June 8, 1998
Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423
via fax: 202/565-9004

Dear Mr. Williams and Chairman Morgan:

Thank you for providing me this opportunity to present my views before the Surface Transportation Board on the CSX and Norfolk Southern acquisition of Conrail. In lieu of testimony that I had hoped to present last week before your board, I want to call your attention to the monopolization of control of the Chicago gateway by CSX Transportation (CSXT) and Norfolk Southern, and the purchase or a rail line to protect against the anti-competitive impact that such a transaction will have on Chicago.

Given the recent events in Houston related to Union Pacific, and the rail crisis that has ensued as a result of one carrier's control or dominance of a critical rail gateway, it is my sincere hope that you will act to prevent a similar situation from arising as a result of the CSXT-Norfolk Southern acquisition of Conrail. The potential for problems is heightened by Chicago's status as the largest rail gateway in the nation.

Unless the proposed transaction is modified, all three switching carriers at Chicago, the Indiana Harbor Belt (IHB), the Belt Railway Company (BRC), and the Baltimore and Ohio Chicago Terminal Railroad (BOCT), will either be completely owned, controlled, or dominated by CSXT and Norfolk Southern.

It is my understanding that you have been presented with alternatives to solving the Chicago gateway problem without affecting the larger deal. Specifically, although the IHB is majority owned by Conrail and under the proposed acquisition will be controlled by CSXT, it has historically been operated independently of Conrail. Presently, the IHB has its own management and dispatches its own lines. It is my position that continuing the operation of the IHB as an independent intermediate switching railroad,
whose services and lines would be available to all railroads serving Chicago on a neutral basis, is a solution that merits strong consideration.

Neutral operation of the IHB would assure that traffic could be interchanged through the nation’s largest rail gateway without being subject to the control of or operating conditions prevailing on CSXT or Norfolk Southern. It would preserve essential switching and routing alternatives through the Chicago terminal for all Chicago railroads and their shippers, and assure competitive routing options for all on-line IHB shippers.

Neutral operation of the IHB would also protect against the risk that if either the CSXT or Norfolk Southern were to experience severe congestion or service problems, such as those currently prevailing on the Union Pacific Railroad at Houston, the other railroads serving Chicago would be able to continue to interchange traffic through the Chicago gateway. Thus, maintaining an independent IHB would provide reasonable assurance that the problems currently occurring at Houston would not occur at Chicago. The opening-up of rail service to competition in the Northeast is an important goal. However, shifting the rail movement problem to Chicago that we are seeking to solve in the Northeast is not a sound solution.

In addition to concerns over a monopolization of the Chicago Gateway by CSXT and Norfolk Southern, other rail lines such as Wisconsin Central Limited (WCL) might also be harmed by the Conrail acquisition. WCL and its affiliates Fox Valley & Western Limited, Sault & Marie Bridge Company and Algoma Central are the principal rail system serving shippers in Wisconsin, the upper Peninsula of Michigan, and northern Illinois. Today, it brings over 200,000 car loads of traffic through the Chicago Gateway for interchange. The interchange occurs largely through facilities of the BOCT and the IHB, both of which will be either managed or owned by CSXT. Therefore, since CSXT will control all of WCL’s connections, this hurts WCL, and more importantly, fosters non-competition in the Chicago area.

To protect against this anti-competitive impact, the WCL has asked to purchase CSX’s Altenheim Subdivision. Coupled with a line known as the Panhandle Line which Norfolk Southern agreed to transfer to WCL, WCL’s ownership of the Altenheim Subdivision will protect Wisconsin, Upper Peninsula, and northern Illinois shippers from unprecedented concentration of switching control in CSX’s hand. Moreover, WCL has committed to upgrade and improve the capacity of the Altenheim Subdivision. This added capacity will help to avoid congestion in Chicago and benefit the public by assuring a free flow of traffic through Chicago.

I seriously urge the Surface Transportation Board to keep the IHB independently owned and allow Wisconsin Central Limited to purchase the
Altenheim Subdivision. Clearly, both of these courses of action will protect existing competitive options for shippers.

Thank you for your time and attention to this matter. I look forward to hearing from you on this issue.

Sincerely,

WILLIAM O. LIPINSKI
Member of Congress
Subcommittee on Railroads
TO: Vernon Williams
FROM: Congressman Bill Lipinski, Colleen Corr, Michael McLaughlin, Jason Tai, Ellen Moreland
FAX NUMBER: 565-9004
FOLLOWING NUMBER OF PAGES: 3
DATE: 6/8/98
REGARDING:

FOR QUESTIONS REGARDING OR PROBLEMS WITH TRANSMISSION PLEASE CALL (202) 225-5701
Statement of Congressman Michael N. Castle
RE the Proposed Merger of CSX Corporation and Norfolk Southern Corporation
Before the Surface Transportation Board
Finance Docket No. 33388
June 4, 1998

Secretary Williams, as the sole representative of the State of Delaware in the House of Representatives, I come before the Surface Transportation Board today to ask that you address two crucial concerns Delaware has with the CSX and Norfolk Southern acquisition of Conrail.

First, unlike Philadelphia, New Jersey, Indianapolis, Detroit and the Monongahela coal fields in Pennsylvania, the proposed merger fails to include the Port of Wilmington and Delaware’s industries within the Shared Assets Area. According to the Operations Plan filed in this proceeding, CSX will continue to serve Delaware through a corridor located in the northern portion of the state. However, the Port of Wilmington and many of Delaware’s major industries are not included within that corridor. Unless the Shared Assets Area is extended to include these entities or CSX is given the right to provide direct rail service to these shippers, Delaware shippers will be put at a severe competitive disadvantage to shippers within the Shared Assets Area. Initial estimates indicate shippers could pay rates of approximately $350 more per rail car if they use the Port of Wilmington than they would at the Port of Philadelphia. The State of Delaware has invested over $125 million in acquiring and improving the Port of Delaware with the understanding that the port would be served by two Class 1 railroads. The CSX / Norfolk Southern Operations Plan, if approved, would undercut Delaware’s attempt to build a world class gateway to international commerce which anchors 3000 jobs and tens of millions of dollars in annual tax revenues.

Second, the Operations Plan estimates that 1.9 more trains will pass through the City of Newark as a result of the proposed merger. The City of Newark is one of the largest cities in Delaware with close to 30,000 residents. The University of Delaware which enrolls 20,000 students is based in Newark as well. This increased train traffic presents concerns about auto traffic delays, pedestrian railroad crossing safety, longer emergency response time for fire vehicles and ambulances, and increased air and noise pollution. I request that the Surface Transportation Board stipulate that in the event the number of trains passing through the City of Newark increases to three trains per day, CSX and Norfolk Southern conduct a proper Environmental Impact Assessment with grade-separation pedestrian crossings and the construction of a fully grade-separated railroad roadway crossing as potential alternatives. Delaware’s tremendous growth brings new challenges to City of Newark in providing for the health and safety of its residents. CSX and Norfolk Southern must take responsibility for the full impact they cause on local communities.
I understand that CSX is prepared to delay its planned takeover of Conrail on September 1, 1998, until next year to avoid the rail congestion problems that have plagued the West and Midwest since Union Pacific merged with Southern Pacific in 1996. Furthermore, Gerald T. Gates, the CSX official who would manage Conrail's territories, stated to the press on June 3 that the technological systems, labor agreements, and capital resources would not be in place by September 1. Therefore, the Surface Transportation Board has time to address Delaware's concerns before approving the merger.

