) and members of the New York alliance, including such lines as the New York and Susquehanna, Buffalo, Pittsburg, and the Long Island Railroads.

Ultramar Diamond Shamrock is one of the largest independent refining and marketing companies in North America, with a refining capacity of approximately 650,000 barrels per day (BDP), a network of 6,381 branded outlets in 19 states and six Canadian provinces, 5,679 miles of crude oil and refined products pipelines, and over 23,000 employees. UDS Canadian refinery in St. Romuald, Quebec, which processes more than 155,000 barrels of crude oil per day, is one of the most modern and efficient facilities of its type in North America.

The natural market area of UDS's St. Romuald facility encompasses a 300 mile radius, including portions of Eastern Canada, Vermont, New Hampshire, and New York State. By exploiting economies of scale and the efficiency of its refinery, UDS can offer price-competitive quality petroleum products to industries and consumers throughout this market area. We have formed a partnership with CN, in order to develop efficient rail-based distribution systems to reach markets in Eastern Canada and the US Northeast.

Our logistics strategy is to establish environmentally-sound distribution terminals in consuming areas and to deliver to these terminals by unit train. Customer deliveries are then made by tank truck, within the local area, on a "just-in-time" basis.

PROBLEM STATEMENT

Until such time as CSX and NS make their formal application to the Surface Transportation Board, final details on the "break-up" of the Conrail network will not be known. However, based on the public statements made by CSX and NS to date, UDS is deeply concerned that planned disposition on the Conrail system will not result in a competitive balance of rail traffic into New York and New Jersey from the north and the west. This concern is reinforced by recent media statements by both CSX and NS railroads, which emphasized the benefits of "single line service."

Letter to The Honorable Linda J. Morgan
Page Two
May 5, 1997

It is widely believed that CSX is planning to acquire Conrail's "Montreal Secondary" line, which runs from Montreal to Syracuse, NY. This line serves as a vital link between Eastern Canada and the US Northeast, and traffic from and to the CN network represents the vast majority of the traffic on the line. By acquiring this line from Conrail, CSX merely replaces Conrail's previous control over the route, and competition is not enhanced in any manner. Furthermore, CSX will naturally tend to favour traffic flows from within its own system, which will afford CSX greatest length of haul and revenue, and will tend to discourage interline movements from the north.

As a result, UDS is concerned that CSX's acquisition of the Montreal Secondary system from Conrail will frustrate our efforts to expand our economic market orbit into Conrail-served markets in the US Northeast. Further, we believe this action will diminish the potential benefits that might otherwise flow to the many northern New York and Vermont communities for whom NAFTA is considered vital to their economic futures.

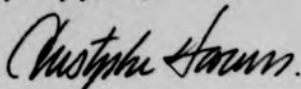
OUR PREFERRED SOLUTION

Canadian National has proposed to acquire the Montreal Secondary line from CSX on a joint venture basis with the New York and Susquehanna railroads. The partnership would act to preserve this vital north-south rail link and would encourage the development of efficient, rail-based transportation for commerce between Eastern Canada and the US Northeast. Given this transportation infrastructure, Ultramar Diamond Shamrock would be able to offer competitively priced petroleum products to consumers and industries in the US Northeast, increasing consumer choice and reducing energy costs for businesses and consumers in the region. The loss of this mainline transportation route would be a serious blow to the communities it serves and would further isolate the population from the economic development opportunities made possible by reliable, cost effective, long term transportation links to the major centers in the North and South.

Ultramar Diamond Shamrock would therefore request that the approval granted by the Surface Transportation Board for the proposed acquisition of the Conrail system by Norfolk Southern and CSX be conditioned on the disposition of the Montreal secondary to CN and/or the New York and Susquehanna.

Thank you for your consideration in this matter.

Very truly yours,



Chris Havens

CH/LF:kmg

cc: The Honorable Gus A. Owen, Vice Chairman, Surface Transportation Board
The Honorable Vernon A. Williams, Secretary, Surface Transportation Board

ULTRAMAR DIAMOND SHAMROCK
C O R P O R A T I O N

Chris Havens
Senior Vice President
Wholesale Marketing and Northeast Retail

May 5, 1997

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
12th Street & Constitution Avenue NW
Washington DC 20423
USA

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Finance Docket Nos. 33220 and 33286

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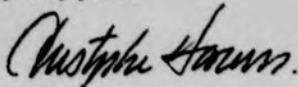
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Thank you for your consideration in this matter.

Very truly yours,



Chris Havens

CH/LF:kmg

cc: The Honorable Gus A. Owen, Vice Chairman, Surface Transportation Board
The Honorable Vernon A. Williams, Secretary, Surface Transportation Board ✓

ULTRAMAR DIAMOND SHAMROCK
C O R P O R A T I O N

File in
Docket
JA-33286

Chris Havens

Senior Vice President

Wholesale Marketing and Northeast Retail

May 5, 1997

33388

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
12th Street & Constitution Avenue NW
Washington DC 20423
USA

CHAIRMAN MORGAN

MAY 12 3 55 PM '97

SURFACE TRANSPORTATION BOARD

Dear Chairman Morgan:

Re: Impact of Conrail Merger on Petroleum Products Distribution
Finance Docket Nos. 33220 and 33286

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Letter to The Honorable Linda J. Morgan
Page Two
May 5, 1997

It is widely believed that CSX is planning to acquire Conrail's "Montreal Secondary" line, which runs from Montreal to Syracuse, NY. This line serves as a vital link between Eastern Canada and the US Northeast, and traffic from and to the CN network represents the vast majority of the traffic on the line. By acquiring this line from Conrail, CSX merely replaces Conrail's previous control over the route, and competition is not enhanced in any manner. Furthermore, CSX will naturally tend to favour traffic flows from within its own system, which will afford CSX greatest length of haul and revenue, and will tend to discourage interline movements from the north.

As a result, UDS is concerned that CSX's acquisition of the Montreal Secondary system from Conrail will frustrate our efforts to expand our economic market orbit into Conrail-served markets in the US Northeast. Further, we believe this action will diminish the potential benefits that might otherwise flow to the many northern New York and Vermont communities for whom NAFTA is considered vital to their economic futures.

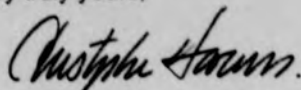
OUR PREFERRED SOLUTION

Canadian National has proposed to acquire the Montreal Secondary line from CSX on a joint venture basis with the New York and Susquehanna railroads. The partnership would act to preserve this vital north-south rail link and would encourage the development of efficient, rail-based transportation for commerce between Eastern Canada and the US Northeast. Given this transportation infrastructure, Ultramar Diamond Shamrock would be able to offer competitively priced petroleum products to consumers and industries in the US Northeast, increasing consumer choice and reducing energy costs for businesses and consumers in the region. The loss of this mainline transportation route would be a serious blow to the communities it serves and would further isolate the population from the economic development opportunities made possible by reliable, cost effective, long term transportation links to the major centers in the North and South.

Ultramar Diamond Shamrock would therefore request that the approval granted by the Surface Transportation Board for the proposed acquisition of the Conrail system by Norfolk Southern and CSX be conditioned on the disposition of the Montreal secondary to CN and/or the New York and Susquehanna.

Thank you for your consideration in this matter.

Very truly yours,



Chris Havens

CH/LF:kmg

cc: The Honorable Gus A. Owen, Vice Chairman, Surface Transportation Board
The Honorable Vernon A. Williams, Secretary, Surface Transportation Board



FD-33388

County of Erie

DENNIS T. GORSKI
COUNTY EXECUTIVE

DEPARTMENT OF ENVIRONMENT AND PLANNING

RICHARD M. TOBE
COMMISSIONER

STANLEY J. KEYSA
DEPUTY COMMISSIONER OF
PLANNING & ECONOMIC
DEVELOPMENT

Facsimile Cover Sheet

To: Hon. Linda Morgan
U.S. Surface Transportation Board
Voice ???
Fax: 202-565-9015

From: Stanley J. Keysa, Esq.
Deputy Commissioner for Planning & Economic Development
voice: 716-858-8557
fax: 716-858-7248

Date: May 6, 1997

Pages: eight (8)

Comments: **Comments on Impacts of the Sale of Conrail to CSX and NS**

Copies to: Commissioner Tobe

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 44 PM '97
OFFICE OF
CHAIRMAN MORGAN

**Erie County Department of Environment & Planning
Office of Economic Development**

Contact: Stanley J. Keysa, Esq.
Deputy Commissioner for Planning and Development
95 Franklin Street, Room 1062
Buffalo, New York 14202
716-858-8557
fax: 716-858-7248
E-mail: keysas@bflo.co.erie.ny.us

Comments on Impacts of the Sale of Conrail to CSX & NS

Directed by fax (202-565-9015) to Hon. Linda Morgan
United States Surface Transportation Board
May 6, 1997

These comments are submitted on behalf of County Executive Dennis T. Gorski. Erie County is located in Western New York State, is a part of the "Niagara Frontier" and has the City of Buffalo as its principal municipality.

It is our understanding that the Surface Transportation Board is considering an expedited schedule for review of the proposed purchase of the Consolidated Rail Corporation, also known as "Conrail" by CSX and Norfolk Southern, but that faxed comments will be accepted this week.

A matter of this complexity and economic importance to the Northeast deserves a longer review period, but we submit the following abbreviated comments so as to raise certain issues important to this community of nearly one million citizens.

As you may know, Buffalo was, from its very first days, a point of embarkation and transloading. More than three centuries ago, the Frenchman LaSalle built here the first sailing vessel on the upper Great Lakes to carry men and equipment on his westward explorations. For more than one hundred years, trading goods were portaged from the lower Niagara River to the shores of Lake Erie, and furs and pelts carried north to Lake Ontario. In the 1820's, the Erie Canal established an all-water link to New York City, soon vaulting that great city ahead of Boston, Philadelphia and Baltimore as the preeminent port of the fledgling United States.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page two.

The arrival of the first steam engine in 1842 broadened still further the importance of Buffalo as a key link on the route of grain from the Midwest to the cities of the eastern seaboard, and of manufactured goods from New England and Europe to the developing West. Years before the start of the Civil War, the Niagara Frontier had three rail lines providing connections to the east, one to the west along the south shore of Lake Erie, and two running westward across the Ontario peninsula of Canada. Dozens of passenger and freight trains provided reliable, all-weather transportation which fueled the growth of Buffalo, Niagara Falls, Rochester, Syracuse, Albany, New York City, and New York State.

By the late nineteenth century, Buffalo was ringed by three belt railways, and was the terminus of no less than seventeen steam railroads and several electric interurban lines. It was the second largest rail center in the nation, after Chicago. The competitive transportation opportunities those railroads provided made Buffalo the logical place to build grain elevators, rail car shops, steel mills, automobile and aircraft factories. They also brought wealth to the surrounding countryside, by providing an outlet for the products of the fields and the barns.

Those competitive advantages once permitted Buffalo to convert 70% of the nation's wheat and oats from grain to flour. Even today, the location of elevators between the wharves and an active railyard facilitates milling of 20 million bushels annually. The great steel foundries of South Buffalo and Lackawanna no longer light the skies as they pour tons of molten steel each day, but the sites hold promise for future industries, if the owners, government and the railroads can work cooperatively to redevelop the potential. Done right, all can benefit.

Over the past half century, more than half the rail lines into the Niagara Frontier have been dismantled. Despite these losses, the area is still served by one of the most extensive freight rail systems in the nation, and certainly the best in the State. Even today, the Buffalo area has service from Class I railroads such as Conrail, Norfolk Southern, Canadian Pacific, and Canadian National. CSX has access through a Class II railroad, the Buffalo & Pittsburgh. Many area industries are served by short line railroads, such as the Somerset, the Falls Road, the Depew, Lancaster & Western, the Buffalo Southern or the South Buffalo.

Because many railroads still access the Niagara Frontier, we are blessed with a level of competition unknown elsewhere in New York. We seek to preserve that competition by insuring that the proposed merger of Class I railroads does not destroy the viability of these smaller railroads. Indeed, when most analysts agree that CSX and Norfolk Southern are paying a huge premium to buy the Conrail properties, we as public officials are concerned that the cost of paying the premium does not fall upon rail-users, as the additional charges will drive up freight costs to firms within our area and reduce the competitiveness of location within New York State.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page three.

Local shippers also tell us they are troubled by their inability to take full advantage of their location on rail because of the petty fights between rail competitors, who seem more concerned with denying the "other" railroad any possibility of benefit.

One articulate shipper has written of "Conrail's lack of cooperation, understanding and exorbitant fees for service . . . to move things locally from their spurs to the main lines." He adds, "we would ship an additional 15,000 tons of boxcar type freight in addition to bulk freight already described above if Conrail were a customer-pleasing provider."

This shipper suggests "we need to encourage the successor company . . . to sell off the local infrastructure to private companies or perhaps to municipalities . . . The inefficiency in Conrail is in the local infrastructure . . . If a local municipality took this over . . . the same as local streets and established a competitive rate for all manufacturers, there might be a very reasonable payback."

Others are telling us that they have defected a subtle but critical shift in position on the part of officials at the purchasing railroads. No longer does there seem to be a drive by Norfolk Southern to equal access to business in the Buffalo area which will be located on the lines likely to go to CSX. Perhaps the very process of negotiating for division of the assets of Conrail has resulted in a reluctance to fight for true competition. Perhaps the division of "spoils" includes a silent understanding that each purchasing railroad will have an exclusive sphere of influence.

These comments suggest that either "open access" be provided, or a "neutral" terminal railroad be created, to serve local shippers from Lackawanna to Niagara Falls. Such open access agreement or terminal railroad should govern the critical interconnections over which all of the Class I and regional railroads must operate. The terminal railroad might be a private organization, a joint venture of all the Class I railroads, an existing public authority (such as the Niagara Frontier Transportation Authority), or some combination.

Neutral ownership would be similar to the public ownership of a major airport, which serves as a hub for both transcontinental or international air carriers and the small commuter airlines which feed in passengers. Such a "hub" system seems to be evolving within the railroad network, but was often thwarted by the annoying policy of Conrail of retaining a short length of lead track which erects a "firewall" or paper barrier to the possibility that the short line might interchange with a competing Class I railroad. Ultimately, these practices, designed to insure a monopoly, reduce the likelihood that a customer will use any rail.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page four.

The proposed breakup provides an opportunity to express concerns over how an effective, customer-oriented rail system ought work. Hopefully, the Surface Transportation Board ("STB") will address these concerns, not just for our local advantage, or for the benefit of other communities in the Northeast who look to Buffalo as the point where the monopoly ends, but for the ultimate benefit of the railroads themselves. True competition between financially strong railroads, we believe, can produce a seamless system of economic service to shippers.

Our concerns for preserving the benefits of transportation by rail are not just economic. Rail is environmentally friendly compared to other means of surface transportation. Goods and people can be moved with less energy input, and hazardous materials can be moved more safely on railroads than in any other way. Railroads corridors into downtown urban areas may once again become the transportation of choice for passengers if high speed rail passenger service develops in this country as it already has in France and Japan.

We make the following comments and suggestions:

1. The County Executive believes that **the commercial well-being of Erie County is best met by competitive access to multiple forms of transportation**, including rail, highway, air and water. To that end, we applaud any effort to strengthen the viability of rail service, which has had a major presence here for 155 years.
2. The area needs true rail competition, meaning that **multiple Class 1 railroads, each operating on its own tracks, should be readily accessible to users**. These railroads should provide fast, reliable and economical service across the spectrum of car types and destinations. It is particularly important that there be competitive access eastward to the Port of New York, north into Canada, west through Cleveland and Chicago to the Pacific ports, and south to the coalfields of Pennsylvania, to New Orleans, to Norfolk and to Baltimore.
3. **The Surface Transportation Board should mandate either "open access" or a neutral terminal railroad**, possibly under public ownership, **to facilitate expeditious and economical interchange of traffic on the Niagara Frontier**, to remove paper barriers to interchange of cars by short-line and regional railroads, and to permit harmonious treatment of competing railroads and those with trackage rights (particularly at CP Draw).
4. **The Surface Transportation Board should protect such regional railroads as the Buffalo & Pittsburgh RR, and ought urge prompt approval by Conrail, CSX and NS of**

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page five.

a grant to the B&P of trackage rights to operate between Machias Junction and Olean on Conrail's Buffalo to Harrisburg line, and between Olean and Salamanca on Conrail's Hornell to Corry, Pennsylvania line. The B&P had been negotiating for purchase of these lines when the merger proposal intervened, and has since experienced a serious derailment on its old line between Buffalo and Salamanca.

5. The STB should **direct the post-sale railroads to designate accessible representatives** in the Buffalo area. A perception exists that Conrail abandoned contact with both shippers and public officials in this region, creating frustration on minor issues, and distrust on major ones.

6. The STB should urge that the **post-sale railroads be more customer-friendly**. In the past, conduct by Conrail led low-volume shippers to believe that rail traffic is unreliable, and that Conrail was not interested in developing relationships necessary to foster a return to rail. This has had serious consequences in the Buffalo area, where many industrial sites were oriented to rail, and are not positioned for tractor-trailer access. Often, instead of using narrow city streets in place of rail, the companies have simply abandoned the older facilities and built new plants where rail is not available.

7. We look for close cooperation with the post-sale railroads in **expediting reuse of numerous "brownfield" sites**, both railroad-owned and adjacent to rail. Until recently, it has been virtually impossible to deal with Conrail on issues of development where Conrail-owned land was involved. Bureaucratic and petty concerns regarding competition have held back progress. An example was the attempt (now abandoned due to a lack of cooperation by Conrail) to redevelop the Niagara Frontier Food Terminal site in Buffalo. Conrail was never willing to deal with questions involving ownership, environmental issues or trackage rights with Norfolk Southern, even though the project anticipated increased rail usage.

8. The STB should direct that the **post-sale railroads be more aggressive in marketing and servicing local customers** than Conrail was in the past. This area is the crossroads for significant volumes of both east-west and north-south traffic. We are told that as many as 120 trains clear CP Draw daily, and that 40% of the trade with Canada crosses the border here. This area desires to capitalize on the flow of traffic by adding value, providing labor to move goods on and off railcars at intermodal facilities, breaking bulk at distribution facilities, and servicing the transportation system itself.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page six.

9. The STB should direct that the **post-sale railroads work cooperatively to effect an interconnection between the former New York Central mainline in Depew east of Dick Road and the "Southern Tier" line running from Buffalo to Hornell and the Depew, Lancaster and Western RR.** New York Route 130 will soon be reconstructed in that immediate vicinity with an eye to eliminating rail bridges, so prompt coordination with the NYS Department of Transportation, the County of Erie, the DL&W RR, and the Niagara Frontier Transportation Committee is imperative.

10. We seek cooperation with the **Norfolk Southern**, local officials and the New York State Thruway Authority **to extend intermodal and bulk-unloading capabilities at Bison Yard**, which has been virtually empty for almost a decade. It is of a size that it could accept both rail-serviced distribution and intermodal facilities. Functionally, it is impaired by the need to route local rail traffic from Frontier Yard past the relic of Central Terminal and out the Hornell Running Line. It also makes sense to investigate a direct highway connection to the Thruway.

11. We seek a **rationalization of the total rail network in this region for the balanced long-term transportation needs of the entire region**, not just for the competitive benefit of one or two Class I railroads. Rights-of-way once lost are probably lost forever. While the world and how it moves goods and people will change greatly in the next hundred years, history tells us the need for transportation corridors will remain.

12. Shippers involved in trade with European partners have suggested to us that they might realize significant savings if a railroad serving this area could **establish regular intermodal service for containers landed at the port of Montreal.**

13. There is a continuing interest in enhancing both inter-city and intra-city passenger service. High speed rail in the Empire State Corridor is technically possible now. There are legitimate concerns about conflicts between the movement of freight and passenger trains on the same tracks. These concerns, however, should not be used as an excuse to block the advent of improved passenger service. The division of Conrail assets provides an opportunity to **seek commitment of rail operators which will be committed to improved passenger service.**

14. Erie County and New York State are engaged in serious lease negotiations with the Buffalo Bills football team to retain the team's presence at the County-owned stadium in Orchard Park. The Bills have identified expansion of market area as one of their goals, and have conducted talks with Amtrak and others regarding bringing excursion trains from Albany,

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page seven.

Cleveland, Binghamton, Toronto, and Pittsburgh for home games. The first run of the "Bills Express" from Albany on November 24, 1996 brought a much stronger response than expected. **We seek assurances from the successors to Conrail that we will have cooperation with Amtrak in expediting future excursion trains.**

15. Erie County, the Niagara Frontier Transportation Authority, and others are discussing the potential for **commuter passenger operations**, some of which may require cooperation from whomever acquires lines now owned by Conrail. We look for management contacts within the post-sale railroads with whom to discuss potential conflicts and synergies.

16. **Conrail has not always been a good neighbor** when it comes to keeping its property well-maintained. Numerous bridges are protected only by the accumulation of graffiti, while on others, one can still discern the faded logo of the New York Central. One coat of paint in thirty years ought not be too much to ask. Likewise, miles of drainage ditches have been fouled by discarded railroad ties. We ask that the STB **direct the post-sale railroads to paint bridges and clean drainage systems.**

17. There are over twenty-two hundred railroad employees living in Erie County, and one thousand more in adjacent counties. Their future employment is of special concern to local government. We ask the STB to consider the impact of the proposed purchase and service adjustments on these employees, their families and communities of residence

In conclusion, the consequences of the proposed sale and breakup of Conrail are of vital importance to the economic well being of our state. **We urge the United States Surface Transportation Board to extend the period of consideration, and to direct the purchasing railroads to meet with representatives of the County of Erie and other interested private and public parties of the Niagara Frontier to resolve the issues raised herein.**

cc: Senator Daniel Patrick Moynihan
Senator Alphonse M. D'Amato
Hon. John J. LaFalce, M.C.
Hon. Bill Paxon, M.C.
Hon. Jack Quinn, M.C.
James Utermark, Director, Freight and Economic Development Division, NYSDOT
Hon. Dennis T. Gorski
Honorable Erie County Legislature



Office of the Chairman

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

*File in
Docket
FD -
33388*

May 21, 1997

The Honorable Albert V. Belan
Senate of Pennsylvania
Duquesne Village Shopping Center
1858 Homeville Road
West Mifflin, PA 15122

Dear Senator Belan:

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

45TH DISTRICT
ALBERT V. BELAN
DUQUESNE VILLAGE SHOPPING CENTER
1858 HOMEVILLE ROAD
WEST MIFFLIN, PA 15122
(412) 466-2201

SENATE BOX 203045
THE STATE CAPITOL
HARRISBURG, PA 17120-3045
(717) 787-5580

REPLY TO:



Senate of Pennsylvania

COMMITTEES

LABOR AND INDUSTRY,
DEMOCRATIC CHAIRMAN
AGING AND YOUTH
CONSUMER PROTECTION AND
PROFESSIONAL LICENSURE
MILITARY AND VETERANS
AFFAIRS
TRANSPORTATION

May 7, 1997

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

Dear Chairperson Morgan:

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

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. 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 my Harrisburg address.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Albert V. Belan'.

Albert V. "Bud" Belan
State Senator
45th Senatorial District

AVB:HB\eb

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BOARD
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OFFICE OF
CHAIRMAN MORGAN



Office of the Chairman

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

*File in
Docket
FD-33388*

May 21, 1997

The Honorable Anthony R. Bucco
Assistant Majority Whip
New Jersey General Assembly
Morris County
60 Broadway, Suite 21
Denville, NJ 07834

Dear Assemblyman Bucco:

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

ASSISTANT MAJORITY WHIP
ANTHONY R. BUCCO
ASSEMBLYMAN, 25TH DISTRICT
MORRIS COUNTY
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DENVER, NJ 07834
(201) 627-9700
FAX (201) 627-0131

COMMITTEES
VICE-CHAIRMAN
AGRICULTURE AND WASTE
MANAGEMENT
MEMBER
TRANSPORTATION AND
COMMUNICATIONS

May 7, 1997

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

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

Dear Chairperson Morgan:

This letter is written to express my support for the Surface Transportation Board's schedule of 365 days to review the acquisition of Conrail by CSX and Norfolk Southern (NS), the most complex merger in the rail industries history.

