

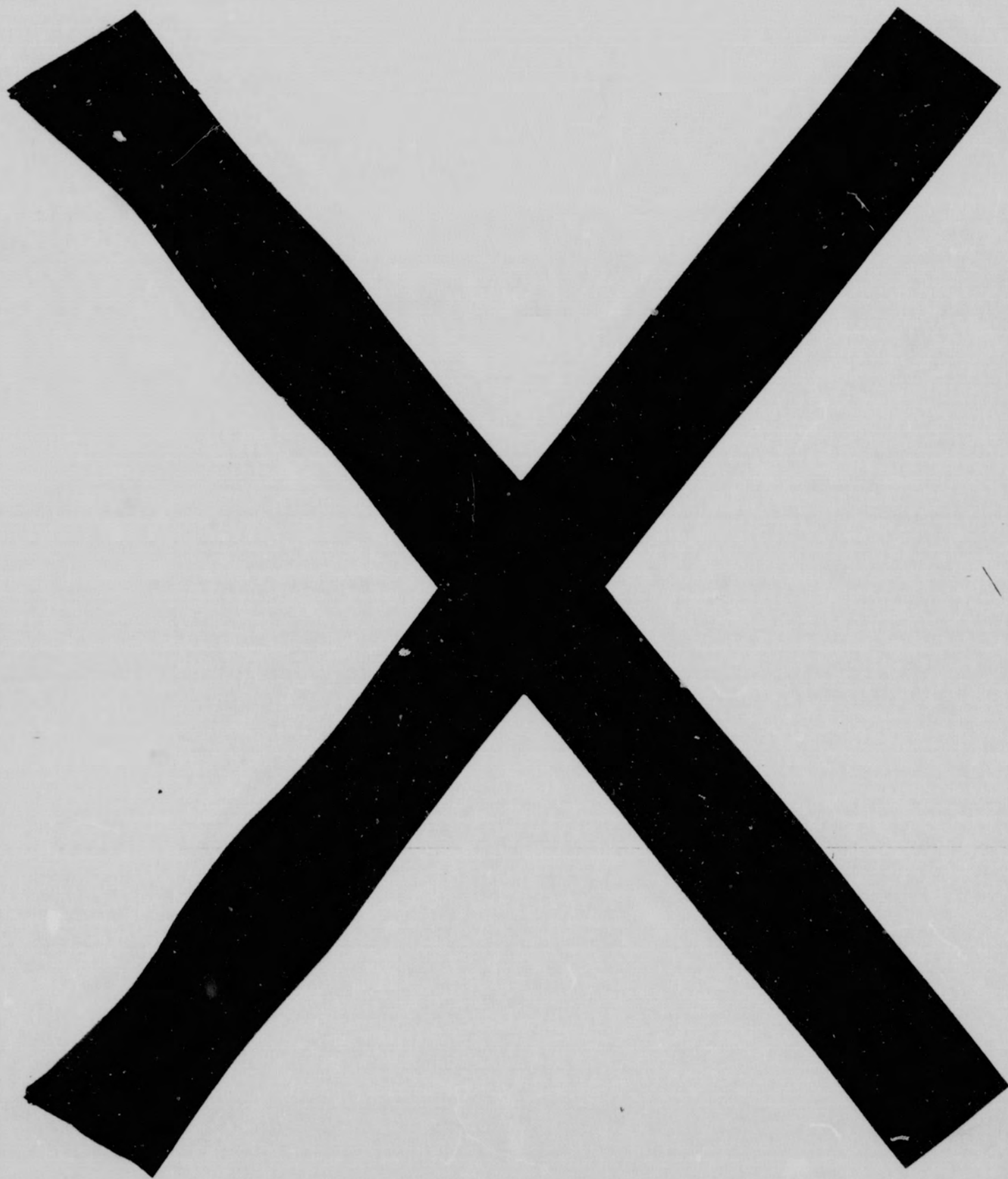
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Office of the Chairman

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

FILE IN DOCKET

FD 33388

December 13, 2000

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

Re: Four Cities Issues

Dear Senator Lugar:

You have contacted the Surface Transportation Board (Board) regarding rail congestion in the Gary, East Chicago, Hammond and Whiting areas (Four Cities). I certainly understand the concerns that you have raised, and I wanted to provide you with an update on the situation.

Throughout the proceeding in connection with the acquisition of Conrail by CSX Transportation, Inc. (CSXT) and Norfolk Southern Corporation (NS), the Board has been responsive to environmental and public safety issues that affect communities involved in the restructuring of this portion of the national rail system. In approving the Conrail transaction, we imposed a variety of conditions to address environmental and public safety concerns, and we have actively encouraged CSXT and NS to work closely with affected communities to reach mutually agreeable solutions to any remaining concerns. We continue to monitor the implementation of the conditions we imposed and the operations of the carriers, and the Board has an ongoing oversight proceeding to address issues related to the Conrail acquisition that have arisen, including those pertaining to the Four Cities area.

In resolving problems, the Board believes that privately negotiated solutions are generally preferable to governmentally imposed ones, as more can be achieved privately as a general matter than government has the authority to direct. In this regard, active negotiations continue between CSXT and the Four Cities Consortium on a settlement agreement intended to address issues that you have raised, and at our request, the Board continues to receive regular updates on the progress of these discussions. We are hopeful that the parties will be able to reach a mutually acceptable agreement in the near future.

I hope that the above information is helpful to you and that you will not hesitate to contact me if we can be of assistance in the future.

Sincerely,

Linda J. Morgan



Office of the Chairman

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

FILE IN DOCKET

December 13, 2000

The Honorable Evan Bayh  
United States Senate  
Washington, D.C. 20510

Re: Four Cities Issues

Dear Senator Bayh:

You have contacted the Surface Transportation Board (Board) regarding rail congestion in the Gary, East Chicago, Hammond and Whiting areas (Four Cities). I certainly understand the concerns that you have raised, and I wanted to provide you with an update on the situation.

Throughout the proceeding in connection with the acquisition of Conrail by CSX Transportation, Inc. (CSXT) and Norfolk Southern Corporation (NS), the Board has been responsive to environmental and public safety issues that affect communities involved in the restructuring of this portion of the national rail system. In approving the Conrail transaction, we imposed a variety of conditions to address environmental and public safety concerns, and we have actively encouraged CSXT and NS to work closely with affected communities to reach mutually agreeable solutions to any remaining concerns. We continue to monitor the implementation of the conditions we imposed and the operations of the carriers, and the Board has an ongoing oversight proceeding to address issues related to the Conrail acquisition that have arisen, including those pertaining to the Four Cities area.

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I hope that the above information is helpful to you and that you will not hesitate to contact me if we can be of assistance in the future.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





Office of the Chairman

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

FILE IN DOCKET

December 13, 2000

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

Re: Four Cities Issues

Dear Congressman Visclosky:

You have contacted the Surface Transportation Board (Board) regarding rail congestion in the Gary, East Chicago, Hammond and Whiting areas (Four Cities). I certainly understand the concerns that you have raised, and I wanted to provide you with an update on the situation.

Throughout the proceeding in connection with the acquisition of Conrail by CSX Transportation, Inc. (CSXT) and Norfolk Southern Corporation (NS), the Board has been responsive to environmental and public safety issues that affect communities involved in the restructuring of this portion of the national rail system. In approving the Conrail transaction, we imposed a variety of conditions to address environmental and public safety concerns, and we have actively encouraged CSXT and NS to work closely with affected communities to reach mutually agreeable solutions to any remaining concerns. We continue to monitor the implementation of the conditions we imposed and the operations of the carriers, and the Board has an ongoing oversight proceeding to address issues related to the Conrail acquisition that have arisen, including those pertaining to the Four Cities area.

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I hope that the above information is helpful to you and that you will not hesitate to contact me if we can be of assistance in the future.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

# Congress of the United States

Washington, DC 20515

July 12, 2000

Ms. Linda Morgan  
Chairwoman  
Surface Transportation Board  
1925 K Street Northwest  
Washington, D.C. 20423



Dear Chairwoman Morgan:

We are writing to share with you our interest and concern over the growing railroad traffic congestion problems being experienced in Northwest Indiana since the approval of the acquisition of the assets of Conrail by CSX Transportation (CSX) and Norfolk Southern Railroad (NS).

We are aware that as part of the STB's oversight of the Conrail acquisition transaction, on June 1, 2000, CSX and NS filed status reports on the implementation of the transaction. We further understand that neither CSX nor NS referenced in their filings any problems with respect to their operations in Northwest Indiana, other than an indication by CSX that the results of its promised improvements in the region may not be experienced until "late 2000."

The Cities of East Chicago, Hammond, Gary, and Whiting, collectively participated in the Conrail proceeding as the Four City Consortium. The Consortium has informed us that they will be responding to the railroads' June 1, 2000 status reports, and will be arguing that, despite CSX and NS's assurances that post-transaction congestion problems would improve, the situation has worsened over certain critical area line segments. These problems appear largely to be the result of the railroads' incremental increases in traffic levels beyond those first projected, their constant blockages of at-grade highway crossings, and their refusal to reroute traffic off critical congested rail line segments. We are also aware that NS is challenging in federal court the right of the Four Cities to ticket trains for illegal road blockages, arguing that they have a right to operate and stop their trains in any manner they see fit.

The adverse safety, environmental, and quality of life impacts resulting from the constant flow of rail traffic through Northwest Indiana is of great concern to us and our constituents. Most through rail traffic between Chicago and the East Coast moves through the region by CSX and NS. These operations impact over 200,000 residents of the Four Cities who must traverse the hundreds of at-grade highway/rail crossings in the area on a daily basis. Unfortunately, because of the high levels of at-grade crossings, rail accidents have become all too common an occurrence. In addition, the blocked crossings adversely impact the fire, police, and emergency services, cause environmental pollution, traffic delays, and growing frustration among residents.

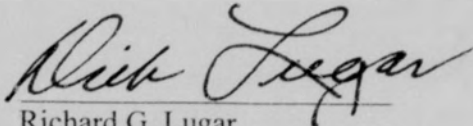
Ms. Linda Morgan  
July 12, 2000  
Page 2

It is extremely troubling to hear that rail congestion problems in the Four Cities have intensified since the Conrail break-up. We have, and will continue, to pursue the allocation of public resources to assist the Four Cities in implementing infrastructure and other safety improvements to mitigate the serious problems associated with the high intensity of railroad lines and operations. However, such efforts cannot be successful without the willingness of the railroads to meaningfully cooperate with the Consortium to minimize community impacts.

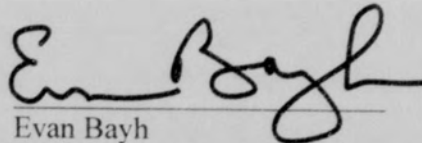
We are aware that CSX and NS have discussed with the Four Cities the possibility of taking additional steps to mitigate train impacts. However, to the extent that a mutually agreeable solution cannot be made, we believe the STB has the authority and responsibility to step-in and take appropriate actions. We urge the STB to closely review the Four Cities reply comments, and to take the appropriate steps necessary to ensure that the railroads are held accountable to improve the regional congestion problems.

We appreciate your assistance with this important matter.

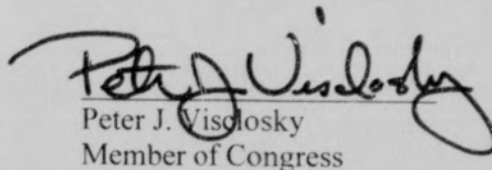
Sincerely,



Richard G. Lugar  
United States Senator



Evan Bayh  
United States Senator



Peter J. Visclosky  
Member of Congress

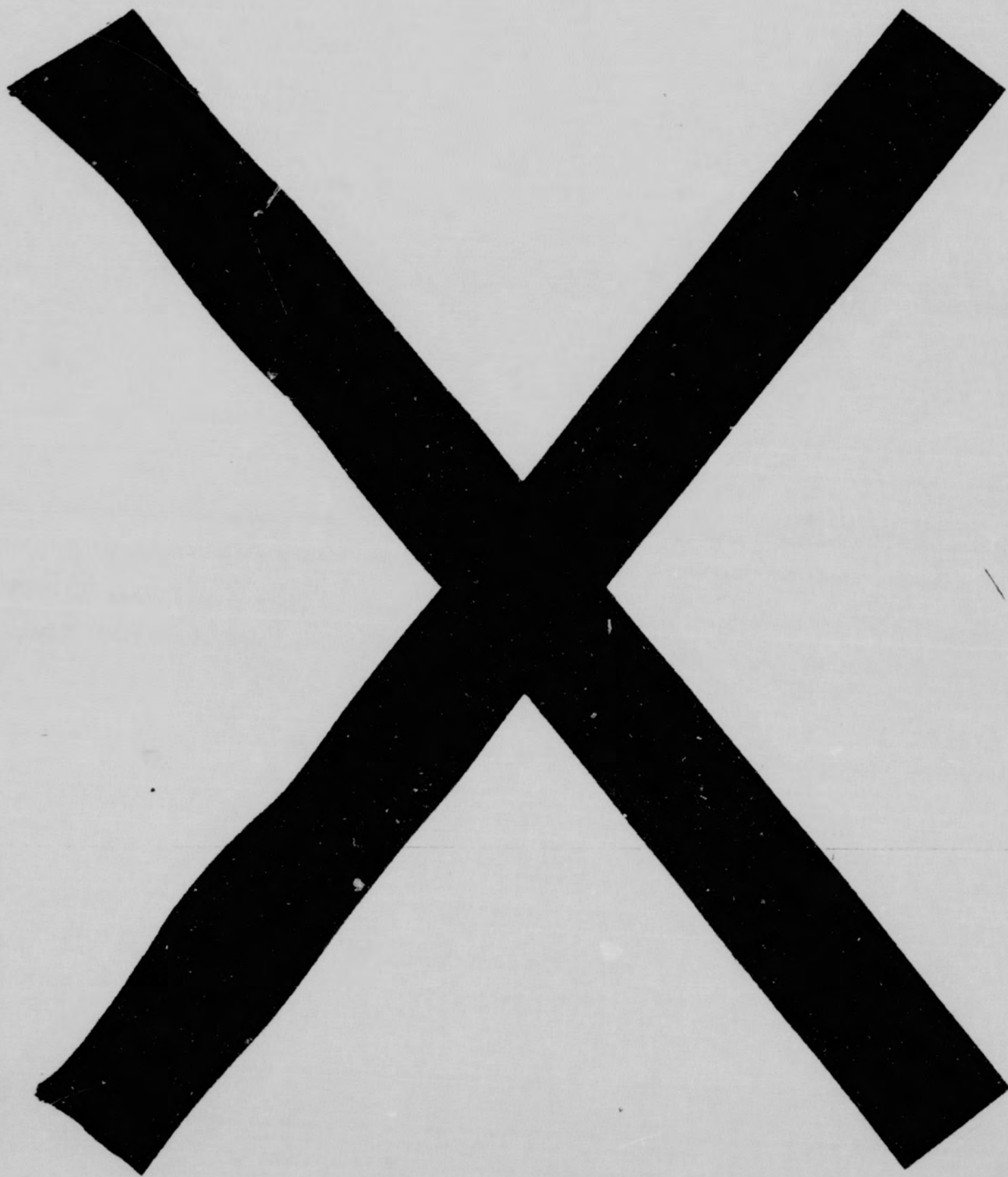
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Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 13, 2000

The Honorable Barbara A. Mikulski  
United States Senate  
Washington, D.C. 20510-2003

Re: MARC Service

Dear Senator Mikulski:

Since the acquisition of Conrail by Norfolk Southern (NS) and CSX, you have contacted the Surface Transportation Board (Board) expressing concerns about the timeliness of MARC commuter operations over the lines of CSX. I wanted to update you on the status of that service.

As you know, the Board has worked closely with both CSX and NS to resolve merger integration-related service problems that developed after Conrail was divided between NS and CSX on June 1, 1999. In this regard, the Board has gathered from the carriers a great deal of data to measure the operational fluidity of and the service being provided on their systems. With particular respect to MARC services, as you may recall, on August 12, 1999, the Director of the Board's Office of Compliance and Enforcement required CSX to begin reporting to the Board on the on-time performance of certain MARC and Amtrak services. Using this data, we have been closely monitoring CSX's performance.

I am pleased to report that the service being provided on CSX and NS overall is much improved, and that MARC passengers are now seeing that improvement. In fact, the most recent data filed with the Board indicate a 99% on-time performance level for the MARC services over the Brunswick line, and a 100% on-time performance level for the Amtrak services over that line. In addition, I understand that negotiations on related issues between CSX and the State of Maryland have progressed favorably for the parties concerned. I hope that the service improvements that we have seen to date will be sustained, and you may be assured that we will continue our monitoring to ensure that we are aware of any adverse changes in performance.

I appreciate the opportunity to be of assistance. Please do not hesitate to contact me on this or any other matter within the Board's jurisdiction.

Sincerely,

Linda J. Morgan





Office of the Chairman

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

FILE IN DOCKET

JD-33388

December 13, 2000

The Honorable Paul S. Sarbanes  
United States Senate  
Washington, D.C. 20510-2002

Re: MARC Service

Dear Senator Sarbanes:

Since the acquisition of Conrail by Norfolk Southern (NS) and CSX, you have contacted the Surface Transportation Board (Board) expressing concerns about the timeliness of MARC commuter operations over the lines of CSX. I wanted to update you on the status of that service.

As you know, the Board has worked closely with both CSX and NS to resolve merger integration-related service problems that developed after Conrail was divided between NS and CSX on June 1, 1999. In this regard, the Board has gathered from the carriers a great deal of data to measure the operational fluidity of and the service being provided on their systems. With particular respect to MARC services, as you may recall, on August 12, 1999, the Director of the Board's Office of Compliance and Enforcement required CSX to begin reporting to the Board on the on-time performance of certain MARC and Amtrak services. Using this data, we have been closely monitoring CSX's performance.

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I appreciate the opportunity to be of assistance. Please do not hesitate to contact me on this or any other matter within the Board's jurisdiction.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



STB

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BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD-33388

December 15, 1999

Mr. John R. Smith  
Director of Transportation  
Westvaco  
Corporate Center  
1011 Boulder Springs Drive  
Richmond, VA 23225

Dear Mr. Smith:

I did not want too much time to pass without formally acknowledging your earlier letter regarding our meeting in October on rail service issues. I found our discussion to be very useful and informative, and in that vein I continue to communicate directly with individuals shippers regarding their rail service issues in the Northeast. As I indicated in our meeting, the Board will continue to be actively engaged in the Conrail implementation process, and we remain committed to our common goal of improved rail service.

Mr. Mel Clemens, Director of the Board's Office of Compliance and Enforcement, who was with me in our meeting, has a copy of your letter. If you have any further specific rail service concerns that you would like to report or need further assistance, please feel free to contact him directly at 202-565-1575 (fax: 202-565-9011).

I appreciated hearing from you. I look forward to continuing to work with you on rail service and other transportation issues of mutual concern.

Sincerely,

Linda J. Morgan

**Westvaco**

FILE IN DOCKET

November 1, 1999

Linda Morgan  
Surface Transportation Board  
1925 K Street, N.W.  
Suite 800  
Washington, DC 20423-0001

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SURFACE TRANSPORTATION  
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OFFICE OF  
CHAIRMAN MORGAN

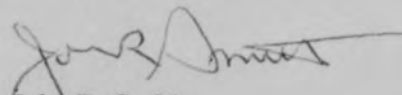
Dear Linda:

The time you spent with our group on Tuesday October 26, 1999 in discussing rail service issues on the Norfolk Southern and on CSX Transportation is most appreciated. The service problems are more general than specific, but are none the less real. Today one area may be congested and tomorrow another area. The result is frustrating for shippers and for receivers in that there can be no consistent expectation of rail service. After 6 months, this is a real problem.

Recent performance measures of the two railroads were reflected in the comments made by the group. These measurements show improvements in the last three weeks but remain worse than they were in June and in some cases are at a historically low performance factor. Total boxcars on line combined for NS/CSXT are at 75,465 boxcars, a historically high level and which represents 77% of the total boxcar fleet of approximately 98,000 cars. Average train speeds of 18.1 mph (NS) and 16.5 mph (CSXT) are both lower than June 1999. Finally, average terminal dwell for both roads is up at least 20% since June 1999.

Poor performance can be tolerated for awhile, but in the long term some action needs to be taken. Railroads have been granted a franchise and oversight of that franchise is necessary. We respectfully urge your close attention to these issues.

Sincerely,



John R. Smith  
Director of Transportation

cc: M. F. Clemens, Jr.

Corporate Center  
1011 Boulder Springs Drive  
Richmond, VA 23225  
Telephone 804 327 6100

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12-14-99

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BUSINESS



Office of the Chairman

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

FILE IN BUREAU

JD-33388

December 14, 1999

Mr. Al Randall  
Plant Manager  
INDSPEC Chemical Corporation  
P.O. Box 307  
Petrolia, Pennsylvania 16050-0307

Dear Mr. Randall:

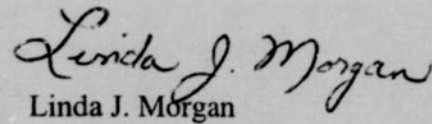
Thank you for your letter regarding the acquisition of the Conrail properties by Norfolk Southern Railway Company (NS) and CSX Transportation, Inc. (CSXT), and your concern about the level of service being provided by NS and CSXT.

As you may know, we have been interfacing with officials of NS and CSXT and with shippers regularly since the Conrail transaction was approved and almost daily since the June 1<sup>st</sup> transition of operations from Conrail to NS and CSXT. Clearly, there have been service issues involving both carriers, and shippers have faced service levels that have failed to meet their expectations. In various meetings that I have had with shippers, I have indicated that I too am concerned about the level of service being provided. I can assure you that I am committed to seeing an improvement in service on the acquired lines of Conrail, and I do believe that NS and CSXT are similarly committed. NS has made significant strides recently toward improving the fluidity of the Conrail portion of its system, and we are working to bring about similar improvements on the CSXT lines.

I appreciate the fact that you have provided us with information describing the locations where your service has been impacted, and I would ask that you make such information and Concerns available directly to Melvin F. Clemens, Jr., Director of the Board's Office of Compliance and Enforcement (OCE). OCE has established an open line of communication with each of the carriers to ensure that matters brought to the Board's attention are made immediately available to senior management of the involved carrier. In your efforts to assist us in improving your service, please feel free to contact Director Clemens on any rail service issue. Director Clemens' direct telephone number is 202-565-1575, and his facsimile number is 202-565-9011.

I appreciate your bringing your concerns to my attention, and please be assured that, as part of our oversight responsibilities, we will continue to actively monitor the operational performance and service levels of both carriers.

Sincerely,

  
Linda J. Morgan



# INDSPEC

Chemical Corporation

P.O. Box 307, Petrolia, PA 16050-0307 • Telephone 724-756-2370

FILE IN DOCKET



December 6, 1999

Ms. Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street N.W.  
Washington, D.C. 20423-0001

RE: Rail Service to Petrolia, Pennsylvania

Ms. Morgan:

On behalf of INDSPEC Chemical Corporation I would like to make you aware of the significant rail transportation problems INDSPEC has experienced as a result of the recent transfer of the rail lines of the former Conrail Railroad to the CSX and Norfolk Southern Railroads. I also would appreciate any assistance you can provide INDSPEC in this matter.