I know you will face a difficult task in crafting an approval for this $10 billion merger. On behalf of the State of Delaware, the Port of Wilmington, and all the companies and employees whose livelihood depends on fair access to Conrail's lines, I ask that you give these requests your usual careful and fair review.

Respectfully submitted,

Michael N. Castle
Member of Congress
The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit
1925 K Street, N.W.
Washington, D.C. 20423

RE: CSX Corporation and Norfolk Southern Corporation
STB Finance Docket No. 33388

June 4, 1998

Dear Secretary Williams:

As a rigorous Congressional schedule prevents me from testifying in person, please find the enclosed copy of my statement regarding the CSX Corporation and Norfolk Southern Corporation Proposed Merger. In accordance with Decision No. 12, in connection with the above proceeding, I have mailed the original and twenty-five copies for the record.

Respectfully submitted,

Michael N. Castle
Member of Congress

Enclosures
Secretary Williams, as the sole representative of the State of Delaware in the House of Representatives, I come before the Surface Transportation Board today to ask that you address two crucial concerns Delaware has with the CSX and Norfolk Southern acquisition of Conrail.

First, unlike Philadelphia, New Jersey, Indianapolis, Detroit and the Monongahela coal fields in Pennsylvania, the proposed merger fails to include the Port of Wilmington and Delaware’s industries within the Shared Assets Area. According to the Operations Plan filed in this proceeding, CSX will continue to serve Delaware through a corridor located in the northern portion of the state. However, the Port of Wilmington and many of Delaware’s major industries are not included within that corridor. Unless the Shared Assets Area is extended to include these entities or CSX is given the right to provide direct rail service to these shippers, Delaware shippers will be put at a severe competitive disadvantage to shippers within the Shared Assets Area. Initial estimates indicate shippers could pay rates of approximately $350 more per rail car if they use the Port of Wilmington than they would at the Port of Philadelphia. The State of Delaware has invested over $125 million in acquiring and improving the Port of Delaware with the understanding that the port would be served by two Class I railroads. The CSX / Norfolk Southern Operations Plan, if approved, would undercut Delaware’s attempt to build a world class gateway to international commerce which anchors 3000 jobs and tens of millions of dollars in annual tax revenues.

Second, the Operations Plan estimates that 1.9 more trains will pass through the City of Newark as a result of the proposed merger. The City of Newark is one of the largest cities in Delaware with close to 30,000 residents. The University of Delaware which enrolls 20,000 students is based in Newark as well. This increased train traffic presents concerns about auto traffic delays, pedestrian railroad crossing safety, longer emergency response time for fire vehicles and ambulances, and increased air and noise pollution. I request that the Surface Transportation Board stipulate that in the event the number of trains passing through the City of Newark increases to three trains per day, CSX and Norfolk Southern conduct a proper Environmental Impact Assessment with grade-separation pedestrian crossings and the construction of a fully grade-separated railroad roadway crossing as potential alternatives. Delaware’s tremendous growth brings new challenges to City of Newark in providing for the health and safety of its residents. CSX and Norfolk Southern must take responsibility for the full impact they cause on local communities.
I understand that CSX is prepared to delay its planned takeover of Conrail on September 1, 1998, until next year to avoid the rail congestion problems that have plagued the West and Midwest since Union Pacific merged with Southern Pacific in 1996. Furthermore, Gerald T. Gates, the CSX official who would manage Conrail's territories, stated to the press on June 3 that the technological systems, labor agreements, and capital resources would not be in place by September 1. Therefore, the Surface Transportation Board has time to address Delaware's concerns before approving the merger.

I know you will face a difficult task in crafting an approval for this $10 billion merger. On behalf of the State of Delaware, the Port of Wilmington, and all the companies and employees whose livelihood depends on fair access to Conrail's lines, I ask that you give these requests your usual careful and fair review.

Respectfully submitted,

Michael N. Castle
Member of Congress
June 2, 1998

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit
1925 K St., NW
Washington, DC 20423-0001

Dear Mr. Williams:

The CSX and Norfolk Southern acquisition of Conrail is now before the Surface Transportation board and we would like you to address the following concerns.

First, while CSX will not become the exclusive carrier over Conrail's lines in Delaware, the joint access arrangements in Philadelphia, New Jersey, Indianapolis, Detroit and the Mononogahela coal fields of Pennsylvania, concerns us because Delaware industries could easily become competitively disadvantaged. We understand that joint access terminates in Marcus Hook, Pennsylvania — which is less than twelve miles from the Port of Wilmington and several large companies including DuPont, and Delmarva Power. The Port of Wilmington and Delaware companies deserve the same competitive access that our neighboring shippers are receiving under the proposed merger. At a minimum, we are asking that Delaware companies along the Northeast Corridor receive the same competitive advantage with respect to freight rates and service.

Second, the CSX line in Delaware cuts through the center of Newark and results in two dangerous at-grade crossings. The city contains over 27,000 people including 8,000 students from the University of Delaware who use the crossing to get back and forth to campus. The possibility of increased rail traffic through the city raises serious safety and traffic flow concerns. To address those concerns, we urge you to invest in grade separation at these crossings to protect the residents of the Newark community.

We encourage you to address Delaware's concerns in the operational plan and if you have any questions please do not hesitate to contact one of our offices. Thank you for your attention to these matters.

Sincerely,

Michael N. Castle
Member of Congress
William Roth
U.S. Senator
Joseph Biden
U.S. Senator
June 2, 1998

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit
1925 K St., NW
Washington, DC 20423-0001

Dear Mr. Williams:

The CSX and Norfolk Southern acquisition of Conrail is now before the Surface Transportation board and we would like you to address the following concerns.

First, while CSX will not become the exclusive carrier over Conrail's lines in Delaware, the joint access arrangements in Philadelphia, New Jersey, Indianapolis, Detroit and the Mononogahela coal fields of Pennsylvania, concerns us because Delaware industries could easily become competitively disadvantaged. We understand that joint access terminates in Marcus Hook, Pennsylvania - which is less than twelve miles from the Port of Wilmington and several large companies including DuPont, and Delmarva Power. The Port of Wilmington and Delaware companies deserve the same competitive access that our neighboring shippers are receiving under the proposed merger. At a minimum, we are asking that Delaware companies along the Northeast Corridor receive the same competitive advantage with respect to freight rates and service.

Second, the CSX line in Delaware cuts through the center of Newark and results in two dangerous at-grade crossings. The city contains over 27,000 people including 8,000 students from the University of Delaware who use the crossing to get back and forth to campus. The possibility of increased rail traffic through the city raises serious safety and traffic flow concerns. To address those concerns, we urge you to invest in grade separation at these crossings to protect the residents of the Newark community.

We encourage you to address Delaware's concerns in the operational plan and if you have any questions please do not hesitate to contact one of our offices. Thank you for your attention to these matters.

Sincerely,

Michael N. Castle
Member of Congress

William Roth
U.S. Senator

Joseph Biden
U.S. Senator
June 2, 1998

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit
1925 K St., NW
Washington, DC 20423-0001

Dear Mr. Williams:

The CSX and Norfolk Southern acquisition of Conrail is now before the Surface Transportation board and we would like you to address the following concerns.