A transaction of this magnitude should not proceed without careful regulatory review and input from all affected parties. 365 day schedule is the minimum requirement to provide a full review of a transaction of this magnitude, namely, acquisition of Conrail by CSX and Norfolk Southern (NS). The public interests must be served. Both companies have a vested interest in reducing competition posed by smaller, independent railroads currently serving New Jersey and the Northeast. 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.

In conclusion, access to all markets with competitive shipping rates and switching charges is crucial to New Jersey businesses. 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 are threatened by Conrail carve-up. Your firm adherence to review policy is appreciated.

Sincerely,

Anthony R. Bucco
Anthony R. Bucco
Assemblyman - 25th District

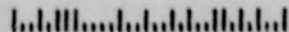
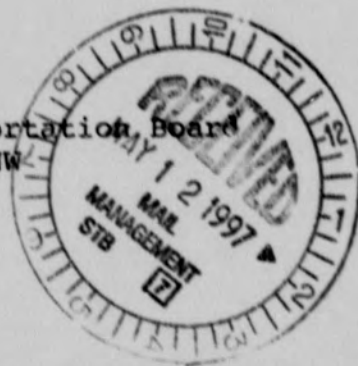
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RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 45 PM '97
OFFICE OF
CHAIRMAN MORGAN

STATE OF NEW JERSEY
ASSISTANT MAJORITY WHIP
ANTHONY R. BUCCO
ASSEMBLYMAN, 25TH DISTRICT
60 BROADWAY, SUITE 21
DENVER, NJ 07834



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





Office of the Chairman

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

*File in
Docket
FD-33388*

May 21, 1997

The Honorable E. Scott Garrett
Assemblyman
New Jersey General Assembly
Sussex-Hunterdon-Morris Counties
61 Spring Street, 3rd Floor
Newton, NJ 07860

Dear Assemblyman Garrett:

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).

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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

E. SCOTT GARRETT
ASSEMBLYMAN, 24TH DISTRICT
SUSSEX-HUNTERDON-MORRIS COUNTIES
61 SPRING STREET, 3RD FLOOR
NEWTON, NJ 07860
(201) 579-7585
FAX (201) 579-4902

COMMITTEES
CHAIRMAN, INSURANCE
MEMBER,
TRANSPORTATION &
COMMUNICATIONS

7 May 1997

Hon. Linda Morgan
Chair
United States Surface Transportation Board
12th & Constitution Avenue N.W.
Washington, D.C. 20423

Re: 365-Day Review for CSX/NS Merger

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 45 PM '97
OFFICE OF
CHAIRMAN MORGAN

Dear Chairwoman Morgan:

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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 this subject, 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 in advance for your consideration in this matter. If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely yours,

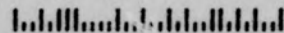
E. Scott Garrett
Assemblyman
24th District

ESG:ps

E. SCOTT GARRETT
ASSEMBLYMAN, 24TH DISTRICT
SUSSEX-HUNTERDON-MORRIS COUNTIES
61 SPRING STREET, 3RD FLOOR
NEWTON, NJ 07860



Hon. Linda Morgan, Chair
U.S. Surface Transportation Board
12th & Constitution Avenue NW.
Washington, D.C. 20423





Office of the Chairman

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

*File in
Docket
FD-33388*

May 21, 1997

The Honorable Rose M. Heck
Assemblywoman
New Jersey General Assembly
Bergen County, Courtyard Mall
2 Mercer Street, Suite 5-A
Lodi, NJ 07644-1624

Dear Assemblywoman Heck:

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

ROSE M. HECK
ASSEMBLYWOMAN, 38TH DISTRICT
BERGEN COUNTY
COURTYARD MALL
2 MERCER STREET, SUITE 5-A
LODI, NJ 07644-1624
(201) 777-6344
FAX (201) 777-4274

May 6, 1997

Honorable Linda Morgan
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 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.

COMMITTEES
CHAIRWOMAN:
POLICY & REGULATORY OVERSIGHT
COMMITTEE
CHAIRWOMAN:
LRT LEGISLATIVE PANEL
MEMBER:
SENIOR ISSUES, TOURISM &
GAMING COMMITTEE
MEMBER:
JOINT LEGISLATIVE
COMMITTEE ON ETHICAL
STANDARDS
MEMBER:
ASSEMBLY ADVISORY
COUNCIL ON WOMEN

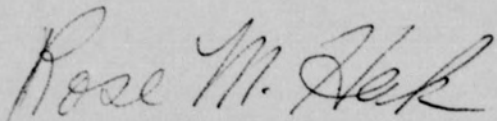
OFFICE OF
CHAIRMAN MORGAN
MAY 12 3 45 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

Page 2

Thank you for your consideration of a very serious matter which requires due deliberation.

Sincerely,

A handwritten signature in cursive script, reading "Rose M. Heck". The signature is written in dark ink on a light-colored background.

Assemblywoman Rose M. Heck
District 38

CC: Commissioner John Haley

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 (STB) waives 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 (NFTA) 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.

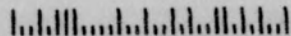
CONRAIL CARVE-UP
NEW JERSEY
TALKING POINTS
(cont)

- 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.

ROSE M. HECK
ASSEMBLYWOMAN 38TH DISTRICT
BERGEN COUNTY
COURTYARD MALL
2 MERCER STREET, SUITE 5-A
LODI, NJ 07644-1624



Honorable Linda Morgan
United States Surface Transportation Board
12th & Constitution Ave. NW
Washington, DC 20423





Office of the Chairman

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

*File in
Docket
FD-33388*

May 21, 1997

The Honorable John E. Rooney
Assemblyman
New Jersey General Assembly
Bergen County
436 Old Hook Road
Emerson, NJ 07630

Dear Assemblyman Rooney:

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

JOHN E. ROONEY
ASSEMBLYMAN 39TH DISTRICT
BERGEN COUNTY
436 OLD HOOK ROAD
EMERSON, NJ 07630
201-967-8910
FAX: 201-967-0331

COMMITTEES
CHAIRMAN, COMMUNITY
SERVICES
VICE-CHAIRMAN,
ENVIRONMENT, SCIENCE
AND TECHNOLOGY

May 7, 1997

The Honorable Linda Morgan, Chairperson
United States Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 49 PM '97
OFFICE OF
CHAIRMAN MORGAN

Re: Support 365-day review for
CSX/NS Merger.

Dear Chairperson Morgan:

Inasmuch as the acquisition of Conrail by CSX and Norfolk Southern will result in the most complex rail merger in history, I strongly urge the Board to reject the abbreviated review schedule of 255 days suggested by the acquiring companies.

This merger and carve-up of Conrail will have a significant impact on the movement of goods throughout this region. Many businesses will be affected. This carve-up has the potential of reducing competition in the rail industry rather than introduce competition where competition has never existed. It may limit access to markets north and west of New Jersey. New Jersey is a corridor state and competitive shipping rates and switching charges is crucial to New Jersey businesses.

This merger may also threaten "right of way" presently existing between the New York Susquehanna and Western Railway Corp., which, in turn, may stop dead four commuter projects currently underway.

CSX is leading the attack in Congress against shared freight/commuter service and to reduce the number of Amtrak routes.

This merger must be very carefully considered and a rush to accomplish it may serve the two companies proposing it but the impact of less than a thorough and complete review done in a

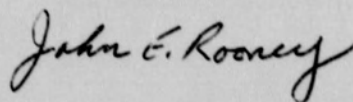
May 7, 1997

- 2 -

hurried manner certainly will not serve the public.

Thank you for your consideration.

Very truly yours,

A handwritten signature in cursive script, reading "John E. Rooney". The signature is written in dark ink and is positioned above the printed name.

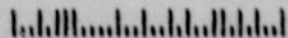
John E. Rooney
Assemblyman

JER:md

JOHN E. ROONEY
ASSEMBLYMAN 39TH DISTRICT
BERGEN COUNTY
436 OLD HOOK ROAD
EMERSON, NJ 07630



The Honorable Linda Morgan, Chairperson
United States Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423





Office of the Chairman

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

*File in
Docket
FD-33388*

May 21, 1997

The Honorable John F. Freeman
House of Representatives
State of Michigan
P.O. Box 30014
Lansing, MI 48909-7514

Dear Representative Freeman:

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 F. FREEMAN

HOUSE OF REPRESENTATIVES

P.O. BOX 30014

LANSING, MICHIGAN 48909-7514

(517) 373-3818

DISTRICT OFFICE:

1026 EAST 11 MILE, SUITE 1

ROYAL OAK, MICHIGAN 48067

(810) 544-4414

MICHIGAN STATE REPRESENTATIVE

34TH DISTRICT

May 6, 1997

The Honorable Linda Morgan, Chair
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Ms. 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 Norfolk Southern (NS). We 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 that the board was correct when it extended the CSX proposed 255 day schedule to 365 days to consider it's final decision on the Conrail acquisition to allow all parties involved equal input on the matter. Simply because CSX and NS have reached agreement on the breakup of Conrail is not enough reason to shorten the time needed for the board to review the merger, the other parties involved must be given equal time to allow for a fair decision by the board. Because of the far reaching effects of this merger on the Northeast, in particular Michigan, I believe the time given to this decision should not be shortened by one day less than what is needed. To be fully assured that the public interest is best served the entire 365 day schedule must be utilized.

I have full confidence that the STB will agree to keep the 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.

Very truly yours,

John F. Freeman
State Representative

COMMITTEES:

CONSERVATION, ENVIRONMENT

AND GREAT LAKES

HUMAN RESOURCES AND LABOR

OFFICE OF

LINDA MORGAN

MAY 12 3 45 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD



JOHN F. FREEMAN

STATE REPRESENTATIVE

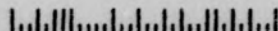
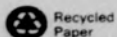
34TH DISTRICT

STATE CAPITOL

LANSING, MICHIGAN 48913



The Honorable Linda Morgan,
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423





Office of the Chairman

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

*File in
Docket
FD - 33388*

May 21, 1997

The Honorable Norman J. Levy
Chairman
Transportation Committee
The Senate
State of New York
Albany, NY 12224

Dear Chairman Levy:

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 STATE
SENATE COMMITTEE ON TRANSPORTATION

Senator Norman J. Levy
Chairman

May 8, 1997

Hon. Linda J. Morgan, Chairwoman
Surface Transportation Board
12th Street and Constitution Avenue NW
Washington, D.C. 20423

Dear Chairwoman Morgan:

It has come to my attention that CSX and Norfolk Southern have requested the Surface Transportation Board (STB) to expedite the approval process for their acquisition of Conrail.

In my position as Chairman of the New York State Senate Transportation Committee, I respectfully request that the Board deny this request for an expedited approval process. There are a number of substantive issues and policy considerations that effect New York State that are still to be resolved.

Thank you, in advance, for your consideration.

With best wishes and kindest personal regards, I am

Sincerely,

NORMAN J. LEVY
New York State Senator
Chair-Senate Transportation Committee

NJL:ecr

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 45 PM '97
OFFICE OF
CHAIRMAN MORGAN

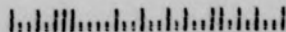


THE SENATE
STATE OF NEW YORK
ALBANY

NORMAN J. LEVY
8TH DISTRICT
CHAIRMAN
COMMITTEE ON TRANSPORTATION



Hon. Linda J. Morgan, Chairwoman
Surface Transportation Board
12th Street and Constitution Ave, NW
Washington, D.C. 20423





Office of the Chairman

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

*File in
Docket
FD-33388*

May 21, 1997

The Honorable Burton Leland
Chairman
Transportation Committee
Michigan House of Representatives
State Capitol
Lansing, MI 48913

Dear Chairman Leland:

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.

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Sincerely,

Linda J. Morgan

Linda J. Morgan

HOUSE OF REPRESENTATIVES
LANSING, MICHIGAN



13TH DISTRICT
BURTON LELAND
STATE CAPITOL
LANSING, MICHIGAN 48913
(517) 373-6990
FAX (517) 373-2728
DISTRICT
20765 TIREMAN
DETROIT, MICHIGAN 48228
(313) 271-1307

COMMITTEES:
TRANSPORTATION, CHAIR
JOINT COMMITTEE ON
ADMINISTRATIVE RULES
HEALTH POLICY
PUBLIC UTILITIES
REGULATORY AFFAIRS

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 45 PM '97
OFFICE OF
CHAIRMAN MORGAN

May 6, 1997

The Honorable Linda Morgan, Chair
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 20423

Dear Ms. Morgan:

I am writing to express my concern about the recent proposal by CSX and Norfolk Southern to reduce the time schedule for the Surface Transportation Board proceedings on the proposed Conrail merger.

This proposed acquisition of Conrail by CSX and Norfolk Southern would bring about a major consolidation of railroads and, as such, will have far-reaching implications for our nation's rail transportation system. Because of the importance of this proposed merger and the potential impact on the national economy, the states (including the State of Michigan) and the shippers, I would urge that the full 365-day schedule originally proposed by the Surface Transportation Board be maintained.

I feel strongly that all concerned parties should be allowed sufficient time to study all aspects of the final merger proposal to be able to present their views to the Surface Transportation Board. The schedule proposed by CSX and Norfolk Southern will not serve this end, but could, instead, allow any deficiencies in the proposal to go unnoticed.

For these reasons, I would urge the Surface Transportation Board to hold to their original decision for a 365-day schedule for consideration of this proposal, in order to best serve the public interest.

Sincerely,

BURTON LELAND
State Representative

BL/kp



BURTON LELAND

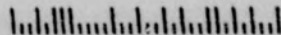
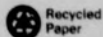
STATE REPRESENTATIVE—DETROIT

STATE CAPITOL

LANSING, MICHIGAN 48913



The Honorable Linda Morgan, Chair
Surface Transportation Board
1925 K Street, N. W.
Washington, D. C. 20423





Office of the Chairman

5-12
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 21, 1997

Mr. James Natoli
Director of State Operations
State of New York
Executive Chamber
Albany, NY 12224

Dear Mr. Natoli:

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



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

GEORGE E. PATAKI
GOVERNOR

JAMES G. NATOLI
DIRECTOR OF STATE OPERATIONS

May 7, 1997

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

Dear Ms. Morgan:

The State of New York supports the 365-day schedule originally proposed by the Surface Transportation Board. We do not think a 255-day schedule, as proposed to the Board, is in the public interest.

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 ones. The effects on rail and highway transportation in the Northeast United States will be widespread and profound. It will directly or indirectly affect everyone who lives, works, or does business here. The Northeast, accounting for roughly a third of the nation's economy, has a critical interest in the merger being carefully evaluated. New York 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. Much of this work will be based on input from diverse parties who need time to research and properly develop their submissions.

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 practical.

Yours Truly,

James G. Natoli
James Natoli
Director of State Operations

cc: Congressional Delegation

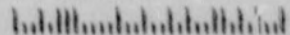
RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 12 3 44 PM '97
OFFICE OF
CHAIRMAN MORGAN

STATE OF NEW YORK
DIRECTOR OF STATE OPERATIONS
EXECUTIVE CHAMBER
ALBANY NY 12224

FIRST
CLASS



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



STB

FD

33388

5-9-97

J

Acentech

May 9, 1997

Mr. John Cook
Parsons Transportation Group
De Leuw Cather & Company
1133 15th Street NW
Washington, DC 20005-2795

Dear Mr. Cook:

Per your request.

Surface Transportation Board

Disclosure Statement

I certify that Acentech Incorporated has no financial or other interest in the outcome of the prospective application/petition of CSX Transportation, Inc. in Finance Docket No. 33388 to acquire Conrail.

Signed: Richard A. Fanci

Title: Controller

Date: May 9, 1997

STB

FD

33388

5-9-97

J.

NEW CASTLE/HENRY COUNTY ECONOMIC DEVELOPMENT CORPORATION

Community Center, 100 S. Main, Suite 203

New Castle, Indiana 47362-4213

Telephone (317) 521-7402 FAX (317) 521-7404

May 6, 1997

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



FD 33388

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:

My name is Marynell S. Bogue. On behalf of the Economic Development Corporation of New Castle, Indiana, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX. I am the Executive Director of the New Castle Economic Development Commission and have been duly authorized to speak on its behalf.

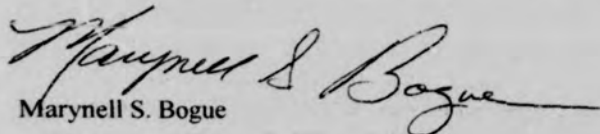
The Economic Development Corporation of New Castle has a long-standing relationship with NS and, before their merger, the Norfolk & Western. In addition, NS's strong and effective industrial development efforts have proven to be invaluable to our community, as well as other areas in our state.

We truly believe that the proposed acquisition of Conrail by NS 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.

The competitive package NS and CSX have offered bring rail competition to areas where Conrail has, in effect, had an outright monopoly. This proposed acquisition 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 my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified and authorized to make this statement.


Marynell S. Bogue

"Together . . . We Mold Tomorrow"



JACK B. GREENLEE, MAYOR



May 6, 1997

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docket No. 33388
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

Dear Mr. Williams:

My name is Jack B. Greenlee. On behalf of the City of Plymouth, Indiana, I wish to express support for the proposed acquisition of Conrail by Norfolk Southern and CSX. I am the Mayor of the City of Plymouth and have been duly authorized to speak on its behalf.

The City of Plymouth has a longstanding relationship with Norfolk Southern and, before their merger, the Norfolk & Western. In addition, NS's strong and effective industrial development efforts have proven to be invaluable to our community, as well as other areas in our state.

We truly believe that the proposed 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.

Page 2

Mr. Vernon A. Williams, Secretary

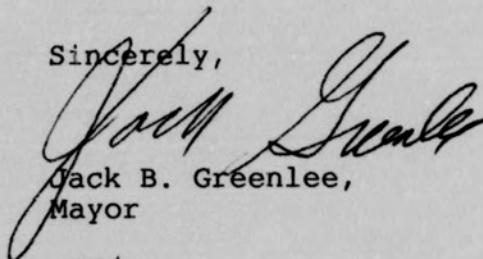
May 6, 1997

The competitive package NS and CSX have offered rail competition to areas where Conrail has, in effect, had an outright monopoly. This proposed acquisition 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 my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified and authorized to make this statement.

Sincerely,



Jack B. Greenlee,
Mayor

JBG/mn

STAR PAPER CO.

111 Presidential Blvd./Suite 245
Bala Cynwyd, PA 19004 U.S.A.
Phone (610) 660-5951 Fax (610) 660-5952

April 28, 1997

The Honorable Vernon R. Williams
Office of the Secretary
Case Control Branch
Surface Transportation Board
Attn.: STB Finance Docket # 33388
1925 K Street, NW
Washington, DC 20423-0001

FD 33388



Dear Mr. Williams:

My name is F. Thomas Gallagher, Vice President Sales of Star Paper Company, with its headquarters at 111 Presidential Blvd., Bala Cynwyd, PA 19004.

Star Paper Company is a secondary paper broker with sales of \$50,000,000 annually. Transportation is a vital factor to the success of our business. We utilize rail and truck, divided 25% rail and 75% truck. My responsibilities as Vice President of Sales include the direct oversight of our transportation requirements that include inbound and outbound rail shipments of scrap paper to and from various locations, presently served by Norfolk Southern. All of our rail transactions are handled within the United States.

We understand that Norfolk Southern Corporation is asking the Surface Transportation Board to approve its acquisition of ConRail. This would include certain divestitures of ConRail lines and trackage rights to other rail carriers to ensure rail competition in the Northeastern United States for the future. Since our facility is located on the lines of NS, we would welcome the benefit of increased market access for single-rail transportation. Joint 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 in the Northeast.

We support Norfolk Southern Corporation's plan. We think that it may enable us to expand our markets from areas we have not been able to reach because of what we can only perceive to be impediments placed in our way by ConRail, with objectives and goals differing from those of Norfolk Southern. We sincerely believe that Norfolk Southern Corporation is a well-managed, efficient, customer oriented railroad and would very much like to see those attributes injected into ConRail territory.

Finally, we support and endorse Norfolk Southern's plan to introduce rail competition into areas in which ConRail has enjoyed a virtual monopoly since its formation in the 1970s.

If our company is to grow and prosper, we need a strong railroad serving our transportation needs. We think Norfolk Southern's plan before the Surface Transportation Board does this and we, therefore, support it.

I, F. Thomas Gallagher, 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 4/28 1997.

Sincerely,

F. Thomas Gallagher
Vice President of Sales

CZAR COAL CORPORATION

H. C. BOX 915
DEBORD, KY. 41214
(606) 298-3565
FAX (606) 298-4401



April 30, 1997

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

Re: Support for NS Aquisition of Conrail

Dear Mr. Williams:

My name is Rick Cantrell, President of Czar Coal Corporation, headquartered at Route 3, Big Sandy Road, Debord, Kentucky. I have held my present position for 2 years with Czar Coal Corporation, but have previously held a management position on this complex for the past 17 years. My duties include the direct oversight of all transportation requirements which include all outbound raw materials and outbound finished products to and from our plants.

Czar Coal Corporation holds Coal Reserves in excess of 45 million Recoverable Tons of Bituminous Coal. Transportation is a vital factor for the success of our operation and our future depends on having a very competitive means of transportation of our coal product to the utility market. We have facilities located on Route 3, Pevler Complex, that include clean and raw coal silo's with and overland transfer belting system which transports the coal from the stockpile to the rail car load out facility.

During 1996, we shipped approximately 18,800 carloads of clean produced coal from our facility at Debord, Kentucky. This was not a complete year of shipments so we normally averaged 21 trains per month over the period of 9 months of shipping in 1996.

Mr. Vernon A. Williams
Page 2
April 30, 1997

We view this acquisition as a positive move that would strengthen a railroad service, thus strengthening our position in the coal industry. We approve 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 Norfolk and Southern. We would welcome the benefit of increased market access for single-line rail transportation.

We support Norfolk Southern's plan for the above reasons stated. We think that it will enable our producers to expand into other markets that are not readily available to them at this point in time. We sincerely believe that Norfolk Southern is a well-managed, efficient customer-oriented railroad and would very much like to see the fusion of these two rail systems.

Finally, we endorse this plan of acquisition, and if our company is to grow and prosper into the 21st Century, then our producers must be very competitive and that begins with the quality of rail system that is available and accessible by the producer. We think Norfolk Southern's plan accomplishes this, and we, therefore, support it.

Respectfully Yours,

Billy R. Cantrell

Billy R. Cantrell,
President

VERIFICATION

I, Billy R. Cantrell, declare under penalty of perjury that the foregoing is true and correct. Further, Certify that I am qualified and authorized to file this verified statement. Executed on April 30, 1997.

Billy R. Cantrell
Billy R. Cantrell, PRESIDENT

April 1997

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

FD 33388

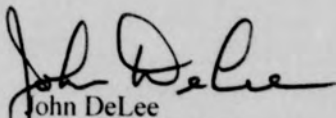
Dear Secretary Williams:

I am writing to offer my company's strong support for the proposed joint acquisition of Conrail by CSX and NS and to urge the Board to approve it promptly. We believe that the proposed transaction would be in our best interests, as well as in the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates. With the enhanced CSX and NS systems, we expect more efficient, reliable service. We also expect that with the increased number of single-line destinations, we will be better able to penetrate new and more distant markets.

The proposed transaction would increase rail business for the combined system that would be good for all of the shippers who rely on rail. Further, trucks dominate the nation's freight markets, especially in the East. Because the new systems would create greater efficiency, it would lead to more freight traffic on the rails diverted from truck promoting more long term capital investment and ensuring that rail service would grow into the future.

In conclusion, we support the application of Conrail, CSX and NS and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency and promote the growth of rail traffic in the East.

I, John DeLee, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 5 day of MAY, 1997.