INDSPEC employs approximately 400 people in the state of Pennsylvania. Approximately 350 employees work at our manufacturing plant in Petrolia, Butler County, another 25 are at our downtown Pittsburgh office and 25 are at our research facility in Harmarville.

INDSPEC is the world's largest and the only United States producer of resorcinol. Resorcinol is an industrial adhesive used primarily in the tire and rubber, plastic flame retardant and wood adhesives markets. The resorcinol produced at INDSPEC's Petrolia facility is sold and used throughout the world. It is believed that resorcinol is necessary to the manufacture of most every rubber tire in use today. Resorcinol is also used in the manufacture of other well known products such as wooden I-beams and the plastic casings of computers and other electronic devices.

Over the past several years the world wide demand for resorcinol has grown to the point that INDSPEC's Petrolia facility must operate at full capacity to meet the demands of the world resorcinol market. At Petrolia, the raw materials necessary to produce resorcinol are received by rail and we absolutely must have reliable and consistent rail service to maintain production at full capacity. Rail service is particularly critical to Petrolia

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because our raw material storage capacity is very limited and transport of our raw materials by means other than rail is not practical.

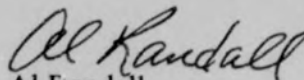
Since the Conrail rail lines have been transferred to CSX and Norfolk Southern, we have not received the consistent and reliable rail service which we were receiving prior to the transfer. Our primary areas of concern are rail service for caustic soda from PPG's Natrium, West Virginia facility and rail service for benzene from Sunoco's Toledo Ohio facility. Since the Conrail transfer our average transit time from Natrium to Petrolia and from Toledo to Petrolia has more than doubled and in some cases our transit time is more than three times the historical average prior to the transfer. The problem is compounded by the fact that the emptied railcars are also taking two to three times as long to get back to Natrium and Toledo for reloading. In addition, the transit delays create operational problems for PPG and Sunoco and the problems continue to snowball.

Because of these rail service problems we have been forced to make several significant production slowdowns. These production slowdowns have caused INDSPEC significant damages, expenses and lost profits. Although the damages we have incurred are significant they are, for the time being, temporary. However, if these problems are allowed to continue the damages which INDSPEC and the world resorcinol market will suffer are likely to be permanent.

In an effort to alleviate these problems and to ensure that our production is not interrupted we would appreciate your assistance in restoring our rail service to the reliable consistent levels we received prior to the transfer of the Conrail lines to CSX and Norfolk Southern. At your earliest convenience please respond to me concerning this matter and any assistance your office can provide to INDSPEC. Thank you in advance for your cooperation and assistance.

Very truly yours,

INDSPEC Chemical Corporation



Al Fandall  
Plant Manager

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BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 14, 1999

Mr. Jack P. Prugh  
Chairman Conrail Transaction Council  
Manager Distribution  
Millennium Inorganic Chemicals  
5026 Campbell Boulevard  
Suite H  
Baltimore, MD 21236

Dear Mr. Prugh:

I did not want too much time to pass without formally acknowledging your earlier letter regarding our meeting in October on rail service issues. I found our discussion to be very useful and informative, and in that vein I continue to communicate directly with individuals shippers regarding their rail service issues in the Northeast. As I indicated in our meeting, the Board will continue to be actively engaged in the Conrail implementation process, and we remain committed to our common goal of improved rail service.

As you know, Mr. Mel Clemens, Director of the Board's Office of Compliance and Enforcement, who was with me in our meeting, is in direct contact on a regular basis with officials of both NS and CSX and with individual shippers regarding rail service concerns. If you have any specific rail service issues that you would like to report, please feel free to contact him directly at 202-565-1575 (fax: 202-565-9011).

I appreciated hearing from you. I look forward to continuing to work with you on rail service and other transportation issues of mutual concern.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

FILE IN DOCKET

November 2, 1999

Chairman Linda J. Morgan  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-001

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OFFICE OF  
CHAIRMAN MORGAN

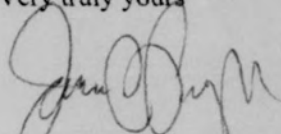
Dear Chairman Morgan:

I would like to take this opportunity to thank you and the Surface Transportation Boards staff for meeting with the Conrail Transaction Council's shipper representatives on October 26, 1999. It was very important for our members to explain in person the severe problems that are being experienced due to the Conrail transaction. We are concerned because of the mounting financial impact the rail service decline is having on our member companies.

We sincerely appreciate your efforts to correct this adverse situation.

Thank you again for your time and consideration of our rail service challenges.

Very truly yours



Jack P. Prugh  
Manager Distribution/Millennium Inorganic Chemicals-  
Chairman Conrail Transaction Council

JPP/sj

STB

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33388

12-14-99

J

BUSINESS

December 14, 1999

Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street, NW, Suite 820  
Washington, DC 20423-0001

FILE IN DOCKET

78-33388

Re: CP Draw

Dear Chairman Morgan:

We are responding jointly to your request in your letters of November 5, 1999 to Messrs. Snow and Goode asking CSXT and Norfolk Southern to look into the situation at the CP Draw interlocking in Buffalo and to make recommendations to you.

On December 2, the two of us met on the ground at CP Draw and reviewed the physical situation there. We brought with us a number of managers from our respective operations, engineering and capital planning departments. The attached report is based on our discussions in Buffalo that day. It was prepared by Norfolk Southern, but CSXT can state that it is in general agreement with the report's conclusions.

To the extent possible in the short time we have struggled with the problem, we believe all of the major issues have been identified. Further details concerning the rehabilitation and reconfiguration of the bridge, the engineering, and the financing and funding issues must await further analysis by NS and CSX. In the planning and analysis, we tried to keep in mind that the Norfolk Southern system and customers will be the primary beneficiaries of the proposed project. For CSXT, its primary goal in any restructuring of operations at CP Draw is to preserve its existing efficient service in the area, including its connectivity with other Buffalo carriers. CSXT trusts, therefore, that you will understand that it is willing to cooperate, but is not willing to fund the proposed project in any way.

The proposed plan would involve construction of a new fixed span bridge, to be owned and operated by CSXT, the transfer of the existing bridge to Norfolk Southern, and the separation of the two carriers' operations in the CP Draw area. The report will give you a fuller understanding of the challenges and opportunities of the project. You can see that much of the practicality of the project turns on (1) further engineering studies of the bridge and approaches; (2) the "navigability" status of the Buffalo River; and (3) the availability of public funding.

As you will see, the agreed-upon approach is for Norfolk Southern to seek public funding for the construction of a new fixed span bridge at the old N&W bridge site. Constructing a new drawbridge in lieu of a fixed span would significantly increase the cost of the project, although it would eliminate the costs in developing and maintaining alternative transportation services for the sole shipper using the Buffalo River. Because it



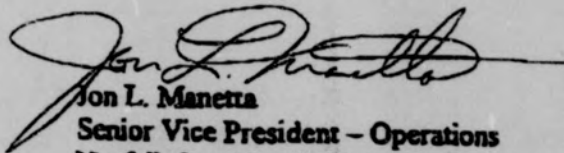
Linda J. Morgan  
Chairman  
December 14, 1999  
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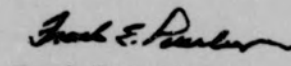
involves a substantial overall project savings and would increase the operating efficiencies at CP Draw, both CSXT and NS place a very high priority on a redesignation of the river's navigability. We will continue to work closely with the New York Congressional delegation to effectuate this change, and would certainly appreciate any input that the Board might be able to provide.

We have fully considered the options. There appears to be no viable alternative to the "new bridge-separated operations" plan set forth in the report. Resolution of all the issues associated with the plan, however, will not be simple. Certainly, it will take time. However, we believe that, with a cooperative and concerted effort, it can be accomplished. Further, we are optimistic that the kind of cooperation the two carriers are evidencing here will continue and will prove constructive in future similar situations.

Yours very truly,

Yours very truly,

  
Jon L. Manetra  
Senior Vice President - Operations  
Norfolk Southern Railway Company

  
Frank E. Pursley  
Vice President Safety and Service Design  
CSX Transportation, Inc.

Enclosure

Cc: John W. Snow  
David R. Goode



**PRELIMINARY ANALYSIS  
OF  
RESOLUTION OPTIONS  
TO  
THE BUFFALO CP DRAW CHOKE POINT MATTER**

December 14, 1999

Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510

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## **I. Introduction**

Norfolk Southern Railway Company is pleased to provide this report on the results of our review of the CP Draw congestion matter. This report is the product of sustained effort on behalf of both NS and CSX Transportation to resolve this matter.

The congestion in the Buffalo area, including CP Draw, and the resulting adverse effects, have been a major focus of attention for senior management at both NS and CSX. This could be said with equal force of the Buffalo area Senate and Congressional delegations, the Surface Transportation Board, New York State and local Buffalo officials, and customers in the Buffalo-Niagara area, as demonstrated by the broad attendance at the on-site meeting held on October 18, 1999, reports in the media and complaints to the carriers and to the STB.

The report that follows explains the preliminary conclusion of the two carriers as to the solution to the congestion at CP Draw – that construction of a second bridge across the Buffalo River, and a separation of the NS and CSX rail facilities at CP Draw presents the best long-term solution. It details the rail infrastructure and operations of the several carriers in the area, and how changes in rail flows and the lack of adequate infrastructure have caused the congestion at the CP Draw choke point. It details the alternative solutions examined, and why the new bridge-separate facilities option was chosen as the only viable alternative. Finally, it details some of the funding and regulatory assistance required to achieve that solution.

This report represents only a preliminary analysis into what may be a long process. NS and CSX have agreed that NS will take the lead in pursuing the implementation of the project, with the full cooperation of CSX. But the project depends on the public support required to achieve certain necessary interim steps, such as the dedication of public funding and (if possible) a successful legislative effort to reclassify the Buffalo River to non-navigable status to permit construction of a fixed-span bridge.

## **II. The CP Draw Choke Point Problem**

The CP Draw choke point problem does not arise from the division and operation of the Conrail assets by NS and CSX, but that division has exacerbated it. Simply put, before the Conrail Transaction, Buffalo was an endpoint on the NS system, and NS had the rail infrastructure in Buffalo merely to sustain local and limited interchange operations. Conrail, on the other hand, had systematically oriented the infrastructure (main and passing tracks, yard capacity, and modern, electronic, bi-directional signal and train control systems) that it inherited from five area predecessor roads towards its New York-Chicago mainline and associated facilities.<sup>1</sup>

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<sup>1</sup> State tax policy ensured that neither NS nor Conrail left any "excess" infrastructure in the Buffalo area.

Now, CSX operates most of Conrail's facilities and former mainline in Buffalo, and now operates what yards Conrail had. NS, on the other hand, now operates two secondary Conrail routes, but inherited no new yard facilities. Buffalo is no longer an endpoint on the NS system, but instead is a major through point on a new competitive East-West route created by the Conrail Transaction. The congestion at the Buffalo Draw drawbridge choke point has been compounded by insufficient yard facilities unable to handle NS's expanded role in Buffalo.

NS has proceeded quickly to supplement its yard facilities in Buffalo. The remaining part of the solution is to construct a second (fixed) bridge (thus removing the choke point), and minimize or eliminate areas where NS and CSX operations interfere with each other. This report concerns the impact of these yard improvements on CP Draw, and NS's and CSX's plans to construct an additional bridge and to separate their rail operations in Buffalo.

### **III. The New Bridge-Separated Operations Solution**

NS has identified – and swiftly pursued – several projects that will help reduce Buffalo area congestion through the development of additional infrastructure. We have subleased and upgraded most of the Buffalo & Pittsburgh Yard. We have completed the rehabilitation and expansion of Bison Yard. Both yards are now fully in service. NS has undertaken these projects, at an expense of more than \$15 million, on its own. The full value of these projects (to NS, CSX and the general public) in addressing Buffalo area congestion, however, would be realized with a permanent solution to the CP Draw choke point.

Subject of course to a final determination of feasibility and funding availability, NS believes that construction of a new bridge at a site just downstream from the CP Draw drawbridge is necessary to eliminate the choke point. The new bridge would be constructed at the site of the old Norfolk & Western drawbridge. CSX and NS tracks would be physically separated as well, and each would have its own bridge to carry its traffic over the Buffalo River – CSX over the new bridge at the site of the old N&W bridge; NS at the current CP Draw drawbridge. To ensure that the rerouted CSX mainline is effective, NS's Buffalo Junction Yard would be relocated and/or removed. CSX agrees with this approach.

The ultimate details to this solution to the CP Draw bottleneck problem will be based upon a few basic principles:

- The infrastructure improvements should be cost-effective and directly address the problem.
- Public support and funding is essential to realize the substantial public benefits of the project.



- The solution should leave customers better off. After implementation of the proposed solution, customers will continue to have access to all carriers that they had before, but their rail service will be more reliable and fluid.
- The solution should leave shortline and regional carriers better off. After implementation of the solution, shortline and regional carriers will continue to have substantially the same access to all carriers after implementation of the solution that they had before, but their connections will be less congested.
- The rail carrier receiving the primary benefits (NS in this case) will take the lead in developing and implementing plans, and securing funding for the project, with assistance and guidance from the other.

Once public funding is dedicated and regulatory burdens are overcome, the proposed project will take well over a year to complete, given its engineering complexity. At the time of this report, several different implementation alternatives remain viable. These must be studied, and the engineering work completed.

Much depends, however, on the legal and regulatory impediments to the construction of a fixed bridge structure that arise from the current designation of the Buffalo River as "navigable." If the U.S. Congress redesignates this portion of the Buffalo River as "nonnavigable," then a fixed span bridge would be possible. This would save several millions of dollars in the overall design, implementation and operation of the bridge portion of the project, but would in turn require the development of an alternative transportation option - rail or pipeline - for service to Exxon Mobil's Buffalo distribution facility. Should a fixed span be constructed, then an alternative to using ice breakers in the winter will have to be developed to prevent flooding on the Buffalo River upstream from the bridge.

If the Buffalo River cannot be redesignated as "nonnavigable," then a lift bridge would be necessary. Although this would add several millions of dollars to the design, implementation and operation of the bridge portion of the project, it would in turn save the cost of development of an alternative transportation option for Exxon Mobil and an alternative to using ice breakers.

Even with the impediments, constructing a second fixed-span bridge at the site of the old N&W bridge and realigning the rail infrastructure on both sides of the Buffalo River so as to minimize or eliminate areas where NS and CSX cross each other make the most sense. No other option fits the operating environment of CP Draw, which is detailed next.

#### **IV. CP Draw Facts**

##### **A. Description**

CP Draw essentially is a funnel, where NS movements through the Buffalo area from the west must share the very busy CSX Chicago Line trackage on a drawbridge

across the Buffalo River. NS and CSX intra-yard movements and Amtrak trains also must use the drawbridge.

## **B. Rail Operations**

### **1. NS Operations**

NS has historically served Buffalo from the west where its Nickel Plate line from Chicago through Cleveland terminated in Buffalo. With the Conrail transaction, this line now is connected at CP Draw to the Southern Tier mainline east from Buffalo through Binghamton, NY and on to northern New Jersey, and, via a cooperative agreement with Canadian Pacific, on to New England. Under NS control, this new route serves as a link in New England's competitive alternative to the CSX (former Conrail) network. In addition, NS operates a former Conrail line south from Buffalo through Olean, New York and on to Harrisburg, Pennsylvania, which has seen increased north-south traffic under NS operations.

NS facilities in Buffalo east of CP Draw include the Buffalo Junction Yard (14 tracks for classification, industrial support and interchange) and Bison Yard (consisting of a five-track automobile terminal, a two-track intermodal facility, a seven-track bulk transfer facility, and a ten-track switching and train-making yard). NS facilities in Buffalo west of CP Draw include Tiffit Yard (five-track support yard used for train makeup) and the subleased Buffalo and Pittsburgh Yard (recently substantially upgraded and integrated into Tiffit Yard for classification and industrial support). NS's yard improvements (already completed) are a critical part of improving operations through CP Draw.

The relocation of support for South Buffalo Railway interchange, which comprises most of NS's local traffic in Buffalo, from Buffalo Junction to the reconstructed and integrated B&P yard will make the single largest improvement in CP Draw congestion. Use of that yard and Bison Yard will eliminate the necessity for NS to repeatedly switch cuts of cars across CP Draw, which contributes to the congestion.

NS's new yard capacity at Bison Yard will also reduce CP Draw congestion. NS will use the 8,000-foot long tracks at Bison to assemble trains, eliminating the need for NS to double out across CP Draw as now is done at Buffalo Junction Yard.

### **2. CSX Operations**

CSX assumed Conrail's role as the major railroad in Buffalo. Almost all of its trains through Buffalo – an average of 70 per day – traverse CP Draw.

CSX major operating corridors through Buffalo include their Northeastern Gateway Service Route (New York to Chicago via Albany and Buffalo), the St. Louis Gateway Service Route (St. Louis to New York and Boston via Indianapolis and

Buffalo), and the Memphis Gateway Service Route (Memphis to New York and Boston via Cincinnati and Buffalo). All of these routes use CSX's Chicago Line via CP Draw.

Buffalo also is a key location in CSX's Canadian traffic movements via the Niagara Gateway. CSX facilities in Buffalo east of CP Draw include Frontier Yard (120 yard tracks for classification and interchange). CSX facilities in Buffalo west of CP Draw include Seneca Yard (24 yard tracks for classification and interchange). CSX intermodal and mechanical facilities have been expanded and upgraded in the past year.

CSX also operates an additional railroad lift bridge over the Buffalo River – the single-track former Compromise Branch. CSX notes that this is a low speed, limited capacity branch line.

### **3. Amtrak Operations**

Amtrak sends two trains per day through CP Draw as well.

### **4. South Buffalo Operations**

The South Buffalo Railway is a local Buffalo shortline serving a Ford stamping plant and Bethlehem Steel's Lackawanna Plant, among others. It interchanges with NS and CSX near Seneca Yard, and with NS at "Station C" immediately west of CP Draw. South Buffalo does not use CP Draw.

### **5. Buffalo Southern Operations**

The Buffalo Southern runs between Buffalo and an interchange with the New York and Lake Erie Railroad in Dayton, New York. By agreement, NS upgraded BSOR's mainline and uses it as an additional mainline track west of CP Draw.

### **6. Buffalo & Pittsburgh Operations**

The Buffalo & Pittsburgh Railroad runs from Pennsylvania into Buffalo via overhead trackage rights on NS in order to reach Buffalo. B&P approaches the CP Draw area of Buffalo from the south, crossing by bridge over a NS branch as it makes its way into its Buffalo Creek Yard. B&P interchanges traffic with NS and CSX in the Buffalo Creek Yard. NS recently subleased and reconstructed much of the Buffalo Creek Yard, integrating it with NS's adjacent Tift Yard as part of NS's overall strategic infrastructure improvement plan for the CP Draw area.



## **7. Canadian National Operations**

CSX recently granted trackage rights over some of its lines in Buffalo to Canadian National, enabling CN to interchange directly with NS. This eliminates the need for CSX to handle the traffic in intermediate service and is expected to reduce congestion over CP Draw.

### **C. The Rail Bridges Across the Buffalo River**

Of the three rail bridges crossing the Buffalo River in the general area of CP Draw, two are active drawbridges under the control of CSX. The third, the N&W bridge adjacent and just down river from the CP Draw drawbridge, is an out-of-service drawbridge fixed in an upright position. There is a fourth bridge spanning the Buffalo River, along the NS Ebenezer Secondary, several miles southeast of CP Draw.

#### **1. CP Draw Drawbridge**

The CP Draw drawbridge is a double track drawbridge. The bridge carries through NS and CSX east-west mainline traffic, generally 75 to 85 trains per day. Additionally, it carries CSX, NS and B&P traffic moving between Seneca Yard, Tiffi Yard, and Buffalo Creek Yard on the west side of the Buffalo River, and SK Yard, Frontier Yard, Bison Yard and Buffalo Junction Yard on the east side of the river. Operation of the CP Draw draw span also is governed by 33 C.F.R. § 117.773, and it must be opened on 4 hour's notice.

#### **2. The Old N&W Bridge**

The old N&W bridge was a double track drawbridge on the Nickel Plate system. Poor conditions led to the bridge being fixed in an upright position in 1983; at which time the N&W tracks approach were reconfigured to move traffic over the adjacent CP Draw. (N&W acquired a one-half undivided interest in the CP Draw bridge at that time.) The bridge was in need of substantial structural repair at the time it was taken out of service, and in the years since, vandalism has destroyed the bridge operator's house and the operating machinery.

#### **3. Compromise Branch Drawbridge**

The CSX Compromise Branch drawbridge is a single-track drawbridge on a single-line route crossing the Buffalo River downstream from the CP Draw drawbridge. The bridge carries CSX traffic moving along the Compromise Branch, which runs to the west and north of the immediate CP Draw area from Seneca Yard to the CSX route to CSX's Frontier Yard. Operation of the Compromise Branch draw span is governed by 33 C.F.R. § 117.773, which requires the draw to open on 4 hours' notice.

#### **4. Ebenezer Secondary Track Bridge**

The active fixed-span bridge on NS's Ebenezer Secondary Track crosses a portion of the Buffalo River several miles southeast of CP Draw at a point already determined to be non-navigable. It is located on a proposed through route contemplated by NS in the Conrail Transaction STB application. This proposed route would require the construction of several other track connections, but it has not been progressed for a variety of reasons discussed later in this report.

#### **D. Buffalo River**

Although designated a navigable waterway, only one shipper, Exxon Mobil, routinely uses the Buffalo River for transportation during the navigation season. Exxon Mobil's Buffalo distribution facility, located approximately 1/2 mile upriver from the CP Draw drawbridge, receives gasoline, kerosene, heating oil and low sulfur diesel fuel, primarily by barge from Nanticoke, Ontario, and secondarily by truck from Warren, Pennsylvania. The plant routinely requires transportation for 15,000 to 17,000 barrels of product (or approximately 35-37 rail cars) daily. Ice jams routinely must be broken to prevent flooding during the Buffalo winter months.

#### **V. Detailed New Bridge-Separate Operations Solution**

The second draw bridge crossing the Buffalo River at CP Draw, immediately downstream of the active CP Draw drawbridge, owned by N&W, was taken out of service, but not abandoned, because traffic did not justify the rehabilitation expense. N&W acquired an interest in,<sup>2</sup> and redirected its traffic over, the active CP Draw drawbridge and approach tracks instead. The site of the N&W drawbridge would be the preferred site for the new bridge for several reasons:

- Placing the new bridge at the site of the N&W drawbridge would reduce the new regulatory authority needed to resolve the problem at CP Draw.
- No new land acquisitions would be required. The entire rail project, track reconfiguration and bridge construction, would take place on property already controlled by the rail carriers.
- CSX operations flowing over the new bridge would be physically separated from those of NS flowing over the current CP Draw drawbridge.
- Operational efficiencies should translate to positive environmental impacts as a result of reduced locomotive emissions and reduced truck emissions as rail replaces truck transport and rail delays are minimized.