First, while CSX will not become the exclusive carrier over Conrail's lines in Delaware, the joint access arrangements in Philadelphia, New Jersey, Indianapolis, Detroit and the Monongahela coal fields of Pennsylvania, concerns us because Delaware industries could easily become competitively disadvantaged. We understand that joint access terminates in Marcus Hook, Pennsylvania – which is less than twelve miles from the Port of Wilmington and several large companies including DuPont, and Delmarva Power. The Port of Wilmington and Delaware companies deserve the same competitive access that our neighboring shippers are receiving under the proposed merger. At a minimum, we are asking that Delaware companies along the Northeast Corridor receive the same competitive advantage with respect to freight rates and service.

Second, the CSX line in Delaware cuts through the center of Newark and results in two dangerous at-grade crossings. The city contains over 27,000 people including 8,000 students from the University of Delaware who use the crossing to get back and forth to campus. The possibility of increased rail traffic through the city raises serious safety and traffic flow concerns. To address those concerns, we urge you to invest in grade separation at these crossings to protect the residents of the Newark community.

We encourage you to address Delaware's concerns in the operational plan and if you have any questions please do not hesitate to contact one of our offices. Thank you for your attention to these matters.

Sincerely,

Michael N. Castle
Member of Congress

William Roth
U.S. Senator

Joseph Biden
U.S. Senator
June 2, 1998

Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit
1925 K St., NW
Washington, DC 20423-0001

Dear Mr. Williams:

The CSX and Norfolk Southern acquisition of Conrail is now before the Surface Transportation Board and we would like you to address the following concerns.

First, while CSX will not become the exclusive carrier over Conrail's lines in Delaware, the joint access arrangements in Philadelphia, New Jersey, Indianapolis, Detroit and the Mononogahela coal fields of Pennsylvania, concerns us because Delaware industries could easily become competitively disadvantaged. We understand that joint access terminates in Marcus Hook, Pennsylvania – which is less than twelve miles from the Port of Wilmington and several large companies including DuPont, and Delmarva Power. The Port of Wilmington and Delaware companies deserve the same competitive access that our neighboring shippers are receiving under the proposed merger. At a minimum, we are asking that Delaware companies along the Northeast Corridor receive the same competitive advantage with respect to freight rates and service.

Second, the CSX line in Delaware cuts through the center of Newark and results in two dangerous at-grade crossings. The city contains over 27,000 people including 8,000 students from the University of Delaware who use the crossing to get back and forth to campus. The possibility of increased rail traffic through the city raises serious safety and traffic flow concerns. To address those concerns, we urge you to invest in grade separation at these crossings to protect the residents of the Newark community.

We encourage you to address Delaware’s concerns in the operational plan and if you have any questions please do not hesitate to contact one of our offices. Thank you for you attention to these matters.

Sincerely,

Michael N. Castle
Member of Congress

William Roth
U.S. Senator

Joseph Biden
U.S. Senator
June 3, 1998

The Honorable Linda Morgan
Chairman
Surface Transportation Board (STB)
12th and Constitution Avenues, N.W.
Room 4126
Washington, D.C. 20423

Dear Ms. Morgan:

We are writing to share with you our support for an alternative routing proposal submitted to the STB by the Indiana Cities of Gary, Hammond, East Chicago and Whiting ("The Four City Consortium"). As you continue your important work to evaluate the pending application filed by CSX Transportation and the Norfolk Southern Railroad to acquire the assets of Conrail, we hope the Board will give careful and thoughtful consideration to the merits of the Consortium’s proposal.

Competitive and efficient rail transportation is critical to the nation’s continued economic strength and should be a primary goal of the acquisition plan proposed by CSX and Norfolk Southern. As elected officials, we are also interested in balancing economic efficiency with public safety for Indiana motorists, residents and citizens who live and work in Northwest Indiana.

Northwest Indiana serves as a vital economic link for rail transportation moving between Chicago and the east coast. Indiana is one of the most rail-intensive states in the nation, with the Northwest Indiana region having the highest concentration of highway-rail grade crossings in the State. Indiana ranks among the top five states in the nation for numbers of motorists killed or injured as a result of vehicle-train crashes at highway-rail grade crossings.

The Consortium’s plan recognizes the efforts of state and local officials to achieve a balance between transportation efficiency and public safety that is vital to sustaining strong communities. The Indiana Department of Transportation has reviewed the Consortium’s plan and supports the alternative routing proposal.
As the STB continues its important work to evaluate the CSX/Norfolk Southern acquisition plan, we hope you will be mindful of our support for the Four City Consortium’s alternative routing proposal.

Thank you for your consideration.

Sincerely,

Richard G. Lugar
United States Senator

Dan Coats
United States Senator
May 28, 1998

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

Dear Representative Kaptur:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Specifically, you express concern over future rail competition in northwestern Ohio, and you express support for the request of the Wheeling & Lake Erie Railway Company for unrestricted trackage rights access to the Toledo area.

This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388. As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule adopted for this proceeding, the Board now has received comments and evidentiary submissions from all interested parties addressing the merits of the merger proposal, replies and rebuttal submissions, and briefs. The Board is currently analyzing those filings, and has set oral argument in the proceeding for June 3 and 4, 1998, followed by a voting conference on June 8, with a final written decision in this matter by July 23, 1998.

In deciding whether a control transaction such as the one being proposed here is in the public interest and should be approved, the Board must consider various factors required by law, including the effect of the proposed transaction on the adequacy of transportation to the public, and whether the proposed transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. In this regard, let me assure you that the Board will give full consideration to the issues that you have raised. Because this proceeding is pending before the Board, however, it would be inappropriate for me to comment further on the 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
May 14, 1998

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

RE: Finance Docket No. 33388, CSX Corporation, et al. -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation

Dear Secretary Williams:

I am writing in connection with the above-captioned proceeding to express my deep concern for the future of railroad service competition provided to my constituents located in northwestern Ohio. In particular, I am writing to express my support for the Wheeling & Lake Erie Railway Company ("W&LE") and its efforts to obtain unrestricted trackage rights access to the Toledo area. Without the competitive presence of the W&LE in Toledo -- a measure which is also designed to ensure the survival of the W&LE -- I fear that the proposed transaction between Norfolk Southern ("NS"), CSX Transportation ("CSXT") and Conrail will seriously threaten the economic strength and industrial vitality of northwestern Ohio.

W&LE, a transportation asset in the State of Ohio, has sought various protective conditions from the Board in FD 33388 (Sub-No. 80). Among them is a request for trackage rights access to Toledo, Ohio. I understand that, barring a settlement between W&LE, CSXT and CSXT, it will be up to the Board to determine what relief W&LE will receive to stem the economic losses it will otherwise suffer as a result of this proposed railroad transaction. Clearly, I would far prefer that the involved parties promptly resolve this dispute through negotiation, and that NS and CSXT voluntarily extend to W&LE the trackage rights access to Toledo that I understand NS has, in the past, expressed some willingness to convey.

I have recently learned that there has been little meaningful progress in private negotiations between W&LE, NS and CSXT, which is distressing news to me and to the people of northwestern Ohio. Apparently, NS and CSXT, although once willing to discuss W&LE trackage rights access to Toledo, have since declined further to consider this arrangement. I wish to make clear that W&LE trackage rights access to Toledo will help...
restore the balance of competition in this area, and will preserve the three line-haul carrier
competition dynamic that we have enjoyed for many years.