John DeLee
Director of Utilities
University of Notre Dame



Office of the Chairman

5-9
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
78-33388*

May 21, 1997

The Honorable Barbara W. Wright
New Jersey General Assembly
Mercer-Middlesex Counties
7 Centre Drive, Suite 6
Jamesburg, NJ 08831

Dear Assemblywoman Wright:

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

BARBARA W. WRIGHT
 ASSEMBLYWOMAN, 14TH DISTRICT
 MERCER-MIDDLESEX COUNTIES
 7 CENTRE DRIVE, SUITE 6
 JAMESBURG, NJ 08831
 (609) 395-8260
 (908) 521-5656
 (609) 395-8572 (FAX)

COMMITTEES
 EDUCATION
 HEALTH
 ENVIRONMENT, SCIENCE
 AND TECHNOLOGY
 CHAIRMAN MORGAN
 4 30 PM '97
 RECEIVED
 SURFACE TRANSPORTATION

May 8, 1997

VIA FAX - 202-565-9015

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

Dear Ms. Morgan:

I am writing to express my support for the Surface Transportation Board's schedule of 365 days to fully review the acquisition of Conrail by CSX and Norfolk Southern (NS). Since this is the most complex merger in the rail industry's history, I strongly urge the Board to reject the CSX/NS proposal to reduce the Board's review schedule for deliberations in any way.

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 full 365-day schedule to allow a full review of this transaction and to 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,

Barbara W. Wright
 Assemblywoman, District 14



Office of the Chairman

5-9
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
JD-33388*

May 21, 1997

The Honorable Teresa E. Brown
House of Representative
Commonwealth of Pennsylvania
House Box 202020, Room 159B, East Wing
Harrisburg, PA 17120-2020

Dear Representative 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 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

• **TERESA E. BROWN, MEMBER**

HOUSE BOX 202020
ROOM 159B, EAST WING
HARRISBURG, PA 17120-2020
PHONE: (717) 787-2353

109 S. WASHINGTON STREET
PARK BUILDING
TITUSVILLE, PA 16354
PHONE: (814) 827-6054

629 STATE STREET
MEADVILLE, PA 16335
PHONE: (814) 336-1136



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

May 6, 1997

COMMITTEES

GAME & FISHERIES, VICE CHAIRMAN
APPROPRIATIONS
TRANSPORTATION
LEGISLATIVE OFFICE OF RESEARCH (LORL),
Secretary
CO-CHAIRMAN EMERGENCY SERVICES
OUTREACH GROUP
FIREFIGHTER CAUCUS
LIBRARY CAUCUS
TIMBER CAUCUS
ANTI-GAMBLING CAUCUS
MAJORITY POLICY COMMITTEE

OFFICE OF
CHAIRMAN MORGAN

MAY 9 4 56 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

The Honorable Linda Morgan
Chairperson
United State Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, DC 20423

Dear Chairperson Morgan:

I am writing in support for the Surface Transportation Board's schedule of 365 days to fully consider the acquisition of Conrail by CSX and Norfolk Southern (NS). This is the most complex merger in the rail industry's history. I 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.

Please note that I do not support the view of CSX and NS that less time is needed for Board review. Based on information I have seen on the carve-up of Conrail, 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.

Again, I support the 365 day review for the CSX/NS merger. Thank you for your consideration.

Sincerely,

Teresa E. Brown

TERESA E. BROWN
State Representative
6th Legislative District

TEB/ldw



Office of the Chairman

5-9
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 21, 1997

The Honorable Jack G. Singra
New Jersey Senate
Middlesex County
100 Plainfield Avenue, Suite 1
Edison, NJ 08817

Dear Senator Singra:

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

JACK G. SINAGRA
SENATOR, 18TH DISTRICT
MIDDLESEX COUNTY
100 PLAINFIELD AVENUE
SUITE 1
EDISON, NEW JERSEY 08817
TEL. (908) 819-7551
FAX (908) 819-7974

COMMITTEES:
CHAIRMAN, HEALTH
VICE-CHAIRMAN, COMMERCE

May 9, 1997

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

OFFICE OF
CHAIRMAN MORGAN

MAY 9 5 38 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

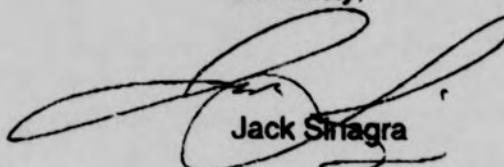
Dear Chairperson Morgan:

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). I urge the you to reject the CSX and NS request to accelerate the Board's deliberation schedule on this complex and multifaceted matter of vital importance to New Jersey.

Although the two purchasing parties have agreed on the carve-up of Conrail, the argument that the schedule can be shortened is not valid. The STB must institute a full 365-day schedule to provide for a thorough review and complete understanding of the implications of transaction and guarantee that the public interest will, in fact, be served. More time is essential to assess the economic impact of this transaction for those industries that depend upon our nation's railroads.

Thank you for your attention and consideration to this request. Please do not hesitate to contact me if you require any additional information.

Sincerely,


Jack Sinagra

JS/ska



NEW JERSEY SENATE

JACK G. SINAGRA
SENATOR, 18TH DISTRICT
MIDDLESEX COUNTY
100 PLAINFIELD AVENUE
SUITE 1
EDISON, NEW JERSEY 08817
TEL. (908) 819-7551
FAX (908) 819-7974

COMMITTEES:
CHAIRMAN, HEALTH
VICE-CHAIRMAN, COMMERCE

FAX COVER SHEET

Please deliver the following pages to:

Name: Hon Linda Morgan

Location: STB

Phone Number: _____ Number of Pages
(including cover sheet): 2

Fax Number: 202-565-9015

#

From: Senator Sinagra Date: 5/9/97

Comments: please consult



Office of the Chairman

5-9
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 21, 1997

The Honorable John O. Bennett
Majority Leader
New Jersey Senate
Monmouth
615 Hope Road
Eatontown, NJ 07724

Dear Senator Bennett:

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

JOHN O. BENNETT

MAJORITY LEADER

SENATOR, DISTRICT 12 (MONMOUTH)

615 HOPE ROAD

EATONTOWN, NEW JERSEY 07724

908-388-0139

FAX : 908-388-0553

May 9, 1997

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

Re: One Calendar Year Review for CSX/NS Merger

Dear Chairperson Morgan:

Upon review, I am writing to offer my support for the Surface Transportation Board's schedule of one full calendar year to deliberate the acquisition of Conrail by CSX Corporation and Norfolk Southern.

As you may be aware, the rail freight industry employs over 500,000 workers in New Jersey. Couple this with the hundreds of thousands of positions accounted for by the Port of New York and New Jersey, and it becomes apparent just how important industries reliant on the transport of goods are to New Jersey in terms of jobs.

This proposal could have a significant impact on business in New Jersey. New Jersey needs to be able to offer businesses access to competitive shipping rates, and it is my fear that an incomplete or "rushed" review of this proposal will put our access in jeopardy. It is for this reason that I am requesting that the customary 365-day schedule for the review of this proposal be enacted.

Thank you for your consideration of my request and please do not hesitate to contact me if you have any questions.

Sincerely yours,

John O. Bennett
Senate Majority Leader

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 9 5 38 PM '97
OFFICE OF
CHAIRMAN MORGAN



NEW JERSEY SENATE

JOHN O. BENNETT

MAJORITY LEADER

SENATOR, DISTRICT 12 (MONMOUTH)

615 HOPE ROAD, BUILDING 5

CN ONE

EATONTOWN, NEW JERSEY 07724

908-389-0139

FAX # 908-389-0553

FAX COVER SHEET

TO: Chairperson Morgan

FROM: Senator Bennett

DATE: 5.9.97

COMMENTS: _____

PAGES FOLLOWING: 1



171172

STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

KIRK FORDICE
GOVERNOR

May 6, 1997

OFFICE OF
CHAIRMAN M

MAY 9 4 56 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

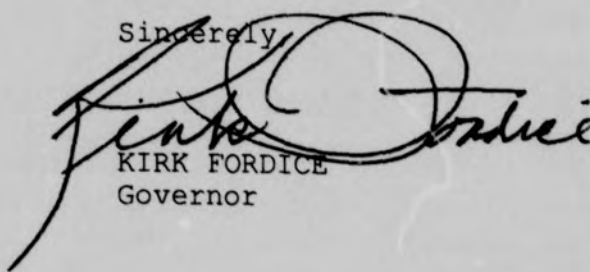
Dear Ms. Morgan:

I am writing you to request that the Surface Transportation Board expedite the application by CSX Corporation and Norfolk Southern and limit the timetable for the process to 255 days. The impact of this acquisition will mean great things for industries in Mississippi and we look forward to quickly gaining the benefits.

By establishing a broader network of single-line freight rail service, our state's manufacturers will have direct access to markets of the Northeast and Midwest. In addition, the reduction in transit time, the increased efficiency in operations and the long-term financial stability of the railroad industry are key benefits of the Conrail acquisition. As a result, our seaports, our paper industry, our chemical industry and dozens of other industrial concerns will become more competitive.

Because this proposal has such great potential for the state, I hope you will move quickly on approving the CSX-Norfolk Southern proposal.

Sincerely,



KIRK FORDICE
Governor

KF:bb



Office of the Chairman

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

Filed in
Docket
FD-33388

May 28, 1997

The Honorable Kirk
Governor
State of Mississippi
Post Office Box 139
Jackson, MS 39205

[Handwritten signature]

Dear Governor Fordice:

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 your 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

FedEx USA Airbill

9009201191

FedEx Retrieval Copy

6 50 43862542 6025M

1 From 1164-3907-7

Date 5-7 Sender's FedEx Account Number 359-3100

Sender's Name LANGSTON MOORE

Address GOVERNOR KIRK FORDIC

400 HIGH RM 213

City JACKSON

3 To

Recipient's Name LINDA MORGAN

Service SURFACE TRANSPORTATION CARD

Address 201 CONSTITUTION AVE, N.W.

City WASHINGTON DC Zip 20423

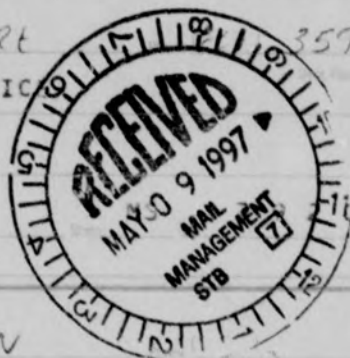
For HOLD at FedEx Location check here

☐ Hold Weekday

☐ Hold Saturday

For Saturday Delivery check here

☐ Saturday Delivery



2 Service

☒ Next Business Day ☐ Second Business Day ☐ Third Business Day

☐ Fourth Business Day ☐ Fifth Business Day ☐ Sixth Business Day

☐ Sunday ☐ Holiday ☐ Non-Delivery Day

☐ Other Service ☐ Other Service

☐ Other Service ☐ Other Service

☐ Other Service ☐ Other Service

3 Packaging

☒ Box ☐ Tube ☐ Mail Bag ☐ Parcel

☐ Other Packaging ☐ Other Packaging

4 Special Handling

☐ Fragile ☐ Perishable ☐ High Value

☐ Other Special Handling ☐ Other Special Handling

☐ Other Special Handling ☐ Other Special Handling

5 Payment

☒ Prepaid ☐ Collect ☐ Cash

☐ Other Payment ☐ Other Payment

☐ Other Payment ☐ Other Payment

☐ Other Payment ☐ Other Payment

Total Packages Total Weight Total Charges

☐ Total Packages ☐ Total Weight ☐ Total Charges

☐ Total Packages ☐ Total Weight ☐ Total Charges

6 Release Signature

Langston Moore

☐ Release Signature ☐ Release Signature

☐ Release Signature ☐ Release Signature

☐ Release Signature ☐ Release Signature

WCSL 1295 Rev. Date 10/95 • PART #147381

232

STB

FD

33388

5-8-97

J

PARSONS TRANSPORTATION GROUP INC.

Barton-Aschman Associates, Inc. • De Leuw, Cather & Company • Steinman Boynton Gronquist & Birdsall
1133 15th Street, NW • Washington, DC 20005-2710 • (202) 775-6051 • (202) 775-6080

Surface Transportation Board

Disclosure Statement

I certify that De Leuw, Cather & Company has no financial or other interest in the outcome of the prospective application/petition of CSX Transportation, Inc. in Finance Docket No. 33388 to acquire Conrail.

Signed

Ayala Patenaude

Title

Senior Vice President

Date

5/9/97

STB

FD

33388

5-8-97

J

Fieldston

Fieldston Company, Inc.



May 7, 1997

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



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

Dear Secretary Williams:

Please ensure my name and address were transferred to the service list for this docket and that I am shown as a Party of Record (POR) for receipt of all submissions of the parties and all decisions in the above referenced proceeding.

In addition, please add the following to the service list as Parties of Record: Eileen Rotteveel, Fieldston Company, Inc., 1800 Massachusetts Ave., NW, Suite 500, Washington, DC 20036-1883; and, John Schmitter, Fieldston Transportation Services, LLC, P.O. Box 3933, Evergreen, CO 80437.

Thank you for your assistance in this matter.

Sincerely,

Thomas A. Schmitz
Director
Fieldston Company, Inc.
1800 Massachusetts Ave., NW
Suite 500
Washington, DC 20036-1883

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FLORIDA SILICA SAND CO., INC.

PRODUCERS AND DISTRIBUTORS OF AGGREGATES AND ABRASIVES FOR EVERY PURPOSE

TELEPHONE (305) 691-5881

FAX (305) 696-9414

8500 NORTHWEST 36TH AVENUE
MIAMI, FLORIDA 33147

Verified Statement
on behalf of
Florida Silica Sand Company
Finance Docket No. 33388



May 1, 1997

Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docket No. 33388
1201 Constitution Ave., N.W.
Washington, DC 20423

RE: CSX Corp. and CSX Transportation, Inc. - Control and
Merger - Conrail, Inc., and Consolidated Rail Corp.,
STB Finance Docket No. 33388.

Dear Secretary Williams:

My name is Brian Pegram, I am President of Florida Silica Sand Co., Inc., Miami, Florida. My office address is 8500 NW 36 Ave., Miami, Florida 33147. I am writing to offer my company's strong support for the proposed joint acquisition of Conrail by CSX Transportation and Norfolk Southern Railway and the urge to the Board to promptly approve it.

Florida Silica Sand Company is a distributor of building products. We distribute sand, aggregates, bricks and related products. Florida Silica Sand has two outlets in Florida, the main plant in Miami and another outlet in Plant City, Fl. We source our products nationally, receiving approximately 450 rail cars per year. These are primarily bricks, gravel, crushed stone and sand, but also include specialty ores and decorative stone.

Florida Silica Sand Company believes the proposed joint acquisition of Conrail and CSX would be in our best interest as well as our customers' interests. We strongly urge the Board to approve the acquisition application for the following reasons:

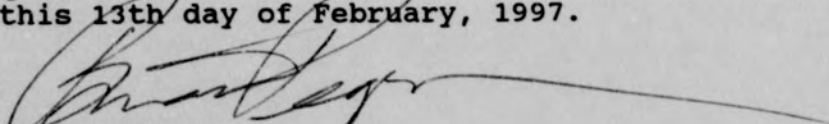
1. A combined CSX/Conrail system would offer single line efficiencies and economics for many of our brick shipments. The quicker transit time would make Florida Silica Sand more responsive in our markets. We also believe single line routes would allow us to negotiate lower freight rates as a result of the lower cost structure a combined CSX/Conrail system would offer. This would make Florida Silica Sand more competitive.

2. We presently source some specialty sand products via truck out of the Conrail service area. We believe it is likely that with a single line rail system we would be able to grow this segment of our business and convert it to rail.

3. We believe a combined CSX/Conrail system will enable the railroad to better compete with trucks for market share. Living in Miami which has such dense truck traffic and high road construction and maintenance it is easy to see that it would be in the public interest for the railroads to gain more of the national freight market.

In conclusion, Florida Silica Sand supports the application of Conrail and CSX and request that the Board approve their merger plan.

I, Brian Pegram, 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 13th day of February, 1997.



BRIAN PEGRAM

BP:ms

cc: Bill Wittekind, CSX Transportation Fax (904)279-6368
John W. Snow, Chairman CSX Corp., 500 Water Street, (J8255),
Jacksonville, FL 32202

STB

FD

33388

5-7-97

J

MATT MINING CO., INC.
P.O. BOX 940
BIG STONE GAP, VIRGINIA 24219



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 MATT MINING CO., INC.

My name is Christopher L. Fraley, Sr., and I am President of Matt Mining Co., Inc. I have held my present position for six months. My duties include the supervision of all coal producing activities regarding this company.

Matt Mining Co., Inc. produces steam quality bituminous coal in Wise County, Virginia. We transport our mineral to facilities located along Dunbar Road in the Roaring Fork drainage of Wise County, Virginia. These facilities are currently served by NS. During 1996, we shipped approximately 750,000 tons.

-We support approval of the transaction which will allow CSX and NS 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 could be of benefit to us. With single line service, I believe our facility would be able to compete in these markets with others 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, Christopher L. Fraley, Sr., 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 April 29, 1997.

Sincerely,

Christopher L. Fraley Sr.

Christopher L. Fraley, Sr.

STB

FD

33388

5-7-97

J

FD-33388

**Erie County Department of Environment & Planning
Office of Economic Development**

Contact: Stanley J. Keysa, Esq.
Deputy Commissioner for Planning and Development
95 Franklin Street, Room 1062
Buffalo, New York 14202
716-858-8557
fax: 716-858-7248
E-mail: keysas@bflo.co.erie.ny.us

OFFICE OF
CHAIRMAN MORGAN

MAY 7 3 55 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD**Comments on Impacts of the Sale of Conrail to CSX & NS**

Directed by fax (202-565-9015) to Hon. Linda Morgan
United States Surface Transportation Board
May 6, 1997

These comments are submitted on behalf of County Executive Dennis T. Gorski. Erie County is located in Western New York State, is a part of the "Niagara Frontier" and has the City of Buffalo as its principal municipality.

It is our understanding that the Surface Transportation Board is considering an expedited schedule for review of the proposed purchase of the Consolidated Rail Corporation, also known as "Conrail" by CSX and Norfolk Southern, but that faxed comments will be accepted this week.

A matter of this complexity and economic importance to the Northeast deserves a longer review period, but we submit the following abbreviated comments so as to raise certain issues important to this community of nearly one million citizens.

As you may know, Buffalo was, from its very first days, a point of embarkation and transloading. More than three centuries ago, the Frenchman LaSalle built here the first sailing vessel on the upper Great Lakes to carry men and equipment on his westward explorations. For more than one hundred years, trading goods were portaged from the lower Niagara River to the shores of Lake Erie, and furs and pelts carried north to Lake Ontario. In the 1820's, the Erie Canal established an all-water link to New York City, soon vaulting that great city ahead of Boston, Philadelphia and Baltimore as the preeminent port of the fledgling United States.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page two.

The arrival of the first steam engine in 1842 broadened still further the importance of Buffalo as a key link on the route of grain from the Midwest to the cities of the eastern seaboard, and of manufactured goods from New England and Europe to the developing West. Years before the start of the Civil War, the Niagara Frontier had three rail lines providing connections to the east, one to the west along the south shore of Lake Erie, and two running westward across the Ontario peninsula of Canada. Dozens of passenger and freight trains provided reliable, all-weather transportation which fueled the growth of Buffalo, Niagara Falls, Rochester, Syracuse, Albany, New York City, and New York State.

By the late nineteenth century, Buffalo was ringed by three belt railways, and was the terminus of no less than seventeen steam railroads and several electric interurban lines. It was the second largest rail center in the nation, after Chicago. The competitive transportation opportunities those railroads provided made Buffalo the logical place to build grain elevators, rail car shops, steel mills, automobile and aircraft factories. They also brought wealth to the surrounding countryside, by providing an outlet for the products of the fields and the barns.

Those competitive advantages once permitted Buffalo to convert 70% of the nation's wheat and oats from grain to flour. Even today, the location of elevators between the wharves and an active railyard facilitates milling of 20 million bushels annually. The great steel foundries of South Buffalo and Lackawanna no longer light the skies as they pour tons of molten steel each day, but the sites hold promise for future industries, if the owners, government and the railroads can work cooperatively to redevelop the potential. Done right, all can benefit.

Over the past half century, more than half the rail lines into the Niagara Frontier have been dismantled. Despite these losses, the area is still served by one of the most extensive freight rail systems in the nation, and certainly the best in the State. Even today, the Buffalo area has service from Class I railroads such as Conrail, Norfolk Southern, Canadian Pacific, and Canadian National. CSX has access through a Class II railroad, the Buffalo & Pittsburgh. Many area industries are served by short line railroads, such as the Somerset, the Falls Road, the Depew, Lancaster & Western, the Buffalo Southern or the South Buffalo.

Because many railroads still access the Niagara Frontier, we are blessed with a level of competition unknown elsewhere in New York. We seek to preserve that competition by insuring that the proposed merger of Class I railroads does not destroy the viability of these smaller railroads. Indeed, when most analysts agree that CSX and Norfolk Southern are paying a huge premium to buy the Conrail properties, we as public officials are concerned that the cost of paying the premium does not fall upon rail-users, as the additional charges will drive up freight costs to firms within our area and reduce the competitiveness of location within New York State.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page three.

Local shippers also tell us they are troubled by their inability to take full advantage of their location on rail because of the petty fights between rail competitors, who seem more concerned with denying the "other" railroad any possibility of benefit.

One articulate shipper has written of "Conrail's lack of cooperation, understanding and exorbitant fees for service . . . to move things locally from their spurs to the main lines." He adds, "we would ship an additional 15,000 tons of boxcar type freight in addition to bulk freight already described above if Conrail were a customer-pleasing provider."

This shipper suggests "we need to encourage the successor company . . . to sell off the local infrastructure to private companies or perhaps to municipalities . . . The inefficiency in Conrail is in the local infrastructure . . . If a local municipality took this over . . . the same as local streets and established a competitive rate for all manufacturers, there might be a very reasonable payback."

Others are telling us that they have defected a subtle but critical shift in position on the part of officials at the purchasing railroads. No longer does there seem to be a drive by Norfolk Southern to equal access to business in the Buffalo area which will be located on the lines likely to go to CSX. Perhaps the very process of negotiating for division of the assets of Conrail has resulted in a reluctance to fight for true competition. Perhaps the division of "spoils" includes a silent understanding that each purchasing railroad will have an exclusive sphere of influence.

These comments suggest that either "open access" be provided, or a "neutral" terminal railroad be created, to serve local shippers from Lackawanna to Niagara Falls. Such open access agreement or terminal railroad should govern the critical interconnections over which all of the Class I and regional railroads must operate. The terminal railroad might be a private organization, a joint venture of all the Class I railroads, an existing public authority (such as the Niagara Frontier Transportation Authority), or some combination.

Neutral ownership would be similar to the public ownership of a major airport, which serves as a hub for both transcontinental or international air carriers and the small commuter airlines which feed in passengers. Such a "hub" system seems to be evolving within the railroad network, but was often thwarted by the annoying policy of Conrail of retaining a short length of lead track which erects a "firewall" or paper barrier to the possibility that the short line might interchange with a competing Class I railroad. Ultimately, these practices, designed to insure a monopoly, reduce the likelihood that a customer will use any rail.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page four.

The proposed breakup provides an opportunity to express concerns over how an effective, customer-oriented rail system ought work. Hopefully, the Surface Transportation Board ("STB") will address these concerns, not just for our local advantage, or for the benefit of other communities in the Northeast who look to Buffalo as the point where the monopoly ends, but for the ultimate benefit of the railroads themselves. True competition between financially strong railroads, we believe, can produce a seamless system of economic service to shippers.

Our concerns for preserving the benefits of transportation by rail are not just economic. Rail is environmentally friendly compared to other means of surface transportation. Goods and people can be moved with less energy input, and hazardous materials can be moved more safely on railroads than in any other way. Railroads corridors into downtown urban areas may once again become the transportation of choice for passengers if high speed rail passenger service develops in this country as it already has in France and Japan.