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<sup>2</sup> NS now pays a portion of the maintenance expense for the CP Draw drawbridge.

Assuming the Buffalo River is declared nonnavigable, NS likely would choose the option of constructing a double-tracked fixed bridge, which would ensure smooth and uninterrupted rail operations over the river at a substantially lower cost than a draw span. A draw span requires a substantially greater capital outlay initially, substantially more maintenance on an ongoing basis, the availability of a bridge tender, and more complicated communications and signaling infrastructure. It is also more prone to mechanical problems, with the potential for reducing the transportation benefits for Buffalo-area shippers that a fixed span would provide.

Public funding is essential for any CP Draw improvement project to move forward. This option, although preferred by NS, cannot be justified as a capital investment funded completely from private funds. NS uses its routes east of CP Draw for four major reasons: as a secondary mainline route into and out of Northern New Jersey, as a route to Harrisburg to connect with the NS Penn Line into the southeast, in combination with Canadian Pacific as a competitive alternative to CSX into New England, and over CSX to reach connections into Canada. Since this traffic must also help support NS's Southern Tier Line between Buffalo, Binghamton and Northern New Jersey, as well as NS's \$15 million investment in new Buffalo yard activities, further investment by NS in a new bridge must be partnered with public funds in order to make the investment feasible.<sup>3</sup>

#### **VI. Public Benefits**

A new bridge would bring substantial public benefits. Enhanced competition into New York and New England would provide shippers with competitive rail rates. That rail competition would reduce truck traffic through the Buffalo area as rail rates and service begin to compete with truck rates and service. The new bridge would provide similar benefits to customers using CSX. They would benefit from additional capacity on CSX's main route between Northern New Jersey and Chicago. In addition, the new bridge would create significant environmental benefits as the rail carriers in Buffalo experience greater fluidity and as they take traffic away from trucks on the roads.

#### **VII. Other Options Reviewed**

Several other options have been reviewed and set aside for various reasons. For example, in its application to the STB for the Conrail Transaction, NS outlined a planned construction of a CP Draw bypass that would utilize the Ebenezer Secondary bridge and

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<sup>3</sup> While the timing is uncertain, NS is hopeful that public funding is and will be available for this project. For example, NYDOT Commissioner Boardman has described several new funding initiatives and expanded existing rail programs in the New York State Budget that Governor Pataki specifically intended to address physical problems encountered during the transition from Conrail to NS and CSX. NS intends to work with Commissioner Boardman, the State of New York and Federal agencies to enlist their help in bringing this public project to fruition.

new connections and upgrades to existing Conrail routes. However, further study has indicated that the grades, curvature and limited capacity of this route via CP GJ, as well as the additional transit time, make this option infeasible.

Likewise, CSX's Compromise Branch is circuitous, impacts street crossings, and has curvature and clearance restrictions that make this route infeasible.

Assuming that a new bridge were constructed, NS identified an alternative proposal for a new fixed bridge – one with enough clearance to avoid the need to reclassify the Buffalo River as nonnavigable – just upstream from the current CP Draw drawbridge. Although it is possible that this site would satisfy the basic object of the proposed project – dedicated bridges and separated operations for CSX and NS – the option is not viable. Preliminary studies indicate that constructing such a bridge would result in excessive grades due to multiple vertical restrictions east of the Buffalo River. Additional land, not owned by NS or CSX, would have to be acquired.

NS has evaluated several different possible bridge configurations as well, but the desired option continues to be a fixed, double-tracked bridge. As mentioned above, the exact configuration would depend, however, on the success of the legislative initiative to have the Buffalo River declared nonnavigable, and the public support to build a new bridge.

Under current law, the Buffalo River is assumed navigable, and the Coast Guard regulates the configuration of any structure over the river that may interfere with that navigability. Assuming the legislative initiative to redesignate the Buffalo River as nonnavigable is not successful, NS's next preferred option would be to receive an exemption from the Coast Guard in order to put into place a draw span bridge without the primary draw mechanism, leaving open the option to have the exemption withdrawn at a later date should the need arise. The cost to construct an entirely new double track lift span bridge with an operable mechanism, however, would be substantially higher than for a fixed span bridge – up to \$35 million, including the cost for track, communication and signaling.

#### **VIII. Alternative methods for serving Exxon Mobil Buffalo**

Exxon Mobil is the only company currently using the Buffalo River for transportation of products. Exxon Mobil receives petroleum products daily via barge, although the winter weather in Buffalo does affect Exxon Mobil's ability to send and receive by water.

We understand that Exxon Mobil has no objection to the fixed span proposal, provided its marine transportation needs are adequately addressed. There are several options available to replace the water route, including pipeline and rail options. NS and Exxon Mobil have committed to working closely together to develop one or more of those options, if the fixed bridge option is pursued.



## **IX. Conclusion**

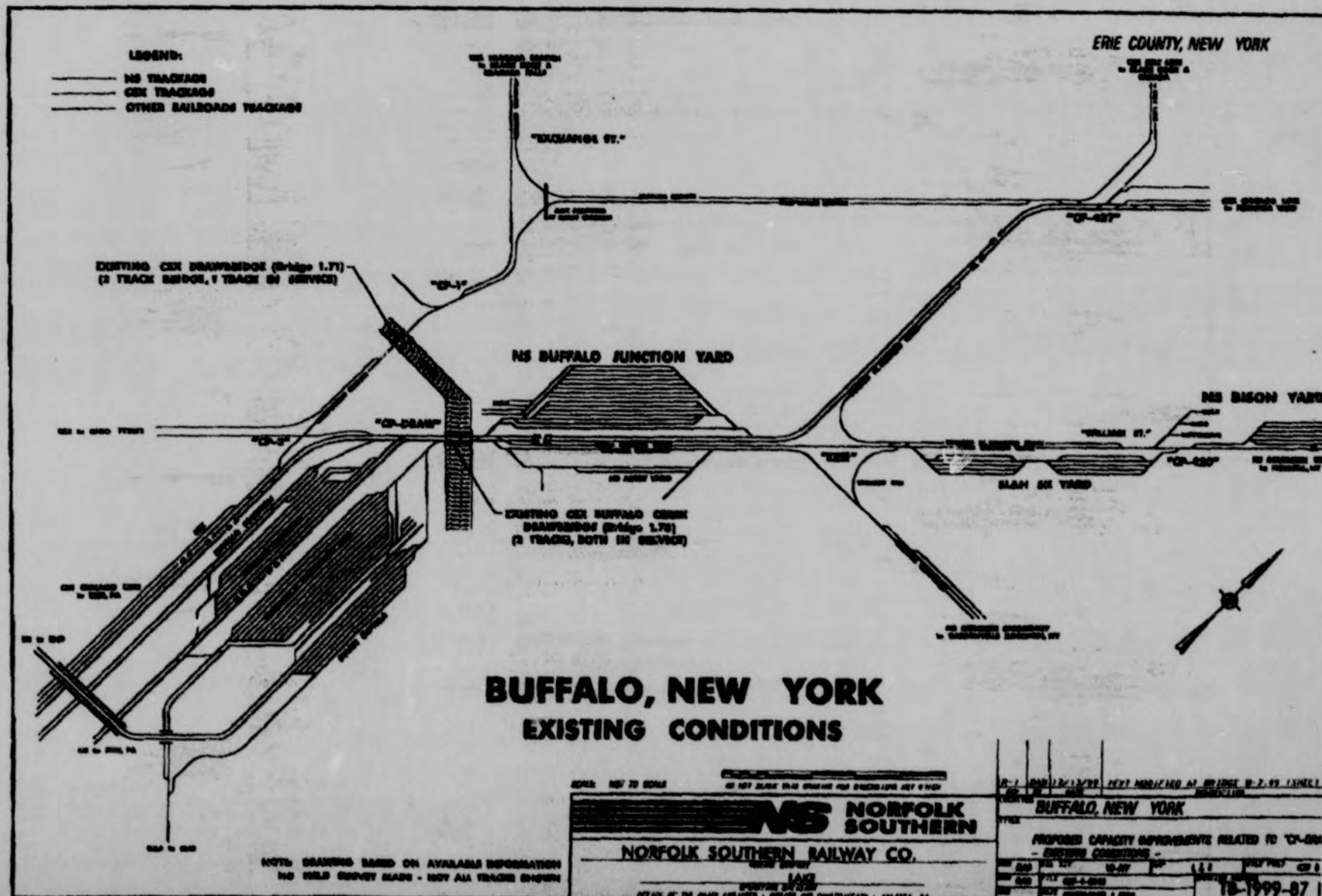
NS is committed to resolving the congestion in the Buffalo area, including CP Draw, in any reasonably feasible manner. NS's substantial and continuing investment in augmenting the yard infrastructure in Buffalo demonstrate just that. If a feasible and financially prudent solution for CP Draw can be developed, it also will aid the improvement of rail service. The foregoing report has detailed the preliminary analysis and conclusions of NS and CSX as to the next step in that process – the construction of a new bridge across the Buffalo River, and a separation of the NS and CSX rail facilities at the CP Draw choke point.

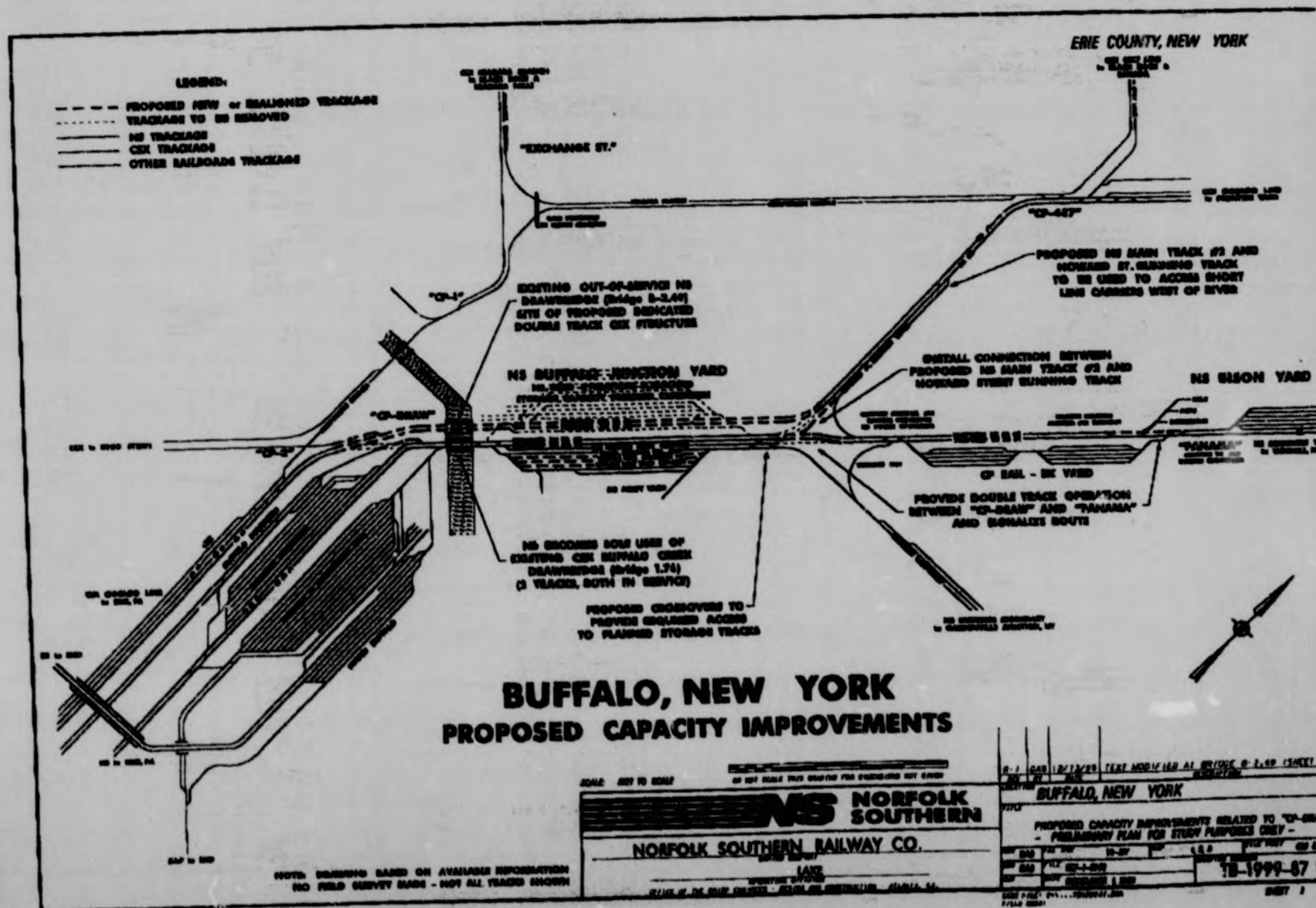
Without question, this report represents only a preliminary analysis into what may be a long process. NS and CSX engineers must conduct an in-depth examination of the project. Public funding must be identified and dedicated for the project. The legislative initiative to declare the Buffalo River non-navigable must begin. NS is committed to pursue this project as part of its overall effort to provide more reliable, efficient and effective competition in the East.



NW Bridge-left CP Draw Bridge-right







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BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD-33388

December 14, 1999

Mr. Daniel A. Peters  
President  
Laub International, Inc.  
1051 Clinton Street  
Buffalo, NY 14206

Dear Mr. Peters:

I did not want too much time to pass without acknowledging your earlier letter regarding our meeting in Buffalo on rail service issues. I appreciate the challenge of your task in trying to adjust your operations to accommodate less-than-adequate rail service.

Our meeting in Buffalo on October 18<sup>th</sup> was an excellent opportunity for me to meet with shippers and listen to their concerns, and to get a sense of the proportions of the Buffalo-area rail service problem. As I pledged to the Congressional delegation in attendance, I have put forward a plan for addressing existing rail service concerns in the Buffalo area. In this regard, enclosed are copies of the letters sent to NS and CSX directing that various actions be taken. As I also pledged, I will be returning to Buffalo to assess the situation. In the meantime, we will continue to actively monitor rail service in the Buffalo area. I have shared your letter with Melvin Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), who attended the Buffalo meeting with me. I hope that you will not hesitate to be in contact with him if there are immediate rail service issues with which we might be helpful. He can be reached at 202-565-1575 (fax: 202-565-9011).

We at the Board remain committed to working with you in a constructive way to resolve service issues in the Buffalo area. I look forward to our continued association.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

# Laub International, Inc.

Distribution - Assembly - Warehousing

1051 Clinton Street  
Buffalo, New York 14206 USA  
Phone: (716) 853-3703  
Fax: (716) 852-0136

November 1, 1999

Ms. Linda J. Morgan, Chairperson  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

Dear Ms. Morgan;

It was a pleasure meeting you on your recent visit to Buffalo during your viewing of the Norfolk- Southern and CSX yards. We are serviced by the Norfolk system.

Laub Warehouse is a United States Customs and New York State Liquor Authority bonded warehouse and distribution center.

Our customers both receive and ship their products utilizing our facilities and rail siding for the storage and distribution of their goods.

Prior to the acquisition of the Conrail System and the division of those assets by Norfolk and CSX, we received car placements at least three times per week when needed. At that time we were handling between 20 and 30 rail cars per month. The service was efficient, timely and very predictable.

Since June 1, the transfer date and close of the Conrail system, we no longer have a service schedule and what service we do get is not timely or predictable. We began receiving empty Gondola cars for one of our customers, but to date our customers shipping to our facility have experienced delays of 6 to 8 weeks for their product to arrive at Laub. They no longer trust the rail carrier to ship and deliver their goods in a timely manner.

A few examples are as follows:

- 1) Wine coolers shipped to us from the West Coast shipped in mid May arrived at our facility in mid July. Their best sales date is the July 4<sup>th</sup> holiday. They no longer ship to our facility.

FILE IN DOCKET

OFFICE OF  
CHAIRMAN MORGAN

Nov 3 2 36 PM '99

RECEIVED  
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BOARD

**FROM:**

DANIEL A. PETERS, PRESIDENT  
LAUB WAREHOUSE  
(716) 853-3703  
1051 CLINTON STREET  
BUFFALO NY 14206-2823

1 OF 1

**DC 2000-00****SHIP TO:**

MS LINDA J. MORGAN, CHAIRPERSON  
SURFACE TRANSPORTATION BOARD  
1925 K STREET, N.W.  
**WASHINGTON DC 20423-0001**

**UPS NEXT DAY AIR**

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MANAGEMENT  
STB

PKG REF 1: LAUB INTERNATIONAL, INC.

UOF 6.0.16 HP LaserJet 4L 1025



Ms. Linda J. Morgan, Chairperson  
Surface Transportation Board  
November 1, 1999  
Page 2

- 2) Paper products shipped from Mobile, Alabama in mid May arrived in mid July. After receiving some assurances from Norfolk that the shipping time had improved, they Decided to test the rail system. A shipment was sent from Mobile on August 31st and arrived at Laub on October 7<sup>th</sup>. Normal transit time had been 12 to 14 days with Conrail. They no longer rely on rail service to Buffalo.
- 3) A local freight forwarder used our facility for rail shipments to and from Buffalo. As a result of the horror stories heard on the street, we no longer do work for them.

The drastic change in rail service has impacted our revenues; reflected on our staffing requirements; and is a major concern as we have put plans for a future expansion on hold.

One has to note that all of the assets and manpower in place prior to June 1<sup>st</sup> are still in place, and yet our service has almost deteriorated to no service.

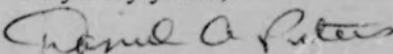
We can understand that building infrastructure takes time, but with the assets and manpower currently in place, cooperation between the 2 lines could result in running it as one line. This could result in giving us back the reliable rail service we need in the interim period.

In my short conversation with you, it appears to me that some jawboning could make the short-term service better since the Surface Transportation Board made possible the acquisition of Conrail by Norfolk and CSX.

As noted in the public meeting of October 18<sup>th</sup>, all users of rail service expressed concern over the rail services being provided.

I personally thank you for visiting Buffalo and learning first hand some of the problems that follow the demise of Conrail.

Very truly yours;



Daniel A. Peters  
President

STB

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MOC



Office of the Chairman

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

FILE IN DOCKET

JS-33388

December 14, 1999

The Honorable Rick Santorum  
United States Senate  
Washington, DC 20510-3804

Dear Senator Santorum:

Thank you for your letter and your follow-up telephone call regarding your concerns about the problems associated with the transition of services from Conrail to Norfolk Southern Railway (NS) in Pennsylvania. In your letter, you expressed specific concern about the extent of the transitional problems affecting service by NS to R.R. Donnelley & Sons' Lancaster facilities, and the potential impact of increased highway traffic because of rail service problems.

As we discussed in a general way during our telephone conversation, in its decision approving the Conrail transaction, the Board imposed significant reporting responsibilities on NS (as well as CSX) related to the implementation of the transaction. The reporting requirements include a weekly regimen of operational metrics, and monthly updates in such areas as Labor, Construction and Capital Projects, Information Technology, and Customer Service. The reports are filed with Mr. Melvin Clemens, the Director of the Board's Office of Compliance and Enforcement (OCE). As part of the Board's continuing effort to monitor and evaluate service and operational levels, Director Clemens has increased the reporting requirements on four occasions: in June; in July; in August; and most recently on November 5<sup>th</sup>. This increased reporting is intended to bring meaningful focus to areas that we believe continue to adversely affect operations. OCE Director Clemens also is in regular contact with senior officials at NS (as well as CSX) to monitor the implementation, verify the metrics, and interface on customer issues as he has done regularly on behalf of Donnelley.

In addition, I am in frequent contact with shippers and employees about their concerns, and with the Chief Executives of NS and CSX to ensure that their principal focus continues to be on improving the services that their companies provide. I also have requested information from the railroads on such issues as plans for handling seasonal traffic flows, cooperative efforts to ease congestion, and initiatives to improve the operations of the Shared Assets Areas, which clearly impact service in the Pennsylvania area. These contacts and the required reporting provide the Board with valuable information on the service issues that affect the public and on the condition of the former Conrail portions of each system.

Regarding your concern about service to R.R. Donnelley and the resulting increased truck traffic due to longer rail transit times, NS, which clearly has acquired a significant presence in Pennsylvania, has reported the addition of 416 locomotives, additional train service employees, and its commitment to a \$250 million program for infrastructure improvements to deal with

service concerns. Some of the infrastructure improvements intended to address specific flows of traffic affecting Pennsylvania are:

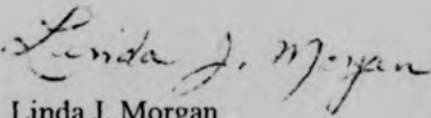
- ▶ Additional double-tracking and improved signalization of the "Penn Route", NS's main east-west route between the North Jersey Shared Assets Area and Chicago, including improvements in and around Harrisburg. These improvements are due to be completed in the first quarter of 2000 and are intended to address service problems in the Pennsylvania area.
- ▶ Completion of the Rutherford, Pennsylvania intermodal terminal. Due to be completed in the second quarter of 2000, this improved facility should increase the capacity and improve the fluidity of the "Penn Route", thus increasing the ability of NS to attract intermodal traffic otherwise moving by highway in the Northeast.
- ▶ Rehabilitation of the Bison and Buffalo and Pittsburgh yards in Buffalo, which was completed December 1<sup>st</sup>. This rehabilitation should improve the flow of traffic on NS's principal east-west line serving New York and New Jersey and relieve some of the classification responsibilities that had been occurring in Pittsburgh, thereby improving transit times to Pennsylvania shippers like Donnelley.

Clearly there were start-up problems during the initial implementation phase of the Conrail transaction that, compounded by increased seasonal traffic flows, have resulted in less-than-adequate service levels for shippers. However, the Board's continued active and vigilant monitoring of the operations of NS and CSX, as the carriers implement the Conrail transaction, and the proactive interface of Director Clemens with shippers such as Donnelley to resolve service issues informally as they are brought to our attention, should help to ensure a successful implementation of the Conrail transaction in the near term.

Regarding the specific problems experienced by Donnelley, high-level NS officials and Donnelley, with the direct involvement of the Board through Mr. Clemens, are now in regular communication regarding Donnelley's concerns and have together been working on solutions to those concerns. As I indicated to you on the telephone, the Board, as it has done to date, will continue to actively monitor the progress toward resolving Donnelley's service problems.

I appreciate the opportunity to respond to your concerns, and look forward to working with you and to keeping you informed as you wish on our continuing efforts with respect to the Conrail transaction. Please do not hesitate to contact me further if we can be of help in any area in which you or your constituents may require the Board's assistance.