Should NS and CSXT remain unwilling to grant W&LE trackage rights access
to Toledo, then the Board must ensure that such trackage rights are imposed upon the
consolidation transaction, if it is approved. For the Board to do otherwise would be to deliver
a blow against rail competition, industrial development in northwestern Ohio, and the
threatened W&LE (a regional rail competitor that is a critical asset to all Ohioans).

I realize that I am not alone in expressing my concerns to the Board. Indeed,
several of my colleagues in the Ohio Congressional delegation have already communicated
their concerns about this railroad consolidation. My preference is for W&LE, NS and CSXT
privately to settle these issues, and I hope that there is still time and opportunity for an
amicable resolution of this matter. However, as the time draws nearer to a Board ruling on the
merger, I am aware that it may ultimately be up to the Board to address and resolve the
potential impacts of this transaction upon affected regions such as the Toledo area.

Thank you for your and consideration of this important matter. I look forward
to your expeditious response.

Respectfully,

Marcy Kaptur
Member of Congress

cc: Hon. Linda Morgan
Hon. Gus Owen
Hon. Jacob Leventhal
All parties of record
The Honorable Tom Bliley  
Chairman  
Committee on Commerce  
U.S. House of Representatives  
Washington, D.C. 20515-4607

Dear Chairman Bliley:

Thank you for your letter requesting the opportunity to speak at the oral argument before the Surface Transportation Board (Board) in the proceeding to decide the proposal by CSX and Norfolk Southern to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. The proceeding is docketed at the Board as STB Finance Docket No. 33388.

As you may know, due to the number of parties that wish to appear at the oral argument, the Board has established a 2-day oral argument schedule on June 3 and 4, 1998, for this proceeding. The Board’s Office of Congressional and Public Services will work with you and your staff regarding the scheduling of your appearance.

I also am having your letter and my response made a part of the public docket for 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 19, 1998

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

Dear Chairman Morgan:

I am writing to respectfully request that I be allowed to testify at the oral argument in the CSX-NS-Conrail merger on June 3, 1998.

The time I would like to testify is 10:15 a.m. I will have two staff members with me, Brent DelMonte and Kristina Åberg and would like to have them in the Board Hearing Room with me during my testimony, if space is available.

If you have questions, please do not hesitate to contact me or Brent. We can be reached at 225-2815.

Thanking you in advance for your consideration of this request, I am

Sincerely,

[Signature]

Tom Bliley

TB/Ip
Dear Senator Breaux:

Thank you for your letter regarding the application by the Caddo Antoine and Little Missouri Railroad Company to acquire the Norman Branch of the Arkansas Midland Railroad Company (ARM) between Gurdon and Birds Mill, AR, under the feeder line procedures in 49 U.S.C. 10907. You also enclosed a letter from Mr. Richard Streeter, who represents Gifford-Hill & Company, and other shippers that sponsored the application.

As Mr. Streeter notes, the Surface Transportation Board’s (Board) predecessor, the Interstate Commerce Commission, approved the feeder line application for the northern segment of the Norman Branch in a decision served on April 18, 1995. However, the United States Court of Appeals for the Eighth Circuit reversed the ICC’s decision and remanded the proceeding for further consideration in Caddo Antoine and Little Missouri R. Co. v. U.S., 95 F.3d 740 (8th Cir. 1996).

By decision served on May 14, 1997, the Board directed the parties to submit additional evidence to enable it to determine whether the public convenience and necessity requires or permits sale of the Norman Branch under the feeder line statute. The Board received the supplemental evidence from the parties, analyzed the record, and is preparing a final decision. The decision is expected to be issued in the near future. Because the matter is pending before the Board, it would be inappropriate for me to comment further on the 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
Mr. Dan King  
Congressional Liaison  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423

Dear Mr. King:

I have been contacted by Mr. Richard Streeter regarding a feeder line application (F.D. No. 32479) which was filed in March, 1994.

Please investigate the enclosed information sent to me and provide me with a report, within federal guidelines, including information on the status of this application. Your reply may be forwarded to the attention of Sara Traigle.

Thank you for your attention and assistance.

Sincerely,

JOHN BREAUX  
United States Senator

JB/set  
Enclosure
April 15, 1998

The Honorable John B. Breaux
516 Hart Senate Office Building
Washington, D.C. 20510-1803

Re: Surface Transportation Board

Dear Senator Breaux:

I am writing this letter to request your help on behalf of your constituents, GS Roofing Products Company, Inc. and Gifford-Hill & Company, a Division of Cornerstone C&M. GS Roofing is one of the nation’s largest manufacturers of roofing products and has a major manufacturing facility located at Shreveport. Cornerstone C&M is the third largest producer of aggregate in the United States. It holds multiple sand and gravel reserves in Louisiana and currently operates three aggregate rail terminals – one on the UP in Bossier City; one on the UP in Shreveport; and one on the KCS in Shreveport. Gifford-Hill is a major supplier of aggregate used in highway construction in Louisiana. Much of that stone comes from Gifford-Hill’s sand and gravel mining operation which is located on the line of railroad which is the subject of this letter. Gifford-Hill has terminal facilities located at Shreveport and Bossier City. I also represent Curt Bean Lumber Company and Bean Lumber Company. As you will see, the underlying problem is yet another example of the failure of the Surface Transportation Board (“STB”) to respond to the needs of shippers.

Your attention is invited to the STB’s handling of the feeder line application which was filed at the former Interstate Commerce Commission ("ICC") in March 1994 by, among others, the four companies named above (collectively the “Shippers”). The case, docketed as F.D. No. 32479, Caddo Antoine and Little Missouri Railroad Company—Feeder Line Acquisition—Arkansas Midland Railroad Company Line Between Gurdon and Birds Mill, AR, is still pending more than four years after it was filed.

The application involves the purchase of the Norman Branch line, which extends from the point of interchange with the Union Pacific near Gurdon to Birds Mill, Arkansas, a distance of 52.9 miles. In December 1993, the Arkansas Midland Railroad ("AMR"), which is the owner of the line, published an embargo terminating rail service to all but two shippers on the Norman Branch. In February 1994, the embargo was extended to terminate rail service to all but one shipper. According to AMR, the line was unsafe and would not warrant the cost of repairing what it claimed was substantial storm damage. However, when the ICC allowed my clients to institute emergency operations over the line in April 1994, they discovered that the storm damage was minimal and would take less than a week to repair at a cost of about $10,000. I should also note that the four-month hiatus in rail service caused damages in excess of $700,000. Although the ICC subsequently attempted to revoke the emergency authority, the United States Court of Appeals for the Eighth Circuit issued an
The Honorable John B. Breaux  
April 15, 1998  
Page 2  

Order which compelled the STB (as the ICC’s successor) to leave the emergency authority in place until the feeder application is finally decided.  

In April 1995, the ICC issued a Decision in which it proposed to allow the Shippers to acquire all but a 3.13-mile segment of the line. Because that solution was not economically feasible, an appeal was taken to the Eighth Circuit. In September 1996, the Court of Appeals reversed the ICC’s decision and remanded the matter to the STB. Eight months later, the Board issued a procedural schedule. Pursuant to that schedule, the evidentiary record was completed on July 14, 1997. Nonetheless, nine months later, and over four years and four months after AMR shut off rail service, we continue to await a final decision on the feeder application.  