We make the following comments and suggestions:

1. The County Executive believes that **the commercial well-being of Erie County is best met by competitive access to multiple forms of transportation**, including rail, highway, air and water. To that end, we applaud any effort to strengthen the viability of rail service, which has had a major presence here for 155 years.
2. The area needs true rail competition, meaning that **multiple Class I railroads, each operating on its own tracks, should be readily accessible to users**. These railroads should provide fast, reliable and economical service across the spectrum of car types and destinations. It is particularly important that there be competitive access eastward to the Port of New York, north into Canada, west through Cleveland and Chicago to the Pacific ports, and south to the coalfields of Pennsylvania, to New Orleans, to Norfolk and to Baltimore.
3. **The Surface Transportation Board should mandate either "open access" or a neutral terminal railroad**, possibly under public ownership, **to facilitate expeditious and economical interchange of traffic on the Niagara Frontier**, to remove paper barriers to interchange of cars by short-line and regional railroads, and to permit harmonious treatment of competing railroads and those with trackage rights (particularly at CP Draw).
4. **The Surface Transportation Board should protect such regional railroads as the Buffalo & Pittsburgh RR**, and ought urge prompt approval by Conrail, CSX and NS of

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page five.

a grant to the B&P of trackage rights to operate between Machias Junction and Olean on Conrail's Buffalo to Harrisburg line, and between Olean and Salamanca on Conrail's Hornell to Corry, Pennsylvania line. The B&P had been negotiating for purchase of these lines when the merger proposal intervened, and has since experienced a serious derailment on its old line between Buffalo and Salamanca.

5. The STB should direct the post-sale railroads to designate accessible representatives in the Buffalo area. A perception exists that Conrail abandoned contact with both shippers and public officials in this region, creating frustration on minor issues, and distrust on major ones.

6. The STB should urge that the post-sale railroads be more customer-friendly. In the past, conduct by Conrail led low-volume shippers to believe that rail traffic is unreliable, and that Conrail was not interested in developing relationships necessary to foster a return to rail. This has had serious consequences in the Buffalo area, where many industrial sites were oriented to rail, and are not positioned for tractor-trailer access. Often, instead of using narrow city streets in place of rail, the companies have simply abandoned the older facilities and built new plants where rail is not available.

7. We look for close cooperation with the post-sale railroads in expediting reuse of numerous "brownfield" sites, both railroad-owned and adjacent to rail. Until recently, it has been virtually impossible to deal with Conrail on issues of development where Conrail-owned land was involved. Bureaucratic and petty concerns regarding competition have held back progress. An example was the attempt (now abandoned due to a lack of cooperation by Conrail) to redevelop the Niagara Frontier Food Terminal site in Buffalo. Conrail was never willing to deal with questions involving ownership, environmental issues or trackage rights with Norfolk Southern, even though the project anticipated increased rail usage.

8. The STB should direct that the post-sale railroads be more aggressive in marketing and servicing local customers than Conrail was in the past. This area is the crossroads for significant volumes of both east-west and north-south traffic. We are told that as many as 120 trains clear CP Draw daily, and that 40% of the trade with Canada crosses the border here. This area desires to capitalize on the flow of traffic by adding value, providing labor to move goods on and off railcars at intermodal facilities, breaking bulk at distribution facilities, and servicing the transportation system itself.

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page six.

9. The STB should direct that the **post-sale railroads work cooperatively to effect an interconnection between the former New York Central mainline in Depew east of Dick Road and the "Southern Tier" line running from Buffalo to Hornell and the Depew, Lancaster and Western RR.** New York Route 130 will soon be reconstructed in that immediate vicinity with an eye to eliminating rail bridges, so prompt coordination with the NYS Department of Transportation, the County of Erie, the DL&W RR, and the Niagara Frontier Transportation Committee is imperative.

10. We seek cooperation with the **Norfolk Southern, local officials and the New York State Thruway Authority to extend intermodal and bulk-unloading capabilities at Bison Yard,** which has been virtually empty for almost a decade. It is of a size that it could accept both rail-serviced distribution and intermodal facilities. Functionally, it is impaired by the need to route local rail traffic from Frontier Yard past the relic of Central Terminal and out the Hornell Running Line. It also makes sense to investigate a direct highway connection to the thruway.

11. We seek a **rationalization of the total rail network in this region for the balanced long-term transportation needs of the entire region,** not just for the competitive benefit of one or two Class I railroads. Rights-of-way once lost are probably lost forever. While the world and how it moves goods and people will change greatly in the next hundred years, history tells us the need for transportation corridors will remain.

12. Shippers involved in trade with European partners have suggested to us that they might realize significant savings if a railroad serving this area could **establish regular intermodal service for containers landed at the port of Montreal.**

13. There is a continuing interest in enhancing both inter-city and intra-city passenger service. High speed rail in the Empire State Corridor is technically possible now. There are legitimate concerns about conflicts between the movement of freight and passenger trains on the same tracks. These concerns, however, should not be used as an excuse to block the advent of improved passenger service. The division of Conrail assets provides an opportunity to **seek commitment of rail operators which will be committed to improved passenger service.**

14. Erie County and New York State are engaged in serious lease negotiations with the Buffalo Bills football team to retain the team's presence at the County-owned stadium in Orchard Park. The Bills have identified expansion of market area as one of their goals, and have conducted talks with Amtrak and others regarding bringing excursion trains from Albany,

Comments on Impacts of the Sale of Conrail to CSX & NS

May 6, 1997

Page seven.

Cleveland, Binghamton, Toronto, and Pittsburgh for home games. The first run of the "Bills Express" from Albany on November 24, 1996 brought a much stronger response than expected. **We seek assurances from the successors to Conrail that we will have cooperation with Amtrak in expediting future excursion trains.**

15. Erie County, the Niagara Frontier Transportation Authority, and others are discussing the potential for **commuter passenger operations**, some of which may require cooperation from whomever acquires lines now owned by Conrail. We look for management contacts within the post-sale railroads with whom to discuss potential conflicts and synergies.

16. **Conrail has not always been a good neighbor** when it comes to keeping its property well-maintained. Numerous bridges are protected only by the accumulation of graffiti, while on others, one can still discern the faded logo of the New York Central. One coat of paint in thirty years ought not be too much to ask. Likewise, miles of drainage ditches have been fouled by discarded railroad ties. We ask that the STB **direct the post-sale railroads to paint bridges and clean drainage systems.**

17. There are over twenty-two hundred railroad employees living in Erie County, and one thousand more in adjacent counties. Their future employment is of special concern to local government. We ask the STB to consider the impact of the proposed purchase and service adjustments on these employees, their families and communities of residence

In conclusion, the consequences of the proposed sale and breakup of Conrail are of vital importance to the economic well being of our state. **We urge the United States Surface Transportation Board to extend the period of consideration, and to direct the purchasing railroads to meet with representatives of the County of Erie and other interested private and public parties of the Niagara Frontier to resolve the issues raised herein.**

cc: Senator Daniel Patrick Moynihan
Senator Alphonse M. D'Amato
Hon. John J. LaFalce, M.C.
Hon. Bill Paxon, M.C.
Hon. Jack Quinn, M.C.
James Utermark, Director, Freight and Economic Development Division, NYSDOT
Hon. Dennis T. Gorski
Honorable Erie County Legislature



County of Erie

DENNIS T. GORSKI
COUNTY EXECUTIVE

DEPARTMENT OF ENVIRONMENT AND PLANNING

RICHARD M. TOBE
COMMISSIONER

STANLEY J. KEYSA
DEPUTY COMMISSIONER OF
PLANNING & ECONOMIC
DEVELOPMENT

Facsimile Cover Sheet

To: Hon. Linda Morgan
U.S. Surface Transportation Board
Voice ????
Fax: 202-565-9015

From: Stanley J. Keysa, Esq.
Deputy Commissioner for Planning & Economic Development
voice: 716-858-8557
fax: 716-858-7248

Date: May 6, 1997

Pages: eight (8)

Comments: **Comments on Impacts of the Sale of Conrail to CSX and NS**

Copies to: Commissioner Tobe



County Commission of Wayne County

P.O. Box 248

Wayne, West Virginia 25570

Phone 304-272-6350 • Fax 304-272-6348



James H. Booton, President • Rick Wellman, Commissioner • Charles E. Sammons, Commissioner

May 5, 1997

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

Mr. Williams,

FD33388

I have been authorized by the County Commission of Wayne County, West Virginia to express our support for the proposed acquisition of Conrail by Norfolk Southern and CSX. Both acquiring companies have rail lines and other transportation facilities in our county and both Norfolk Southern and CSX are valuable corporate citizens.

The County Commission of Wayne County, West Virginia, believes that the acquisition of Conrail by Norfolk Southern and CSX will benefit our community through greater access to markets and enhanced opportunities for economic development.

Accordingly, we strongly support the proposed acquisition of Conrail by Norfolk Southern and CSX and we urge that it be promptly approved.

Sincerely,

James H. Booton, President
Wayne County Commission

JHB/laj

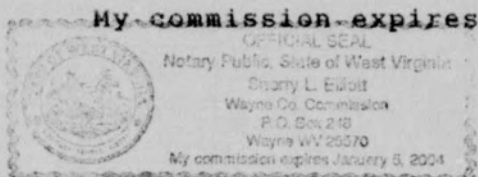
STATE OF West Virginia
COUNTY OF Wayne, TO-WIT:

JAMES H. BOOTON, whose name is
signed to the foregoing document,
says that the facts contained therein are true, except as
stated to be upon information and belief, JAMES H. BOOTON
believes them to be true.

Witness the following signature and seal the 5th day of
MAY, 1997.

x James H. Booton

Taken, subscribed and sworn to before me a Notary Public
in and for the County and State aforesaid this 5th day
of MAY, 1997.



Sherry L. Elliott
Notary Public



Office of the Chairman

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

*File in
Docket
FD- 33388*

May 21, 1997

The Honorable Alex DeCroce
Deputy Speaker
New Jersey General Assembly
Morris-Passaic-Essex Counties
101 Gibraltar Drive, Suite 2-D
Morris Plains, NJ 07950

Dear Deputy Speaker DeCroce:

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****ALEX DECROCE****DEPUTY SPEAKER****ASSEMBLYMAN, 26TH DISTRICT
MORRIS-PASSAIC-ESSEX COUNTIES****101 GIBRALTAR DRIVE, SUITE 2-D
MORRIS PLAINS, NJ 07960
(201) 984-0922
FAX (201) 984-8094****COMMITTEES****TRANSPORTATION AND COMMUNICATIONS
CHAIRMAN****LOCAL GOVERNMENT**

May 7, 1997

VIA FAX: 202-565-9015

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

re: Support 365 day review for CSX/NS Merger

Dear Chairperson Morgan:

Norfolk, Virginia-based Norfolk Southern (NS) and Richmond, Virginia-based CSX Corporation have agreed to acquire Conrail for \$10.2 billion. They have requested the US Surface Transportation Board to waive its usual and customary 365-day review and adopt an unprecedented 255-day review of the Conrail merger.

The merger presents an opportunity to introduce competition in the rail industry where competition has never existed. Efforts to increase competition must include all Class 1 and regional railroads in order to maximize competition. New Jersey is especially vulnerable to this issue. Our rail freight industry accounts for 600,000 New Jersey rail jobs. The proposal also threatens to limit opportunities to establish new rail commuter routes in the future.

For these reasons, I strongly urge the Board to reject the proposed NS/CSX reduced schedule for deliberations on this critically important matter. Less time is not the answer just because the two acquiring parties have reached an agreement. I believe the STB should take the full 365 days to carefully and deliberatively assess the economic impact on those industries directly and/or indirectly dependent on the nation's railroads.

Thank you for your thoughtful consideration of my comments.

Sincerely,

Alex DeCroce

/mec

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 7 3 52 PM '97
CHAIRMAN MORGAN



Office of the Chairman

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

*File in
Docket
FD -
33388*

May 21, 1997

The Honorable H. William DeWeese
Democratic Leader
House of Representatives
Commonwealth of Pennsylvania
The State Capitol
Harrisburg, PA 17120-2020

Dear Representative DeWeese:

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

H. WILLIAM DEWEESSE
THE DEMOCRATIC LEADER



THE STATE CAPITOL
HARRISBURG, PENNSYLVANIA 17120-2020
PHONE: (717) 783-3787

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

May 6, 1997

RECEIVED
SURFACE TRANSPORTATION
MAY 7 3 52 PM '97
OFFICE OF
CHAIRMAN MORGAN

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

Dear Chairperson Morgan:

I am writing to you to communicate my support for the 365 day review period for the proposed CSX/ Norfolk Southern acquisition of the Consolidated Rail Corporation. This proposed merger of Conrail into CSX and Norfolk Southern will completely restructure the railroad industry in the Northeastern United States. This acquisition will cause thousands of jobs to be in very serious jeopardy. It will also cause thousands of route miles and dozens of major rail facilities to be culled from the region's rail system.

CSX and Norfolk Southern will not file their merger application for the Conrail acquisition until next month. However, those corporations have requested the Surface Transportation Board (STB) to adopt an expedited review schedule for the merger that would cut a full 110 days from the review period. To make this request prior to releasing detailed information on post merger operations and system rationalization is not in the best interests of workers or businesses throughout the northeast quadrant of the nation.

Requests for the release of post merger operating plans have been made by railroad workers, rail shippers and receivers, regional and short line railroads, local and regional business groups, as well as, local, state and federal elected officials. All of these requesters have been given the same answer by CSX and Norfolk Southern. They are to wait and information on the proposed post merger operations will be provided in the merger application that is expected to be filed next month or possibly as late as July 18. However, the acquiring corporations want to short shrift these concerned individuals and organizations by cutting their opportunity to comment by 30%. Under these circumstances this "short cut" is entirely inappropriate.

This merger will eliminate one-third of the Class 1 railroads east of the Mississippi River. It will eliminate one-fifth of the "mega-rail carriers" in the entire nation.

Almost every northeastern state will be affected by this merger. However, no state is even close to Pennsylvania's position as having the most to lose.

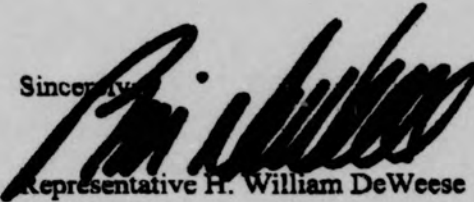
Federal statute law mandated that Conrail's corporate headquarters be located in Philadelphia, Pennsylvania. That facility is doomed with this proposed merger. Conway Yard, in Southwestern Pennsylvania, is under heavy threat of being severely downgraded or even eliminated as a major freight classification facility. The future of the Altoona Shops is in serious doubt. Conrail's national Customer Service Center in the Pittsburgh area is expected to be closed. The very existence of the Delaware & Hudson Railway serving eastern Pennsylvania would be placed in a precarious situation at best.

Pennsylvania has more Class 3 railroads than any other state in the nation. To date, these shortlines have been given no assurances that the acquiring Class 1 "mega-carriers" will address their concerns in a proposed post merger operating plan. What is known is that the acquiring "mega-carriers" have not shown public enthusiasm for the shortlines' public pleas to connect with, at least, two Class 1 rail carriers whenever feasible. Many of these shortline carriers' rights-of-way are owned by public rail authorities. All of these lines are vital components of local economic development efforts.

The 365 day review period for the proposed Conrail merger must be sustained. Your vote to uphold this schedule will be greatly appreciated by thousands of people throughout the Northeastern United States.

Thank you for your consideration in this issue.

Sincerely,



Representative H. William DeWeese
The Democratic Leader

cc: Michael Edmiston
James S. Lovette



DEMOCRATIC
FAX MACHINE COVER SHEET
HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

DATE: MAY 7, 1997

SENDING TO:

Telecopy Number: 202-565-9015

Office: OFFICE OF THE CHAIRPERSON, SURFACE
TRANSPORTATION BOARD

Name: THE HONORABLE LINDA MORGAN

Number of Pages Including Cover Sheet: 3

SENT FROM:

Name: SCOTT CASPER, DIRECTOR

Office: LEGISLATIVE RESEARCH OFFICE

Telecopy Number: 717-772-3630

TELEPHONE NUMBER: 717-783-7323



Office of the Chairman

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

*File in
Docket
STB-33388*

May 21, 1997

The Honorable Mike Veon
Chairman, Democratic Policy Committee
Pennsylvania House of Representatives
Main Capitol Building
House Box 202020
Harrisburg, PA 17120-2020

Dear Chairman Veon:

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

MIKE VEON, CHAIRMAN
DEMOCRATIC POLICY COMMITTEE



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

May 6, 1997

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

Dear Chairperson Morgan:

I am writing to you to communicate my strong support for the 365 day review period for the proposed CSX/ Norfolk Southern acquisition of the Consolidated Rail Corporation. This proposed merger of Conrail into CSX and Norfolk Southern will completely restructure the railroad industry in the Northeastern United States. This acquisition will cause thousands of jobs to be in very serious jeopardy. It will also cause thousands of route miles and dozens of major rail facilities to be culled from the region's rail system.

CSX and Norfolk Southern will not file their merger application for the Conrail acquisition until next month. However, those corporations have requested the Surface Transportation Board (STB) to adopt an expedited review schedule for the merger that would cut a full 110 days from the review period. To make this request prior to releasing detailed information on post merger operations and system rationalization is appalling.

Requests for the release of post merger operating plans have been made by railroad workers, rail shippers and receivers, regional and short line railroads, local and regional business groups, as well as, local, state and federal elected officials. All of these requesters have been given the same answer by CSX and Norfolk Southern. They are to wait and information on the proposed post merger operations will be provided in the merger application that is expected to be filed next month or possibly as late as July 18. However, the acquiring corporations want to short shrift these concerned individuals and organizations by cutting their opportunity to comment by 30%. Under these circumstances this "short cut" is entirely inappropriate.

This merger will eliminate one-third of the Class 1 railroads east of the Mississippi River. It will eliminate one-fifth of the "mega-rail carriers" in the entire nation.

- 924 SEVENTH AVENUE
BEAVER FALLS, PENNSYLVANIA 15010
PHONE: (412) 847-1352
- MAIN CAPITOL BUILDING
HOUSE BOX 202020
HARRISBURG, PENNSYLVANIA 17120-2020
PHONE: (717) 787-1290

CHAIRMAN MORGAN

MAY 7 3 55 PM '97

RECEIVED
SURFACE TRANSPORTATION BOARD



recycled paper

Almost every northeastern state will be affected by this merger. However, no state is even close to Pennsylvania's position as having the most to lose.


Federal statute law mandated that Conrail's corporate headquarters be located in Philadelphia, Pennsylvania. That facility is doomed with this proposed merger. Conway Yard, partially located within my legislative district, is under heavy threat of being severely downgraded or even eliminated as a major freight car classification facility. The future of the Altoona Shops is in doubt. The very existence of the Delaware & Hudson Railway serving eastern Pennsylvania would be placed in a precarious situation at best.

In addition, Pennsylvania has more Class 3 railroads than any other state in the nation. To date, these shortlines have been given no assurances that the acquiring Class 1 "mega-carriers" will address their concerns in a proposed post merger operating plan. What is known is that the acquiring "mega-carriers" have not shown public enthusiasm for the shortlines' public pleas to connect with, at least, two Class 1 rail carriers whenever feasible. Many of these shortline carriers' rights-of-way are owned by public rail authorities. All of these lines are vital components of local economic development efforts.

The 365 day review period for the proposed Conrail merger must be sustained. Your vote to uphold this schedule will be greatly appreciated by thousands of people throughout the Northeastern United States.

Thank you for your consideration in this issue.

Sincerely,



Representative Mike Veon
Chairman
Policy Committee



**DEMOCRATIC
FAX MACHINE COVER SHEET**
HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

DATE: MAY 7, 1992

SENDING TO:

Telecopy Number: 202-565-9015

Office: OFFICE OF THE CHAIRPERSON, SURFACE TRANSPORTATION BOARD

Name: THE HONORABLE LINDA MORGAN

Number of Pages Including Cover Sheet: 3

SENT FROM:

Name: SCOTT CASPER, DIRECTOR

Office: LEGISLATIVE RESEARCH OFFICE

Telecopy Number: 717-772-3630

TELEPHONE NUMBER: 717-783-7323

**The
Andersons**

The Andersons, Inc.

P.O. Box 119 • Maumee, Ohio 43537 • 419/893/5050



May 1, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
STB Finance Docket No. 33388
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,
STB Finance Docket No. 33388

**VERIFIED STATEMENT ON BEHALF OF THE ANDERSONS, INC.
FINANCE DOCKET NO. 33388**

Dear Secretary Williams,

My name is Mike Anderson and I am President and Chief Operating Officer of The Andersons, Inc. I am responsible for the direction and administration of the policies of The Andersons, Inc., including rail transportation policy.

The Andersons, Inc. is an agribusiness, manufacturing and general merchandise firm which employs over 3,000 people. Our Agriculture Group operates over 35 fertilizer and grain handling facilities located in the states of Ohio, Illinois, Michigan and Indiana. Our Manufacturing and Processing Group operates a railcar marketing and repair business with a fleet of over 2,000 railcars. In addition, we process corn cobs for industrial use and manufacture lawn fertilizer for retail distribution. Of our 16 rail-served facilities, eight are located on Norfolk Southern, four are located on Conrail, one is located on CSX and three facilities are located on short line railroads. During 1996, we shipped over 30,000 carloads of grain and handled over one million tons of fertilizer.

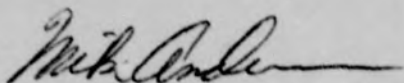
The Andersons, Inc. supports the transaction which will allow CSX and Norfolk Southern to acquire Conrail and subsequently divide its assets. We believe the proposed division of Conrail's assets creates two competitive Class I carriers in the East that can provide more efficient rail service and broader market access for agricultural commodities. Further, the single line service our Conrail facilities will gain to Southeast grain receivers and fertilizer suppliers will enhance our competitive position in the marketplace.

We request that the Board move expeditiously to assure approval of this application. Ideally, our Conrail grain facilities and fertilizer terminals would garner the benefits of direct access to NS and CSX markets in time for the Fall Harvest of 1997. Realistically, the faster the application is processed, the sooner our facilities can gain the benefits of greater market access. Likewise, NS and CSX can speed their ability to recoup their significant investment in the Conrail system. The financial health of these carriers is vital to Eastern shippers and receivers.

Please understand that while we are offering our support of this proposal and its expeditious approval, we understand there are significant market issues to be resolved. Fair and equitable treatment of short line partners, competitive joint-line rates between Class I carriers, competitive gateway access, and rational reciprocal switch rates between rail carriers are some of the issues we will continue to monitor. We plan to provide thoughtful input and support to political and legislative processes as necessary. We believe balanced rail competition in the East is a necessity and we look to the appropriate government agencies to take whatever action is necessary to insure this result.

Thank you for the opportunity to express our viewpoint.

I, Mike Anderson, 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 first day of May 1997.



Mike Anderson
President and Chief Operating Officer
480 West Dussel Drive
Maumee, OH 43537

CC: David Goode, Chairman & CEO, Norfolk Southern Corp.
John Snow, Chairman & CEO, CSX Corporation
David LeVan, Chairman & CEO, Consolidated Rail Corporation



April 29, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
STB Finance Docket No. 33388
1925 K Street, N.W.
Washington, D.C. 20423-001



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,

My name is Terry W. Litchfield, and I am Manager of Transportation and Logistics for CXY Chemicals. I have held my present position for 10 years. My duties include Logistics activities for CXY Chemicals Canada Ltd. and CXY Chemicals USA Inc..

CXY Chemicals is a chemicals manufacturer. We have facilities located throughout North America (see attached map). Our facilities at Beauharnois, PQ are presently served by Conrail. We sell to customers located on NS and CSX. During 1996 we shipped over 500 carloads to NS and CSX destinations. See enclosed descriptions of our plants and products.