Sincerely,

  
Linda J. Morgan

cc: Mr. David Goode

# United States Senate

WASHINGTON, DC 20510-3804

202-224-6324

COMMITTEES:  
AGRICULTURE  
ARMED SERVICES  
CHAIRMAN, SUBCOMMITTEE ON  
AIRLAND FORCES  
RULES  
AGING  
BANKING  
VICE CHAIRMAN,  
SUBCOMMITTEE ON HOUSING  
AND TRANSPORTATION

FILE IN DOCKET

November 16, 1999

The Honorable Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street, N.W.  
Suite 820  
Washington, DC 20423-0001

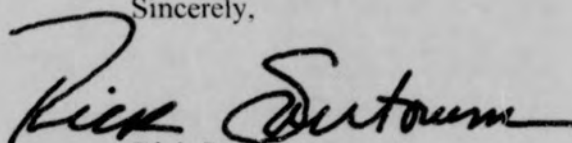
Dear Chairman Morgan:

I am writing to express my concern with the severe problems that R.R. Donnelley & Sons Company, a major Pennsylvania manufacturer, has had with post-Conrail Norfolk Southern Railway service at Donnelley's two Lancaster, PA plants.

The problems Donnelley has faced, including inaccurate shipment information and unreliable transit and delivery performance, make it difficult to effectively schedule time-critical print jobs for its customers. I understand that Donnelley and its suppliers have been forced to use almost two and one-half times as many trucks at Donnelley's Lancaster plants this Fall as were used during the comparable period last year, increasing transportation costs and environmental and community safety impacts. Norfolk Southern's problems have resulted in increased shipping, inventory, and product handling costs for Donnelley, harming their competitiveness at this critical time of year.

It is my understanding that Donnelley has worked with your agency and with Norfolk Southern to resolve these matters on an informal basis. Your continued attention to this matter would be greatly appreciated. Please keep me apprised of the progress you are making in resolving this serious problem.

Sincerely,



Rick Santorum  
United States Senate

RJS/zm  
cc: Mr. D. R. Goode

STB

FD

33388

12-14-99

J

BUSINESS





Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 14, 1999

Mr. Gordon R. Heisler  
Manager Transportation Operations  
Sun Company, Inc.  
Ten Penn Center  
1801 Market Street  
Philadelphia, Pennsylvania 19103-1699

Dear Mr. Heisler:

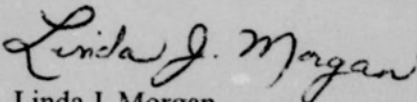
Thank you for your letter regarding the acquisition of the Conrail properties by Norfolk Southern Railway Company (NS) and CSX Transportation, Inc. (CSXT), and your concern about the level of service being provided by NS and CSXT.

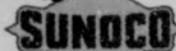
As you know, we have been interfacing with officials of NS and CSXT and with shippers regularly since the Conrail transaction was approved and almost daily since the June 1<sup>st</sup> transition of operations from Conrail to NS and CSXT. As we have discussed, there have been service issues involving both carriers, and shippers have faced service levels that have failed to meet their expectations. In our meeting with Mayor Edward Rendell on November 17<sup>th</sup>, I indicated that I share your concern about the level of service being provided. I can assure you that I am committed to seeing an improvement in service on the acquired lines of Conrail, and I do believe that NS and CSXT are similarly committed. As you have noted, NS has made significant strides recently toward improving the fluidity of the Conrail portion of its system, and we are working to bring about similar improvements on the CSXT lines.

I appreciate the fact that you will be providing us with performance measures describing your service levels, and I would ask that you make them available directly to Melvin F. Clemens, Jr., Director of the Board's Office of Compliance and Enforcement (OCE), who accompanied me to our meeting with Mayor Rendell. As we discussed in our meeting, OCE has established an open line of communication with each of the carriers to ensure that matters brought to the Board's attention are made immediately available to senior management of the involved carrier. In your efforts to assist us in improving your service, please feel free to contact Director Clemens on any rail service issue. Director Clemens' direct telephone number is 202-565-1575, and his facsimile number is 202-565-9011.

I appreciate your bringing your concerns to my attention, and please be assured that, as part of our oversight responsibilities, we will continue to actively monitor the operational performance and service levels of both carriers.

Sincerely,

  
Linda J. Morgan



FILE IN DOCKET

Sun Company, Inc.  
Ten Penn Center  
1801 Market Street  
Philadelphia PA 19103-169

November 29, 1999

Ms. Linda Morgan  
Chairman - Surface Transportation Board  
1925 K Street N.W.  
Washington, DC 20006

Dear Linda,

Thanks very much for your insights shared at the meeting with Ed Rendell last Wednesday. We were encouraged to hear your commitment to solving the rail service situation, and that the increased reporting requirements target the snared operating areas, where Sunoco has experienced some of our worst delays.

Enclosed are our November 1 service performance measures, illustrating just how it has deteriorated to our largest customers. I will continue to update you on progress to our core customers. As I indicated in the meeting, local switch service in the Shared Area has been very good. NS is improving locally at both Toledo, and in the Delaware Valley; yet CSXT continues to have extensive delays just getting cars out of the Philadelphia Area. Once the critical interlocking between Philadelphia and the Chester area is repaired, as Gil Kovar of CSXT indicated, it should improve considerably.

Your diligence and attention to service that is so critical to a rail dependent shipper like Sunoco is appreciated.

Very truly yours,

Gordon R. Heisler  
Manager Transportation Operations

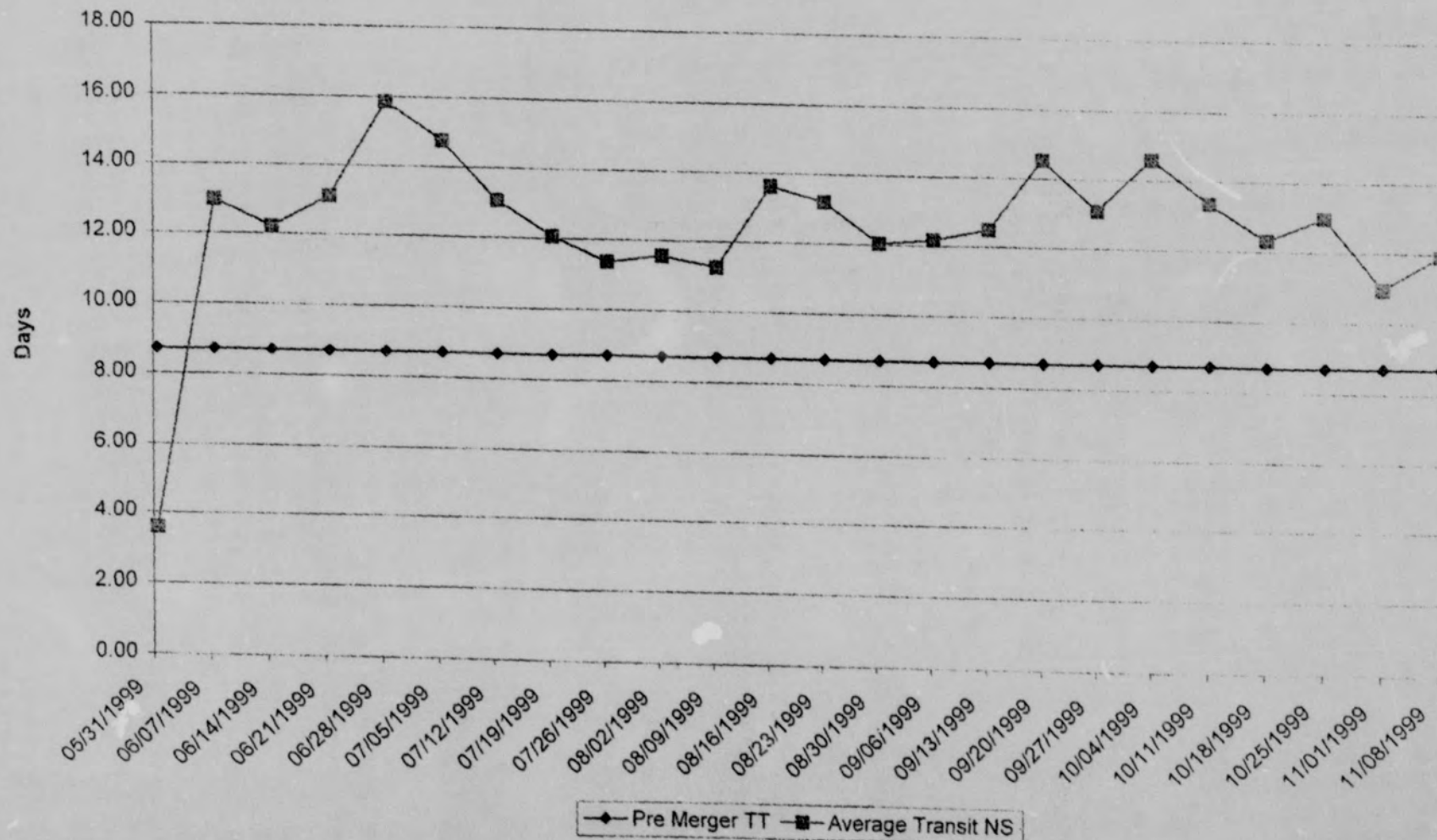
cc: J.L. Fidler  
D.M. Fretz  
T.M. Moyer  
W.B. Thomas  
C.K. Valutas

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
DEC 6 3 44 PM '99



Sunoco Inc (R & M)  
Logistics - Transportation

# NS Transit Study For Top 22 Volume Customers Based on Delivery Date



**Sunoco Customer Transit Times**  
**Conrail compared to NS / CSX**  
**June 1 - Nov 1 Averages**

**NS:**

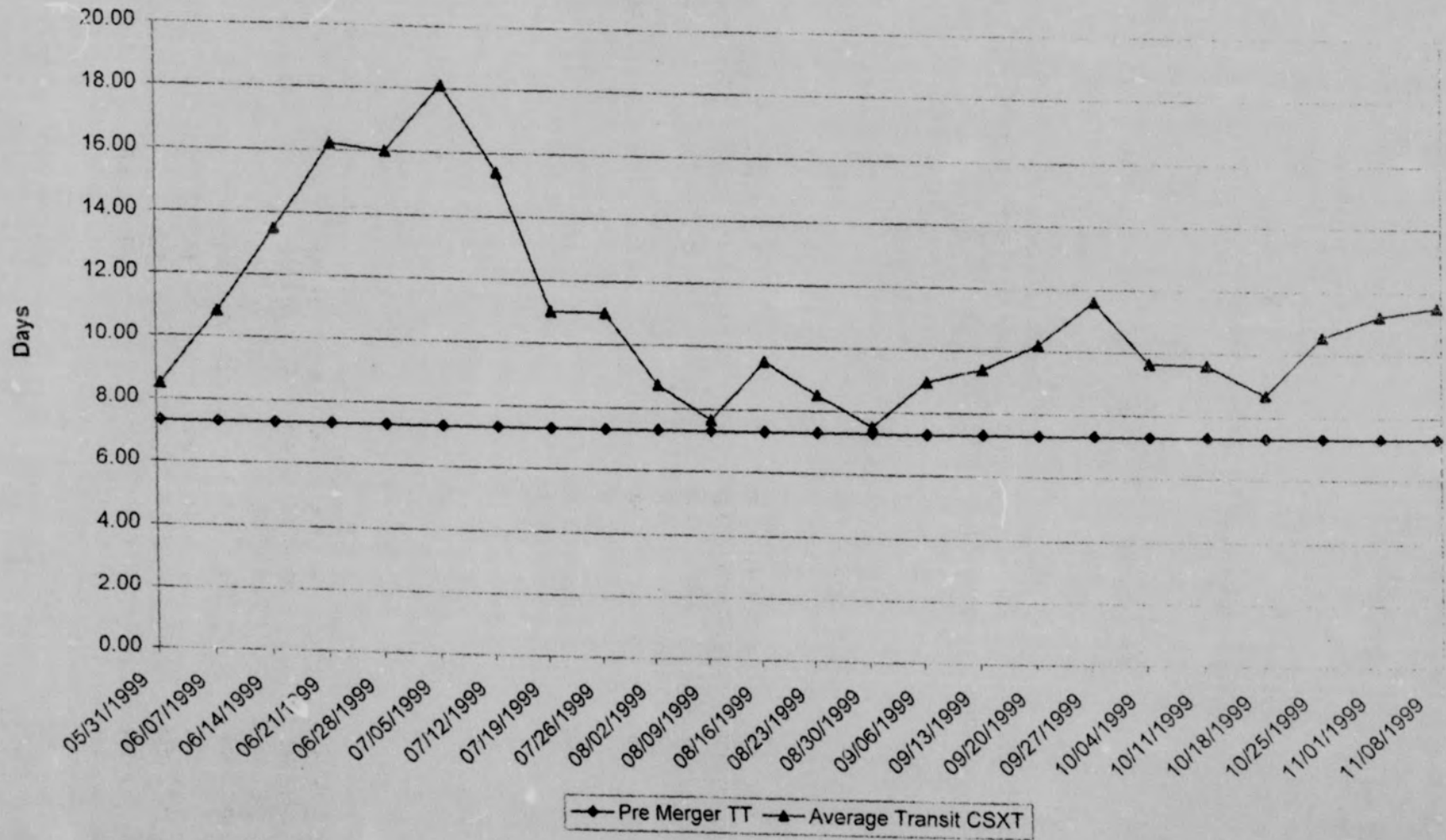
Customer	Location	Origin	Conrail	Post Conrail	Difference	Week of 11/1
Apollo American	Jeffersonville, KY	Marcus Hook	8.00	18.29	10.29	19.33
ICI / Uniqema	Atlas Point, DE	North Claymont, DE	3.00	3.71	3.41	3.00
Celanese	Narrows, VA	Phila (Frankford)	6.00	9.86	3.86	8.00
Conrail / Sunoco	Detroit, MI	Marcus Hook	9.00	15.26	6.26	13.00
Croda	Mill Hall, PA	North Claymont, DE	7.00	9.86	2.86	8.00
Dupont Canada	Maitlan, ON	Marcus Hook	10.00	15.50	5.50	9.00
Eastman Chemical	Kingsport, TN	Phila (Frankford)	7.00	10.30	3.30	8.91
Eastman Chemical	Magness, AR	Phila (Frankford)	14.00	18.14	4.14	16.00
Hercules	West Elizabeth, PA	Phila (Frankford)	7.00	11.04	4.04	9.00
National Starch	Meredosia, IL	North Claymont, DE	10.00	15.72	5.72	13.50
Schenectady Int'l	Freeport, TX	Toledo	10.00	11.76	1.76	9.00
Sunoco	Cleveland, OH	Marcus Hook	7.00	14.86	7.86	14.40
Sunoco	Cleveland, OH	Tulsa	9.00	15.22	6.22	15.18
Sunoco	Marcus Hook, PA	Bayway, NJ	5.00	13.68	8.68	7.33





Sunoco Inc (R & M)  
Logistics - Transportation

# CSXT Transit Study For Top 22 Volume Customers Based on Delivery Date





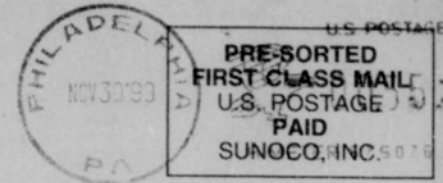
**Sunoco Customer Transit Times**  
**Conrail compared to NS / CSX**  
**June 1 - Nov 1 Averages**

**CSX:**

Customer	Location	Origin	Conrail	Post Conrail	Difference	Week of 11/1
Baker / Petrolite	Sands Spring, OK	North Claymont	13.00	19.60	6.60	25.00
Sunoco	Buffalo, NY	Marcus Hook	8.00	14.37	6.37	12.20
GE Plastics	Selkirk, NY	Phila (Frankford)	4.00	6.09	2.09	6.00
Georgia Pacific	Conway, NC	Phila (Frankford)	8.00	14.43	6.43	8.50
Indespec	Petrolia, PA	Toledo	9.00	10.64	1.64	13.00
National Starch	Enoree, SC	North Claymont	11.00	13.80	4.72	17.00
Reichold	Seneca, IL	North Claymont	10.00	15.60	5.60	18.00
Schenectady Int'l	Rotterdam Jct., NY	Phila (Frankford)	6.00	10.04	4.04	7.25



**Sunoco, Inc.**  
Ten Penn Center  
1801 Market Street  
Philadelphia PA 19103-1699



Ms. Linda Morgan  
Chairman - Surface Transportation  
Board  
1925 K Street N.W.  
Washington, DC 20006

OFFICIAL MAIL

SURFACE



TRANS

20423

STB

FD

33388

12-13-99

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD-33388

December 13, 1999

Mr. Martin Schlessel  
Whitestone Supply Company  
P.O. Box 408  
Twinsburg, Ohio 44087

Dear Mr. Schlessel:

Thank you for your letter of December 3, 1999, regarding the rail service being provided to your company by Norfolk Southern Railway Company (NS). Your letter indicates your support for the Conrail acquisition approved by the Board and your satisfaction with the commitment that NS has made to you as a shipper.

It is important for us to have your vote of confidence because, as Director Clemens no doubt explained, we at the Board are fully committed to the successful implementation of the Conrail transaction in the interest of the shippers affected. A key to the success of this transaction and to the quality of rail service in general is the nature of the private-sector commercial relationship between carriers and customers. The Board remains focused on ensuring that this relationship is a constructive one, and I am pleased that NS has lived up to your expectations in this regard.

I appreciate your taking the time to make us aware of your improved service, and I hope that you will not hesitate to contact me if we can be of assistance in the future.

Sincerely,

Linda J. Morgan

cc: Mr. David Goode  
Chairman, President and  
Chief Executive Officer

Mr. Steve Tobias  
Vice President and  
Chief Operating Officer





P.O. Box 408 • Twinsburg, Ohio 44087  
(330) 963-5180 • Fax (330) 963-3097

December 3, 1999

The Honorable Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street NW  
Washington D.C. 20423-0001

Dear Chairman Morgan,

This letter is in regards to the opinions of Whitestone Supply Company with respect to the merger of Conrail and Norfolk Southern (NS) railroads. A recap of our previous communication on June 10, 1999 I wrote Melvin F. Clemens Jr. delineating our concerns in respect to service by NS. Six days later I wrote David R. Goode, Chairman, C.E.O., President of Norfolk Southern, about our distress in respect to the ramifications due to poor service and therefore subsequent financial losses. Our intentions were genuine in that we supported the merger in the letter to the Surface Transportation Board (STB) and communicated the deficiencies to the NS. Simply, we wanted the merger to work. We knew NS would be the best carrier for the future in respect to our transportation needs. Our intuitions proved accurate. Norfolk Southern is surpassing Conrail in all aspects as a transportation carrier. Our costs are being reduced due to an increase in our 300 rail car fleet utilization. Our stockpiles of aggregate are at a season high in preparation for the winter months. Finally, our customers supply needs are being fulfilled, our three rail to truck terminals are at full employment and our customers are working with a good steady supply of aggregates.

There was a short disruption in service but, the operating people of Norfolk Southern were sensitive to our needs and we were able to work through those problems. The STB decision for the merger was prudent. The merger of the railroads is a long-term approach to servicing the needs of companies like ours by way of rail service. The Surface Transportation Board was astute in the decision because the transportation needs of those companies has become competitive and cost effective. The merger is lowering the cost of doing business. At our most recent meeting with NS, under the auspices of Stephen C. Tobias, Vice Chairman and Chief Operation Officer a committee of NS executives was assimilated to coordinate supply for Whitestone Supply. These discussions led to an unprecedented solution that other transportation sources would have never considered. Along with being customer driven, NS has established itself as truly a free enterprise company. The philosophy of the management brought this to fruition and the STB would be proud of the decisions that Norfolk Southern is making for its customers. We would like to extend our gratitude to Mr. David Goode, Chairman, C.E.O., and President. An extra special thanks Mr. Steven C. Tobias, Vice Chairman and Chief Operation Officer.

In closing, to the benefit of the free enterprise system Norfolk Southern is exemplary. The trust of the constituents of this country to which the STB represents is well served by both the efforts of the STB and Norfolk Southern Corporation.

Thank You,

A handwritten signature in cursive script, appearing to read "Martin Schlessel".

Martin Schlessel  
Whitestone Supply Company

CC: Melvin F. Clemens  
David R. Goode  
Stephen C. Tobias

STB

FD

33388

12-10-99

J

MOC

MIKE DeWINE

OHIO

140 RUSSELL SENATE OFFICE BUILDING  
(202) 224-2315

TDD: (202) 224-9921

senator\_mdwine@dewine.senate.gov

www.senate.gov/dewine

## United States Senate

WASHINGTON, DC 20510-3503

## COMMITTEES:

## JUDICIARY

CHAIRMAN, SUBCOMMITTEE ON ANTITRUST

HEALTH, EDUCATION, LABOR,  
AND PENSIONS

CHAIRMAN, SUBCOMMITTEE ON AGING

## INTELLIGENCE

December 10, 1999

FILE IN DOCKET

Linda Morgan  
Chair, Surface Transportation Board  
1925 K Street NW  
Washington, DC 20423

Dear Linda:

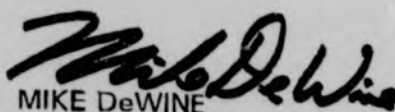
As you may know, the State of Ohio has experienced many problems as a result of the CSX/Norfolk Southern acquisition of Conrail. In order to address the situation, the Ohio General Assembly's Senate and House Transportation Committees have scheduled a joint meeting in Huron, Ohio on Thursday, December 16, 1999, from 1:30 PM to 7:00 PM. I would like to extend to you an invitation to attend this meeting so that you can fully understand the impact of the acquisition in Ohio.

The substantial increase in rail has caused many blocked intersections by both moving and stationary trains. Children have climbed under boxcars in order to get to school. Firefighters have crawled under trains with their extinguishers so that they could reach a fire. Ambulances have been forced to take longer routes. As you can see, the rail problems encountered pose risks to both the health and safety of Ohio's residents.

Please find enclosed a copy of the agenda and directions to the joint committee meeting. Public officials, farmers, members of the agribusiness community, rail employees, short line railroads and residents affected by the railroad conditions will be represented at the meeting. Officials from both CSX and Norfolk Southern will also be in attendance. Full media coverage is expected.

In Ohio, it is rare for members of the General Assembly to convene a joint committee hearing. The state legislators, however, firmly believe that this situation is acute and must be addressed immediately. I hope that you will be able to attend the meeting. If you have any further questions, please contact Deborah Sweeney, Legislative Aide to Ohio State Senator Scott Oelslager, at (614) 466-0626 or fax (614) 466-4250.