This prolonged delay in deciding the fate of a 52.9-mile line of railroad is yet another indication that the STB has no concern for shippers and consumers who are dependent on rail service. The STB has been repeatedly advised that the line is in poor condition and must be rehabilitated in order to conduct safe, timely and economical operations. Yet the STB continues to withhold a decision, knowing full well that the capital markets will not fund the rehabilitation without a definitive decision on the line’s future.  

This delay has prevented my clients from making essential, long-term business decisions and otherwise interfered with the orderly conduct of their businesses. Furthermore, their problems have multiplied as a result of the inability to assure an adequate car supply following the UP/SP merger. Even when the Shippers are able to obtain rail cars, they face continuing operational problems on the Norman Branch that are directly attributable to the reduced speeds at which they are forced to operate due to the poor condition of the track and roadbed. This does not help either my clients or the UP’s efforts to improve service in Louisiana, Arkansas and Texas. To the contrary, the continuing delay in resolving the feeder case serves only to intensify the problems associated with moving an increasing volume of product via rail from points on the Norman Branch to manufacturing and storage facilities owned by my clients and their customers in Texas, South Carolina, Louisiana, Mississippi, Arkansas, Wisconsin, Massachusetts, Missouri and Oregon. Anything that you can do to compel the STB to issue its Decision in this matter would be greatly appreciated. There is no excuse for further delay.  

If you have any questions with respect to the foregoing, I would be happy to address them.  

Very truly yours,  

Richard H. Streeter  

RHS:rs  

BARNES & THORNBURG
Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW  
Room 711  
Washington, D.C. 20423-0001  

Dear Mr. Williams:

I am writing to request time to participate in oral arguments for Docket #33388 before the Surface Transportation Board on June 4, 1998.

My testimony will involve my concerns regarding the impact of the proposed acquisition on the 29th Congressional District, which encompasses Niagara and Orleans Counties, and a portion of Erie and Monroe Counties.

Thank you for your attention in this matter.

Sincerely,

[Signature]

JOHN J. LaFALCE  
Member of Congress  

L:nnr
The Honorable John J. LaFalce  
U.S. House of Representatives  
Washington, D.C. 20515-3220  

Dear Congressman LaFalce:

Thank you for your letter requesting the opportunity to speak at the oral argument before the Surface Transportation Board (Board) in the proceeding to decide the proposal by CSX and Norfolk Southern to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. The proceeding is docketed at the Board as STB Finance Docket No. 33388.

As you may know, due to the number of parties that wish to appear at the oral argument, the Board has established a 2-day oral argument schedule on June 3 and 4, 1998, for this proceeding. The Board’s Office of Congressional and Public Services has contacted your office concerning your participation and will continue to work with you and your staff regarding the scheduling of your appearance.

I also am having your letter and my response made a part of the public docket for 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
Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW  
Room 711  
Washington, D.C. 20423-0001

Dear Mr. Williams,

Please accept this letter as a formal request to speak before the Surface Transportation Board during the presentation of oral arguments for Docket #33388 on June 4, 1998.

As a Member of Congress from the 30th District representing Buffalo and Western New York, I look forward to the opportunity to discuss the concerns I have regarding the acquisition of Conrail by Norfolk Southern and CSX Corporation.

Due to the constraints of the Congressional schedule, I would appreciate any accommodations you might provide on my behalf that would allow me to speak early on June 4, 1998.

Thank you for your attention to this matter. Please contact me if you have any questions or concerns.

Very truly yours,

Jack

MAY 26 1998

Part of Public Record
April 20, 1998

The Honorable Jack Quinn  
U.S. House of Representatives  
Washington, D.C. 20515-3516  

Dear Congressman Quinn:

Thank you for your letter requesting the opportunity to speak at the oral argument before the Surface Transportation Board (Board) in the proceeding to decide the proposal by CSX and Norfolk Southern to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads.

The Board recently has confirmed that it will hold oral argument on June 4, 1998, in this proceeding, which is docketed at the Board as STB Finance Docket No. 33388. For your information, I am enclosing a copy of the Board’s decision and press release announcing the oral argument. Your letter will be entered as a request to testify, and will be considered with the requests received from other interested parties. As a party of record, you will receive a copy of the Board’s decision announcing the list of witnesses and the amount of time allotted to each.

I also am having your letter and my response made a part of the public docket for 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,

[Signature]

Linda J. Morgan

Enclosures
The Honorable Christopher J. Dodd  
United States Senate  
Washington, D.C. 20510-0702

Dear Senator Dodd:

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 competitive impact of the proposal on shippers in Connecticut served by short lines such as the Housatonic Railroad Company (HRRC), and request that the Surface Transportation Board (Board) give serious consideration to the request of HRRC for protective conditions.

This proceeding has been docketed at the Board as STB Finance Docket No. 33388. As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997, and the Board has received replies to these filings, including the rebuttal by the applicant railroads, which were filed on or before December 15, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998.

In deciding whether a control transaction such as the one being proposed here is in the public interest and should be approved, the Board must consider various factors required by law, including the effect of the proposed transaction on the adequacy of transportation to the public, and whether the proposed transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. In this regard, let me assure you that the Board will give full consideration to the issues that you have raised. Because this proceeding is pending before the Board, however, it would be inappropriate for me to comment further on the 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]
December 9, 1997

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

Dear Mr. Williams:

I have been contacted by Edward Rodriguez, Vice-President and General Counsel of the Housatonic Railroad Company, Inc. ("HRRC"), regarding STB Finance Docket No. 333388, the acquisition of Consolidated Rail Company ("Conrail") lines by CSX Corporation and Norfolk Southern Railroad. HRRC is specifically concerned that after this transaction is consummated, some areas west of the Hudson River will have new and vigorous rail freight competition, while other areas east of the Hudson River will not have such competition. As a result, shippers in Connecticut, served by short lines like HRRC, may not benefit from the lower rates created by increased competition. In fact, they may actually suffer serious economic harm.

HRRC is specifically concerned that any acquisition approved by the Surface Transportation Board contain provisions that allow HRRC and its shippers the opportunity to compete on a level playing field. HRRC is an important company to our state’s economy. If HRRC and its shippers are at a competitive disadvantage, the company and its shippers stand to lose business, leading to decreased employment, decreased capital investment and decreased tax revenue for Connecticut. Many Connecticut residents and businesses depend on HRRC for their economic livelihood. It is critically important that HRRC’s ability to compete not be adversely impacted by the acquisition of Conrail lines by CRX and Norfolk Southern Railroad.

Accordingly, I request that the Board give serious consideration to HRRC’s request for protective conditions.

Sincerely,

CHRISTOPHER J. DODD
United States Senator

CJD:kms
The Honorable Jerrold Nadler  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Nadler:

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. Specifically, you write in support of the responsive application jointly filed by the State of New York and the New York City Economic Development Corporation to provide additional rail access to the New York city area, complementing the proposal made by you and 23 of your Congressional colleagues.

This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388. As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997, and the Board has received replies to these filings, including rebuttal by the applicant railroads, which were filed on or before December 15, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998.