We support the approval of the transaction by which CSX and Norfolk Southern will acquire control of Conrail, and then 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. There is a distinct need for two competing railroads in the Northeast which own their own track and facilities. For too long, customers which ship or receive product into and out of the Northeast have had the service of only one rail carrier. And as is the case when only one company is able to operate in a particular market, service suffers and the price is non-competitive. While there may have been an historical reason for insulating northeastern railroading from competition, that time is past, and it is time for customers interested in this market to have service by more than one 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 1990s, two carriers of relatively equal size and scope provide the greatest opportunities for seamless service, efficient equipment utilization and seamless synergies.

u:\word\files\twl\conrail.doc

April 29, 1997

CXY Chemicals Canada Limited Partnership
100 Amherst Avenue
North Vancouver, BC V7H 1S4
(604) 929-3441 Fax (604) 929-7610

CXY Chemicals Canada Ltd.
General Partner





FACILITIES, PLANTS & SALES REGIONS



- ★ Corporate Office
- ▲ Sodium Chlorate Plant
- ▼ Chlor-Alkali Plant
- Terminal
- Regional Sales Office
- Local Sales Office

- Western Region
Vancouver Ph. (604) 924-2812
- Eastern Region
New Jersey Ph. (908) 879-6650
- Southern Region
Houston Ph. (713) 876-2272

We are committed to providing our customers with the highest service and product quality

◆ **CXY Chemicals Customer Service**

Our Customer Service organization is centralized with team members located at our Vancouver and Houston offices. We have integrated Customer Service with our Logistics system to provide superior service to our customers in an effective and cost efficient manner. Our experienced team is focussed on customer satisfaction.

Customer Service hours at each office are 7:00 a.m. - 4:30 p.m. weekdays, with cellular phone coverage 24 hours a day, seven days a week. In addition to direct telephone access to the order desks, we offer a single 1-800 number in North America for customers to access their Customer Service Representatives.

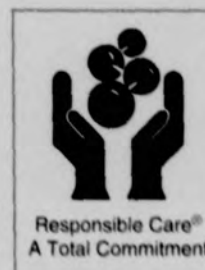
1-800-699-6924



◆ **Safety and the Environment**

CXY Chemicals cares deeply about the health, safety, and protection of our employees, our customers, the public, and the environment. This philosophy is ingrained in our corporate culture and prescribes the way we conduct all our business activities.

Our commitment to health, safety, and protection of our employees, our customers, our communities, and the environment made us an early advocate of the Responsible Care initiative and Codes of Practice of the Canadian Chemical Producers Association (CCPA). As a pioneer and early proponent of Responsible Care, we are proud that so many chemical producers in and outside of North America have adopted this caring philosophy and made it so much a part of the industry's culture today.





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

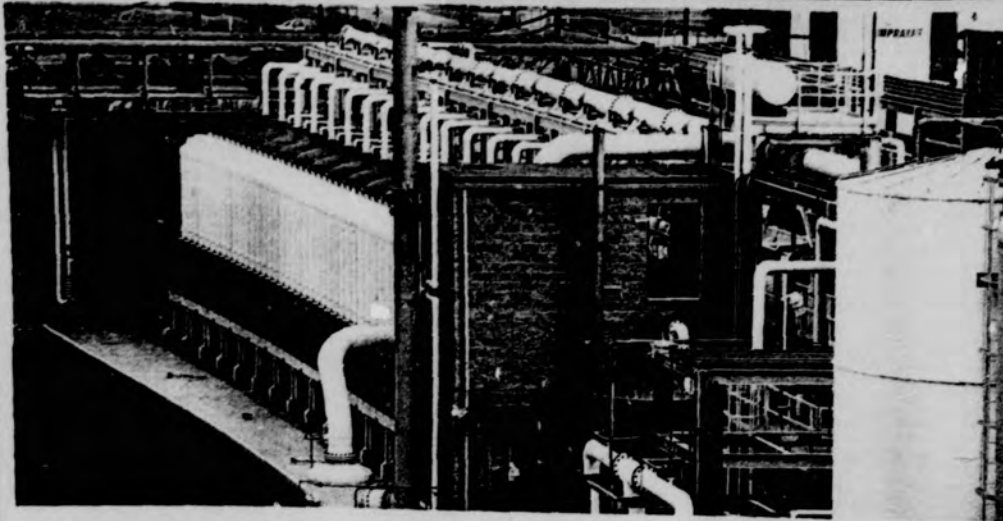
To summarize, we believe that approval of the joint application of NS and CSX to acquire Conrail should be approved by the STB.

I, Terry W. Litchfield, 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 April 29, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry W. Litchfield", written over a horizontal line.

Terry W. Litchfield
Manager, Transportation and Logistics
CXY Chemicals



Electrochemical cells at our Taft sodium chlorate facility

Corporate Profile

CXY Chemicals, with Canadian headquarters in Calgary, Alberta and U.S. headquarters in Houston, Texas, is a partnership between Canadian Occidental Petroleum Ltd. and Occidental Chemical Corporation. Canadian Occidental Petroleum Ltd. is the managing partner with 85% ownership.

Strategic Partnership

Canadian Occidental Petroleum Ltd., more commonly known as CanadianOxy, is an international oil and gas and chemicals company headquartered in Calgary, Alberta. The Company consists of three business units: Chemicals, North American Oil and Gas, and International Oil and Gas. CanadianOxy shares are listed on the Toronto and Montreal stock exchanges in Canada and the American Stock Exchange in the United States.

Occidental Chemical Corporation is a subsidiary of Occidental Petroleum Corporation, a major international oil and gas and chemicals company with headquarters in Los Angeles, California. The Company has three business units: Oil and Gas, Pipelines, and Chemicals. Occidental Petroleum Corporation's shares are listed on numerous stock exchanges around the world, including the New York, London, Tokyo and Toronto stock exchanges.

CXY Chemicals employs

425 people in Canada and

the United States, with annual

revenues over \$300 million

and assets over \$300 million.

Brandon

The Brandon facility is located approximately four miles east of Brandon, Manitoba, and is one of few manufacturing facilities in this primarily agricultural area. The Brandon facility produces 110,000 tons (100,000 tonnes) of sodium chlorate per year. The facility was awarded the CN Safe Shipper Award in both 1993 and 1994.

Amherstburg

Located in Amherstburg, Ontario, this facility is 30 minutes south of Windsor, Ontario, which is on the Canada/U.S. border opposite Detroit, Michigan. The Amherstburg facility produces 55,000 tons (50,000 tonnes) of sodium chlorate per year. CXY Chemicals acquired the facility in 1988.



Nanaimo

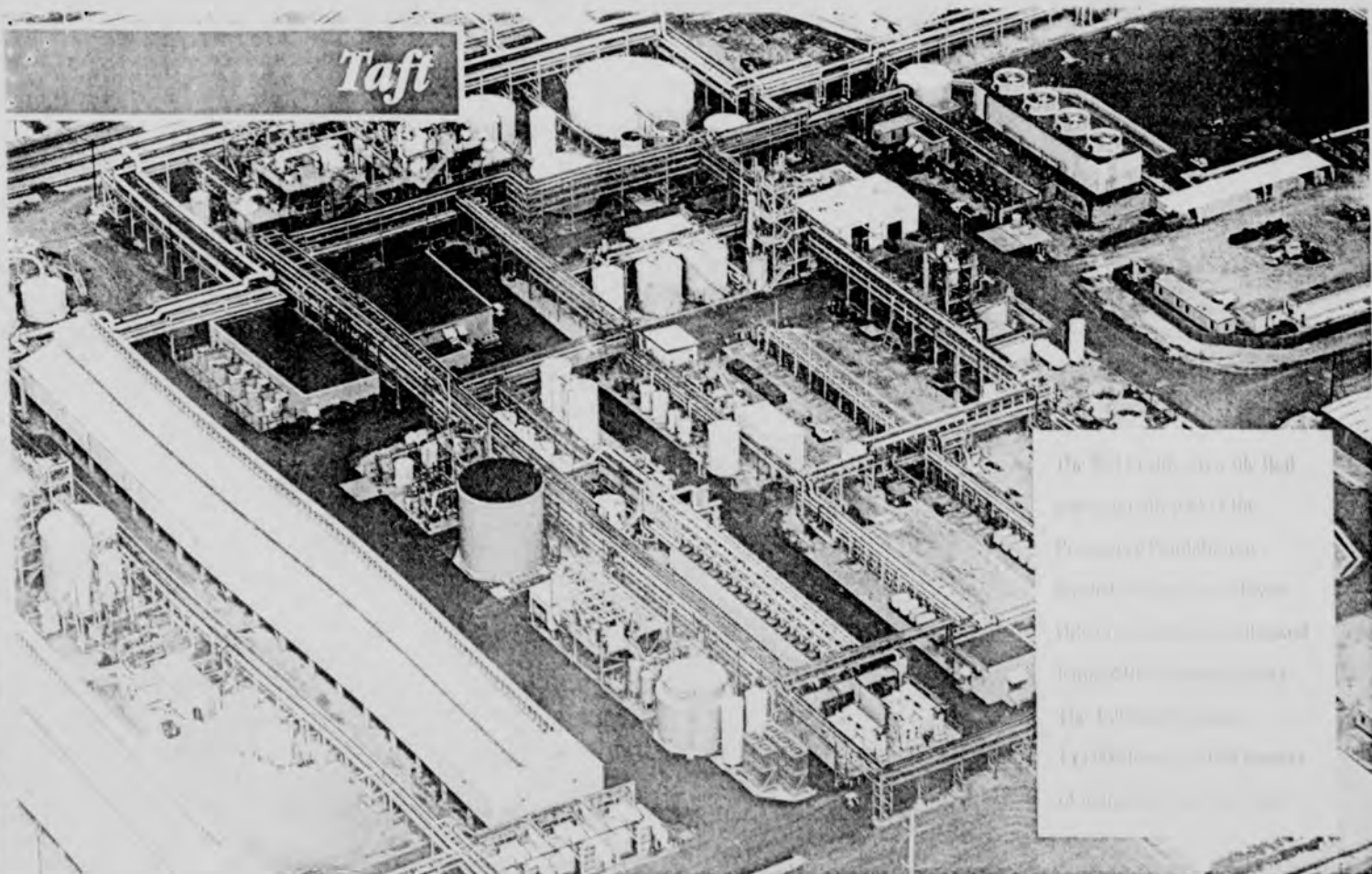
located on Vancouver Island, B.C. facility serves Vancouver Island and British Columbia. 90 minutes north of Victoria and 100 miles from Seattle. This strategic location, combined with its proximity to the Strait of Georgia, where the bulk of the container traffic is handled by the facility's terminal, has made it a key location for the company. The Nanaimo facility handles 200,000 tons of 18,000 types of cargo for export and import.



Bruderheim

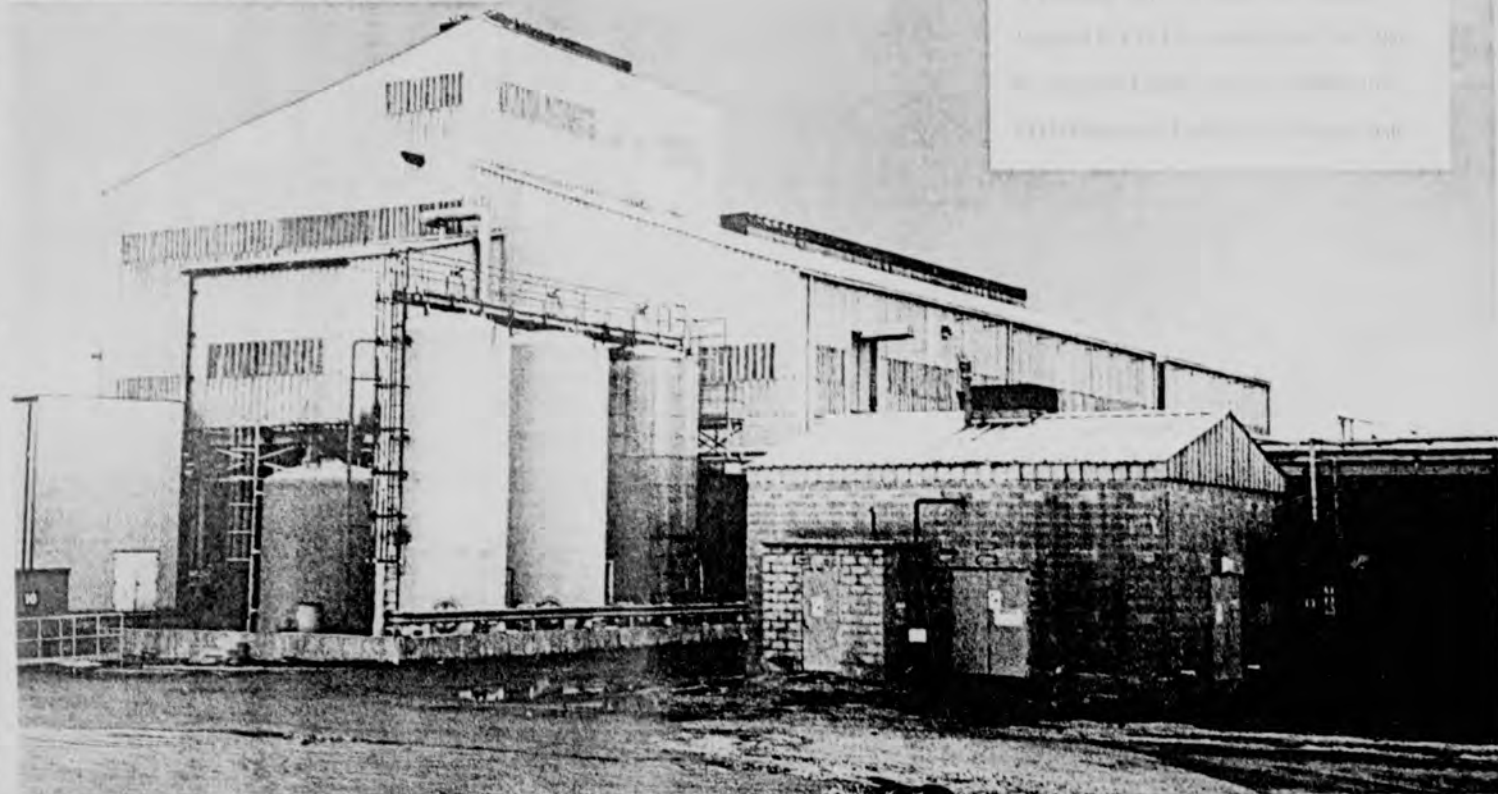
This facility is located in the town of Bruderheim, Alberta, approximately 100 miles northwest of Edmonton. The Bruderheim site is a key location for the provincial salt industry. The area's proximity to a major competitive rate and its strategic location to transportation routes and markets. The Bruderheim facility produces 2,000 tons of 18,000 types of sodium chloride per year. The facility was awarded the CN Safe Shipper Award in both 1994 and 1995.

Taft



The Taft facility is a fully integrated industrial plant in the
 Pennsylvania. It is a
 highly efficient and modern
 plant with a long history of
 production and service to
 the community.

Beaubarnois



The Beaubarnois facility is a
 highly efficient and modern
 plant with a long history of
 production and service to
 the community.



North Vancouver

Located on Burrard Inlet in the District of North Vancouver, British Columbia, this chlor-alkali facility produces chlorine, caustic soda, muriatic acid, and hydrogen gas. The North Vancouver facility produces 160,000 tons (145,000 tonnes) per year of chlorine, 175,000 tons (160,000 tonnes) per year of caustic soda, and 33,000 tons (30,000 tonnes) per year of muriatic acid. In 1994, the facility was awarded the CN Safe Shipper Award.



Terminals

CXY Chemicals owns and operates four chemical terminals. The chlorate terminal in Texarkana, Arkansas helps serve our customers in the south and southeastern United States. The caustic soda terminal at Nanaimo, British Columbia is well located to serve our customers on Vancouver Island. The chlorine/caustic soda terminal on Watson Island at Prince Rupert, British Columbia and the acid terminal at Bruderheim, Alberta help serve our customers in these regions.

**CANE PATCH COAL SALES, INC.
P.O. BOX 8
APPALACHIA, VIRGINIA 24216**



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
STB Finance Docket No. 33388
1925 K Street, N.W.
Washington, D.C. 20423-001

VERIFIED STATEMENT OF MATT MINING COMPANY, INC.

My name is Kenneth Dick, and I am Coal Traffic Manager of Cane Patch Coal Sales, Inc. I have held my present position for two years. My duties include the management of all coal sales and rail transportation of such coal as well as the coordination of all activities involving Cane Patch.

Cane Patch Coal Sales, Inc. is a distributor of surface and deep mine bituminous coal in Wise County, Virginia. We have facilities located five miles northeast of Appalachia, Virginia along Rt. 603. These facilities are presently served by NS. During 1996, we shipped/received approximately one million tons from this facility.

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

I, Kenneth Dick, 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 April 29, 1997.

Sincerely,

Kenneth Dick



Office of the Chairman

5-7-97
Surface Transportation Board
Washington, D.C. 20423-0001

*Filed in
Docket
JD-33388*

May 22, 1997

Mr. J. Bruce Saltsman, Sr.
Commissioner
State of Tennessee
Department of Transportation
Suite 700, James K. Polk Building
Nashville, TN 37243-0349

Dear Commissioner Saltsman:

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, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
Linda J. Morgan



**STATE OF TENNESSEE
DEPARTMENT OF TRANSPORTATION**

SUITE 700, JAMES K. POLK BUILDING
NASHVILLE, TENNESSEE 37243-0349

J. BRUCE SALTSMAN, SR.
COMMISSIONER

DON SUNDQUIST
GOVERNOR

April 25, 1997

Ms. Linda Morgan, Chairperson
Surface Transportation Board
1925 K Street, NW, Suite 820
Washington, DC 20423

RE: STB Finance Docket No. 33388

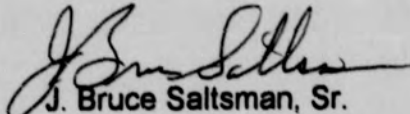
Dear Ms. Morgan:

I understand that Norfolk Southern Corporation (NS) and CSX Transportation have filed a petition with the Surface Transportation Board requesting that you expedite consideration of their proposal to purchase Conrail.

NS and CSX comprise approximately 90 percent of the total rail miles in the state of Tennessee, and the new rail network being developed by these two companies will provide improved customer service, faster delivery, and numerous benefits for our shippers and consumers. This acquisition will open new markets in the northeast to Tennessee business, not only for shippers located on these two Class I railroads, but for shippers located on our shortline railroads as well.

For these reasons I encourage the Board's prompt consideration and approval of the acquisition application. If I or any member of my staff can be of assistance to the Board, please do not hesitate to contact me.

Sincerely,


J. Bruce Saltsman, Sr.
Commissioner

JBS/MB/pw

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 7 3 55 PM '97
OFFICE OF
CHAIRMAN MORGAN



Norfolk Southern Corporation
One American Square, Suite 1370
Box 82069
Indianapolis, Indiana 46282-0004
317 632-9069
317 267-9732 FAX

Clifford J. DeLaCroix
Resident Vice-President

May 7, 1997

Ms. Marta Moody
Executive Director
Delaware-Muncie Metropolitan Plan Commission
Room 206
Delaware County Building
Muncie, Indiana 47305

Dear Marta:

Per our prior conversation enclosed is a draft of your support letter to the STB. Please put the letter on your letterhead and sign the letter. Please send the letter to me at:

Clifford J. DeLaCroix
Norfolk Southern Corporation
One American Square
Box 82069
Indianapolis IN 46282-0004.

I need your support letter by June 1, 1997. Thanks for your help.

In addition, I've enclosed a map showing what parts of Conrail will go to NS and what parts will go to CSX. Further, I've enclosed a map which presents what the new NS/CR will look like.

CSX has granted trackage rights to NS from Muncie to Indianapolis.

Thanks for your help. If you have any questions, please feel free to call me at 317/632-9069.

Sincerely,

Clifford J. DeLaCroix

STB

FD

33388

5-7-97

J

BUSINESS



Public Affairs Management

101 The Embarcadero, Suite 210
San Francisco, CA 94105
(415) 989-1446

☐ PLANNING/ENVIRONMENTAL PROCESS ☐ GOVERNMENT COMMUNICATIONS ☐ COMMUNITY RELATIONS

SURFACE TRANSPORTATION BOARD

Disclosure Statement

I certify that Public Affairs Management has no financial or other interest in the outcome of the prospective application/petition of CSX Transportation, Inc. in Finance Docket No. 33388 to acquire Conrail.

Signed Kerry Gellman

Title President

Date May 7, 1997

STB

FD

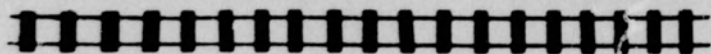
33388

5-7-97

J

BUSINESS

RAIL TRAC ASSOCIATES



BOX F, HAVERTOWN, PENNSYLVANIA 19083

(610) 789-3015
FAX (610) 789-0343

Surface Transportation Board

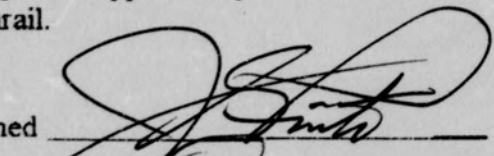
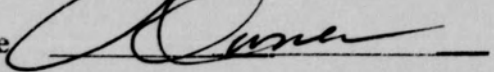
Disclosure Statement

I certify that RAIL TRAC Associates has no financial or other interest in the outcome of the prospective application/petition of CSX Transportation, Inc. in Finance Docket No. 33388 to acquire Conrail.

Signed

Title

Date



5-7-97

STB

FD

33388

5-7-97

J

KM CHNG ENVIRONMENTAL INC.

411 Waverley Oaks Road
Suite 321
Waltham, MA 02154
Phone: (617) 891-6780
Facsimile: (617) 893-5020

Surface Transportation Board

Disclosure Statement

I certify that KM Chng Environmental Inc. has no financial or other interest in the outcome of the prospective application/petition of CSX Transportation, Inc. in Finance Docket No. 33388 to acquire Conrail.

Signed

Michael M. Chng

Titles

President

Date

7 May 1997



STB

FD

33388

5-7-97

J

McGinley Hart & Associates
Architects and Planners

77 North Washington Street

• Boston, MA 02114 •

617-227-2932

FAX 617-227-8316

Surface Transportation Board

Disclosure Statement

I certify that McGinley Hart & Associates has no financial or other interest in the outcome of the prospective application/petition of CSX Transportation, Inc. in Finance Docket No. in 33388 to acquire Conrail.

Signed: _____

Paul J. McGinley

Title: _____

Principal

Date: _____

May 7, 1997

STB

FD

33388

5-7-97

J



1230 Cedars Court • Suite 100
Post Office Box 5127
Charlottesville, Virginia 22905
(804) 295-4446 • fax (804) 295-5535

Surface Transportation Board

Disclosure Statement

I certify that **The Environmental Company, Inc. (TEC)** has no financial or other interest in the outcome of the prospective application/petition of **CSX Transportation, Inc.** in Finance Docket No. **33388** to acquire Conrail.

Name: Jack E. Wilson
Signed: *Jack E. Wilson*
Title: Vice President
Date: May 7, 1997

STB

FD

33388

5-6-97

J



April 25, 1997



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

MAY - 6 1997

REF: Finance Docket 33388

ADD TO SERVICE LIST ONLY

Dear Mr Williams:

179534

Please place the Toledo-Lucas County Port Authority on the service list for the above-referenced finance docket. All mailings to be sent as follows:

Robert E. Greenlese
Director of Surface Transportation and Logistics
TOLEDO-LUCAS COUNTY PORT AUTHORITY
1 Maritime Plaza, 7th Floor
Toledo, OH 43604-1866

Sincerely,

TOLEDO-LUCAS COUNTY PORT AUTHORITY

Robert E. Greenlese
Director of Surface Transportation and Logistics

5-6-97

ARNOLD & PORTER

555 TWELFTH STREET, N.W.
WASHINGTON, D.C. 20004-1202

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

MARY GABRIELLE SPRAGUE
(202) 942-5773

NEW YORK
DENVER
LOS ANGELES
LONDON

May 6, 1997

BY HAND

Elaine K. Kaiser, Chief
Surface Transportation Board
Section of Environmental Analysis
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 33388/
Consultation Process

Dear Ms. Kaiser:

We are writing to request that further consultation with federal, state and local agencies and other persons, regarding potential environmental effects of the proposed joint acquisition of control of Conrail by CSX Corporation and Norfolk Southern Corporation, be undertaken by the Surface Transportation Board's Section of Environmental Analysis ("SEA") and/or SEA's independent third party consultants (DeLeuw, Cather & Company and HDR Engineering, Inc.), rather than by the Applicants.