Very respectfully yours,


MIKE DeWINE  
United States Senator

RMD/cam

## STATE OFFICES:

105 EAST FOURTH STREET  
ROOM 1515  
CINCINNATI, OH 45202  
(513) 763-8283800 SUPERIOR AVENUE EAST  
ROOM 2400  
CLEVELAND, OH 44114  
(216) 222-727237 WEST BROAD STREET  
ROOM 970 (CASCADORA)  
COLUMBUS, OH 43215  
(614) 808-677437 WEST BROAD STREET  
ROOM 970  
COLUMBUS, OH 43215  
(614) 469-6186200 PUTNAM STREET  
ROOM 524  
MARIETTA, OH 45750  
(740) 373-7317420 MADISON AVENUE  
ROOM 1225  
TOLEDO, OH 43604  
(419) 259-7654205 SOUTH ALFRED AVENUE  
ROOM 105  
ADELPHI, OH 43005  
(937) 378-3080



Ohio Senate  
Senate Building  
Columbus, Ohio 43215  
614/466-0626  
614/466-4250 fax

Committees:  
Highways and Transportation  
Chairman  
Education  
Human Services and Aging  
Judiciary

Scott Oelslager  
State Senator  
29th District

\*\*\*REVISED\*\*\*  
COMMITTEE NOTICE

TO: Members, Senate Highways and Transportation Committee

FROM: Senator Scott Oelslager

DATE: November 9, 1999

RE: Committee meeting, December 16, 1999  
BGSU, Firelands Campus  
North Building  
1:30 PM to 7:00 PM

---

**\*\* Joint Committee meeting of Senate Highways and Transportation Committee  
and House Transportation and Public Safety Committee \*\***

Discussion of the CSX/Norfolk Southern merger and its effect in Ohio

*Directions attached*



Ohio Senate  
Senate Building  
Columbus, Ohio 43215  
614/466-0828  
614/466-4250 fax

Committees:  
Highways and Transportation  
Chairman  
Education  
Human Services and Aging  
Judiciary

Scott Oelslager  
State Senator  
29th District

### MEMORANDUM

TO: Senate Highways and Transportation Committee

FROM: Senator Oelslager, Chair

DATE: December 2, 1999

RE: Joint Committee meeting -- December 16, 1999  
1:30 PM to 7:00 PM  
To discuss the impact of the NS/CSX acquisition of Conrail

### AGENDA

*Below please find the list of available times for interested parties to testify*

1:30 - 2:45 Elected officials

2:45 - 3:30 Community members

3:30 - 4:15 Rail Customers

4:15 - 4:30 Break

4:30 - 5:15 Short Lines

5:15 - 6:00 Rail Labor

6:00 - 7:00 General comment; others wishing to testify

**\*\*\*PLEASE LIMIT TESTIMONY TO 5 MINUTES\*\*\***  
**PLEASE PROVIDE 40 COPIES OF WRITTEN TESTIMONY**



DIRECTIONS TO BGSU-FIRELANDS COLLEGE  
ONE UNIVERSITY DRIVE  
(901 RYE BEACH ROAD if you are using an Internet mapping service)  
HURON, OHIO 44839  
419-433-5560  
[www.firelands.bgsu.edu](http://www.firelands.bgsu.edu)

FROM THE WEST:

OPTION ONE:

- 1) Turnpike East to Route 4 Exit
- 2) Route 4 North to Route 2 East
- 3) Route 2 East to Rye Beach Road Exit
- 4) Right off exit onto Rye Beach Road
- 5) Cross RR tracks; BGSU-Firelands is a few hundred feet on the right

OPTION TWO:

- 1) Route 6 East to Route 2 East
- 2) Route 2 East to Rye Beach Road Exit
- 3) Right off exit onto Rye Beach Road
- 4) Cross RR tracks; BGSU-Firelands is a few hundred feet on the right

OPTION THREE:

- 1) Route 30 East to Route 4 Exit
- 2) Route 4 North to Route 2 East
- 3) Route 2 East to Rye Beach Road Exit
- 4) Right off exit onto Rye Beach Road
- 5) Cross RR tracks; BGSU-Firelands is a few hundred feet on the right

FROM THE EAST:

OPTION ONE:

- 1) 90 West to Route 2 West
- 2) Route 2 West to Rye Beach Road Exit
- 3) Left off exit onto Rye Beach Road
- 4) Cross RR tracks; BGSU-Firelands is a few hundred feet on the right

OPTION TWO:

- 1) Turnpike West to Route 250 Exit
- 2) 250 North to Route 2 EAST
- 3) Route 2 EAST to Rye Beach Road Exit
- 4) Right off exit onto Rye Beach Road
- 5) Cross RR tracks; BGSU-Firelands is a few hundred feet on the right

OPTION THREE:

- 1) 76 (or 30) West to 250 North
- 2) 250 North to Route 2 EAST
- 3) Route 2 EAST to Rye Beach Road Exit
- 4) Right off exit onto Rye Beach Road
- 5) Cross RR tracks; BGSU-Firelands is a few hundred feet on the right

**DIRECTIONS TO BGSU-FIRELANDS COLLEGE**  
**ONE UNIVERSITY DRIVE**  
**(901 RYE BEACH ROAD if you are using an internet mapping service)**  
**HURON, OHIO 44839**  
**419-433-5560**  
**[www.firelands.bgsu.edu](http://www.firelands.bgsu.edu)**

**FROM THE SOUTH:**

**OPTION ONE (from Columbus):**

- 1) 25 North to Route 4 North
- 2) Route 4 North to Route 2 East
- 3) Route 2 East to Rye Beach Road Exit
- 4) Right off Rye Beach Road Exit
- 5) Cross RR Tracks; BGSU-Firelands is a few hundred feet on the right

**OPTION TWO (from Cincinnati):**

- 1) 71 North to 270 West
- 2) 270 West to 25 North
- 3) 25 North to Route 4 North
- 4) Route 4 North to Route 2 East
- 5) Route 2 East to Rye Beach Road Exit
- 6) Right off Rye Beach Road Exit
- 7) Cross RR Tracks; BGSU-Firelands is a few hundred feet on the right

**OPTION THREE (from other points South):**

- 1) 25 (or 33) North to 270 West
- 2) 270 West to 25 North
- 3) 25 North to Route 4 North
- 4) Route 4 North to Route 2 East
- 5) Route 2 East to Rye Beach Road Exit
- 6) Right off Rye Beach Road Exit
- 7) Cross RR Tracks; BGSU-Firelands is a few hundred feet on the right

UNITED STATES SENATOR • OHIO

**Mike DeWine**

140 Russell Senate Office Building  
Washington, DC 20510  
Phone (202) 224-2315  
Fax (202) 224-6519  
TDD (202) 224-9921

E-Mail: [senator\\_dewine@dewine.senate.gov](mailto:senator_dewine@dewine.senate.gov)

DATE: 12/10/99

PLEASE DELIVER TO: Linda Morgan

FAX NUMBER: 1 565-9015

FROM: Christopher Maharidge

You should receive a total of 6 pages, including this coverpage.

### COMMENTS

*Any problems, please call 224-3878*

STB

FD

33388

12-07-99

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD-33388

December 7, 1999

Mr. Robert J. Park  
General Manager  
Packaging Corporation of America  
525 Mount Tom Road  
Northampton, MA 01060

Dear Mr. Park:

This responds to your recent letter regarding rail service deficiencies at your Northampton facility. You indicate that your facility is served by Guilford Transportation, Inc., which has connections with CSX Transportation, Inc (CSXT) and Norfolk Southern Railway (NS).

Through its Office of Compliance and Enforcement (OCE), the Board has been working directly with shippers in an effort to help resolve service issues informally. OCE has established an open line of communication to bring service issues to the attention of senior railroad officials. In this regard, the transit time information contained in your letter should be quite useful to the railroad in evaluating your service issues, and accordingly, OCE has faxed your letter directly to the marketing departments of CSXT and NS to ensure a prompt review of your concerns. You should expect CSXT and NS to be in contact with you regarding the service issues that you have raised.

Please do not hesitate to contact OCE Director Clemens at 202-565-1573, if you do not hear from CSXT and NS regarding your service issues, or if there is another rail service matter with which we might be helpful.

Sincerely,

Linda J. Morgan



November 17, 1999

Ms Linda Morgan, Chairman  
Surface Transportation Board  
Washington, DC



Dear Ms. Morgan:

FILE IN DOCKET

My name is Robert Park, and I am the General Manager of Packaging Corporation of America's Plant in Northampton, MA. My plant is served by the Guilford line which connects with both the CSX and Norfolk Southern railroads.

I am writing this letter to let you know that the recent acquisition of Conrail by the (Norfolk Southern Railroad and CSXT Transportation) has caused, and is continuing to cause, a major disruption to our ability to service our customers. Before the Conrail acquisition, our average rail transit time from Tennessee to Northampton, MA was 12 to 14 days. Since the acquisition the average transit time has increased to 23 to 25 days, or roughly twice as long!

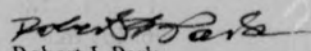
This is an example of how in-transit times have been getting longer over the past six months. All examples below are from Counce, TN to Northampton, MA. Arrival Date is the date that it gets to the Northampton Plant.

<u>RAILCAR</u>	<u>DEPARTURE DATE</u>	<u>ARRIVAL DATE</u>	<u>TIME INTERVAL</u>
MDR 8181	9/07/99	10/01/99	24 DAYS
KCS 749260	9/19/99	10/11/99	23 DAYS
NOKL 8775	9/16/99	10/11/99	26 DAYS
KCS 107395	9/15/99	10/11/99	27 DAYS
CSLT 141998	9/19/99	10/11/99	23 DAYS
ATW 102496	6/28/99	7/29/99	32 DAYS
KCS 160041	7/15/99	8/09/99	25 DAYS
WLG 5651	6/07/99	7/08/99	31 DAYS
WLG 5471	6/10/99	7/19/99	39 DAYS

Because of the very long transit time, our corporate office has been forced to seek out truck transportation, at considerable additional expense, to keep our facility operating. In addition, we have inconvenienced our customers, on occasion, because we delivered late due to the railroads inability to deliver on a timely basis.

It appears to us that the current poor service levels will not improve until sometime in the year 2000. Therefore, we are asking the Surface Transportation Board to take whatever action necessary to correct this unfortunate situation as quickly as possible.

Regards:

  
Robert J. Park  
General Manager

cc: U.S. Senator Edward Kennedy  
U.S. Senator John Kerry  
U.S. Representative John Olver  
B.J. Thomas - Lake Forest, IL  
Dwight G. Ebeling - Northampton, MA

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
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OFFICE OF  
CHAIRMAN MORGAN

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Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 6, 1999

The Honorable Dave Camp  
U.S. House of Representatives  
Washington, DC 20515-2204

Re: Rail Service in Michigan

Dear Congressman Camp:

Thank you for your letter expressing your concern about rail service in Michigan. In your letter, you discuss the difficulties that Michigan farmers have recently faced in moving their product to market. Also, you ask for our assessment of the implementation of the "Conrail" transaction, and what the Board is doing to address shipping issues affecting Michigan.

I share your concerns regarding the service that has been provided to Michigan grain shippers in recent weeks, and in fact I have not been pleased with the rail service provided in general over the former Conrail properties since the integration of Conrail. In this regard, the Board continues to actively monitor the operational aspects of the Conrail transaction through regular data reporting and other pertinent information, and through daily contacts with railroads, shippers, and railroad employees.

In addition, the Board has developed an informal process to address specific service complaints. As part of this process, the Board's Office of Compliance and Enforcement (OCE) has established an open line of communication with senior railroad officials, and OCE immediately forwards service complaints brought to it informally by shippers seeking assistance. OCE then follows up on each complaint to ensure that it is being addressed appropriately. In some cases, OCE staff may review the steps that the carrier is taking, and may recommend alternatives. Handling shippers' individual service issues informally, we believe, provides a prompt and effective way for the Board to facilitate real solutions to shippers' service concerns. In this regard, OCE staff have had several discussions in recent weeks with Michigan agricultural shippers in an effort to facilitate resolution of individual shipper issues.

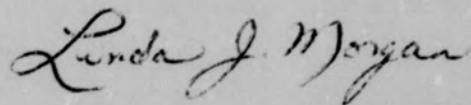
The information that we have received through conversations with a variety of sources indicates that, both on a systemwide basis and for Michigan shippers, the service situation appears to be improving. However, I am sure you share my view that, while the needs of Michigan agricultural shippers have been better met recently, further improvements are still needed. In this regard, I know that the work of the Michigan Agriculture/Transportation Crisis Task Force, which gives shippers, carriers, and state and local officials a forum in which to

discuss service problems and focus on private-sector solutions, was critical to the service improvements seen to date and will continue to be important in this effort. Our experience with the service crisis in the West a few years ago taught us that cooperation among the various private interests, sometimes with the Government as a facilitator, is far more effective than government directives. It is my hope that the efforts of the Board, along with those of the Task Force, will continue to help produce more responsive rail service.

The Board will continue to monitor the implementation of the Conrail transaction and work with interested parties to ensure that service is improved as expeditiously as possible. In this regard, I look forward to working with you on rail transportation matters affecting Michigan shippers.

Please do not hesitate to contact me on any issue with which I can be of assistance.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan". The signature is written in dark ink and is positioned above the printed name.

Linda J. Morgan

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12-03-99

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BUSINESS





Office of the Chairman

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

FILE IN DOCKET

December 3, 1999

JD-33388

Mr. Dennis Rochford  
President  
Maritime Exchange  
240-242 Cherry Street  
Philadelphia, Pennsylvania 19106-1906

Dear Mr. Rochford:

Thank you for your letter regarding the acquisition of the Conrail properties by Norfolk Southern Railway Company (NS) and CSX Transportation, Inc. (CSXT), and your concern about the level of service being provided by NS and CSXT.

As you may know, we have been interfacing with officials of NS and CSXT and with shippers regularly since the Conrail transaction was approved and almost daily since the June 1<sup>st</sup> transition of operations from Conrail to NS and CSXT. In varying degrees, there have been service issues involving both carriers, and shippers have faced service levels that have failed to meet their expectations. I share your concern about the level of service being provided, and in fact, on November 17<sup>th</sup>, I met in Philadelphia with Mayor Edward Rendell and certain shipper representatives from that area to discuss service issues. I can assure you that I am committed to seeing an improvement in service on the acquired lines of Conrail, and I do believe that NS and CSXT are similarly committed. In fact, NS has made significant strides recently toward improving the fluidity of the Conrail portion of its system, and we are working to bring about similar improvements on the CSXT lines.

In an effort to improve communications regarding service issues, I offer you the Board's Office of Compliance and Enforcement (OCE) as a contact for specific service complaints. OCE has established an open line of communication with each of the carriers to ensure that matters brought to the Board's attention are made immediately available to senior management of the involved carrier. In your efforts to assist your members that have service problems, please feel free to suggest that they contact Melvin F. Clemens, Jr., Director, OCE, regarding any rail service issue. Director Clemens' direct telephone number is 202-565-1575, and his facsimile number is 202-565-9011.

I appreciate your bringing your concerns to my attention, and please be assured that, as part of our oversight responsibilities, we will continue to actively monitor the operational performance and service levels of both carriers.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



# MARITIME EXCHANGE

for the Delaware River and Bay

*Leading the Way to Port Progress*

Richard E. DeGennaro, Chairman  
John T. Reynolds, Vice Chairman  
Dennis Rochford, President  
Lisa B. Himber, Vice President  
James F. Young, Esq., Secretary, Solicitor  
Mary Elisa Reeves, Esq., Assistant Secretary  
Dorothy Mather IX, Treasurer

November 15, 1999

Ms. Linda J. Morgan  
Chairman, Surface Transportation Board  
The Mercury Building  
1925 K St., NW  
Washington, DC 20423

FILE IN DOCKET

Dear Ms. Morgan:

The purpose of this letter is to express our concern over the fact that our region has not yet received the total benefits of the Norfolk Southern/CSX Transportation merger.

For your information, the Maritime Exchange for the Delaware River and Bay is a non-profit trade association representing almost 300 port and related businesses throughout Pennsylvania, New Jersey, and Delaware. Since its establishment in 1875, the Maritime Exchange has served as the primary port advocate on behalf of these businesses, working closely with federal, state and local governmental agencies as well as the tri-state federal congressional delegation on those policy and regulatory issues which affect the port.

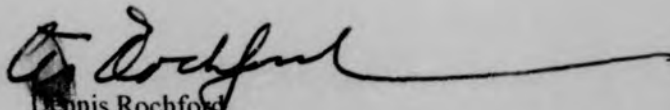
It has been nearly five months since the Conrail dissolution, and the regional maritime industry is becoming increasingly concerned with the quality of rail service provided. While some initial problems were expected during this complex acquisition, the magnitude of the situation continues to worsen, not improve. In particular:

- Equipment for freight shipments cannot be obtained on a timely basis, if at all.
- General cargo shipments have been unduly delayed because of the situation.
- Consistent levels of service for outbound shipments are nonexistent.
- Cargo location and delivery times cannot be provided to the shipper.
- Shippers have been forced to rely upon costly truck shipments.

The Delaware River port community relies upon efficient rail service to move goods inland and to load ships with exports. The present climate is incompatible with the needs of the regional maritime industry for the reasons stated in the preceding paragraph. Businesses have already lost customers or have been forced to reduce production. The threat of a permanent loss of business due to these gaps in the supply chain looms in the near future. On behalf of our membership, the Exchange urges you to intervene immediately and ensure that quality rail service returns to the region.

Thank you for the opportunity to express our views. If you have any questions or require additional information, please feel free to contact me or Kevin Krick of my staff.

Sincerely,

  
Dennis Rochford  
President

STB

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PUBLIC



Office of the Chairman

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

FILE IN DOCKET

JD-33388

December 3, 1999

Mr. Ronald Gilley  
2029 Ayers Road  
Millbury, Ohio 43447

Dear Mr. Gilley:

I appreciated your letter of November 15<sup>th</sup>, and in particular your candor regarding the acquisition by Norfolk Southern Railway Company (NS) and CSX Transportation, Inc. (CSXT) of Conrail and present service levels on the acquired Conrail territories. I understand the concerns you have raised, and I too have not been pleased with the level of service provided since the Conrail split.

It is entirely understandable that you, as a former Conrail employee, would feel an attachment to Conrail as a company, and to its impressive accomplishments as a railroad. Clearly, NS and CSXT underestimated the demands of the Conrail system and, as you pointed out, the extraordinary extent to which the Conrail system services a network of time-sensitive shippers. However, I believe that the Board made the right decision for the future, and I am hopeful that through the Board's constant monitoring and vigilance, and your efforts and input as a valued employee, we will soon see the competitive benefits for shippers realized and service substantially improved.

I hope that you will continue to share your thoughts on the transaction with me as we progress through this implementation process. Please do not hesitate to contact me on any issue with which we can be of assistance.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

November 15, 1999

Ms. Linda Morgan  
Chairperson  
Surface Transportation Board

FILE IN DOCKET

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
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Dear Ms. Morgan,

I would think that if you are half as bright as President Clinton thinks you are, by now you are having trouble sleeping at night---knowing that the board which you chair, namely the STB, has allowed the CSXT and the NS to take their prospective bite out of Conrail and both have just about choked on it.

I am a Conrail engineer with 35 years service, now working the interdivisional pool, Willard, OH to Chicago, IL. I can tell you first hand that CSX is in trouble. Chicago terminal is a quagmire of dead trains because the yards, Bar Yard, 59<sup>th</sup> St., and Bedford Park, are packed with cars. This has caused a backup of "dead trains" on the mainline, sometimes as far as 75 miles east of Chicago. The same situation occurs at Willard, OH. Because Willard is jammed with cars, trains "die" waiting to get in and back up all the way to Fostoria, OH where the feeder line from Toledo and the north enters the main line. This has caused the line to Walbridge, OH and Stanley yards at Toledo to become a parking lot! All this congestion serves to clog the main enough that the dispatchers are "single tracking" a lot of the time and even the intermodal trains cannot make the run from Chicago to Willard without dying.

I have not made it from Chicago to Willard for 3 trips in a row—2 of those being relieved at Garret. IN. This last trip west, I could only make it to Garrett on light engines because we were on duty 5 hours before they got there from the east.

I have no first hand information about the NS other than the fact that I live near the main (ex-Conrail) at CP 281 and there is a train in the siding or on one of the main tracks with the crossing cut when I get home from Willard and it is still there 36 hours later when I head back to Willard. The rest of what I know are stories from ex-Conrail friends who went with NS, about dead trains and payroll problems.

Considering what happened on the UP, this take-over break-up of Conrail never should have been allowed to happen. I don't believe either railroad had a clue as to the number of cars Conrail was moving, nor do they have the mindset to operate time-sensitive intermodal freight. There is a big difference between handling intermodal and bulk commodities such as coal and grain. These bulk commodities will be there when you get to them, but you let intermodal shipments set like that and they will go to the highway, because they must be moved now! Shippers are upset, to the point that UPS has taken some of their shipments back to the highway.

I could go on and on but I believe I have made my point—namely this dissecting of Conrail never should have been allowed to happen. As a Conrail employee, I was proud of the progress Conrail had made, coming back from the gutter of bankruptcy i.e. PennCentral, Erie, and the others which made up Conrail. But even I did not fully understand the job we were doing.

*Ronald Gilley*  
Ronald Gilley  
2029 Ayers Road  
Millbury, OH 43447



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12-03-99

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BUSINESS



Office of the Chairman

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

FILE IN DOCKET

December 3, 1999

Mr. John W. Snow  
Chairman, President, and CEO  
CSX Corporation  
One James Center  
P.O. Box 85629  
Richmond, VA 23285-5629

Dear Mr. Snow:

Enclosed is a letter from Senator Richard J. Durbin on behalf of his constituent, Mr. Bruce Ecker of Caseyville, Illinois. Also enclosed is Mr. Ecker's letter to Senator Durbin in which Mr. Ecker expresses his frustration over his treatment following the acquisition of Conrail by CSX and Norfolk Southern.

Given your commitment, as well as that of the Board, to the fair and efficient implementation of the Conrail Acquisition transaction, I have advised Senator Durbin by letter (see enclosed) that I would be asking you to explain Mr. Ecker's seniority status on CSX following the Conrail transaction. Please assist the Board by responding to us as soon as possible.

Thank you for your assistance and prompt attention to this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosure

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Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 3, 1999

The Honorable Richard J. Durbin  
United States Senate  
Washington, D.C. 20510-1304

Dear Senator Durbin:

Thank you for your letter on behalf of your constituent, Mr. Bruce Ecker of Caseyville, Illinois. In his letter to you, which you have attached, Mr. Ecker expresses his frustration over his treatment following the acquisition of Conrail by the CSX and Norfolk Southern (NS) railroads.

I am forwarding a copy of your letter and Mr. Ecker's letter to Mr. John Snow, Chairman, President and Chief Executive Officer of CSX, for an explanation of Mr. Ecker's seniority status on CSX following the Conrail acquisition transaction. After I have received his response, I will be back in touch with you. During this time, I also would urge Mr. Ecker to continue to work with his union representative to resolve his problem.

In his letter, Mr. Ecker further states that a Mr. Freeburg, whom he describes as a convicted felon, was an instrumental figure who negotiated rule changes through the Surface Transportation Board (Board) when Conrail was sold to CSX and NS. I believe that Mr. Ecker is referring to Mr. William E. Fredenburger, Jr., an arbitrator appointed by the National Mediation Board, who did issue an arbitration decision under the New York Dock labor protective conditions imposed by the Board in approving the Conrail transaction. Following appeals by affected rail unions of that arbitration decision to the Board and the imposition of a stay by the Board, the unions and the railroads successfully completed negotiated settlements resulting in the unions' withdrawing their appeals. Thus, Mr. Fredenburger's arbitration decision should not have had any effect on Mr. Ecker's status or rights.