In deciding whether a control transaction such as the one being proposed here is in the public interest and should be approved, the Board must consider various factors required by law, including the effect of the proposed transaction on the adequacy of transportation to the public, and whether the proposed transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. In this regard, let me assure you that the Board will give full consideration to the issues that you have raised. Because this proceeding is pending before the Board, however, it would be inappropriate for me to comment further on the 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
December 12, 1997

Honorable Linda Morgan  
Chairperson  
Surface Transportation Board  
1925 E Street, NW  
Suite 715  
Washington, DC 20423  

Dear Chairperson Morgan:

I am writing in support of the Joint Responsive Application filed by the State of New York and the New York City Economic Development Corporation (EDC) re: Finance Docket No. 33388, CSX Corporation and CSX Transportation Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreement -- Conrail Inc. and Consolidated Rail Corporation.

The proposal put forward in the application submitted by the State and EDC to require CSX to grant trackage rights on the line from Albany to New York City on the East shore of the Hudson River to another carrier of New York State's choosing complements the proposals that 23 of my Congressional colleagues and I submitted concerning the above-mentioned action. The New York State-EDC proposal would grant competitive access to New York City, Long Island, Westchester County and Connecticut to traffic from the north, while the Congressional proposal would provide competitive access from the south and west. As you know, the current proposal provides for only monopoly service (CSX) from the north and no service at all from the south or west.

Our region has suffered for years due to Conrail's lack of service east of the Hudson River. This transaction is probably the only opportunity that the region will have for many years to obtain the benefits of rail-freight competition. Creating effective competition east of the Hudson River could allow the current paltry rate of 2.8% of goods shipped by rail to increase substantially. Additionally, it could help to revitalize the manufacturing industries of the region by providing low cost transportation of goods to and from the region east of the Hudson, including New York City, Long Island, Connecticut, and Rhode Island.
Thank you for your attention to this matter.

Sincerely,

Jerrold Nadler
Member of Congress
November 25, 1997

The Honorable Dan Coats
United States Senate
Washington, D.C. 20510

Dear Senator Coats:

Thank you for your correspondence expressing your concerns regarding potential safety issues involving 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. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. Also as provided by the procedural schedule, the Board will issue a draft environmental impact statement (DEIS) in late December 1997, and there will be a 45-day period within which parties can submit comments on the DEIS. These comments will be used to produce the final environmental impact statement in late May 1998, and your constituents may wish to participate in that process. A final written decision in the control application will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns. If your constituents would like further information on the Board’s procedures for handling this matter, they may wish to contact our Office of Public Services at (202) 565-1592.

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
November 25, 1997

The Honorable Peter J. Visclosky  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Congressman Visclosky:

Thank you for your correspondence expressing your concerns regarding potential safety issues involving 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. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. Also as provided by the procedural schedule, the Board will issue a draft environmental impact statement (DEIS) in late December 1997, and there will be a 45-day period within which parties can submit comments on the DEIS. These comments will be used to produce the final environmental impact statement in late May 1998, and your constituents may wish to participate in that process. A final written decision in the control application will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns. If your constituents would like further information on the Board's procedures for handling this matter, they may wish to contact our Office of Public Services at (202) 565-1592.

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
The Honorable Richard G. Lugar  
United States Senate  
Washington, D.C. 20510  

Dear Senator Lugar:

Thank you for your correspondence expressing your concerns regarding potential safety issues involving 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. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. Also as provided by the procedural schedule, the Board will issue a draft environmental impact statement (DEIS) in late December 1997, and there will be a 45-day period within which parties can submit comments on the DEIS. These comments will be used to produce the final environmental impact statement in late May 1998, and your constituents may wish to participate in that process. A final written decision in the control application will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns. If your constituents would like further information on the Board’s procedures for handling this matter, they may wish to contact our Office of Public Services at (202) 565-1592.

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
October 2, 1997

The Honorable John J. LaFalce  
U.S. House of Representatives  
Washington, D.C. 20515-3229

Dear Congressman LaFalce:

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. As you know, the Surface Transportation Board (Board) has adopted a 350-day procedural schedule for deciding the merits of the control application filed in this proceeding, which is docketed at the Board as STB Finance Docket No. 33388.

As you requested, I am enclosing copies of all previous Board decisions, and I have had your name added to the service list, which will ensure that you receive all future Board decisions 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

Enclosures
September 23, 1997

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

RE: Finance Docket No. 33388

Dear Secretary Williams:

I am writing to request that I be added to the service list for the proceedings involving the proposed CSX/Norfolk Southern acquisition of Conrail.

Please provide me with copies of all decisions of the Surface Transportation Board regarding this matter to date. I intend to submit detailed comments to the Board on or before October 21, 1997.

Thank you for your cooperation.

Sincerely,

JOHN J. LaFALCE
Member of Congress

JL: mmr
October 2, 1997

The Honorable Lee H. Hamilton  
U.S. House of Representatives  
2314 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Hamilton:

Thank you for your communication forwarding a letter from Mr. Robert L. Spencer, with the Scottsburg South Main Street Industrial Park in Scottsburg, In. Mr. Spencer raises a number of issues and concerns related to the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. The Surface Transportation Board (Board) has docketed this proceeding as STB Finance Docket No. 33388.

The Board has adopted a 350-day procedural schedule for deciding the merits of the control application filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case. The Board published notice of its acceptance of the application in the Federal Register on July 23, 1997, setting a due date for public comments of October 21, 1997. If Mr. Spencer’s organization would like to present its views formally on the record for this proceeding, he may wish to contact the Board’s Office of Public Services at 202-565-1592 for information on that process. Because this proceeding is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the case.

I am having your letter and Mr. Spencer’s 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
Sir/Madam:

The attached communication is sent for your consideration. Please investigate the statements contained therein and forward me the necessary information for reply, returning the enclosed correspondence with your answer.

Yours truly,

Congressman Lee H. Hamilton
2314 Rayburn Building
Washington, DC 20515

M.C.

Atn: Molly Bailey
Dear U.S. Representative Hamilton

As you know CSX Transportation and Norfolk Southern Railroad have submitted a plan to the U.S. Surface Transportation Board to jointly purchase Conrail. Scottsburg South Main Street Industrial Park is very concerned about the impact of this transaction upon the Louisville & Indiana Railroad (L&I).

L&I is the sole provider of rail service to Scottsburg. Businesses in Scottsburg rely on L&I to provide access to the national rail network. Since it acquired the line from Conrail in 1994, L&I has invested in its properties and improved service. The L&I is an important part of Scottsburg's efforts to retain local business and the jobs that they provide.

The regulatory filings by CSX and Norfolk Southern indicate that L&I will lose substantial revenue as a result of this transaction. This revenue loss could impair L&I's viability. This would have a serious effect on Scottsburg.

I strongly urge you to undertake efforts to require CSX Transportation and Norfolk Southern to mitigate the adverse impact of this transaction upon L&I.

Sincerely,

Robert L. Spencer
Vice President
Scottsburg South Main Street Industrial Park
October 2, 1997

The Honorable Bud Shuster
Chairman
House Committee on Transportation
And Infrastructure
Washington, D.C. 20515

Dear Chairman Shuster:

Thank you for your letter forwarding correspondence from State Representative John R. Pippy, who raises a number of issues and concerns related to the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. The Surface Transportation Board (Board) has docketed this proceeding as STB Finance Docket No. 33388.

As you know, the Board has adopted a 350-day procedural schedule for deciding the merits of the control application filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case. The Board published notice of its acceptance of the application in the Federal Register on July 23, 1997, setting a due date for public comments of October 21, 1997. If Mr. Spencer's organization would like to present its views formally on the record for this proceeding, he may wish to contact the Board's Office of Public Services at 202-565-1592 for information on that process. Because this proceeding is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the case.