As you know, earlier this year CSX (through Dames & Moore) and Norfolk Southern (through Burns & McDonnell) each sent out hundreds of letters to government agencies seeking comments with respect to their former separate proposals for acquisition of control of Conrail (Finance Dockets No. 33220 and 33286). Very little useful information was obtained from this effort. Virtually all of the agency responses to those letters indicated that the agencies could not provide meaningful input until they could review the overall proposal, the details of which would not be available until each Application was filed and each Environmental Report distributed.

The goal of the consultation process is to afford agencies "reasonable opportunity to provide meaningful input." 49 C.F.R. § 1105.7(c). We do not wish to burden the agencies with premature requests for

ARNOLD & PORTER

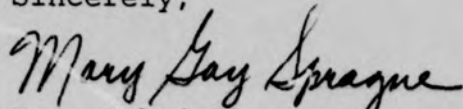
Elaine K. Kaiser
May 6, 1997
Page 2

information and comments. Moreover, we believe that there is a significant risk of confusion if the public is again contacted at this stage by the Applicants' consultants and then later by the Board's consultants. Rather, we believe that the procedure which would best fulfill the letter and spirit of the National Environmental Policy Act and of the Board's implementing regulations would be for SEA and/or its consultants to consult with appropriate agencies after Applicants file their joint application and distribute the Environmental Report. That report will be organized so as to facilitate the ability of agencies in the different states to comment on matters within their jurisdiction.

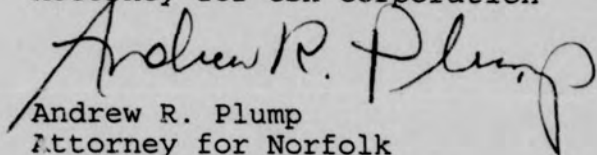
As you know, 49 C.F.R. § 1105.10(d) provides for a complete waiver of a railroad's environmental reporting obligations in the event, as here, that the railroad agrees to retain an independent third party consultant to work under SEA's supervision. CSX and Norfolk Southern do not seek to avail themselves of this complete waiver, as a detailed Environmental Report will be submitted with the joint application and served on all appropriate parties. We are seeking only a limited waiver of those provisions of 49 C.F.R § 1105.7 which require consultation with appropriate agencies in preparation of the Environmental Report.

We look forward to your response to this proposal.

Sincerely,



Mary Gabrielle Sprague
Attorney for CSX Corporation



Andrew R. Plump
Attorney for Norfolk
Southern Corporation

**CHICAGO
CONSOLIDATORS
INC.**

391 Quadrangle Drive, Suite S-3 • Bolingbrook, IL 60440 • (630) 759-2800

Fax: (630) 759-1939

COFC/TOFC NATIONWIDE SERVICE

APRIL 30, 1997

MR. VERNON A. WILLIAMS
SECRETARY
SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388
1201 CONSTITUTION AVE., N.W.
WASHINGTON, D.C. 20423-0001



SUBJECT: FINANCE DOCKET NO. 33388

MY NAME IS RAYMOND J. HAMILTON, AND I AM VICE PRESIDENT OF CHICAGO CONSOLIDATORS, INC. I HAVE HELD MY PRESENT POSITION FOR 15 YEARS. MY DUTIES INCLUDE SALES, MARKETING, RATE NEGOTIATING, AND OPERATIONS.

CHICAGO CONSOLIDATORS IS A IMC, THIRD PARTY, SHIPPERS' AGENT. WE SHIP INTERMODAL TRAFFIC IN ALL LANES THROUGHOUT THE UNITED STATES, SUCH AS SANTA FE TO LOS ANGELES, BURLINGTON NORTHERN TO SEATTLE/TACOMA, IN ADDITION TO NORFOLK SOUTHERN, CONRAIL, AND CSX. DURING 1996 WE SHIPPED APPROXIMATELY 10,000 LOADS WITHIN ALL LANES. WE PREDOMINANTLY HANDLE INTERNATIONAL SHIPMENTS, 90% ARE IN TWENTY AND FORTY FOOT CONTAINERS.

IT IS MY UNDERSTANDING THAT CSX AND NORFOLK SOUTHERN INTEND TO FILE AN APPLICATION TO CONTROL CONRAIL, AND TO DIVIDE AND OPERATE ITS ROUTES AS PART OF THEIR EXISTING SYSTEMS. I ALSO UNDERSTAND THAT A KEY ELEMENT OF THE NORFOLK SOUTHERN PLAN IS IMPROVED AND EXPANDED INTERMODAL (AND MULTIMODAL) SERVICES. EXTENDED NORFOLK SOUTHERN INTERMODAL SERVICE WILL HELP TO MEET OUR TRANSPORTATION NEEDS THROUGHOUT THE TERRITORY NOW SERVED BY CONRAIL. OPENING CONRAIL MARKETS TO SERVICE BY TWO RAIL CARRIERS OF COMPARABLE SIZE AND SCOPE, EACH WITH ITS OWN TRACKS AND TERMINALS, WILL OFFER US THE ADVANTAGE OF COMPETITIVE SERVICE AND PRICING WITHOUT FRAGMENTING THE MARKET AND HURTING SERVICE. FOR TOO LONG, CUSTOMERS WHICH SHIP OR RECEIVE PRODUCT INTO AND OUT OF THE NORTHEAST HAVE HAD THE SERVICE OF ONLY ONE RAIL CARRIER. AND AS IS THE CASE WHEN ONLY ONE COMPANY IS ABLE TO OPERATE IN A PARTICULAR MARKET, SERVICE SUFFERS AND THE PRICE IS NON-COMPETITIVE. WHILE THERE MAY HAVE BEEN A HISTORICAL REASON FOR INSULATING NORTHEASTERN RAILROADING FROM COMPETITION, THAT TIME IS PAST, AND IT IS TIME FOR CUSTOMERS INTERESTED IN THIS MARKET TO HAVE SERVICE BY MORE THAN ONE RAIL CARRIER WHICH OWNS ITS FACILITIES. AND, THE RAIL CARRIERS WHICH WILL COMPETE IN THE NORTHEAST SHOULD NOT BE JUST ANY RAIL CARRIERS. THEY MUST BE CARRIERS WHICH ARE OF COMPARABLE SIZE AND SCOPE, AND PROVIDE A COMPETITIVE SERVICE.

**CHICAGO
CONSOLIDATORS
INC.**

391 Quadrangle Drive, Suite S-3 • Bolingbrook, IL 60440 • (630) 759-2800

Fax: (630) 759-1939

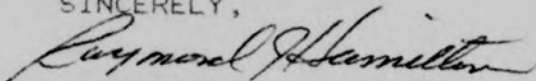
COFC/TOFC NATIONWIDE SERVICE

IN ADDITION TO THE COMPETITIVE REASONS STATED ABOVE, MY COMPANY WOULD WELCOME THE EXTENSION OF NORFOLK SOUTHERN SERVICE INTO THE NORTHEAST. NORFOLK SOUTHERN'S CAPITAL INVESTMENT IN ITS INTERMODAL FACILITIES AND SERVICE ARE WELL KNOWN IN THE INDUSTRY, AS ARE ITS STRONG COMMITMENTS TO GROWTH AND SERVICE. FURTHER, WE HAVE BEEN IMPRESSED WITH NORFOLK SOUTHERN'S COMMITMENT TO SAFETY, AS EVIDENCE OF CONTINUED SUCCESS IN WINNING THE HARRIMAN AWARD. OUR RELATIONSHIP WITH BOTH THE NORFOLK SOUTHERN AND THE CSX HAS BEEN EXEMPLARY, AND WE WOULD LOOK FORWARD TO WORKING WITH BOTH OF THEM ON A MORE EXTENDED SERVICE.

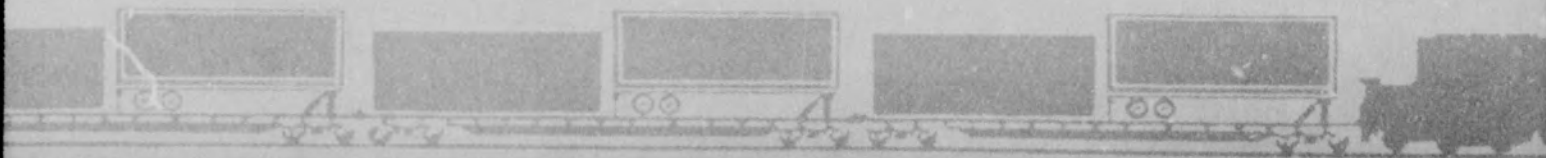
TO SUMMARIZE, WE BELIEVE THAT APPROVAL OF THE APPLICATION OF CSX AND NORFOLK SOUTHERN TO ACQUIRE CONRAIL SHOULD BE APPROVED BY THE STB.

I, RAYMOND J. HAMILTON, 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 APRIL 30, 1997.

SINCERELY,



RAYMOND J. HAMILTON
VICE PRESIDENT
CHICAGO CONSOLIDATORS, INC.





300 Central Union Plaza

Toledo, OH 43602

P.O. Box 9508

Toledo, OH

43697-9508

419-241-9155

Fax 419-241-9116

Chair:

Stephen J. Pauken

Mayor

City of Maumee

Vice-Chair:

James F. Carter

Commissioner

Wood County

Ind Vice-Chair:

Kathleen H. Ingraber

Trustee

Lake Township

Executive Director:

William L. Knight

Mr. David LeVan
Chairman & CEO
Conrail
2001 Market Street 17th Floor
Philadelphia, PA 19101-1417

Dear Mr. LeVan:

Toledo is a preeminent transportation center for Ohio and this region of the United States. It is the goal of our region to build on this. Good competitive rail service is a primary element of this effort. Your decisions are vital to our economic future as you reorganize the railroad systems in our region. TMACOG has developed the attached position statement for our region. We have worked with local government and industry to develop the position. It makes clear what we believe are essential elements of an acceptable operating plan for the integration of Conrail into the CSX and Norfolk Southern rail systems to adequately serve our region to keep it as a preeminent transportation center.

Since 1984, the TMACOG Railroad Task Force has worked on issues relating to rail service and facilities in the Toledo region. The Task Force worked with local governments, shippers, economic developers, and railroad representatives to develop the enclosed position. We are providing this information to help in your efforts to formulate the operations plan for the merger/sale. These specific actions are improvements that the involved railroads need on the rail system in our area. The response will influence our position before the Surface Transportation Board as it considers approval of the impending merger/sale.

We have enjoyed a strong working relationship with your corporation and look forward to continuing to work together to improve the transportation assets of this region. As always, we stand ready to discuss this position and any other concerns that you may have.

Sincerely,

William L. Knight
Executive Director

DRD:cw

Enclosure TMACOG Resolution and Position on Conrail merger/sale

cc Mr. Vernon Williams, Secretary, Surface Transportation Board
 Mr. Thomas O'Leary, Executive Director, Ohio Rail Development Commission
 Mr. Carleton S. Finkbeiner, Mayor of the City of Toledo
 Ms. Sandy Isenberg, President, Board of Lucas County Commissioners
 Mr. James Carter, Wood County Commissioner
 Mr. James Hartung, President, Toledo-Lucas County Port Authority

Also sent to:

Mr. John W. Snow, Chairman & CEO, CSX Corporation
Mr. David Goode, Chairman, CEO & President, Norfolk Southern Corporation

**A RESOLUTION OF THE
TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
EXPRESSING ITS POSITION RELATIVE TO THE MERGER/SALE OF
CONRAIL**

WHEREAS, the Board of Trustees of the Toledo Metropolitan Area Council of Governments is designated as the Metropolitan Planning Organization by the Governor of Ohio in cooperation with local elected officials and is authorized to carry out the continuing, comprehensive, and coordinated transportation planning process for the Toledo area; and

WHEREAS, the CSX Corporation has announced its intent to merge with Consolidated Rail Corporation (Conrail) and sell portions of Conrail to Norfolk Southern Corporation; and

WHEREAS, specific actions that could be taken relative to consolidating Conrail into the other rail companies will have large impacts on the northwest Ohio area; and

WHEREAS, the TMACOG Railroad Task Force on March 20, and the Joint Transportation Committees on April 2, 1997 reviewed a proposed position on this sale and recommend its approval.

NOW, THEREFORE, BE IT RESOLVED THAT THE TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS:

Section 1:

Endorses the attached position outlining five major points with specific actions that need to be included in merger/sale provisions for TMACOG support to be forthcoming;

Section 2:

Urges the U.S. Department of Transportation Surface Transportation Board (STB) to consider the TMACOG position and the impact of the merger/sale on the Toledo and northwest Ohio area in approving the transaction and attaching conditions to its approval; and

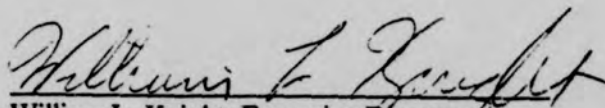
Section 3:

The Executive Director be and is hereby authorized to send a copy of this resolution to appropriate federal, state, and local officials to elicit their support of this position.

Adopted by the Board of Trustees April 16, 1997.

Yea 27, Nay 0, Abstain 0


Stephen J. Pauken, Chair


William L. Knight, Executive Director

TMACOG POSITION ON CONRAIL/CSX MERGER

Rail assets and service in the Toledo area are an essential element of the regional and national transportation network and economies. Since Conrail's creation we have had rail service from four Class I carriers and one regional carrier. The merger of Conrail with CSX Transportation (or in its place Norfolk Southern) will reduce the number of competing carriers and may have negative impacts for this area.

It seems clear, though, that some major realignment of rail services in Northwest Ohio will occur. Given this fact we need to take advantage of the opportunity the merger offers to make sure that improvements to rail services and facilities are made that are needed to increase our area's strategic resources and economic competitiveness.

In working with regional leaders to formulate this position, several important themes emerged. As a leading rail hub, we need truly competitive rail access to the area. We must maintain essential rail services and rail-related jobs. And we must be assured that pending rail projects will be completed.

To reflect these priorities, we have outlined the following five major points and specific actions that need to be included in merger provisions for TMACOG support to be forthcoming:

- I. Provisions of the merger must **ensure or create open and truly competitive freight rail access for all remaining railroads** to area intermodal facilities and shippers. This must be obtained with true direct service not reciprocal switching or unrealistic use agreements.

Specific actions:

- Establish direct service agreements to allow all railroads serving the Toledo area access to all facilities at the Port of Toledo (General cargo, Coal and Ore Docks)
- Establish direct service agreements to allow all railroads serving the Toledo area access to the Airline Yard Intermodal Terminal and same charges for services at the facility.
- Provide direct service and required investments to serve the new Chrysler/Jeep facility to be located in the Toledo area.
- Cooperate in creating a neutral switching railroad with direct service agreements to all Port Facilities, the Airline Yard Intermodal Terminal, yards, and nearby shippers to gather local origin-destination traffic relieving major railroads of high cost local movements.

I. **Ensure or create open and truly competitive freight rail access for all remaining railroads (Continued)**

- Provide full access for the Wheeling and Lake Erie Railroad to the Port of Toledo, Airline Yard Intermodal Terminal, all Toledo area railroads, and the Toledo market through ownership or operating agreements that are economically feasible.
- Provide full access for the operator (currently Omni-Trax) of the Sandusky-Seneca-Tiffin Port Authority line to the Port of Toledo, Airline Yard Intermodal Terminal, all Toledo area railroads, and the Toledo market through ownership or operating agreements that are economically feasible.

II. The merger presents a threat to downgrade or eliminate rail lines and services in our area. Provisions of the merger must **ensure that certain threatened rail lines and services are maintained** through sale to another railroad or public entity or by some other means.

Specific Actions:

- Maintain and expand service and operations at major Toledo intermodal facilities - especially retaining the Port of Toledo Coal Docks and pursuing changes to expand its traffic base.
- Maintain rail service, preferably by a Class I Railroad, on both the Conrail and CSXT lines between Toledo and Columbus serving shippers in Bowling Green and Fostoria. If one of the lines is to be sold to a regional carrier, it must include major shippers along the entire length of the line to allow for a viable rail operation.
- Establish multiple railroad access to the Oregon Industrial area through direct service agreements.

III. Rationalization of facilities as a result of the merger means certain property may be designated as excess to be sold. Provisions of the merger must **ensure that excess rail property is maintained in single ownership and prepared for future redevelopment**.

Specific Actions:

- Excess yards should be offered for sale first to the remaining rail carriers. If there is no interest the site must be maintained in single ownership and prepared for economic development. This means the site should be either: 1) cleaned up and prepared for development by the railroad and then offered for sale at net liquidation value to a public entity for development; or, 2) offered to a public entity for \$1.

III. **Ensure that excess rail property is maintained in single ownership and prepared for future redevelopment (Continued)**

- Offer abandoned or lines placed out of service to a state or regional entity for sale for \$1 to maintain their continuity for future use (or "rail bank" with rail company maintaining claim on line with a public entity managing the property for other uses)
- Convey the Lakefront Dock property to a public entity for economic development.

IV. Provisions of the merger must **ensure that the merged railroad fully cooperates in implementing and participates in funding specific facility improvements** as identified through previous planning studies.

Specific Actions involving present Conrail and CSXT facilities:

- Abandon ex-Toledo Terminal "Backside" route and reroute traffic to Conrail Maumee River Bridge route (with specific guaranteed operating windows).
- Construct Tiffin Avenue Overpass into Port of Toledo.
- Construct improvements at Vickers to reduce conflicts and sitting trains.
- Abandon the Miami Cut and Oakdale Connector lines from Wales Road north and the Rockwell line in East Toledo/Northwood, and replace with an alternate connector to the Conrail main line (at Vickers or LOF).
- Grade separate Wales and Drouillard Roads from Conrail and CSX (near Vickers)
- Construct a grade separation at Wales Road (just east of I-75) if not abandoned.
- Construct advance warning signals on Pickle Road.
- Construct a grade separation at McCord Road.
- Improve grades and alignment at Crissey Road crossing.
- Construct a joint grade separation for Conrail and CSX tracks at Oregon Road; to do so, participate in negotiations to relocate Conrail tracks.
- Construct a box culvert underpass for Wabash Trail under Conrail main line in Fulton County.

IV. **Ensure that the merged railroad fully cooperates in implementing and participates in funding specific facility improvements (Continued)**

Specific actions involving present Norfolk Southern facilities:

- Reconfigure the Cargill Maumee yard to reduce street conflicts.
- Construct a grade separation at Ford Road.
- Construct the Seaman/Lallendorf overpass.
- Tie Stadium Road into the State Route 2/Navarre Ave. overpass.

V. Provisions of the merger must ensure that **passenger rail related needs are addressed.**

Specific Actions:

- Maintain all existing passenger route agreements.
- Fully cooperate in extension of and additional east-west service including the Pennsylvanian from Pittsburgh and Cleveland.
- Enter into agreements to allow new rail passenger service north south on the Detroit-Toledo, Toledo-Columbus, and Toledo-Cincinnati lines.
- Enter into agreement to open ex B&O route south to Cincinnati and implement an "I-75 Autotrain" service from Toledo.

In conclusion, these are our urgent concerns. We request that rail representatives meet with local government officials in jurisdictions where there will be major impacts from any changes to the rail system or services provided. We ask each of the railroads involved with the proposed merger for a specific response as to how these issues are addressed in the operations plans being filed before the U.S. Department of Transportation's Surface Transportation Board.

Shenandoah Rail Initiative

File in Socket
FD-33388

9816 MIDDLE ROAD
STRASBURG, VA
22657
540-465-4800

Wednesday, April 30, 1997

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 6 3 04 PM '97
CHAIRMAN MORGAN

WINCHESTER

KERNSTOWN

CEDAR CREEK

STRASBURG

FISHERS HILL

TOMS BROOK

WOODSTOCK

EDINBURG

NEW MARKET

HARRISONBURG

CROSS KEYS

PORT REPUBLIC

FORT DEFIANCE

STAUNTON

Ms. Linda Morgan
Surface Transportation Board
12th & Constitution Avenue NW
Washington, D.C. 20423

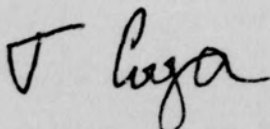
Dear Ms. Morgan,

I have copied you on a letter to Governor Allen regarding an ISTEAA project we have submitted 2 years running now. There have been several requests for track access made by various individuals and companies in this part of the state that have been refused for a variety of reasons. Insurance, or not our company policy, or interference with freight operations, or some other concerns have been standard replies to many of the different groups and companies asking for access that we have spoken to.

We are determined to find funds to purchase a section of the track for our intended use, battlefield interpretation excursion in the Shenandoah Valley. A large section of the track in question has less than 13 boxcars of freight a week. We could run our trips within 3 months if track access was provided, and that would make our job easier. In fairness to the railroad, we do recognize the track is private property but they are public service corporations. We believe that the track owners, Norfolk Southern, would be willing to consider selling it outright, if provided a proposal that protected their interest, provide confidence in the operator and insured that their customers continued to get reliable service. We are working towards that goal. The point of this letter is to request that as the CSX NS CR merger moves forward, that you keep a mindful eye on the interest of current shortline operators as well as any future hopefuls like us. We believe this merger is overdue and is necessary to provide competitive and timely freight shipments similar to what is available on the west coast.

I hope that the enclosed letter to the Governor provides you with some insight on the perceptions and experiences of some of the local concerns and that the information is in some way useful in your effort to gain a balanced perspective of all viewpoints nationwide. I suspect that our story is a similar one to many others, but non-the-less need to be heard. When we finally create our proposal's opportunity, we hope to share the rich history of the valley with the nation and the greater audience we have identified as waiting to be waiting at the stations along the railway.

Respectfully,

A handwritten signature in dark ink, appearing to read "Tony Coogan". The signature is fluid and cursive, with the first letter of the first name being a large, stylized capital 'T'.

Tony Coogan
Executive Director
Shenandoah Rail Initiative

Enclosure (1)

cc: Jolene M. Molitoris

Shenandoah Rail Initiative

April 19, 1997

WINCHESTER

KERNSTOWN

CEDAR CREEK

STRASBURG

FISHERS HILL

TOMS BROOK

WOODSTOCK

EDINBURG

NEW MARKET

HARRISONBURG

CROSS KEYS

PORT REPUBLIC

FORT DEFIANCE

STAUNTON

The Honorable George F. Allen
Governors Office, Third Floor
The State Capitol
Richmond, Va. 23212

Dear Governor Allen,

I hope you are finding time to relax between the engagements on your travels in the commonwealth, but in watching you I am convinced that you are an unrelenting workhorse laboring in and for Virginia's interest. I want to say "Thank You" for signing the steam excursion bill recently to help address the insurance concerns of CSX. One expects a certain amount of obstacles to be encountered on any venture of this type, and your support has helped.

I am sad to say that the numerous private groups who have worked to gain access to Virginia rail lines have labored in vain, and it is no small amount of labor. The fact that Virginia is surrounded by states that offer diesel and steam passenger operations (*see SRI to CTB March 27, 1997; last page lists other states excursions*) should be an obvious clear indicator that there is an opportunity here which is being denied to Virginia entrepreneurs. Disney came here for the simple reason that history sells best where it comes from.

The Shenandoah Rail Initiative (SRI) has resubmitted a grant application this January for ISTEA funding consideration (*see SRI to CTB March 27, 1997 preallocation hearing*). SRI has as its goal the operation of steam powered excursions to link the valley Civil War Sites mentioned in the Parks omnibus bill on Norfolk Southern track that has sections traversed by less than 15 boxcars of freight a week.

The Shenandoah Valley support for the SRI proposal has become an effective single voice of support. The first town we requested support from responded with a \$2,500.00 check to SRI with others doing the same. We will continue building support in the network of partner/communities impacted by our proposal over the coming months and further demonstrate the broad inter-regional support for this ambitious project. (see enclosed resolutions) Suffice it to say the people want this! Diversification is the key to economic growth, and in the valley, it is essential to its health and prosperity.

One major problem we would have to overcome is locating good rolling stock. The Virginia based corporation, Virginia Central Railroad (VCRR) is a potential logical solution, (*see equipment list*) and they see the potential of this proposal as a conjunctive operation to their proposal. To put together from scratch the equipment that the VCRR has available would be a Herculean task. For Virginia to let the VCRR slip away and through her history laden fingers would be a poor indicator of Virginias vision of her future which is inextricably tied to her past.