I appreciate your interest in this matter. I will have your letter, the attachment, my response, and any response received from CSX made a part of the public docket for this proceeding. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

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UNION





Office of the Chairman

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

FILE IN DOCKET

December 3, 1999

FD-33388

Mr. Clarence Turnquist  
President  
International Longshoremen's Association  
c/o 2125 Tryon Road  
Ashtabula, OH 44004

Dear Mr. Turnquist:

Mr. Mark R. MacMahon, Assistant Vice President for Labor Relations at Norfolk Southern Corporation (NS), has sent me a letter responding to the concerns you had expressed to me. These concerns related to interpretations made by NS's Labor Relations Department subsequent to the implementation agreement negotiated with your union as a result of the Conrail acquisition transaction. As I indicated in my prior letter to you, I am getting back to you on this matter now that I have received NS's response.

For your information, I am enclosing a copy of Mr. MacMahon's letter and attachment. I understand from Mr. MacMahon's letter that discussions are ongoing between your union and NS. I urge all parties to these discussions to participate in good faith and to strive to resolve the issues through negotiation. Of course, the Surface Transportation Board (Board) stands ready to exercise jurisdiction under the New York Dock conditions where warranted, and the Board remains committed to the fair implementation of the Conrail acquisition transaction.

I appreciate your concern about this matter, and hope that you find NS's response to be of assistance. As before, I will have the correspondence I received from Mr. MacMahon and my response made a part of the public docket for the Conrail proceeding.

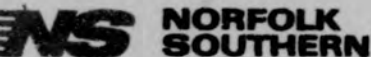
Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosure

cc: Mr. David Goode  
Chairman, President and CEO  
Norfolk Southern Corporation

Mr. Mark MacMahon  
Assistant Vice President - Labor Relations  
Norfolk Southern Corporation

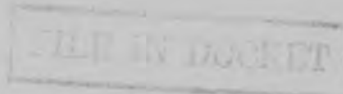


Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-2191

Mark R. MacMahon  
Assistant Vice President  
Labor Relations  
(757) 629-2615

October 21, 1999

CRA-20-1  
CRA-ILA



Via overnight mail

Ms. Linda J. Morgan, Chairman  
Surface Transportation Board  
1925 K Street, NW, Room 715  
Washington, DC 20423-0001

Dear Ms. Morgan:

International Longshoremen's Association Local Committee President Turnquist wrote to the Board on August 24, 1999 to convey a number of concerns on behalf of some employees at the former Conrail coal dock at Ashtabula, Ohio, which, of course, is now being operated by Norfolk Southern Railway (NSR). The Board forwarded a copy of that letter to Norfolk Southern and asked for comments by October 22, 1999.

For purposes of clarity, we believe it would be worthwhile to briefly summarize the NSR-ILA negotiations for the Board. In the instant case, the parties were able to negotiate a voluntary implementing agreement and did not have to resort to arbitration under New York Dock. In addition, NSR and ILA also negotiated a new Railway Labor Act Collective Bargaining Agreement for the Ashtabula Coal Dock. I was the chief negotiator for NSR in those negotiations and Mr. Turnquist, who was at that time the Vice President of the ILA Local Committee, was a member of the ILA negotiating team.

Norfolk Southern has no desire to involve the Board in issues that should be addressed by the parties or, if necessary, under the appropriate dispute resolution process. However, Mr. Turnquist's list of complaints against NSR requires a response, if only so that you will be aware of the facts. Many of the issues raised in his letter are indeed areas of concern for the ILA membership. However, these concerns fail to recognize that NSR is attempting to treat its Ashtabula employees in the same fashion as its other coal dock employees. Change is not often easily undertaken, especially when it is long overdue. Following its analysis of the work rules and practices at Ashtabula Dock, Norfolk Southern determined that, for the facility to remain viable, its operation should more closely match its highly efficient coal loading operation at Lambert's Point in Norfolk, Virginia, a facility which has loaded over one billion tons since the opening of Pier 6 in 1962. The changes that the parties agreed to make will go a long way towards making Ashtabula an integral part of the NS coal transportation network and a more stable employment center for years to come.

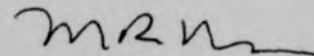
Ms. Linda J. Morgan  
October 21, 1999  
Page 2

The collective bargaining process in this case worked to the benefit of both labor and management. Norfolk Southern's desire for operational improvements was tempered by ILA's understandable desire to preserve rules favorable to the current membership. During the negotiation process, ILA Local 1913 was assisted by legal counsel with experience in labor management matters, and, of course, the International Longshoremen's Association is a labor organization with a national presence. This give and take bargaining resulted in NSR's agreeing to "grandfather" active ILA employees, preserving many of the former Conrail provisions, while allowing necessary changes to be phased in over time. The agreements we reached with the ILA negotiators were subsequently ratified by the full membership before they were signed by ILA. Additional details about the negotiations with ILA and the subsequent ILA complaints are set forth on the attachment.

Labor management issues, by their nature, can sometimes be contentious. We have for some time been aware of several of the issues raised in Mr. Turnquist's letter and have undertaken numerous discussions with the ILA representatives. These included written proposals to amend the newly negotiated agreement and a recent meeting in Cleveland involving ILA Local 1913 leadership, its counsel, and an ILA International representative. As you know, the railroad labor management structures we work under include various dispute resolution mechanisms. Although we hope our discussions with ILA will be successful, those dispute resolution mechanisms continue to be in place to resolve any particular differences. Questions about whether NSR is complying with the newly negotiated collective bargaining agreement can be resolved under the claims and grievance procedure contained in that agreement and, if necessary, through arbitration under Section 3 of the Railway Labor Act. Disputes about whether an individual is entitled to benefits under New York Dock are, of course, referable to arbitration under Section 11 of those conditions.

We appreciate the opportunity to respond to the Board and hope that our response has been helpful. Please let us know if NSR can provide any additional information.

Very truly yours,



M. R. MacMahon

Attachment

cc: D. R. Goode

## ATTACHMENT

### NSR's Response to ILA August 24, 1999 Letter to STB Chairman Linda Morgan

#### Negotiation History

During the negotiations, NSR identified several key objectives including: (a) operation of the dock in an efficient manner consistent with NSR's operation of its other dock facilities; (b) NSR to staff for the requirements of the service instead of adhering to an artificial crew consist requirement; (c) no restrictions which would limit work assigned to employees; (d) NSR to staff for a seven-day-a-week operation by using varied rest days and relief assignments; and (e) positions to be bulletined and assigned in a manner that would eliminate excessive disruption.

ILA was concerned about the impact the proposed changes might have on employees and in particular was concerned that the elimination of the minimum crew consist requirement might result in the furlough of employees who would not otherwise have been furloughed. Also, that the current employees would earn less compensation if rest days were varied so that Saturday/Sunday work would not be performed on an overtime basis.

The parties were able to reach a new CBA that addressed both NSR's needs and ILA's concerns. Under that new CBA, some NSR objectives were effective on the effective date of the agreement, while others were phased in under a grandfathering arrangement. The new CBA was initialed by the ILA negotiating committee, ratified by the ILA membership, and signed by ILA and NSR.

**ILA Assertion:** Under Conrail, employees "were able to mark off [from work] whenever and still work Saturdays for time and a half . . . and Sundays for double time provided they had worked 32 hours during the week . . . Now, we have to work forty (40) hours to qualify for premium pay . . . If you take a vacation day or personal day during the week that time does not count towards your 40 hours . . ."

**NSR Response:** The new CBA negotiated by NSR and ILA does not provide for overtime pay on rest days if an employee has not "worked" all of the days of his or her regular assignment. NSR has repeatedly tried to reach an agreement with ILA which would amend the CBA to provide for overtime on rest days in certain circumstances even if an employees had not "worked" all of the days of his or her assignment.

**ILA Assertion:** On Conrail, employees "had always worked seven days a week with Saturday and Sunday rest days"; the first shift always worked Saturday and was told on Saturday if it was working Sunday; "the second and third shifts were told on Friday what they were working on Saturday or Sunday." NSR verbally promised that "weekend notification would be done the same" [as Conrail] and then "decided to impose a four (4) hour call out rule" whereby employees who had been scheduled for overtime could be told "up to four (4) hours before the shift...to stay home."

**NSR Response:** Article V of the new CBA gave NSR the right to staff for a seven-day-a-week operation by varying rest days and using relief assignments. However, Article XXIV said NSR could not establish positions which did not have Saturday-Sunday rest days if a grandfathered employee was unable to hold a position with Saturday-Sunday rest days. Thus, NSR will gradually be able to establish positions with other than Saturday-Sunday rest days as grandfathered employees lose their grandfathered status or attrite. However, in the interim,



and at ILA's request, grandfathered employees continue to be used on an overtime basis for Saturday and Sunday work.

Although, the agreement does not require any particular calling arrangement, NSR did verbally indicate that it would try to provide as much advance notice as possible to employees when overtime work is required. The new CBA negotiated by NSR and ILA does not provide for a payment to employees called for overtime but not used. NSR has offered to amend the CBA to provide for a four-hour payment to employees who are called and who report for overtime but are not used. ILA did not accept NSR's proposal.

**ILA Assertion:** We were also forced to give up our weekly rotation, which had been in effect for 30 years.

**NSR Response:** Under the Conrail agreement, employees rotated between the three shifts each week. NSR felt this arrangement was inefficient and sought to eliminate it entirely. The agreement negotiated by the parties provided for grandfathered employees to rotate between shifts on a monthly basis. Thus, the rotational arrangement will gradually be eliminated as grandfathered employees attrite or their grandfathered period expires.

**ILA Assertion:** NSR has "taken away our seniority," and "will not let a senior man move to fill vacancies."

**NSR Response:** Article IV of the new CBA calls for only two positions: Operations Mechanic and Maintenance Mechanic. While the new CBA calls for job bulletins to list the primary duties, it also provides (in both Article XII and Article XXVI) that management has the right to "assign employees to perform other work." Conrail had numerous positions and a choice sheet and preference arrangement which effectively permitted employees to choose the particular work they would do each day. The negotiators did not include these arrangements, which NSR viewed as inefficient, in the new CBA.

**ILA Assertion:** "We were told and it is in the implementing agreement that extra men will be used to fill vacancies created by mark offs, vacation days, or personal day[s]."

**NSR Response:** Contrary to ILA's assertion, the implementing agreement does not provide that extra men will be used to fill vacancies. In fact, the new CBA--not the implementing agreement--provides (in Article III) that such vacancies will only be filled "if necessary." NSR did not state that extra men would be used to fill all vacancies. That would have been contrary to the bargain struck by the parties when they negotiated the new CBA. In that agreement, the parties fashioned a grandfathering arrangement whereby NSR could reduce the number of employees on any shift that was worked (below that which would have been required under the CR-ILA agreement) so long as there was no grandfathered employee that could not hold a position. Thus, as grandfathered employees lose their grandfathered status or attrite, NSR will be able to size its work force in accordance with the needs of the service rather than adhere to an artificial standard.



**ILA Assertion:** "When Norfolk Southern filed with the STB they gave false information" because "they said that we would not lose any jobs" and there are now less employees at Ashtabula than Conrail had there in the past.

**NSR Response:** NSR advised ILA almost two years ago, by letter dated November 17, 1997, that "while the operating plans and exhibits represent our best effort to project, on the information available, how the share of Conrail allocated to NS will be operated after STB approval, we obviously could not anticipate all changes that might be necessary to operate in an efficient manner. As we actually implement the Operating Plan, new and different ways of operation may become apparent; we may have to adjust to the expectations and needs of shippers. Thus, the filing does not constitute a guarantee that the manning of the dock will be fixed for any specific period." In any event, no employee has been deprived of employment as a result of the transaction.

**ILA Assertion:** "The day we signed the agreement in Ashtabula, Ohio" we were told that "there was no major problem with mark offs" and that "if you marked off it would cost the person in th. wallet" and now "a couple of men . . . have been sent letters of warning."

**NSR Response:** The implementing agreement was not signed at the Ashtabula meeting but it was circulated for signature and signed several weeks later. NSR insists on reasonable attendance by its employees who, after all, have contracted with the railroad to perform the work and are expected to do so. No responsible railroad official would agree that an employee can be absent at his or her pleasure, regardless of the needs of the service.

**ILA Assertion:** "We have filed over 50 grievances" . . . , many are in the second stage [of appeal]" and "as . . . expected they [NSR] have turned them . . . down."

**NSR Response:** NSR believes the claims filed by ILA are largely frivolous and appear, in many instances, to be an effort by the union to repudiate the agreement which it negotiated and signed. NSR believes the claims were properly declined. However, any questions about whether NSR is complying with the newly negotiated Collective Bargaining Agreement can be resolved under the claims and grievance procedure contained in that agreement and, if necessary, through arbitration under Section 3 of the Railway Labor Act.

**ILA Assertion:** Employees should have, but have not, been allowed protective benefits under New York Dock.

**NSR Response:** If the new NSR rate was higher than the employee's former rate, he or she is paid that higher NSR rate. However, the negotiated implementing agreement provided that an employee who had a Conrail rate that was higher than the new NSR rate would be red circled for up to six years at that higher Conrail rate. Because of this, and because of the various grandfathering arrangements negotiated by the parties, employees have not, as a result of the transaction, been placed in a worse position and are not, therefore, eligible, for NYD benefits. Any dispute involving this issue is, of course, subject to the dispute resolution procedure set forth in Section 11 of NYD.

STB

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33388

12-03-99

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MOC



Office of the Chairman

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

FILE IN

December 3, 1999

The Honorable George Voinovich  
United States Senate  
Washington, DC 20510

Dear Senator Voinovich:

This responds to your letter conveying the concerns of your constituent, Mr. Doug Durliat, of the Ohio Farmers Union, about the service provided by Norfolk Southern Railway (NS) to certain Ohio grain shippers. Specifically, Mr. Durliat has expressed concern about the possible existence of a priority system used by NS that would allow large grain shippers to receive equipment before the car orders of smaller shippers are satisfied.

In an effort to be of assistance with this service issue, I asked Melvin Clemens, Director of the Board's Office of Compliance and Enforcement, to look into the matter. Director Clemens' understanding is that the shipper referred to in Mr. Durliat's letter, Lyle McKanna of Bluffton, Ohio, can accommodate only three grain cars at one time for loading; the larger shippers to which Mr. Durliat refers, by contrast, are parties to contracts that utilize the efficiencies of unit-train service, to which railroads sometimes give preference in car distribution. Mr. Durliat suggests that these large shippers may be overstating their car needs in order to squeeze out smaller competitors, but I see no basis for such a charge on the basis of the materials that we have received. Any party can, however, file a formal complaint with the Board challenging the reasonableness of a railroad's car service practices. I should also note that car distribution practices are among the issues about which parties can seek arbitration under the recently finalized agreement between the major railroads and the National Grain and Feed Association.

In any event, and perhaps most importantly, Director Clemens has indicated that, during his discussions with NS, he was informed that Mr. McKanna is now receiving cars sufficient to satisfy his shipping demands. If this information is incorrect, or if Mr. McKanna needs assistance with other rail service issues, he may call Director Clemens at (202) 565-1573.

I appreciate the opportunity to respond to your concerns, and look forward to keeping you informed on our efforts with respect to Ohio grain shippers. Please do not hesitate to contact me if we can be helpful in any area in which you or your constituents may require then Board's assistance.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

MIKE DeWINE  
UNITED STATES SENATOR  
OHIO

GEORGE VOINOVICH  
UNITED STATES SENATOR  
OHIO

## United States Senate

WASHINGTON, DC 20510-3504

CASEWORK HOTLINE: (800) 205-OHIO (6446)

November 12, 1999

Mr. Dan King  
Director, Congressional and Public Services  
Surface Transportation Board  
1925 K Street, N.W., Room 840  
Washington, D.C. 20423-0001

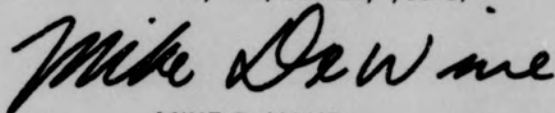
Dear Mr. King:

We are enclosing the correspondence that we received from a constituent, Doug Durliat, Executive Director of the Ohio Farmers Union, requesting our assistance with investigating the routing of grain rail cars with Norfolk Southern Railroad.

We would appreciate your reviewing this information, and responding to our Casework Office located at 37 W. Broad Street, Suite 970, Columbus, OH 43215, at your earliest convenience.

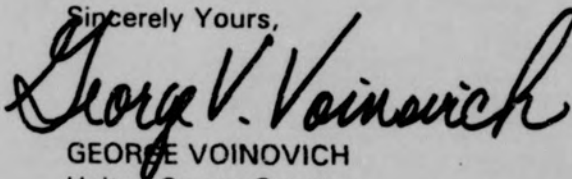
If you need additional information, please do not hesitate to contact our office at (614) 469-6774.

Very respectfully yours,



MIKE DeWINE  
United States Senator

Sincerely Yours,



GEORGE VOINOVICH  
United States Senator

RMD/GVV/ra

Enclosure:

37 WEST BROAD STREET, ROOM 970  
COLUMBUS, OHIO 43215  
(614) 469-6774 / FAX: 469-7419

PRINTED ON RECYCLED PAPER



Date: 10/21/1999 9:51 AM

Sender: Karen Bachman

To: Rebecca Adkins

Priority: Normal

Subject: Fwd[3]:Fw: Ohio grain elevators' inability to obtain grain r

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Catherine said that you might want to give them a call to let them know we received their message. I understand they can be a little hostile.

Let me know if you have any questions.

Thanks!

Forward Header.

Subject: Fw: Ohio grain elevators' inability to obtain grain rail car

Author: Ohio Farmers Union <ohfarmu@bright.net>

Date: 10/15/99 4:05 PM

Dear Senator Voinovich:

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Mr. McKanna made several calls to Norfolk Southern offices in several cities. The railroad acknowledges that many grain cars are setting at Norfolk Southern's yards in Buffalo, New York and elsewhere, but are not being distributed to places in which they are needed.

Mr. McKanna was finally able to contact Kendall Nickens (sp?), who directs Norfolk Southern's grain car fleet from its headquarters in Atlanta, Georgia. Mr. Nickens told Mr. McKanna that the large grain processors, such as ADM and Cargill, receive top priority in getting rail cars. Small grain elevators, such as Mr. McKanna's, come next on the priority list, if any cars are available. Who's to say that the ADMs and Cargills order more cars than needed so that their smaller competitors have little or no access to rail cars?

We feel this is another example in which our over-concentrated markets are squeezing out the smaller business operators. Norfolk Southern was part of the recent venture in which Conrail was purchased and divided among existing

railroad companies. By their sheer market share and influence alone, the ADMs and Cargills are leaving the smaller grain elevators with little, if any option to move their grain. We ask that you pursue this matter by contacting the Interstate Commerce Commission, so that rail cars can be distributed to all businesses according to need, not by market share alone. To contact the ICC: Secretary, Interstate Commerce Commission; Surface Transportation Board; 1925 K Street, NW; Room 715; Washington, D.C. 20423. Thank you.

Sincerely,

Doug Durliat, Executive Director  
Ohio Farmers Union  
PO Box 363  
Ottawa, OH 45875  
(419) 523-5300

STB

FD

33388

12-03-99

J

MOC



Office of the Chairman

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

FILE IN DOCKET  
FD-33388

December 3, 1999

The Honorable Mike DeWine  
United States Senate  
Washington, DC 20510

Dear Senator DeWine:

This responds to your letter conveying the concerns of your constituent, Mr. Doug Durliat, of the Ohio Farmers Union, about the service provided by Norfolk Southern Railway (NS) to certain Ohio grain shippers. Specifically, Mr. Durliat has expressed concern about the possible existence of a priority system used by NS that would allow large grain shippers to receive equipment before the car orders of smaller shippers are satisfied.

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Linda J. Morgan



MIKE DeWINE  
UNITED STATES SENATOR  
OHIO

GEORGE VOINOVICH  
UNITED STATES SENATOR  
OHIO

## United States Senate

WASHINGTON, DC 20510-3504

CASEWORK HOTLINE: (800) 205-OHIO (6446)

November 12, 1999

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
NOV 15 1 26 PM '99  
CLERK OF  
HOUSE OF  
REPRESENTATIVES

Mr. Dan King  
Director, Congressional and Public Services  
Surface Transportation Board  
1925 K Street, N.W., Room 840  
Washington, D.C. 20423-0001

FILE IN DOCKET

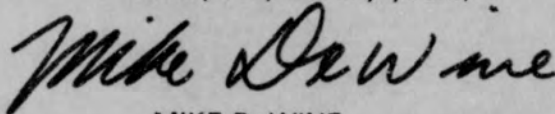
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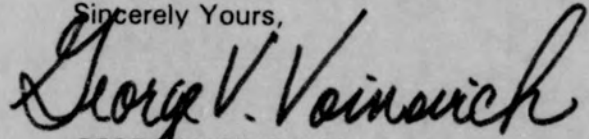
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United States Senator

Sincerely Yours,



GEORGE VOINOVICH  
United States Senator

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Ohio Farmers Union  
PO Box 363  
Ottawa, OH 45875  
(419) 523-5300

STB

FD

33388

12-03-99

J

UNION



Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 3, 1999

Mr. Michael D. Flowers  
Assistant General Chairman  
Brotherhood of Maintenance of  
Way Employees  
402 Eas. 1000 North  
Alexandria, IN 46001

Dear Mr. Flowers:

Thank you for your letter regarding the acquisition of Conrail by CSX and Norfolk Southern (NS). You express concern about seventeen Brotherhood of Maintenance of Way Employees who have not been granted a hardship transfer for re-allocation between CSX and NS so as to be able to use their prior rights to fixed headquarters positions near their homes as intended by the implementing agreement.

I have forwarded your letter to Mr. John Snow, Chairman, President and Chief Executive Officer of CSX Corporation, and to Mr. David Goode, Chairman, President and Chief Executive Officer of Norfolk Southern Corporation. After I receive their responses, I will be back in touch with you.

I appreciate your interest in this matter. I know that all parties, including the Board, are committed to a fair implementation of the Conrail acquisition transaction. In that regard, I will have your letter, my response, and any correspondence from Mr. Snow and Mr. Goode made a part of the public docket for this proceeding.

Sincerely,

*Linda J. Morgan*

Linda J. Morgan





Office of the Chairman

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

FILE IN DOCKET

December 3, 1999

Mr. John W. Snow  
Chairman, President and  
Chief Executive Officer  
CSX Corporation  
One James Center  
P.O. Box 85629  
Richmond, VA 23285-5629

Dear Mr. Snow:

Enclosed is a letter that I received from Mr. Michael D. Flowers, Assistant General Chairman, Brotherhood of Maintenance of Way Employees (BMWE). He expresses concern regarding seventeen BMWE members who have not been granted a hardship transfer for re-allocation between CSX and NS so as to be able to use their prior rights to fixed headquarters positions near their homes as intended by the implementing agreement.