I am having your letter and Representative Pippy's 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
The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Chairman Morgan:

Attached please find a copy of a letter sent to me by State Representative John R. Pippy of Pennsylvania. It outlines some of his concerns regarding the proposed Norfolk Southern-CSX-Conrail merger.

Thank you for your attention to this matter.

With kind regards, I remain

Sincerely,

Bud Shuster
Chairman

EGS:js
Attachment
August 15, 1997

The Honorable Bud Shuster  
United States Congressman  
2188 Rayburn H.O.B.  
Washington, D.C. 20515

Dear Congressman Shuster:

Recently, CSX Corporation and Norfolk Southern Corporation filed a joint application with the Surface Transportation Board to acquire control of and divide the assets of Conrail Corp. As a result of this action, several hundred jobs will be lost within the 44th Legislative District at Conrail’s Customer Service Center, located in North Fayette Township.

I am greatly disappointed in the loss of these jobs since they are so critical to the vitality of western Pennsylvania. However, what concerns me most is the effect this will have on the employees of Conrail and their families.

Many of the employees at the Customer Service Center have already relocated here from various other places in the country. It is onerous to make them move again, uprooting their lives and families. Many of those employees will choose to stay in this area. I ask that in the negotiations of the split-up of Conrail, the government, CSX, and Norfolk Southern keep the interests and welfare of the employees and their families as their first priority.

Thank you for your time and attention to this matter. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

John Pippy

cc: Charles Lococo, President, Transport Workers
September 26, 1997

The Honorable Deborah Pryce  
U.S. House of Representatives  
500 S. Front Street  
Room 1130  
Columbus, OH 43215  

Dear Congresswoman Pryce:

Thank you for forwarding the letter from Mr. Saul Stone expressing concerns about a number of issues related to the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. The Surface Transportation Board (Board) has docketed this proceeding as STB Finance Docket No. 33388.

The Board has adopted a 350-day procedural schedule for deciding the merits of the control application filed in this proceeding. A 350-day schedule, the Board concluded, will provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case. Applicants filed their application on June 23, 1997, and the Board published notice of its acceptance of the application in the Federal Register on July 23, 1997. The notice provided the due dates for public comments and other future filings in the proceeding. As requested in your letter, and in accordance with your staff’s conversation with Ms. Pat Schultz of the Board’s Office of Public Services, I am having Mr. Stone’s 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
September 11, 1997

Mr. Dan G King
Director, Office of Public Services
Surface Transportation Board
1925 K Street Northwest
Room 848
Washington, D.C. 20423-0001

Dear Mr. King:

Enclosed, please find information sent to me by Mr. Saul Stone, an employee of the Conrail Communication and Signal Shop, located in Columbus, Ohio.

As you will note, Mr. Stone believes the proposed breakup of Conrail by CSX and Norfolk Southern could adversely impact their company of sixty employees. In speaking with the Ms. Pat Schultz of your legislative affairs office, my office was informed that Mr. Stone's information could be placed in the docket, and would be taken into consideration during the course of the STB's review of the split.

Thank you for your attention to this matter. Should you have any questions or concerns, please contact Rob Nichols of my District Office at 614/469-5614.

Very truly yours,

DEBORAH PRYCE
Member of Congress

DP: m
August 30, 1997

The Honorable Deborah Pryce  
U.S. Representative's Office

Dear Sir or Madam:

With the recent buyout of Conrail by CSX and NS, many jobs are in jeopardy across the 11 state Conrail System. In Columbus, Ohio we have the Conrail Buckeye Yard—a modern multi-million dollar humping facility. Within Buckeye Yard is our Conrail Communication & Signal Shop.

Please review the enclosed brochure. We have about 60 men (shop, service desk, training center, office) who stand to lose jobs due to this buyout. Most of us have over 20 years in the shop. We
have worked hard to provide quality service for Conrail.

Please voice your approval to keep Buckeye Yard and our Signal Shop from closing down or consolidating with another facility in another state or outsourcing to a non-railroad entity.

Within the past few years our shop has bid on and been awarded contracts from other railroads. The quality of our work is without equal. Our work force is pared to a minimum. Our men are highly skilled and motivated.

The bottom line is that we like where we work, what we do, and the people we have worked with and for these past 20 years.

Please think of our local economy as this buyout progresses. Sincerely yours,

[Signature]
THE CONRAIL SYSTEM
SIGNAL SHOP

Our C&S Shop has provided quality Signal products to Conrail customers for over 20 years.

Now we want to offer you the same quality signal products and services at a competitive cost.

We have a customer-oriented facility that is capable of installing, rebuilding, manufacturing, or fabricating any signaling apparatus or system that you may require. The Conrail Communication & Signal Shop will comply with all required specifications and standards.

From wiring of complete interlocking systems using the latest technology and/or standard relay logic to rebuilding any style relay, switch machine, or wayside signal, we will work hard to meet your signaling needs.

We invite you to contact us for more information on what products are available, or for a tour of our facility in Columbus, Ohio. You will find our products to be of the highest quality, our prices competitive, and deadlines that keep you, our customers, satisfied.

CONRAIL'S SHOP STANDS READY
TO SERVICE YOUR NEEDS!

Please contact either of the gentlemen listed below. They will be glad to talk to you concerning your signaling needs.

Mr T.D. Harris, Engr. C&S Shop  
614-771-2165

Mr W.P. Hernan, Supv. C&S Shop  
614-771-2166

SECTIONS:
1 WIREFING SECTION
2 SWITCH AND SIGNAL SECTION
3 RELAY SECTION
4 C&S TRAINING CENTER
5 RESEARCH AND DEVELOPMENT
THE SWITCH AND SIGNAL SECTION

The employees in the Switch and Signal Section produce a quality product with attention to detail.

The products are now available to other rail carriers. Some of these products have resulted in savings for the industry, some new designs which may be in demand on your own lines.

The C&S Shop has undertaken the manufacture of new products and has been producing new designs and improvements in signal systems and braking devices. We will continue to strive for improvements and to complete the job satisfactorily for you and your customer.

The C&S Shop has been producing new products and improvements in signal systems and braking devices. We will continue to strive for improvements and to complete the job satisfactorily for you and your customer.
THE WIRING SECTION

The Wiring Section of the C&S System Signal Shop has evolved into one of the premier Wiring Shops in the country.

Over thirty skilled employees can build and install any type of system from a conventional Style "C" warning system to a microprocessor based multiple switch/signal interlocking system. We can wire it for you!

Our Shop can provide you with any type or size of signal case or bungalow used for wayside signal locations.

Conrail's specifications require "Corten" steel for most signal locations. However, the Conrail System Signal Shop will be glad to provide you with the case or bungalow that you choose, whether it be aluminum, Corten, or stainless steel.

We will deliver.
THE COMMUNICATION AND SIGNAL TRAINING CENTER.

The Training Center is an integral part of the Communication & Signal Shop. Established in 1976 in a joint effort with the Brotherhood of Railroad Signalmen, we provide nine separate training sessions. Depending on the course, our classes are divided into one, five, or ten day sessions.

The C&S Training Center offers three classrooms, and a large workshop which provides "hands-on training" in basic signaling and on the latest technology.