Despite continued diligent efforts, it has become obvious that CSX has no intention of providing track access to Staunton for the VCRR proposed operations. CSX has sent mixed signals, actions which only fuel the hope of those working on the possibility. This is unfair to the smaller operator who cannot afford a large war chest to fund the lobbying necessary in Richmond and DC to maintain the vigilance that our democracy requires to maintain an equitable situation between the large and small interest.

We are not sure what you can do as governor to create a more favorable climate for excursion operations in Virginia such as SRI and for the Virginia Central RR's need to operate on CSX track. The VCRR was invited to Charlottesville with clear signals from them to expect continued support. Now with Charlottesville turning their back on them, the VCRR is struggling to salvage a shorter operation between Staunton and Waynesboro. The issue of track access still being denied by this public service corporation based in Virginia prompts the request for you to help find the solution for fair play and equal access to the track that the Commonwealth originally funded. Winchester, Virginia tried to acquire CSX real estate and had a similar occurrence where a CSX official made some major supportive statement and then was overruled by a superior who said his statement was not authorized and received a flat refusal. Mixed signals seem to be a CSX standard operating procedure. Having been given clear signals from CSX, the City of Staunton has made considerable investments of time and finance in their rail resource and has long worked to realize the dream. You might look into what, unfortunately, happened to the promised turntable. Last summer, SRI partnering with VRE to provide a Civil War excursion to the Fishers Hill living history and the Strasburg Depot dedication requested access to NS track to bring in the public, and we were denied.

Valley-wide past investments in rail resources are substantial as indicated in the funding allocations outlined in Virginias 6 year plan:

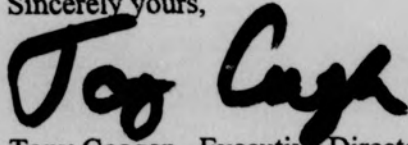
RESOURCE	Public funds	Private	
Winchester B & O Rail Station	114,000	+20% local	
Harrisonburg C & W Railroad Station	420,000	"	
Shenandoah Co. Strasburg Depot	207,000	"	
Clarke Co. Boyce Railroad Station	80,000	"	
Winchester Civil War Tour	1,090,000	"	
Staunton VCRR & the private Station restoration	337,000	' +2,000,000	private

total 2,248,000

The Shenandoah Valley Railroad (SVRR) has received 2 million+ dollars to serve the freight requirements of the poultry industry. Eventual passenger service here could help relieve the state of some of the burden with compensation paid in access fees to the SVRR for access on this 20 miles of track linking Harrisonburg to Staunton. Additionally, numerous greenways investments like the bike path in Mt. Sidney and other cycling or foot paths crossing the track, and a part of the Civil War Trails Consortium (58 sites statewide), to mention only a few, would also be inter-connected by the SRI proposal.

We hope you believe in and see the tourism potential of these projects, and we appreciate your willingness to keep joined hands with us in supporting these projects to insure equal access. The sooner we start the better, as history demonstrates that rail projects are long in the cultivation stage. Thank you for your time and for any consideration. Please know that I am at your service to help you in any way, and know that I remain most

Sincerely yours,

A handwritten signature in black ink, appearing to read "Tony Coogan". The signature is stylized with a large, looped "T" and a cursive "Coogan".

Tony Coogan Executive Director, SRI

cc:

Ms. Linda Morgan Chairman, Surface Transportation Board
Roberto Fonseca-Martinez Division Director, FHWA
Delegate Vance Wilkins 24th District
Mrs. Sally Kammauff President, VCRR

STB

FD

33388

5-5-97

J



**Attorney General
Betty D. Montgomery**

April 30, 1997

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



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

Dear Secretary Williams:

Please add my name and address to the service list as a Party of Record (POR) for receipt of all submissions of the parties and all decisions in the above-referenced proceeding.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Doreen C. Johnson".

Doreen C. Johnson
Chief, Antitrust Section
Ohio Attorney General's Office
30 E. Broad Street
16th Floor
Columbus, OH 43215

cc: Administrative Law Judge Jacob Leventhal
Paul A. Cunningham, Esq.
Dennis G. Lyons, Esq.
Richard A. Allen, Esq.
All Other Parties in Service List

conrailpor.ltr



Office of the Chairman

5-5-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

Mr. F. Carvel Payne
Director
General Assembly of Maryland
Legislative Services Building
90 State Circle
Annapolis, MD 21401-1991

Dear Mr. Payne:

Thank you for your letter forwarding the Maryland General Assembly Resolution 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 and attachment 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



F. Carvel Payne
Director
410-841-3865
301-858-3865

Department of Legislative Reference

General Assembly of Maryland
Legislative Services Building
90 State Circle
Annapolis, Maryland 21401-1991

April 30, 1997

Michael I. Volk
Legislative Division
410-841/301-858-3848

Lynda C. Davis
Library and Information
Services Division
410-841/301-858-3810

Karl S. Aro
Research Division
410-841/301-858-3875

Michael C. Coffin
Computer Services Division
410-841/301-858-3787

Linda J. Morgan
Chairman
Surface Transportation Board
12th & Constitution Avenue, NW
Washington, DC 20423

Dear Ms. Morgan:

House Joint Resolution 22 (Resolution No. 7), Proposed Merger of Major Railroads Serving Maryland, was passed by the Maryland General Assembly and signed on April 8, 1997. The attached copy is sent to you in accordance with specific distribution instructions in the Joint Resolution.

This resolution expresses the will of the Maryland General Assembly that the preservation of effective railroad competition in Maryland be ensured through the continuation of rail service by at least two class I carriers and regional and shortline railroads and that rail employees, communities, and consumers in Maryland be protected from the adverse impacts of a proposed merger of Conrail with either the CSX or Norfolk Southern railroad systems.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

F. Carvel Payne
Director

/sj

Attachment

cc: Honorable Thomas V. Mike Miller, Jr.
President of the Senate of Maryland

Honorable Casper R. Taylor, Jr.
Speaker of the House of Delegates

CHAIRMAN MORGAN

RECEIVED
STATION



HOUSE JOINT RESOLUTION 22

R2

(7lr2944)

ENROLLED RESOLUTION

— Appropriations/Budget and Taxation —

Introduced by Delegate Fry, Baltimore County Delegation, Eastern Shore Delegation, and Western Maryland Delegation

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

RESOLUTION NO. 0007

APR 08 '97

1 A House Joint Resolution concerning

SIGNED
BY THE PRESIDENT AND THE SPEAKER

2 **Proposed Merger of Major Railroads Serving Maryland**

3 FOR the purpose of expressing the will of the General Assembly that the preservation of
4 effective railroad competition in Maryland be ensured through the continuation of
5 rail service by at least two Class I carriers and regional and shortline railroads and
6 that rail employees, communities, and consumers in Maryland be protected from
7 the adverse impacts of a proposed merger of Conrail with either the CSX or Norfolk
8 Southern railroad systems.

9 WHEREAS, Maryland enjoys the benefits of railroad competition provided by
10 several major Class I railroads, principally CSX and Conrail; and

11 WHEREAS, Railroad competition is in the public interest because it can promote
12 better service, more efficient operations, and lower rail rates; and

13 WHEREAS, It is critical that the State of Maryland continues to enjoy the benefits
14 of competitive rail access so as to sustain and improve the economy of the State; and

15 WHEREAS, CSX and Conrail have proposed a merger of their railroad systems
16 that, if effectuated, would leave most of Maryland, including the Port of Baltimore and

EXPLANATION:

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken by amendment.

Italics indicate opposite chamber/conference committee amendments.



HOUSE JOINT RESOLUTION 22

1 the entire Baltimore and Washington metropolitan areas, with only one Class I railroad
2 and thus have a significant adverse impact on the State through the reduction of
3 competition; and

4 WHEREAS, The adverse impact of reduced competition can be avoided if viable
5 rail access by at least two competitive Class I railroads is retained in Maryland; and

6 WHEREAS, The federal Surface Transportation Board has exclusive authority to
7 review and approve or disapprove the merger of rail carriers; and

8 WHEREAS, The federal Surface Transportation Board may include in its approval
9 of a merger the imposition of conditions related to the sale of tracks or the granting of
10 rights to use tracks to ensure competition among rail carriers to relieve the
11 anticompetitive effects of the proposed merger; and

12 WHEREAS, Smaller shortline and regional railroads, including the Maryland
13 Midland Railway, the Canton Railroad, the Patapsco and Back River Railroad, the
14 Maryland Delaware Railroad, the Walkersville Southern Railroad, the Winchester and
15 Western Railroad, and the Eastern Shore Railroad provide important service and
16 economic benefits to rail customers in the State, and may be affected by the proposed
17 railroad merger; and

18 WHEREAS, The Maryland Midland Railway has proposed that, as a part of the
19 merger, it be allowed to expand its operation within Maryland; and

20 WHEREAS, Railroads will have to make physical improvements to their systems to
21 realize the purported transportation benefits of the proposed railroad merger; and

22 WHEREAS, The merger of railroads may cause reductions in railroad and related
23 employment; and

24 WHEREAS, The merger of railroads could affect MARC Commuter Rail services;
25 now, therefore, be it

26 RESOLVED BY THE GENERAL ASSEMBLY OF MARYLAND, That it is of
27 utmost importance that there be *at least* two Class I carriers providing competitive service
28 to the Port of Baltimore, the Baltimore and Washington metropolitan areas and other
29 parts of the State of Maryland subsequent to any merger of Conrail with another Class I
30 railroad; and be it further

31 RESOLVED, That, to the extent practical, merger proposals should be structured
32 so as to, wherever possible, enhance the operation of shortline and regional railroads
33 throughout Maryland; and be it further

34 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
35 Southern railroad systems should address the need to fund the construction of physical
36 improvements needed to realize the purported benefits of the proposed mergers,
37 including, but not limited to, the provision of adequate clearances above rail tracks to
38 allow the movement of "high cube double stack" container trains to and from Baltimore
39 and the Midwest; and be it further

HOUSE JOINT RESOLUTION 22

3

1 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
2 Southern should address the need to increase, or at least preserve, employment in the
3 State; and be it further

4 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
5 Southern should address the need to continue and/or expand rail service at competitive
6 rates to customers and short line and regional railroads throughout the State; and be it
7 further

8 RESOLVED, That the merger proposals put forward by CSX, Conrail, and Norfolk
9 Southern should be structured so as to allow the continued operation and growth of
10 commuter rail services throughout the State; and be it further

11 RESOLVED, That Governor Parris Glendening and the Maryland Department of
12 Transportation and the Department of Business and Economic Development are urged to
13 continue their negotiations with CSX, Conrail, ~~and~~ Norfolk Southern, and any others for
14 the appropriate commitments concerning the above stated issues of concern to Maryland;
15 and be it further

16 RESOLVED, That the members of the Maryland Congressional Delegation are
17 requested to encourage the Surface Transportation Board to address the above stated
18 issues of concern to Maryland; and be it further

19 RESOLVED, That the Surface Transportation Board is urged to disapprove any
20 application which does not include, at a minimum, the operation over the tracks owned by
21 two Class I rail carriers providing competitive service to the Port of Baltimore, the
22 Baltimore and Washington metropolitan areas, and access to competitive service for
23 other parts of the State of Maryland subsequent to any merger of Conrail with another
24 Class I railroad, and which does not address the other issues of concern to Maryland as
25 stated in this Resolution; and be it further

26 RESOLVED, That a copy of this Resolution be forwarded to the Chief Executive
27 Officers of CSX, Conrail, and Norfolk Southern railroad systems: John W. Snow,
28 Chairman, President and CEO, CSX Corporation, P.O. Box 85629, Richmond, VA
29 23285-5629; David M. LeVan, Chairman, President and CEO, Conrail, Inc., 2001 Market
30 Street, P.O. Box 41417, Philadelphia, PA 19101-1417; David R. Goode, Chairman,
31 President and CEO, Norfolk Southern Corporation, 3 Commercial Place, Norfolk, VA
32 23510-2191; and be it further

33 RESOLVED, That a copy of this Resolution be forwarded by the Department of
34 Legislative Reference to the Honorable Parris N. Glendening, Governor of Maryland; the
35 Honorable David Winstead, Secretary, Maryland Department of Transportation, P.O.
36 Box 8755, BWI Airport, Maryland 21240-0755; the Honorable James Brady, Secretary,
37 Department of Business and Economic Development, 217 E. Redwood Street, Baltimore,
38 MD 21202-3344; the Honorable Thomas V. Mike Miller, Jr., President of the Senate of
39 Maryland; and the Honorable Casper R. Taylor, Jr., Speaker of the House of Delegates;
40 and be it further

41 RESOLVED, That a copy of this Resolution be forwarded by the Department of
42 Legislative Reference to the Maryland Congressional Delegation: Senators Paul S.
43 Sarbanes and Barbara A. Mikulski, Senate Office Building, Washington, D.C. 20510; and

HOUSE JOINT RESOLUTION 22

1 Representatives Wayne T. Gilchrest, Robert L. Ehrlich, Jr., Benjamin L. Cardin, Albert
2 R. Wynn, Steny Hamilton Hoyer, Roscoe G. Bartlett, Elijah E. Cummings, and Constance
3 A. Morella, House Office Building, Washington, D.C. 20515; and be it further

4 RESOLVED, That a copy of this resolution be forwarded by the Department of
5 Legislative Reference to Linda J. Morgan, Chairman, Surface Transportation Board, 12th
6 & Constitution Avenue, NW, Washington, D.C. 20423.

Approved:

Speaker of the House of Delegates.

President of the Senate.



Office of the Chairman

5-5-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

Mr. Robert L. Evans
Corporate Manager Rail Transportation
Occidental Chemical Corporation
Occidental Tower, 5005 LBJ Freeway
P.O. Box 809050
Dallas, TX 75380-9050

Dear Mr. Evans:

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. 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

May 1, 1997

Ms. Linda Morgan, Chairman
Surface Transportation Board
U. S. Department of Transportation
12th & Constitution Avenue, N. W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 5 12 02 PM '97
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan:

I am Robert L. Evans, Corporate Manager Rail Transportation for Occidental Chemical Corporation (OxyChem). This is not a letter of support or opposition to the proposed merger of the Eastern U.S. railroad systems, i.e: Conrail, Norfolk Southern ("NS"), and CSX Transportation Companies ("CSXT"). At this time I only want to make a few comments as we try to get our questions answered by the railroads involved.

OxyChem currently has eight operating plants located on Conrail. We ship nearly 14,000 carloads annually on Conrail out of our 90,000 carloads per year.

I believe the joint proposal by CSXT and NS does fix some long-standing problems, particularly in the New Jersey and New York City areas. However, the shippers who don't have rail-to-rail competition after the merger will continue to lose market share due to transportation pricing to those shippers whose rail-to-rail competition exists.

What I want to point out and hope the Surface Transportation Board (STB) will review is the following:

In February 1996 our plant at Niagara Falls was served by both Conrail and CSXT. Without any discussion, CSXT pulled out of Niagara Falls and arranged for a Buffalo junction. Consequently, the Niagara Falls plant was left with only one carrier, Conrail. On October 15, 1996, less than eight months later, CSXT announced a strategic merger, takeover, of Conrail. When this merger is finalized, the OxyChem plant at Niagara Falls will not be classified as a 2 to 1 point because of the CSXT pullout in February; thus NS will not be allowed access. OxyChem ships 10,000 carload out of this plant annually.

The CSXT continues to close out junction to shippers. Recently we were unable to obtain a renewal of a contract over the Jacksonville Gateway to Florida. CSXT is basically the only rail carrier serving the interior of Florida. This gateway had been our main entry to the State of Florida for years. With actions like this, shippers have a hard time believing what the carriers are saying about competition.



Occidental Chemical Corporation
Corporate Office
Occidental Tower, 5005 LBJ Freeway
P.O. Box 809050, Dallas, TX 75380-9050
972/404-3800

Ms. Linda Morgan

05/01/97

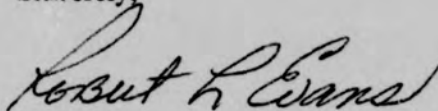
Page 2

I was fortunate to be able to present the shippers' side to the Senate Subcommittee on March 20, 1996. I represented the National Industrial Transportation League as the Rail Competition Chairman. We all heard what the two railroad CEO's said. They would each have long-haul parallel routes both North and South, as well as East and West. This is good for safety and probably will improve service. What they didn't say is that as a shipper I will only be able to ship on the railroad that my plant or customers are located on. Thus my cost will be negatively impacted because I will not be allowed rail-to-rail competition.

I would like the STB to look into the Niagara Falls switching access of the past, as well as the new proposal given to us by the railroads for the post merger era. What we as shippers need is a guaranteed open junction at Buffalo and a reasonable rate to be charged by CSXT from Niagara Falls to the Buffalo gateway. Without this we will be disadvantaged from where we were less than one year ago. We are currently in discussions with CSXT about the Niagara Falls area, but their response has been slow and the verbal comments made have been less than appealing. When we get an answer like, "Well, you know how much we are paying for Conrail; you know we have to get our return from somewhere and we can't have the other carriers serving the Niagara Falls area." In short, our prices will be increased. This will be our last chance as shippers to get rail-to-rail access in the eastern U.S.A.

Thank you for your time and I hope you will look into what the carriers are doing to the shippers.

Sincerely,



Robert L. Evans
Corporate Manager Rail Transportation
Occidental Chemical Corporation

Hughes & Call General Partnership

5155 North Shadeland Avenue, Indianapolis, IN 46226
(317) 591-7060 FAX (317) 591-7070



April 29, 1997

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
STB Finance Docket No. 33388
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

Dear Mr. Williams:

My name is James L. Call and I live at 8528 Tidewater Drive, Indianapolis, IN 46236. I am a private citizen whose tax dollars were spent in the creation of Conrail and I have a keen interest in railroads in the Eastern United States. I am a partner in Hughes-Call Limited Partnership which is involved in commercial Real Estate and other Business Activities..

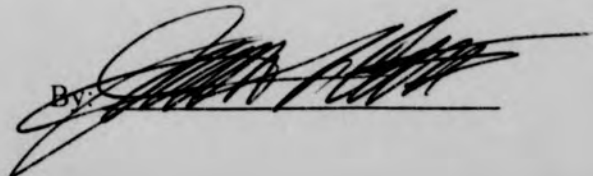
I am personally aware of the quality and reputation of Norfolk Southern. In addition NS' strong and effective industrial development efforts have proven to be invaluable to many areas in Indiana.

I truly believe that acquisition of Conrail by Norfolk Southern and CSX will benefit our community by making Norfolk Southern a stronger competitor. Such a combination will allow industries in this 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 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 Norfolk Southern and CSX and we urge that it be promptly approved.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified to make this statement.

By: 



**SOUTH CHARLESTON
STAMPING &
MANUFACTURING**



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

FD33388

Dear Mr. Secretary:

South Charleston Stamping & Manufacturing supports the acquisition of Conrail by CSX and Norfolk Southern. We believe this proposed merger is positive, and if approved will offer better and expanded service opportunities. This would permit our company to keep transportation costs down while receiving faster 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.

**David M. Hannah
Plant Manager**

**Michael J. Espen
Materials Manager**

/st



EXPRESS MARINE, INC.

Honorable Vernon A. Williams
Office of Secretary
Case Control Branch
Surface Transportation Board
1201 Constitution Avenue, NW
Room 2215
Washington, DC 20423



STB Finance docket 33388

VERIFIED STATEMENT OF
RICHARD C. WALLING
on behalf of
EXPRESS MARINE, INC.

I am Richard C. Walling, President of Express Marine, Inc.

Express Marine is located at 29th Street on the Delaware, Camden, NJ, 08105. I am responsible for overall direction of the company, which barges coal from the rail terminals in Baltimore, Maryland, and Hampton Roads, Virginia, to electric utilities and cogenerators in the Northeast. I am writing to express our company's support for the acquisition of Conrail by CXS and NS.

Our customers obtain coal produced in Kentucky, West Virginia, and Virginia, and transported by the railroads to their terminals in Baltimore, Newport News, and Norfolk. At these piers, the coal is dumped into our barges and transported in coastwise movements to their power plants in New Jersey and Connecticut. We handle approximately 25,000 carloads of coal annually.

We believe that the acquisition of Conrail by CSX and NS will allow our customers to expand and extend their sources of coal supply in the listed states. In particular, the acquisition will enable them to access low sulfur coal fields with the need for more cost'y joint rail movements.



EXPRESS MARINE, INC.

We also believe that, in our business, consistent and reliable rail transportation is crucial to the logistics management of our customers' coal needs. We expect that the acquisition will increase the hopper car supply available for our shipments, thereby enhancing the consistency of our transit schedules.

For these reasons, Express Marine urges the Board to approve the joint application of CSX and NS.

I, Richard C. Walling, 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 1st day of May, 1997.

Richard C. Walling

CENTRAL COAL COMPANY

148 BRISTOL EAST ROAD
BRISTOL, VIRGINIA 24202

TELEPHONE (540) 669-8599

FAX (540) 669-3543

May 1, 1997



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

Dear Mr. Williams:

My name is Clark Wisman, and I am Director of Marketing & Sales of Central Coal Company. I have held my present position for 10 years. My duties include the direct oversight of our transportation requirements.

Central Coal Company is a coal sales agency with sales of \$204 million annually. We have facilities located in Delbarton, Red Jacket and East Lynn, WVA and Hurley, VA. These facilities are presently served by NS. We sell to customers located throughout the Eastern United States. These customers are located on the lines of NS. During 1996, we shipped approximately 500,000 carloads of coal.

We support the approval of the transaction by which CSX and Norfolk Southern will acquire control of Conrail, and then 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. There is a distinct need for two competing railroads in the Northeast which own their own track and facilities. For too long, customers which ship or receive products into and out of the Northeast have had the service of only one rail carrier. And as is the case when only one company is able to operate in a particular market, service suffers and the price is non-competitive. While there may have been an historical reason for insulating northeastern railroading from competition, that time is past, and now is time for customers interested in this market to have service by more than one rail carrier which owns its facilities. And their 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 relatively equal size and scope provide the greatest opportunities for seamless service, efficient equipment utilization and seamless synergies.

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

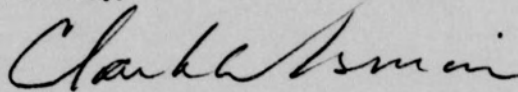
Page 2

Williams, Vernon A.

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

I, Clark Wisman, 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 May 1, 1997.

Sincerely,

A handwritten signature in cursive script, appearing to read "Clark Wisman".

Clark Wisman
Director of Marketing & Sales

CW/tal

SMITH METALS COMPANY, INC.

*Buyers of
Ferrous and Non-Ferrous Scrap*

POST OFFICE BOX 330
SELMER, TENNESSEE 38375

TELEPHONE (901) 645-6302
FAX # (901) 645-6397
TOLL FREE 1-800-227-5517



April 29, 1997

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

33388

Dear Mr. Williams:

My name is James W. Smith, and I am President of Smith Metals Company, Inc. I have held my present position for sixteen years. Prior to that I owned and operated the business as Smith Metals Company for twenty six years. We purchase scrap metals to process for the purpose of recycling. Our facilities are located at 120 Texaco Drive, Selmer, Tennessee. These facilities are presently served by NS.

We support approval of the transaction which will allow CSX and Norfolk Southern to acquire Conrail and subsequently divide its assets. We would welcome the benefit of increased market access and believe it would better enable us to compete more profitably. We have used NS for several years and have been satisfied with their service. I support the application of NS to acquire Conrail and feel confident that they would be able to provide good service on any lines which they should acquire.

I, James W. Smith, 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 April 29, 1997.