Given the interest of all parties, including the Board, in the fair implementation of the Conrail acquisition transaction, I have advised Mr. Flowers that I would be asking you to respond to the concerns that he has raised. Please assist the Board by responding to us as soon as possible.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosures



Office of the Chairman

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

FILE IN DOCKET

December 3, 1999

Mr. David Goode  
Chairman, President and  
Chief Executive Officer  
Norfolk Southern Corporation  
3 Commercial Place  
Norfolk, VA, VA 23510-2191

Dear Mr. Goode:

Enclosed is a letter that I received from Mr. Michael D. Flowers, Assistant General Chairman, Brotherhood of Maintenance of Way Employees (BMWEE). He expresses concern regarding seventeen BMWEE members who have not been granted a hardship transfer for re-allocation between NS and CSX so as to be able to use their prior rights to fixed headquarters positions near their homes as intended by the implementing agreement.

Given the interest of all parties, including the Board, in the fair implementation of the Conrail acquisition transaction, I have advised Mr. Flowers that I would be asking you to respond to the concerns that he has raised. Please assist the Board by responding to us as soon as possible.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

Linda J. Morgan

Enclosures

**Consolidated Rail System Federation**

*Affiliated with the AFL-CIO and CLC.*

*Michael D. Flowers, Assistant General Chairman  
402 East 1000 North, Alexandria, IN 46001  
Phone: (765) 724-4331 Fax: (765) 724-4331*



October 18, 1999

Ms. Linda Morgan  
Chairperson Surface Transportation Board  
1925 K St. NW  
Washington DC 20423-0001

RE: Conrail Hardship Requests

FILE IN DOCKET

Dear Ms. Morgan,

As you know the allocation of Consolidated Rail Corporation employees represented by the Brotherhood of Maintenance of Way Employees was dictated by the decision of Neutral Wm. Fredenberger, and modified by negotiated agreements with the acquiring railroads, CSXT and Norfolk and Southern. There were set parameters, (attachment 1), for the allocation of the BMW Employees to each railroad, and the negotiated agreement allowed employees to apply for a hardship transfer, (attachment 2), from the railroad to which they were allocated. On February 7, 1999 the railroads took a "snapshot" of the Conrail employees and the allocation process was based on where they were working. A loop hole exists where the employees working on production gangs through the winter were allocated to a railroad based on the territory they were working on, contrary to attachment 1, this left some of them hundreds of miles from their seniority districts and their residence. While many of the hardships were honored by the CSXT and NS, to the best of my knowledge there still remains seventeen (17) active employees, (attachment 3) who have not been granted a hardship for re-allocation. Of the seventeen, twelve (12) are allocated CSXT and five (5) are allocated NS.

This creates a problem for these employees, a provision of the Agreement grants prior rights to all former Conrail employees for fixed headquarter positions in their seniority districts.

This provision protects each employee's seniority in their respective seniority district, the same seniority they worked years on the traveling gangs to get. In some instances these employees can not use their prior rights to fixed headquarter positions because the railroad they were allocated does not own any Conrail property in that seniority district. Remember, most all employees seniority district is near their home or within a short driving distance. For instance there are eight of the affected employees who live in southern Ohio or West Virginia and they were allocated to the CSXT. The CSXT did not acquire any Conrail track in West Virginia, therefore, they have no prior rights to any CSXT track in West Virginia and don't stand a chance to get a fixed headquarter position in their home state. They have to drive 100 + miles to even get to a portion of the CSXT / Conrail acquired track. While on the other side, the NS acquired all the Conrail track in West Virginia and southern Ohio so it seems only rational that the employees allocated to CSXT from southern Ohio and West Virginia should be given hardship relief and allowed to go to NS as did the majority of the Conrail employees in the Columbus seniority district, per attachment 1.

Ms. Linda Morgan

October 18, 1999

page two.

RE: Conrail Hardship Requests

Since I first learned of the denials for hardship I have been calling management personnel, Mr. Kasprzycki, General Manager- Engineering CSXT, and, Mr. Bagley, and others at NS, at first they were receptive to reallocating employees, however, these last seventeen have met a brick wall. The Companies both say to transfer these employees will upset the "preservation of the ratio of employees." Out of the estimated twenty-three hundred BMW employees that have been divided, seventeen are not going to upset the employee ratio. The idea that the seventeen, active employees, would upset the employee ratio is puzzling when over 400 notices, (attachment 4) were sent out by NS, CSXT and Conrail Shared Assets to employees on the New Hire Preference list, (attachment 1, pg.2) advising of 28 positions, (attachment 5) allowing these employees to receive positions on the railroad of choice. As a result, seventeen experienced employees are pawns and it is upsetting their lives and their families, while both companies, through Conrail, have hired at last count 30 + employees across the former Conrail system since April 1, 1999, two months prior to the famous "Day One" date. Remember of the seventeen, twelve want to reallocate to the NS and five want to reallocate to the CSXT, leaving an uneven ratio of seven. Seven employees, one way or the other, will not upset the employee ratio.

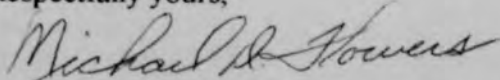
Having worked on production gangs that took me away from my wife and children, I did so to make a living and provide financial support to the household, with hopes of one day acquiring enough seniority to have a fixed headquarter position in my home territory. I was lucky, seventeen are not. For the most part, employees go to the production gangs to acquire seniority in various classes in hopes that someday they will have enough seniority to return to a fixed headquarter position that would allow them the opportunity to return home every night. For the majority of the seventeen, they choose to work on production gangs during the winter to continue to provide financially for their families, without knowing what the ramifications of that choice would do to their allocation. As a result, they are now facing a life sentence of never being able to hold a fixed headquarter position that will allow them to return home every night. To add insult, the new hired employees are working in the aggrieved employees' backyard. For the next twenty years, until retirement, the seventeen will go to work faced with a life sentence of never being home and working road gangs, just for being conscientious employees and trying to provide for their families.

Since I have been unsuccessful in reversing the companies decision on these hardship cases I am turning to you. On behalf of the affected employees I request you intervene and seek re-allocation for them so they will have the opportunity to use their seniority to work closer to home and have some normalcy in their family life.

Please give this matter your attention and advise.

Thank you.

Respectfully yours,



Michael D. Flowers



attachments (5)

cc: Mr. Perry K. Geller, General Chairman CRSF/BMWE  
Mr. Jedd Dodd, General Chairman, Penn Fed/BMWE  
Mr. J. Kasprzycki, Gen Mgr. CSXT  
Mr. G. Woods, Asst Vice Pres. MW&S, Norfolk and Southern  
Seventeen listed employees



Appendix A - ALLOCATION OF EMPLOYEES

CRC employees represented by BWWE will be allocated to one of the three railroad employers (CSXT, NSR, and CRC (Shared Assets ("SAA"))) based upon position held on the date the applicable notice is served under Article I of this Implementing Agreement, (the "allocation date") as set forth below:

I. Available Employees

A. Employees assigned to a District position are allocated by their work location as follows:

1. Buffalo, New England, or Mohawk Seniority Districts all to CSXT
  2. Southern Tier, Alleghany A, Alleghany B, Pittsburgh, or Michigan Seniority Districts all to NSR
  3. Youngstown Seniority District to NSR, except positions at Lima to CSXT
  4. Cleveland Seniority District to CSXT, except positions at Rockport Yard to NSR
  5. Toledo Seniority District to NSR, except positions at Stanley Yard to CSXT
  6. Chicago Seniority District to NSR, except positions on Ft. Wayne line and positions west of Ft. Wayne to CSXT
  7. Columbus Seniority District to NSR, except positions at Crestline and Kenton and certain positions as determined by the railroads, at Buckeye Yard to CSXT
  8. Southwest Seniority District to CSXT, except positions at Anderson to NSR
  9. Harrisburg Seniority District to NSR, except certain positions as determined by the railroads, at Baltimore to CSXT
  10. Detroit Seniority District to SAA until sufficiently staffed, as determined by the railroads, rest to NSR
  11. New Jersey or Philadelphia Seniority Districts positions to respective Carrier acquiring headquarters point
8. Employees assigned to a Production Zone or Regional position are allocated by their respective earliest District seniority date as follows:

- 32
1. Zone employees
    - a. Southern Tier, Harrisburg, Pittsburgh, Alleghany A, Alleghany B, Youngstown, Michigan, Toledo, or Chicago all to NSR
    - b. Buffalo, New England, Mohawk, or Cleveland all to CSXT
    - c. Detroit to SAA until sufficiently staffed, as determined by the railroads, rest to NSR
    - d. New Jersey to SAA until sufficiently staffed, as determined by the railroads, rest to NSR and certain positions to CSXT, as determined by the railroads
    - e. Philadelphia to SAA until sufficiently staffed, as determined by the railroads, rest to NSR and certain positions to CSXT, as determined by the railroads
    - f. Columbus or Southwest to CSXT, except certain positions, as determined by the railroads, to NSR.
  2. Regional employees
    - a. District seniority only on a single District
      - i. Buffalo, New England, Mohawk, Cleveland, or Southwest to CSXT
      - ii. rest to NSR
    - b. District seniority on Multiple Districts
      - i. use District having earliest seniority date
      - ii. Buffalo, New England, Mohawk, Cleveland, or Southwest to CSXT, rest to NSR
    - c. Only Regional seniority - apportion by residence
  - C. Roadway Shop and Rail Plant employees
    1. Canton
      - a. 56 transferred to Charlotte (NSR)
      - b. 20 transferred to Richmond (CSXT)
      - c. non-transfers (all to NSR)
    2. Lucknow
      - a. 5 transferred to Atlanta (NSR)
      - b. non-transfers (all to NSR)
  - D. Employees eligible for Sub-Plan benefits, on leave of absence, or disabled allocated as set forth above, treating the last position held as if it was the position held on allocation date:
    1. if was District position allocate as in Part A
    2. if was Production Zone or Regional position allocate as in Part B

ATTACHMENT 1  
PAGE 2

# Example of Allocation Letter that will be sent to Our DRAFT Members

Dear [employee]:

In accordance with the allocation procedure of the January 14, 1999 arbitrated implementing agreement, as modified by the voluntary implementing agreement ratified on May 3, 1999, effective June 1, 1999 you will become an employee of Norfolk Southern Railway Company. You will be advised as to where to report to work on Tuesday, June 1, 1999.

In the event you desire to be considered for a hardship change of your employment relationship to one of the other involved railway companies, the agreement provides that you must request such a change by notifying [name & address] in writing to be received by close of business (5:00 p.m.) on Friday, May 14, 1999, as to which other railway company you desire to be allocated. Such requests should include current residence, Conrail employee number, earliest RMWE seniority date, and reason for hardship request.

Legitimate requests that do not require relocation of residence will be considered based on operational necessity, employee seniority, and preservation of the ratio of the employees initially allocated among the respective railway companies.

If a request is submitted, you will be advised accordingly prior to June 1, 1999.

ATTACHMENT 2

Mr. Otis Tucker  
PO Box 61  
Buffalo, WV 25033-0061  
allocated to CSXT

Russell Tucker  
PO Box 333  
Buffalo, WV 25033-0333  
allocated to CSXT

Denver Rhodes  
PO Box 255  
Buffalo, WV 25033-0255  
allocated to CSXT

Oakie Lovins  
Gen. Del  
Dwarf, KY 41739-9999  
allocated NS

Gerald Higgenbotham  
Rr 1 Box 198  
Red House, WV 25168-9801  
allocated to CSXT

L. Carroll  
PO Box 95  
Swiss, WV 26690-0095  
allocated to CSXT

Bud Collins, Jr.  
PO Box 1  
Buffalo, WV 25033-0001  
allocated to CSXT

Richard Lanning  
14147 Hack St.  
Murray City, OH 43144  
allocated to CSXT

Brian Tabor  
3546 Horner Dr.  
Indianapolis, IN 46239  
allocated NS

Wendell Craig  
Rr 1 Box 175  
Buffalo, WV 25033-9732  
allocated to CSXT

Michael Margeson  
5658 Coss Corners Rd  
Bath, NY 14810-8130  
allocated to CSXT

Joseph Schaffer  
1 Elm St  
Saugerties, NY 12477-1003  
allocated NS

Thurman Stanley  
4455 Millstone Rd  
Apple Grove, WV 25502-9759  
allocated CSXT

H. E. McAfee  
6585 Charleston Rd.  
Leon, W VA 25123  
allocated CSXT



J. Cowie  
40598 Whittney Rd.  
LaGrange, Ohio 44050  
allocated NS

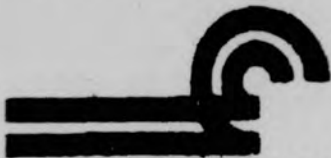
K. Rose  
72 Washington St.  
W. Jefferson, Ohio 43162  
allocated NS

C. Coleman  
6795 Township 199  
Centerburg, Ohio 43011  
allocated CSXT

W. C. Johnson  
address unavailable  
allocated NS



**CONRAIL**



CERTIFIED MAIL - RETURN RECEIPT REQUESTED (7415959527)

AUGUST 17, 1999

**[REDACTED]**  
**[REDACTED]**  
P.O. BOX NO. 85  
CLARKS HILL, IN 47930

DEAR MR. HUDDLESTON:

YOU ARE HEREBY NOTIFIED THAT YOU ARE BEING OFFERED NEW HIRE PREFERENCE ~~WITH CONRAIL SHARED ASSETS, CSX TRANSPORTATION, AND NORFOLK SOUTHERN RAILWAYS~~ UNDER APPENDIX A, SECTION II OF THE JANUARY 14, 1999 ARBITRATED IMPLEMENTING AGREEMENT WITH THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYEES. PLEASE REFER TO THE LIST OF AVAILABLE VACANT BMW POSITIONS IN OUR RESPECTIVE ENGINEERING DEPARTMENTS.

YOU MAY REQUEST A POSITION(S) BY WRITING TO THE ADDRESS SHOWN BELOW FOR ANY ONE OR ALL POSITIONS. IF YOU REQUEST CONSIDERATION FOR MORE THAN ONE POSITION, INDICATE A PRIORITY ORDER. POSITIONS WILL BE FILLED IN ORDER OF EMPLOYEES' RESPECTIVE CONRAIL DISTRICT SENIORITY.

A PRE-ADDRESSED ENVELOPE HAS BEEN ENCLOSED FOR YOUR CONVENIENCE. REQUESTS SHOULD BE ADDRESSED TO:

CONRAIL LABOR RELATIONS DEPARTMENT  
P. O. BOX 41413  
PHILADELPHIA, PA 19101-1413

IF YOU FAIL TO REQUEST AN AVAILABLE POSITION OR RESPOND IN WRITING TO THE UNDERSIGNED WITHIN FOURTEEN (14) DAYS FROM THE DATE OF THIS LETTER, YOUR NAME WILL BE REMOVED FROM THE NEW HIRE PREFERENCE LIST, WHICH WILL FULFILL ALL OF THE CARRIERS' OBLIGATIONS TO YOU UNDER THE ARBITRATED IMPLEMENTING AGREEMENT AND RESULT IN FORFEITURE OF ANY FURTHER RIGHTS. IF YOU DO NOT DESIRE A POSITION YOU NEED NOT RESPOND.

VERY TRULY YOURS,

*T. C. Tierney*  
231 2021  
T. C. TIERNEY  
CHIEF ENGINEER  
CONRAIL SHARED ASSETS

*J. J. Kasprzycki*  
J. J. KASPRZYCKI  
GEN. MGR. - ENGINEERING  
CSX TRANSPORTATION

*G. W. Woods*  
G. W. WOODS  
ASST. VICE PRESIDENT-MW&S  
NORFOLK SOUTHERN RAILWAYS

ATTACHMENT - LIST OF AVAILABLE POSITIONS

CC: BMW GENERAL CHAIRMEN DODD, GELLER AND HURLBURT

ATTACHMENT 4

CONSOLIDATED RAIL CORPORAT

PHILADELPHIA, PA 19101-1415

**VACANT RAIL POSITIONS OFFERED UNDER**  
**THE JANUARY 14, 1992 ARBITRATED IMPLEMENTING AGREEMENT**

<b><u>POSITION TITLE</u></b>	<b><u>NUMBER OF VACANCIES</u></b>	<b><u>LOCATION</u></b>
------------------------------	-----------------------------------	------------------------

**CONRAIL SHARED ASSETS VACANCIES**

PLUMBER	1	ELIZABETHPORT, NJ
PLUMBER	1	PHILADELPHIA, PA
TRACKMAN	2	DETROIT, MI
TRACKMAN	2	NEWARK, NJ
TRACKMAN	2	CAMDEN, NJ

**CSX VACANCIES**

B&B MECHANIC	2	KINGSTON
B&B MECHANIC	2	SELKIRK, NY
B&B MECHANIC	2	SYRACUSE, NY
B&B MECHANIC	4	ROCHESTER, NY
VEHICLE OPERATOR	1	OAK POINT, NY
MACHINE OPERATOR	1	OAK POINT, NY
MACHINE OPERATOR	4	SELKIRK, NY - SLWT
VEHICLE OPERATOR	3	SELKIRK, NY - SLWT

**NORFOLK SOUTHERN VACANCY**

ROADWAY EQUIPMENT REPAIRMAN	1	DEARBORN DIVISION
-----------------------------	---	-------------------

ATTACHMENT 5

STB

FD

33388

12-03-99

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

38-33388

December 3, 1999

Mr. Donald W. Bogus  
Vice President - Government Affairs  
PPG Industries, Inc.  
One PPG Place  
Pittsburgh, Pennsylvania 15272

Dear Mr. Bogus:

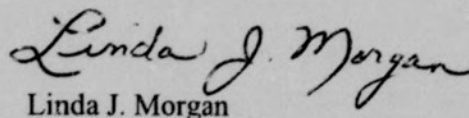
Thank you for your letter regarding the acquisition of the Conrail properties by Norfolk Southern Railway Company (NS) and CSX Transportation, Inc. (CSXT), and your concern about the level of service being provided by NS and CSXT.

As you may know, we have been interfacing with officials of NS and CSXT and with shippers regularly since the Conrail transaction was approved and almost daily since the June 1<sup>st</sup> transition of operations from Conrail to NS and CSXT. In varying degrees, there have been service issues involving both carriers, and shippers have faced service levels that have failed to meet their expectations. I share your concern about the level of service being provided, and have had numerous meetings with affected shippers, as well as elected officials, in Washington, D.C., and elsewhere in the East, to discuss service concerns. I can assure you that I am committed to seeing an improvement in service on the acquired lines of Conrail, and I do believe that NS and CSXT are similarly committed. In fact, NS has made significant strides recently toward improving the overall fluidity of the Conrail portion of its system, and we are working to bring about similar improvements on the CSXT lines.

You mention in your letter a number of yard locations on the two railroads that you suggest have caused delays, and I can assure you that each of these locations, without exception, has been a subject of discussion in meetings between the Board's Office of Compliance and Enforcement (OCE) and NS and CSXT. In addition, OCE has established an open line of communication with each of the carriers to ensure that service matters brought to the Board's attention are made immediately available to senior management of the involved carrier. In an effort to assist you, I offer you the continuing services of OCE to help resolve specific shipper concerns. I know that you have already been in contact with Mel Clemens, Director of OCE, regarding these rail service issues, and I can assure you that he is always available to assist with shipper problems. I also know that you have been in contact with the CSX and NS Chairmen, John Snow and David Goode, and that effort should help to bring focus to your concerns.

I appreciate your bringing your concerns to my attention, and please be assured that, as part of our oversight responsibilities, we will continue to actively monitor the operational performance and service levels of both carriers, and to take every appropriate step to facilitate the resolution of service problems.

Sincerely,

  
Linda J. Morgan



STB FD

33388

12-03-99

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 3, 1999

William A. Mullins, Esquire  
Troutman Sanders LLP  
1300 I Street, N.W.  
Suite 500 East  
Washington, D.C. 20005-3314

Dear Mr. Mullins:

This responds to your letter of November 17, 1999, on behalf of R.R. Donnelley & Sons Company, to James C. Bishop, Executive Vice President - Law, Norfolk Southern Corporation, regarding NS rail service to Donnelley's Pennsylvania printing plants.

I appreciate your making the Board aware of Donnelley's concerns, its efforts to improve rail service, and the financial impacts of the service that has been provided by NS thus far. We are committed to reliable rail service for all former Conrail shippers, and I appreciate your informing us of your efforts to assist in the resolution of service issues. In this regard, constructive communication between the carrier and customer is essential to service improvement, and NS's recent letter to Michael Winn from Thomas Lindsey, dated November 19, appears to be a positive step in that direction.

As your letter indicates, Mel Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), has been working closely with Donnelley, through its weekly Performance Reports, in an effort to help find solutions to its service issues. Director Clemens wrote to Michael Winn of Donnelley as recently as November 23<sup>rd</sup> (copy enclosed) to reemphasize our commitment to improving service to Donnelley, and to other similarly situated shippers.

We will continue to monitor the service levels for Donnelley during this operational transition. Please do not hesitate to contact me with any information that might assist us in this effort.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosure

STB

FD

33388

12-02-99

J

MOC



Office of the Chairman

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

FILE IN DOCKET

FL-33388

December 2, 1999

The Honorable Spencer Abraham  
United States Senate  
Washington, DC 20510-2203

Re: Rail Service in Michigan

Dear Senator Abraham:

Thank you for your letter expressing your concern about rail service in Michigan. In your letter, you discuss the steps being taken to ensure that Michigan farmers can move their product to market this year. Also, you ask for our assessment of the implementation of the "Conrail" transaction, and what the Board is doing to address shipping issues affecting Michigan.

I share your concerns regarding the service that has been provided to Michigan grain shippers in recent weeks, and in fact I have not been pleased with the rail service provided in general over the former Conrail properties since the integration of Conrail. In this regard, the Board continues to actively monitor the operational aspects of the Conrail transaction through regular data reporting and other pertinent information, and through daily contacts with railroads, shippers, and railroad employees.

In addition, the Board has developed an informal process to address specific service complaints. As part of this process, the Board's Office of Compliance and Enforcement (OCE) has established an open line of communication with senior railroad officials, and OCE immediately forwards service complaints brought to it informally by shippers seeking assistance. OCE then follows up on each complaint to ensure that it is being addressed appropriately. In some cases, OCE staff may review the steps that the carrier is taking, and may recommend alternatives. Handling shippers' individual service issues informally, we believe, provides a prompt and effective way for the Board to facilitate real solutions to shippers' service concerns. In this regard, OCE staff have had several discussions in recent weeks with Michigan agricultural shippers in an effort to facilitate resolution of individual shipper issues.

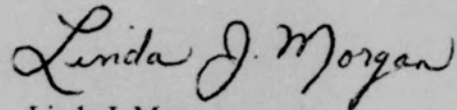
The information that we have received through conversations with a variety of sources indicates that, both on a systemwide basis and for Michigan shippers, the service situation appears to be improving. However, I am sure you share my view that, while the needs of Michigan agricultural shippers have been better met recently, further improvements are still needed. In this regard, I know that the work of the Michigan Agriculture/Transportation Crisis Task Force, which gives shippers, carriers, and state and local officials a forum in which to

discuss service problems and focus on private-sector solutions, was critical to the service improvements seen to date and will continue to be important in this effort. Our experience with the service crisis in the West a few years ago taught us that cooperation among the various private interests, sometimes with the Government as a facilitator, is far more effective than government directives. It is my hope that the efforts of the Board, along with those of the Task Force, will continue to help produce more responsive rail service.