Outdoor facilities include a working interlocking, a hot bearing detector, pole line, highway crossing warning devices and several types of signals.

Presently there are two full-time instructors providing technical training for Maintainer/Signalmen, Foremen, Inspectors, and Supervisors from across the Conrail system and other railroads.

The ten-day courses offered by the Training Center are:

**Session I** - 5 days of pole climbing, 5 days of basic signal work.

**Session II** - Basic electricity, automatic signal systems, batteries, switches, FRA & Conrail rules, and more.

**Session III** - More advanced railroad signaling, trouble-shooting, testing and maintaining interlockings.

**Session IV** - Microprocessor based equipment used in all aspects of railroad signaling.
THE RELAY SECTION

Skilled craftsmen in our relay section provide a high quality product that meets or exceeds the manufacturer's specifications, for a lot less than the manufacturer's new cost.

These experienced employees are capable of rebuilding virtually any style of electro-magnetic relay found in the Railroad Industry.

Our goal is to keep your System operating safely and reliably, as we will meet current FRA standards and the railroad industries' requirements.

This experience also extends to uncommon relays not available anywhere else. Another feature incorporated into the relay section by shop management is the ability to respond to emergencies quickly, through a total team effort.
The five-day courses offered by the Training Center are:

**Field Management Seminar** - Improving communications and employee performance.

**False Proceed Seminar** - Prevention and investigation of false proceed signals.

**Power Safety Training** - Safe work on high energy circuits (over 300 volts). CPR- training for adult/children/ and infant.

The two Instructors have many years of field experience and are thoroughly trained in all aspects of railroad signaling. The Instructors receive additional training by attending manufacturers' and company sponsored seminars.

---

**RESEARCH AND DEVELOPMENT**

Another service Conrail can offer is in the area of research and development. Over the past few years Conrail has invested a substantial amount of time and money on specialized equipment. This equipment has been used to test the integrity of many products supplied to the railroad industry and for those products developed on Conrail. From these test results you can analyze the failure mode of any particular device, whether safe or unsafe, and determine the corrective action that is necessary to ensure safe, reliable operation of vital signal equipment.

**Conrail = Quality!!**

---

**Call now!**

614-771-2165

or

614-771-2166
Vernon Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423  

RE: Finance Docket No. 33388

Dear Secretary Williams:

I am writing to request that I be added to the service list for the proceedings involving the proposed CSX/Norfolk Southern acquisition of Conrail.

Please provide me with copies of all decisions of the Surface Transportation Board regarding this matter to date. I intend to submit detailed comments to the Board on or before October 21, 1997.

Thank you for your cooperation.

Sincerely,

JOHN J. LaFALCE  
Member of Congress
MEMORANDUM

TO: vernon a. williams
    secretary

FROM: bettye j. uzzle
      information officer

subject: fd-33388 service list

    on september 17, 1997, i, bettye j. uzzle received a call from
    congressman robert j. smith’s office, stating that he would like to
    be deleted from the service list. it is too much paper.

    phone number: (202) 225-6730.
August 6, 1997

The Honorable Arlen Specter
United States Senate
Washington, D.C. 20510

Dear Senator Specter:

I am writing you to confirm representations made in recent conversations between our staffs concerning your interest in participating at the oral argument to be held by the Surface Transportation Board in the proposed CSX/NS/Conrail control transaction. It is Board policy that a Member of Congress may participate in any oral argument held by the Board in a major consolidation transaction such as the proposed CSX/NS/Conrail transaction regardless of whether the Member of Congress has formally participated as a party of record throughout the proceeding. Similarly, a Member of Congress may submit written comments without becoming a formal party of record.

As a reminder, written comments on the proposed CSX/NS/Conrail control transaction are due by October 21, 1997, and should reference the docket number of the proceeding, which is STB Finance Docket No. 33388. The Board has scheduled oral argument for this proceeding on April 9, 1998.

Thank you for your interest in this matter. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan
The Honorable Lee H. Hamilton  
U.S. House of Representatives  
Washington, D.C. 20515-1409  

Dear Congressman Hamilton:

This responds to your letter dated June 13, 1997, inquiring about the status of the complaint filed by the local governments and businesses of Decatur and Shelby Counties, Indiana, against the Central Railroad Company of Indiana (Central), concerning Central's cessation of operations over a portion of its railroad line between Shelbyville and Lawrenceburg.

On April 2, 1997, a complaint was filed with the Surface Transportation Board (Board) by the Decatur County Commissioners, Decatur County, Indiana, the City of Shelbyville, Shelby County, Indiana, Consolidated Grain and Barge Co., Premier Ag Coop., Greensburg Milling Inc., Kolkmeier Bros. Feed & Grain, Kova Fertilizer, Inc., Lowe's Pellet & Grain Co., and Knauf Fiber Glass, GmbH (collectively, complainants). The complaint has been docketed as STB Finance Docket No. 33386. Complainants assert that Central has abandoned and discontinued service over a part of its railroad line between Shelbyville and Greendale, IN, without receiving prior authorization as is required by 49 U.S.C. 10903, or without receiving an exemption pursuant to 49 U.S.C. 10502, and that Central has an unlawful tariff, the publication of which constitutes an unreasonable practice that is prohibited by 49 U.S.C. 10701-04.

Central filed an answer to the complaint on April 22, 1997, requesting that the Board dismiss the complaint. On May 6, 1997, complainants filed a proposed case management plan with the Board. Counsel for Central submitted a letter to the Board dated May 16, 1997, commenting on the case management plan and proposing a different procedural schedule. On May 23, 1997, complainants replied.

On July 2, 1997, Central filed a motion to stay the complaint proceeding. Central is seeking a stay to allow it time to submit to the Board an abandonment filing that it is currently preparing and that would provide the information that complainants are seeking through their discovery requests. The Board will issue a decision on the motion to stay in the near future. Because this proceeding is pending before the Board, it would be inappropriate for me to comment on the merits of the case.
The Honorable Lee H. Hamilton

A copy of your letter has been placed in the public docket for STB Finance Docket No. 33386. Also, your name has been added to the service list so that you will receive copies of all future Board decisions 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
Ms. Linda Morgan  
Chairperson  
Surface Transportation Board  
12th St. and Constitution Ave.  
Washington, D.C. 20423

Dear Ms. Morgan:

I am writing to inquire about the status of the complaint filed by the local governments and businesses of Decatur and Shelby Counties, Indiana, against the Central Railroad Company of Indiana.

It is my understanding that Central has elected to cease its operation along a portion of the railroad line between Shelbyville and Lawrenceburg, Indiana for safety reasons, and that a complaint has been filed against Central in protest of this decision.

I would appreciate any information you may have regarding the status of this complaint.

Thank you for your assistance in this matter.

Sincerely,

LEE H. HAMILTON, M.C.

LHH/mb
June 20, 1997

The Honorable Richard Burr  
U.S. House of Representatives  
Washington, D.C.  20515-3305

Dear Congressman Burr:

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

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

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

Sincerely,

[Signature]

Linda J. Morgan
June 1, 1997

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

RE: Finance Docket 33388

Dear Madam Chairman:

I am writing to notify you of my support for the 255 day expedited schedule for the review of the proposed CSX-Norfolk Southern acquisition of Conrail. I believe that this is sufficient time to complete a thorough review process and a sufficient period of time for all parties to have an opportunity to present their views.

Sincerely,

Richard Burr
Member of Congress