Sincerely,

James W. Smith Sr.
James W. Smith



Office of the Chairman

5-5-97
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 21, 1997

The Honorable Terry London
Vice Chairman
Transportation Committee
Michigan House of Representatives
The State Capitol
Lansing, MI 48913

Dear Vice Chairman London:

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



House of Representatives
State of Michigan

DISTRICT EIGHTY-ONE
TERRY LONDON
THE STATE CAPITOL
LANSING, MICHIGAN 48913
PHONE: (517) 373-1790
TDD: (517) 373-0543
TOLL-FREE: 888-81-TERRY

May 1, 1997

COMMITTEES
TRANSPORTATION, MINORITY
VICE-CHAIR
HUMAN SERVICES AND
CHILDREN
INSURANCE

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 5 12 02 PM '97
OFFICE OF
CHAIRMAN MORGAN

The Honorable Linda Morgan, Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

RE: Conrail Merger, Finance Docket #33388

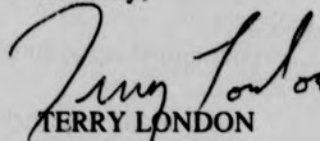
Dear Chairman Morgan:

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 rulemaking 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 media 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, our region of the country. Because so many major questions have been raised which will critically impact several regions of the U.S. -- 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 important matter. Thank you for your time and consideration.

Sincerely,


TERRY LONDON
State Representative
Eighty-First District

STB

FD

33388

5-2-97

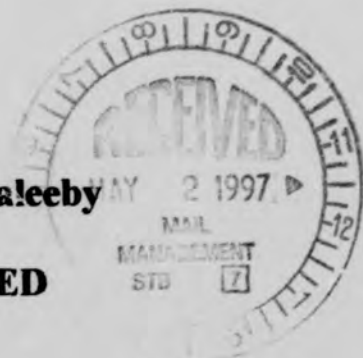
J

Becker Minerals, Inc.

P.O. Drawer 848, Cheraw, South Carolina 29520
Telephone (803) 537-7883, Fax (803) 537-4871

VERIFIED STATEMENT OF David M. Saleeby

BECKER MINERALS INCORPORATED



April 24, 1997

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

Dear Mr. Williams:

My name is David M. Saleeby, and I am Executive Vice President of Becker Minerals, Incorporated, with headquarters at Cheraw, SC. We are a subsidiary of Alfred McAlpine, Incorporated. Becker Minerals is a mining operation that mines sand and aggregates that are used primarily for ready-mix applications and in asphalt for road projects. We have six plants with our Hasskamp, SC and Senter, NC facilities on the Norfolk Southern Railroad and our Marlboro plant on the Pee Dee Railroad which is a shortline that connects only with the CSXT. Part of my responsibilities as Executive Vice President includes the outbound transportation function of our products. In 1996 we shipped out in excess of 5,000 cars via rail.

We support approval of the transaction which will allow CSX and Norfolk Southern to acquire Conrail and subsequently divide its assets. This solution should not only maintain, but increase competition into the Northeast. We are also looking forward to the greater market extension we should realize by having single line service into areas that have been to now joint line movements.

We also feel that two strong competing railroads that own their own assets will benefit many constituencies such as shippers, receivers, and communities. Therefore, we believe that approval of the joint application of Norfolk Southern and CSX to acquire Conrail should be approved by the STB.

I, David M. Saleeby, 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 this 24th day of April, 1997.

Sincerely,

David M. Saleeby
Executive Vice President
Becker Minerals Incorporated



Alfred McAlpine

Minerals Division



AMERICAN COLLOID COMPANY

One North Arlington • 1500 West Shure Drive
Arlington Heights, Illinois 60004-7803 • U.S.A.
Tel. (847) 392-4600 • Telex: IIT 4330321
Fax. (847) 506-6199



THE HONORABLE VERNON A. WILLIAMS
SECRETARY
SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388
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 OPERATION LEASES / AGREEMENTS -- CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION, STB FINANCE DOCKET NO. 33388

VERIFIED STATEMENT OF AMERICAN COLLOID COMPANY FINANCE DOCKET NO. 33388

MY NAME IS JOHN G. MAGINOT. I AM VICE PRESIDENT - TRANSPORTATION AND VICE PRESIDENT - INTERNATIONAL SALES. MY BUSINESS ADDRESS IS 1500 WEST SHURE DRIVE, ARLINGTON HEIGHTS, IL. 60004.

AMERICAN COLLOID WOULD LIKE TO GO ON RECORD AS BEING IN FAVOR OF THE PROPOSED ACQUISITION OF CONSOLIDATED RAIL CORPORATION BY NORFOLK SOUTHERN AND CSX TRANSPORTATION. IT IS OUR BELIEF THAT THE PLANNED SPLIT OF THE ASSETS BETWEEN THE TWO PURCHASERS WILL ALLOW FOR CONTINUED RAIL COMPETITION IN THE EASTERN PART OF OUR COUNTRY.

IT IS ALSO OUR BELIEF THAT THIS CASE SHOULD BE HANDLED IN AN EXPEDITED MANNER. THE SOONER THAT THE SITUATION IS RESOLVED, THE SOONER THAT THE SHIPPERS AND THE RAILROADS CAN WORK ON PLANS TO EXPAND THEIR NEW RELATIONSHIPS. WE FEEL THAT IF THE SITUATION IS NOT EXPEDITED, THEN THERE ARE TOO MANY OPPORTUNITIES FOR SERVICE, EQUIPMENT AND OTHER ASSETS TO BE ALLOWED TO DETERIORATE. AS A SHIPPER ON ALL OF THE RAILROADS INVOLVED, WE CAN'T AFFORD TO LET THE SITUATION DETERIORATE.

I, JOHN G. MAGINOT, 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 28TH DAY OF APRIL, 1997.

John G. Maginot

JOHN G. MAGINOT
VICE PRESIDENT



U. S. Steel
600 Grant Street
Pittsburgh, PA 15219-2749
412 433 3155
Fax 412 433 3085

G. H. Bokelberg
General Manager-Traffic



May 1, 1997

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

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

Dear Mr. Williams:

My name is George H. Bokelberg, and as General Manager - Traffic for USX Corporation - U.S. Steel Group (U.S. Steel), I am responsible for all rail, truck and water activities associated with the global distribution of our finished and semi-finished steel product line. I have held my present position for 3.5 years. Relative specifically to rail, personnel under my direction handle all car supply activities, monitor service and expedite transit, coordinate packaging and equipment design issues, negotiate contract rail rates, designate routings and administrate the filing and collection of loss and damage claims.

U.S. Steel is the world's 6th largest steel producer and this country's largest integrated steel producer. Principal finished products include sheet steel, tin plate, pipe and plates. We also ship steel in various forms between our facilities and our joint ventures for further processing. Our annual finished steel shipments of over twelve million net tons are dwarfed by inbound raw materials (iron ore, coal, coke and limestone) which total almost three tons for every one ton of finished product. Conrail, as the sole service railroad at our Fairless, PA operation, and as a direct service carrier - through switching or short-haul interchange - at the Pittsburgh, PA and Gary, IN locations, plays a critical role in our daily operations. During calendar year 1996, Conrail handled 64,559 loaded rail cars into and out of U.S. Steel facilities. This included the movement of 975,000 tons of semi-finished steel to Fairless, PA for further processing and the movement of over 1.5 million tons of coal and coke and over half a million tons of iron ore in support of our blast furnace operations.





Mr. Vernon A. Williams

Page 2

May 1, 1997

Conrail's steel hauling fleet is vital to our operations as we rely on their coil car fleet (open as well as covered) for our coil distribution; unequipped gondolas for pipe, plate and semi-finished; flatcars for plate and pipe; and box cars for palletized tinplate.

U. S. Steel supports the acceleration of the merger review process to whatever degree it is procedurally and practically possible. A protracted proceeding will result in diminished service as employees struggle with the uncertainties of impending change. Even marginally diminished service translates into increased cycle times and creates equipment shortages which can not be quickly corrected.

U.S. Steel respectfully requests that the Board accept the proposed 255-day procedural schedule as published in the Monday, April 21, 1997 edition of the Federal Register.

I, George H. Bokelberg, 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 May 1, 1997.

Sincerely,

A handwritten signature in cursive script, appearing to read "G. H. Bokelberg".

G. H. Bokelberg
General Manager-Traffic

GHB:sms





Office of the Chairman

5-2-97
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 22, 1997

Mr. Wayne Shackelford
Commissioner
Department of Transportation
State of Georgia
#2 Capitol Square, S.W.
Atlanta, GA 30334-1002

Dear Commissioner Shackelford:

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, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
Linda J. Morgan



Department of Transportation

State of Georgia
#2 Capitol Square, S.W.
Atlanta, Georgia 30334-1002

WAYNE SHACKELFORD
COMMISSIONER
(404)656-5206

FRANK L. DANCHETZ
CHIEF ENGINEER
(404)656-5277

STEVEN L. PARKS
DEPUTY COMMISSIONER
(404)656-5212

BILLY F. SHARP
TREASURER
(404)656-5224

April 24, 1997

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

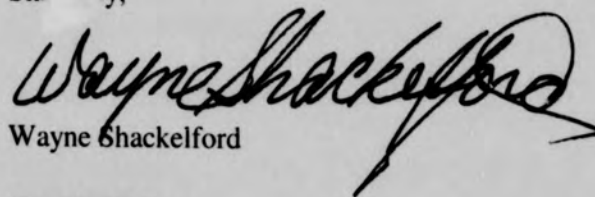
Dear Madam Chairman:

The Georgia Department of Transportation wishes to provide the Surface Transportation Board with comments concerning Finance Docket 33388, a joint petition of CSX Corporation and Norfolk Southern, requesting a 255 day expedited application process for their proposed acquisition of Conrail.

The joint acquisition of Conrail by Norfolk Southern and CSX will significantly increase rail competition in the eastern United States. The resulting rail systems formed from this merger will create a balanced rail network, which will enhance rail service to all rail shippers in Georgia and the southeast. The expedited 255 day process will provide adequate time for review and permit rail shippers to receive the merger benefits sooner.

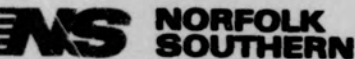
Therefore, it is requested that the Surface Transportation approve the joint petition of CSX and Norfolk Southern for a 255 day expedited application process for the acquisition of Conrail.

Sincerely,


Wayne Shackelford



RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 2 3 57 PM '97
OFFICE OF
CHAIRMAN MORGAN



Norfolk Southern Corporation
Intermodal Operations
185 Spring Street, S.W., Box 184
Atlanta, Georgia 30303
404 420-4270
404 527-3214 FAX

Sharon E. Stewart
Assistant Manager Contracts

May 2, 1997

Collins Cartage
6850 W. 63rd Street
Chicago, IL 60638-4096

Dear Sir/Madam :

On April 8, 1997 Norfolk Southern and CSX executed a letter agreement governing the division of Conrail, and are planning to file a joint application to the Surface Transportation Board (STB) on June 16, 1997. NS needs your letters of support to include in the NS portion of the joint application. Unfortunately, we can not use any prior merger support letters that may have been submitted.

Enclosed please find a sample verified statement of support which can assist you in writing a proper support statement. Please remember that each letter must be on your company's letterhead or have your address at the top of page one. Once your statement is completed, please address it as follows:

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

Additionally, the statement should read "Verified Statement on behalf of (your company name) STB Finance Docket No. 33388. The letters addressed to Mr. Vernon A. Williams should be sent to:

Norfolk Southern Corporation
Attn: Ms. Lisa Smith - Intermodal
Three Commercial Place
Norfolk, VA 23510-9208

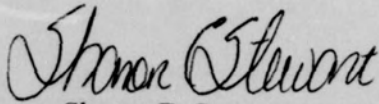
May 2, 1997

Page 2

By sending the letters to Ms. Smith it ensures that the support letter will be included in NS' filing with the STB. We request all letters be sent at your earliest convenience due to the deadline imposed upon us.

NS appreciates your support during this endeavor.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sharon E. Stewart".

Sharon E. Stewart



Office of the Chairman

5-2
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
JD-33388*

May 21, 1997

The Honorable John J.H. Schwarz
President Pro Tempore
The Senate
State of Michigan
P.O. Box 30036
Lansing, MI 48909-7536

Dear Senator Schwarz:

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 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

April 29, 1997

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

Re: Conrail Merger, Finance Docket No. 33388

Dear Chairman Morgan:

I am writing to express my deep concern regarding the recent proposal by CSX and Norfolk Southern (NS) to reduce the time schedule for the Surface Transportation Board (STB) proceedings in the proposed Conrail merger. I urge the STB to reject this ill-advised effort on the part of CSX and NS and maintain the 365-day schedule as put forth in the STB's earlier decision on this matter.

The proposed acquisition of Conrail by CSX and NS is a major consolidation of Class I railroads and will have far-reaching implications for our nation's rail transportation system. In matters as important as this proposed merger, there should be no rush to judgment. It is in the public interest that all parties affected by this proposed acquisition have ample opportunity to study the acquisition and its impact on their respective operations. In fact, the only beneficiaries of a compacted schedule are the CSX and NS and their hope that any serious deficiencies in their proposed acquisition of Conrail will be overlooked by other parties in their efforts to meet significantly reduced deadlines in the merger acquisition process.

I am confident the Surface Transportation Board will see the CSX/NS proposal for what it is and reject these efforts to reduce the schedule. A rush to judgement in this merger case will not serve the public interest. Therefore, I strongly support the STB's original 365-day schedule.

Yours very truly,

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

JJHS:plf

OFFICE OF
CHAIRMAN MORGAN

MAY 2 11 23 AM '97

RECEIVED
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BOARD

STB

FD

33388

5-1-97

J

April 29, 1997

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

Commonwealth
Consulting
Associates



Re: Conrail Merger Proceedings set as Surface Transportation Board
Finance Dockets No's. 33320, 33286 & 33888

Dear Secretary Williams:

Please accept this letter as Notice of Intent to Participate in the dockets referenced above and add my name to the service list as a party of record. Commonwealth Consulting Associates will file joint comments on behalf of Shell Chemical Company and Shell Oil Company.

Should the merger applications of CSX Transportation and Norfolk Southern Corporation fail to satisfactorily address the anti-competitive situation which now exists at the Shell polyester plant located in Apple Grove, West Virginia, Shell will vigorously oppose the mergers.

Copies of this letter are also being transmitted to the other parties of record in this proceeding so that each may furnish copies of their comments to Commonwealth at the address listed below.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "D. L. Hall", written over a horizontal line.

David L. Hall

cc: Brian P. Felker, Shell Chemical Company
Kris R. Mira, Esq., Shell Oil Company
John W. Snow, CSX Corporation
David R. Goode, Norfolk Southern Corporation

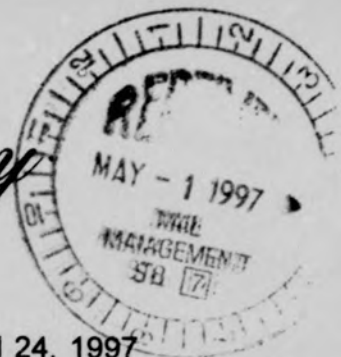
Laclede Steel Company

One Metropolitan Square

St. Louis, Missouri 63102-2738

(314) 425-1427

April 24, 1997

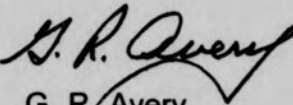


BEFORE THE
SURFACE TRANSPORTATION BOARD
NORFOLK SOUTHERN CORP. AND NORFOLK SOUTHERN RAILWAY CO.
CSX CORP. AND CSX TRANSPORTATION, INC.
CONTROL AND OPERATING
LEASES/AGREEMENTS
CONRAIL, INC. AND CONSOLIDATED RAIL CORPORATION
STB FINANCE DOCKET NO. 33388

My name is G. R. (Dick) Avery. I am the Traffic Manager for Laclede Steel Company and I am authorized by the management of Laclede Steel to act on behalf of Laclede on all matters pertaining to transportation. Laclede Steel Company is in the business of manufacturing and marketing various iron and steel articles. Laclede has plants located on both the Norfolk Southern and Conrail railroads. Laclede ships and receives large amounts of tonnage by all three of the railroads involved in these proceedings and has an interest to have this matter brought to the earliest possible conclusion.

Laclede, therefore, respectfully requests that the Board set the hearings on the above mentioned docket at the earliest possible date.

Respectfully Submitted,


G. R. Avery
Traffic Manager



CO-OP

TENNESSEE FARMERS COOPERATIVE
P. O. BOX 3003, 200 WALDRON ROAD
LAVERGNE, TN 37086-1983
(615) 793-8011



Surface Transportation Board
Mr. Vernon A. Williams, Secretary
1202 Constitution Ave., N. W.
Washington, D.C. 20423

Dear Mr. Williams:

FD33388

I am writing in support of the proposed merger/purchase by the CSX Transportation System and the NS Southern with the Conrail System. This acquisition will streamline the rail system for the mid and eastern parts of the United States. This should provide better and more timely service for those of us who receive shipments originating in those parts of the country with a minimum number of inter-line switches.

Tennessee Farmers Cooperative is a farm supply cooperative operating in the state of Tennessee. My responsibility is for the feed operations of the cooperative. We have five animal feed mills in the state and manufacture over 400,000 tons of feed annually. Many of our ingredients originate from the eastern half of the country. I believe the proposed mergers will do nothing but help the efficiency of the rail system in the areas served by the CSX Transportation and the Norfolk Southern Systems. Efficiencies gained should make these rail lines more competitive with other forms of transportation. In the end the beneficiary of these mergers will be the farmers and other consumers.

Thank you for your consideration of my support of a favorable review by the Surface Transportation Board of the proposed merger/purchase of the Conrail System by two of the strong and service minded rail lines in this country.

Sincerely,

G. Ray Wilson

G. Ray Wilson, Manager
Feed Department

TENNECO
Packaging

B. J. "Bernie" Thomas
Manager, Field Transportation

Tenneco Packaging
1603 Orrington Avenue
Evanston, Illinois 60201-3853

Tel 847 570 6578
Home 708 837 2437
Fax 847 570 6440

TENNECO
Packaging

Friday, April 25, 1997

I, Bernard J. Thomas declare to the best of my knowledge and belief, submit the foregoing statement in my official capacity as Manager - Field Transportation, for Tenneco Packaging, Evanston, IL. 60201

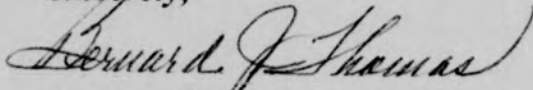
RE: CSX Transportation and CSX Transportation Inc.; Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Lease/Agreements - Conrail Inc. and Consolidated Rail Corporation, STB Finance Docket 33388.

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

Dear Mr. Williams:

We at Tenneco Packaging would like to see the Surface Transportation Board expedite this proceeding in a effort to protect the interests of all parties in this major endeavor. We believe that an expedited proceeding will be less disruptive, particularly for those of us that deal with the carriers on a daily basis, and for our customers who depend upon consistent rail service.

Sincerely,



Bernard J. Thomas
Manager - Field Transportation

cc: Bill Williams - Norfolk Southern Railway Co.
Chris Ringo - CSX Transportation
Maureen Forrest - Consolidated Rail





The Ohio Senate
24th Senate District

Gary C. Suhadolnik
Senate Building
Columbus, Ohio 43215
614/466-8056

Committees:
Energy, Natural Resources and
Environment, Chairman
Finance and Financial Institutions,
Vice-Chairman
Health
Insurance, Commerce, and Labor
Joint Committee on Agency Rule Review,
Vice-Chairman



April 29, 1997

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

Re: CSX/NF Acquisition of Conrail: Finance Docket #33388

Dear Secretary:

In response to your request for comments on the proposed procedural schedule in this proceeding, please be advised that I strongly support comments filed by the Ohio Valley Coal Company to allow the maximum time available for consideration of the important issues in this proceeding.

Sincerely,

Gary C. Suhadolnik

Gary C. Suhadolnik
State Senator
24th District

GCS/clp



Office of the Chairman

5-1-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

The Honorable Robert D. Coble
Mayor
City of Columbia
1737 Main Street
P.O. Box 147
Columbia, SC 29217

Dear Mayor Coble:

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, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
Linda J. Morgan

COLUMBIA

A Capital Place To Be

April 29, 1997



RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 01 2 38 PM '97
OFFICE OF
CHAIRMAN MORGAN

The Honorable Linda Morgan
Chairwoman
The Surface Transportation Board
1201 Constitution Avenue, NW
Washington, DC 20423

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

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 increase 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.

Very truly yours,

CITY OF COLUMBIA

Robert D. Coble,
Mayor

cc: Mr. John W. Snow
Mr. David R. Goode
RDC/hh



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- IF BOX **1** IS BLANK OR THE NUMBER IS MORE THAN 6 DIGITS, RECORD THE NUMBER FROM BOX **2**.

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REFERENCE NUMBER	15176-1	



DELIVERY TO

TELEPHONE

The Honorable Linda M. Kruger
 The Surface Transportation
 1301 Constitution Ave. NW
 Washington, DC 20005

20005

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United Parcel Service, Louisville, KY

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N014 130 398 0

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DELIVERY 2

DATE OF SHIPMENT

1 MAY 1997

EXPORT 1 EXPORT 2 / DELIVERY 1



Office of the Chairman

5-1
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

The Honorable Curtis Hertel
Speaker
Michigan House of Representatives
State Capitol Building
Lansing, MI 48913

Dear Speaker Hertel:

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, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
Linda J. Morgan



SPEAKER OF THE HOUSE

Curtis Hertel
2nd District

Michigan House of Representatives
State Capitol Building
Lansing, Michigan 48913
Phone: (517) 373-1983

April 29, 1997

The Honorable Linda Morgan
Chairwoman
The Surface Transportation Board
1201 Constitution Ave., N.W.
Washington, D.C. 20423

RE: Finance Docket No. 33388
Application by CSX and Norfolk Southern to Acquire Conrail

Dear Chairwoman Morgan:

It has come to my attention that CSX and Norfolk Southern have filed a petition to establish a procedural schedule in the above proceeding that provides for expedited handling of a joint application that will be filed on or before July 10, 1997.

CSX and Norfolk Southern should be able to realize the benefits of this acquisition as soon as possible.

Also, Conrail employee morale will only deteriorate further the longer it takes to render a decision in this case.

I urge you to approve the application for expedited handling of this case.

Sincerely,

CURTIS HERTEL
Speaker
Michigan House of Representatives

OFFICE OF
CHAIRMAN MORGAN

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2ND DISTRICT

SPEAKER CURTIS HERTEL

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**THE HONORABLE LINDA MORGAN
CHAIRWOMAN
THE SURFACE TRANSPORTATION BOARD
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*File in
Docket
FD-33388*

May 22, 1997

The Honorable Ronald P. Townsend
Chairman
Education and Public Works Committee
South Carolina House of Representatives
P.O. Box 11867
Columbia, SC 29211

Dear Chairman Townsend:

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, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
Linda J. Morgan

* Lanny F. Littlejohn
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Alma W. Bryd
Second Vice Chairman

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Richard P. Fulmer
Staff Attorney

Ronald P. Townsend
Chairman

Education and Public Works Committee



South Carolina House of Representatives
P.O. BOX 11867 TELEPHONE: (803) 734-3053
Room 429, Platt Building
Columbia, S.C. 29211

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Thomas D. Woodrum

Donna G. Tinsley
Administrative Assistant

April 29, 1997

The Honorable Linda Morgan, Chair
Surface Transportation Board
1201 Constitution Avenue, NW
Washington, DC 20423

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

Dear Mrs. Morgan:

The proposed system created by the acquisition and control of Conrail by CSX and Norfolk Southern will benefit South Carolina industries that ship by rail items such as grain, paper, chemicals, and metals. The acquisition also will expand statewide efforts to create new jobs and other economic opportunities for our citizens. It will bring single-line service connecting South Carolina to the Northeast and Midwest and will result in more reliable and efficient service. Creating two strong rail competitors in the East will expand the market search for companies in South Carolina and the region.

I ask that the Surface Transportation Board expedite the application by CSX and Norfolk Southern to acquire Conrail and limit the timetable for the process to 255 days so that our economy may begin to enjoy the benefits of the acquisition as soon as possible.

Thank you.

Sincerely,

A handwritten signature in cursive script, reading "Ronald P. Townsend".

Ronald P. Townsend
Chairman

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CHAIRMAN MORGAN



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REP. DONALD DOWNS
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COUNCIL
P.O. Box 11367
COLUMBIA, SC 29211

TO: (PLEASE PRINT)

PHONE

THE HON. LINDA MORGAN
CHAIR
SURFACE TRANSPORTATION BOARD
1201 CONSTITUTION AVE NW
WASHINGTON, DC 20423

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