The Board will continue to monitor the implementation of the Conrail transaction and work with interested parties to ensure that service is improved as expeditiously as possible. In this regard, I look forward to working with you on rail transportation matters affecting Michigan shippers.

Please do not hesitate to contact me on any issue with which I can be of assistance.

Sincerely,

  
Linda J. Morgan



# United States Senate

WASHINGTON, DC 20510-2203

FILE IN DOCKET

November 8, 1999

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

Dear Chairman Morgan:

As you may know, an emergency Michigan Agriculture/Transportation Crisis Task Force was convened last week to address the railroad transportation crisis facing Michigan farmers in getting their product to market. The first meeting of this Task Force was held in Michigan on November 6<sup>th</sup>, where representatives of Michigan's agriculture and railroad industries joined them and officials of the State of Michigan in reviewing the problem at hand.

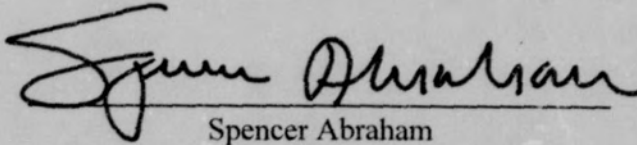
Let us first make absolutely clear that we believe this is indeed a crisis that could significantly threaten not only the ability of Michigan farmers to get their product to market this year, but their continued market share in following years, as well as their very ability to continue farming at all. It requires swift and substantial action to ensure that Michigan's farmers are provided the opportunity to get their product to market in these times of low prices and exceptionally bountiful supply. That is why this Task Force was established, and why it will continue to meet and work towards a quick solution.

A number of factors have contributed to this crisis, including the severe weather suffered by the Eastern seaboard this fall and hours of service restrictions on train crews may be precipitating factors in this crisis. However, one area that the STB has specific jurisdiction over, the delays in the integration of Conrail assets into Norfolk Southern's and CSX's rail systems, is also a factor in this problem, and represent a very significant impediment to resolving this quickly enough manner to maintain Michigan farmers' product sales.

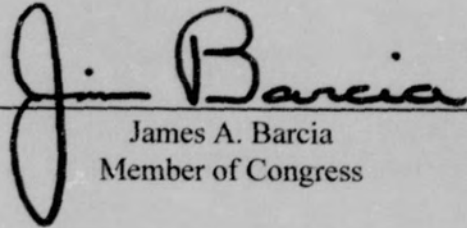
We believe the carriers servicing Michigan shippers are truly interested in resolving this as quickly as possible and we are committed to finding private sector solutions to this problem. Therefore, we request you provide our offices with your assessment of the Conrail acquisition by Norfolk Southern and CSX, especially as it applies to service to agricultural shippers in Michigan, as well as the actions you have undertaken to date under your oversight authority of the Conrail acquisition. Furthermore, we request you advise us as to any additional measures you are considering to address this measure, and any advice you may be able to provide the shippers and carriers in advancing a solution, if possible.

We look forward to the shippers and carriers devising a speedy solution to this, and would welcome any assistance you may be able to provide. If you have any questions, please feel to contact us, or have your staff contact Bob Carey of Senator Abraham's staff at 202-224-5325, or Kristen Day of Representative Barcia's staff at 202-225-8171.

Sincerely,

A handwritten signature in cursive script, reading "Spencer Abraham".

Spencer Abraham  
United States Senate

A handwritten signature in cursive script, reading "Jim Barcia".

James A. Barcia  
Member of Congress

STB

FD

33388

12-02-99

J

MOC



Office of the Chairman

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

FILE IN DOCKET

FD-33388

December 2, 1999

The Honorable Paul E. Gillmor  
U.S. House of Representatives  
Washington, DC 20515-3505

Dear Congressman Gillmor:

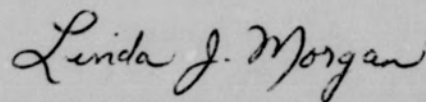
This responds to your letter conveying the concerns of your constituent, Mr. Doug Durliat, of the Ohio Farmers Union, about the service provided by Norfolk Southern Railway (NS) to certain Ohio grain shippers. Specifically, Mr. Durliat has expressed concern about the possible existence of a priority system used by NS that would allow large grain shippers to receive equipment before the car orders of smaller shippers are satisfied.

In an effort to be of assistance with this service issue, I asked Melvin Clemens, Director of the Board's Office of Compliance and Enforcement, to look into the matter. Director Clemens' understanding is that the shipper referred to in Mr. Durliat's letter, Lyle McKanna of Bluffton, Ohio, can accommodate only three grain cars at one time for loading; the larger shippers to which Mr. Durliat refers, by contrast, are parties to contracts that utilize the efficiencies of unit-train service, to which railroads sometimes give preference in car distribution. Mr. Durliat suggests that these large shippers may be overstating their car needs in order to squeeze out smaller competitors, but I see no basis for such a charge on the basis of the materials that we have received. Any party can, however, file a formal complaint with the Board challenging the reasonableness of a railroad's car service practices. I should also note that car distribution practices are among the issues about which parties can seek arbitration under the recently finalized agreement between the major railroads and the National Grain and Feed Association.

In any event, and perhaps most importantly, Director Clemens has indicated that, during his discussions with NS, he was informed that Mr. McKanna is now receiving cars sufficient to satisfy his shipping demands. If this information is incorrect, or if Mr. McKanna needs assistance with other rail service issues, he may call Director Clemens at (202) 565-1573.

I appreciate the opportunity to respond to your concerns, and look forward to keeping you informed on our efforts with respect to Ohio grain shippers. Please do not hesitate to contact me if we can be helpful in any area in which you or your constituents may require then Board's assistance.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan". The signature is written in dark ink and is positioned above the printed name.

Linda J. Morgan





PAUL E. GILLMOR  
5TH DISTRICT, OHIO

Congress of the United States  
House of Representatives  
Washington, DC 20515-3505

FILE IN DOCKET

October 29, 1999

Ms. Linda J. Morgan  
Chairwoman  
Surface Transportation Board  
1925 K Street Northwest  
Washington, D.C. 20006

Dear Ms. Morgan:

I received the enclosed correspondence from Doug Durliat, Executive Director, Ohio Farmers Union. Mr. Durliat contacted me to express his concern that Norfolk Southern's priority rankings neglect to serve small grain elevators and their ability to move product in an efficient manner.

I would appreciate your review of Mr. Durliat's correspondence. Please provide a report to my Port Clinton office that addresses my constituent's concerns. Should you have any question regarding this inquiry, please contact my office at 419-734-1999.

Thank you for your attention to this matter. I look forward to hearing from you soon.

Sincerely,

Paul E. Gillmor  
Member of Congress

PEG: emw  
Enclosure

WASHINGTON

1203 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-3505  
202-225-6405

DEFIANCE

613 WEST THIRD STREET  
DEFIANCE, OH 43512  
419-782-1996

NORWALK

130 SHADY LANE DRIVE  
NORWALK, OH 44857  
419-668-0206

PORT CLINTON

120 JEFFERSON STREET, 2D FLOOR  
PORT CLINTON, OH 43452  
419-734-1999

TOLL FREE IN OHIO 1-800-541-6446  
TOLL FREE FAX IN OHIO 1-800-278-8203

OCT 15 1999



# OHIO FARMERS UNION

1011 N. Defiance Street \* PO Box 363 \* Ottawa, OH 45875-0363 \* (419) 523-5300

October 15, 1999

The Honorable Paul Gillmor  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Gillmor:

A local grain elevator operator, Lyle McKanna, who operates his business in Bluffton, Ohio, informed me that he is receiving "absolutely no service" in obtaining grain rail cars from Norfolk Southern Railroad. This is creating problems in his ability to move grain from this fall's harvest from his grain elevator efficiently.

Mr. McKanna made several calls to Norfolk Southern in several cities. The railroad acknowledges that many grain cars are setting at Norfolk Southern's yards in Buffalo, New York and elsewhere, but are not being distributed to places they are in need.

Mr. McKanna finally was able to contact Kendall Nickens (sp.?), who directs Norfolk Southern's grain car fleet from its headquarters in Atlanta, Georgia. Mr. Nickens told Mr. McKanna that the large grain processors such as ADM and Cargill receive top priority in getting rail cars. Small grain elevators, such as Mr. McKanna's come next on the priority list, if any cars are available. Who's to say that the ADMs and Cargills order more cars than needed so that their smaller competitors have little or no access to rail cars?

We feel this is another example in which our over-concentrated markets are squeezing out the smaller business operators. Norfolk Southern was part of the recent venture in which Conrail was purchased and divided among existing railroad companies. By their sheer market share and influence alone, the ADMs and the Cargills are leaving the smaller grain elevator operators with little, if any option to move their grain. We ask that you pursue this matter so that rail cars can be distributed to all businesses according to need, not by market share alone. Please contact the Interstate Commerce Commission; Surface Transportation Board; 1925 K Street, NW; room 715; Washington, D.C. 20423-0001.

If you have any questions, contact me at (419) 523-5300. Thank you.

Sincerely,  
OHIO FARMERS UNION

Doug Durliat  
Executive Director

STB

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33388

12-02-99

J

MOC



Office of the Chairman

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

FILE IN DOCKET

December 2, 1999

The Honorable James A. Barcia  
U.S. House of Representatives  
Washington, DC 20515-2205

Re: Rail Service in Michigan

Dear Congressman Barcia:

Thank you for your letter expressing your concern about rail service in Michigan. In your letter, you discuss the steps being taken to ensure that Michigan farmers can move their product to market this year. Also, you ask for our assessment of the implementation of the "Conrail" transaction, and what the Board is doing to address shipping issues affecting Michigan.

I share your concerns regarding the service that has been provided to Michigan grain shippers in recent weeks, and in fact I have not been pleased with the rail service provided in general over the former Conrail properties since the integration of Conrail. In this regard, the Board continues to actively monitor the operational aspects of the Conrail transaction through regular data reporting and other pertinent information, and through daily contacts with railroads, shippers, and railroad employees.

In addition, the Board has developed an informal process to address specific service complaints. As part of this process, the Board's Office of Compliance and Enforcement (OCE) has established an open line of communication with senior railroad officials, and OCE immediately forwards service complaints brought to it informally by shippers seeking assistance. OCE then follows up on each complaint to ensure that it is being addressed appropriately. In some cases, OCE staff may review the steps that the carrier is taking, and may recommend alternatives. Handling shippers' individual service issues informally, we believe, provides a prompt and effective way for the Board to facilitate real solutions to shippers' service concerns. In this regard, OCE staff have had several discussions in recent weeks with Michigan agricultural shippers in an effort to facilitate resolution of individual shipper issues.

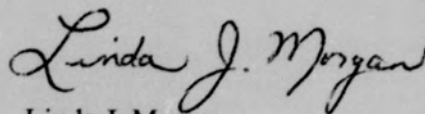
The information that we have received through conversations with a variety of sources indicates that, both on a systemwide basis and for Michigan shippers, the service situation appears to be improving. However, I am sure you share my view that, while the needs of Michigan agricultural shippers have been better met recently, further improvements are still needed. In this regard, I know that the work of the Michigan Agriculture/Transportation Crisis Task Force, which gives shippers, carriers, and state and local officials a forum in which to

discuss service problems and focus on private-sector solutions, was critical to the service improvements seen to date and will continue to be important in this effort. Our experience with the service crisis in the West a few years ago taught us that cooperation among the various private interests, sometimes with the Government as a facilitator, is far more effective than government directives. It is my hope that the efforts of the Board, along with those of the Task Force, will continue to help produce more responsive rail service.

The Board will continue to monitor the implementation of the Conrail transaction and work with interested parties to ensure that service is improved as expeditiously as possible. In this regard, I look forward to working with you on rail transportation matters affecting Michigan shippers.

Please do not hesitate to contact me on any issue with which I can be of assistance.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan". The signature is written in dark ink and is positioned above the printed name.

Linda J. Morgan



STB

FD

33388

11-30-99

J

MOC



Office of the Chairman

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

FILE IN DOCKET

FD-33388

November 30, 1999

The Honorable Sam Hoyt  
Assemblymember 144<sup>th</sup> District  
The Assembly  
State of New York  
125 Main Street  
Buffalo, NY 14203

Re: Rail Issues Affecting Western New York

Dear Assemblymember Hoyt:

Thank you for your letter expressing your concern about rail issues affecting western New York. In your letter, you raise issues about service levels and how service is affected by infrastructure and by inter-carrier cooperation. You also raise issues about rate levels.

I appreciated the opportunity to visit Buffalo on October 18 and to discuss rail service issues with area shippers and the railroads that serve them. I understand and share your concern for improving the quality of rail service being provided and the effect of present service levels on shippers in western New York. To help address the situation, I recently wrote letters to the Chief Executive Officers of Norfolk Southern Corporation and CSX Corporation setting out a plan that will require that certain efforts be undertaken over the course of the next month. Our plan, which focuses on concerns that you have raised, deals with the CP Draw railroad bridge; other ways to improve the rail infrastructure in the area; railroad efforts to assist one another to relieve congestion; improved communication between the railroads and western New York shippers; the resolution of service concerns such as transit times; and communication by the railroads with shippers on how claims issues will be promptly addressed. The plan also references the initiation of a formal rate study as called for in the Board's decision approving the Conrail transaction, and it indicates that the Board will ensure that Canadian railroads are given access to cross-border, truck-competitive traffic.

What I am most concerned about and what will do the most for the economic health of western New York is the expeditious restoration of responsive and reliable rail service. I believe that the plan that I outlined will provide the accountability needed to achieve that goal. It also adds substantially to what the Board is already doing to monitor the Conrail implementation, and to the Board's ongoing efforts through the Office of Compliance and Enforcement to resolve shipper service complaints informally.

I will have your letter and this response placed in the formal docket for the Conrail transaction. If I may be of further assistance in this or any other matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan". The signature is written in dark ink and is positioned above the printed name.

Linda J. Morgan



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

FILE IN DOCKET

CHAIRMAN  
Committee on State-Federal Relations

CO-CHAIR  
Task Force on High Speed Rail

COMMITTEES  
Transportation  
Energy  
Children and Families  
Tourism, Arts & Sports Development  
Alcoholism & Drug Abuse

MEMBER  
Task Force on Women's Issues

HONORARY MEMBER  
Puerto Rican/Hispanic Task Force

SAM HOYT  
Assemblymember 144th District

Room 656  
Legislative Office Building  
Albany, New York 12248  
(518) 455-4886  
FAX (518) 455-4890

General Donovan State Office Building  
125 Main Street  
Buffalo, New York 14203  
(716) 852-2795  
FAX (716) 852-2799  
samhoyt@buffnet.net

October 22, 1999

Honorable Linda Morgan  
Chairwoman  
Surface Transportation Board  
1925 K Street, NW  
Washington, D.C. 20423

Dear Ms. Morgan:

As Chairman of the State and Federal Relations Committee for the New York State Legislature and as the state representative of the 144<sup>th</sup> district in Buffalo, I am writing to strongly encourage you to work aggressively to address the current and long term rail issues affecting Western New York. Federal support to help Western New York businesses operate while enduring the ramifications of the CSX/NS acquisition and division of Conrail is critical.

As you heard directly from local shippers on October 18<sup>th</sup>, excess congestion, loss of rail cars, incorrect deliveries, increased shipping costs, and other physical manifestations of the CSX/NS takeover of local Conrail lines are severe in the community. The shipper's testimony exemplifies the obvious lack of services for local companies, while also demonstrating the lack of rail competition within the Niagara marketplace.

Some of the short-term congestion and service problems can be addressed with infrastructure improvements. (Norfolk Southern's \$13M investment in Bison Yard will create a much needed classification yard for NS.) However, more importantly, both CSX and NS must be committed to having a continuous dialogue with each other to jointly address the severe service problems being felt by this community.

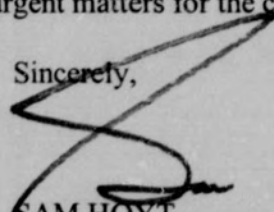
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SURFACE TRANSPORTATION  
BOARD  
Nov 8 1 24 PM '99  
OFFICE OF  
CHAIRMAN LINDA MORGAN



In the long term, our companies should pay rail-shipping costs similar to those around the country and receive reliable rail service. Without a competitive environment the rail lines will continue to their monopolistic practices and our employees will continue to suffer.

Thank you for your interest in the rail issues affecting the Niagara marketplace and I hope you continue in your efforts to address these urgent matters for the community.

Sincerely,



SAM HOYT  
MEMBER OF ASSEMBLY

SH;sg

Cc: Andrew Rudnick  
Natalie Harter



STB

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33388

11-30-99

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MOC



Office of the Chairman

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

FILE IN DOCKET

JD-33388

November 30, 1999

The Honorable Charles T. Canady  
U. S. House of Representatives  
Washington, D.C. 20515-0912

Re: Ronald E. Stoffer, General Manager  
Packaging Corporation of America

Dear Congressman Canady:

I am pleased to respond to your recent letter regarding the concerns of your constituent, Mr. Ronald E. Stoffer, of Packaging Corporation of America, about the rail service being provided by CSX Transportation Inc. (CSXT) to his facility in Winter Haven, Florida.

This letter confirms the actions taken by the Board since receiving your October 26<sup>th</sup> letter. Melvin F. Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), has been in contact with CSXT regarding Mr. Stoffer's complaint and has faxed to the railroad the information provided by your office. As you may know, Director Clemens is in regular contact with the railroads on service issues, and shippers are encouraged to bring their service concerns to OCE's attention by fax at 202-565-9011 or 9012.

I appreciate the opportunity to respond to these issues, and I hope that you will not hesitate to contact me if we can be of further assistance.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

CHARLES T. CANADY  
12TH DISTRICT, FLORIDA

COMMITTEE ON THE JUDICIARY  
CHAIRMAN, SUBCOMMITTEE ON  
THE CONSTITUTION

COMMITTEE ON AGRICULTURE

Congress of the United States  
House of Representatives  
Washington, DC 20515-0912

2432 RAYBURN BUILDING  
WASHINGTON, DC 20515-0912  
(202) 225-1252

FEDERAL BUILDING  
124 SOUTH TENNESSEE AVENUE  
SUITE 125  
LAKELAND, FL 33801  
(941) 688-2651

October 26, 1999

FILE IN DOCKET

Ms. Linda S. Morgan  
Chairwoman  
Surface Transportation Board  
Suite 820  
1925 K St, NW  
Washington, D.C. 20423

Dear Ms. Morgan:

Enclosed is information received from my constituent, Mr. Ronald E. Stoffer of Packaging Corporation of American regarding a complaint about which he has already contacted you. His letter is self-explanatory.

Any assistance your office can provide Mr. Stoffer would be greatly appreciated. Please keep me advised by sending a reply to my Lakeland office, Federal Building, 124 South Tennessee Avenue, Suite 125, Lakeland, Florida 33801.

Thank you for your assistance.

Sincerely yours,

*Charles T. Canady*

Charles T. Canady  
Member of Congress

CTC:jd

Enclosure



October 14, 1999

Ms. Linda Morgan, Chairman  
Surface Transportation Board  
Washington, DC

FAX: 202-565-9011

Dear Ms. Morgan:

My name is Ronald E. Stoffer, and I am General Manager of the Packaging Corporation of America's, Corrugating Plant in Winter Haven, FL. My plant is serviced by the CSXT railroad.

I am writing this letter to let you know the recent acquisition of Conrail by the (Norfolk Southern Railroad and CSXT Transportation) has caused and is continuing to cause a major disruption to our ability to service our customers.

Our corporate office is forced to seek out other modes of transportation, at considerable additional expense, to keep this facility operating.

It appears to us that the current poor service levels will not improve until sometime in the year 2000, therefore we are asking the Surface Transportation Board to take whatever action necessary to correct this unfortunate situation, as quickly as possible.

Regards:

A handwritten signature in dark ink, appearing to read "Ronald E. Stoffer". The signature is fluid and cursive, with the first name "Ronald" being the most prominent.

Ronald E. Stoffer  
General Manager

cc Charles Canady  
B.J. Thomas - Lake Forest  
Jim McKee - Harrisonburg

OCT 25 1999

STB

FD

33388

11-30-99

J

MOC





... of the Chairman

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

FILE IN DOCKET

72-33388

November 30, 1999

The Honorable James A. Barcia  
U. S. House of Representatives  
Washington, D.C. 20515-2205

ATTENTION: Kristen Valade Day, Chief of Staff

Re: Michigan Agri-Business Association  
Lansing, Michigan

Dear Congressman Barcia:

I am pleased to respond to your communication regarding the concerns of your constituent, Michigan Agri-Business Association, about the rail service being provided to its members.

This letter confirms the actions taken by the Board since the October 22<sup>nd</sup> discussions between Kristen Day and Mel Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), regarding car supply issues affecting Michigan agricultural shippers. Director Clemens has been in regular contact with the CSX Transportation, Inc. (CSXT) since those discussions and since providing the shipper information to the railroad by fax, and has confirmed that grain cars are moving to Michigan elevators from CSXT. We will continue to work directly with the involved shippers and the railroad to ensure that this matter remains a focus of the carrier.

I am hopeful that these efforts will result in improved rail service for Michigan grain shippers. Please do not hesitate to contact me if we can be of further assistance.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

OFFICE OF CONGRESSMAN JAMES A. BARCIA

U.S. House of Representatives  
2419 Rayburn House Office Building  
Washington, DC 20515-2205  
tel: (202)225-8171  
fax: (202)225-2168  
email: kristen.day@mail.house.gov

FILE IN DOCKET

from the desk of

KRISTEN VALADE DAY  
CHIEF OF STAFF

OCT 22 3 16 PM '99

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

attention: Mr. Clemens

organization: Director of Compliance

date: 10/22/99

fax #: \_\_\_\_\_

telephone #: \_\_\_\_\_

number of pages (including cover): \_\_\_\_\_

message: Thank you for your help.

Ignacio



## Michigan Agri-Business Association

[www.miagbiz.org](http://www.miagbiz.org)

1501 North Shore Drive, Suite A  
East Lansing, Michigan 48823

Telephone (517) 336-0223

Fax (517) 336-0227

October 21, 1999

Congressman James Barcia  
2419 Rayburn House Office Bldg.  
Washington, D.C. 20515

Subject: Rail Transportation Crises

Dear Congressman Barcia:

Over the past several weeks the availability of railroad grain cars has developed into a serious problem for Michigan agriculture. With the harvest of corn and soybeans hard upon us, grain elevators across Michigan are experiencing a shortage of cars, delayed return of cars and service levels for this vital transportation link in virtual collapse.

During the harvest season, in order for elevators to continue to receive grain from their farmer customers, they schedule movement of grain from their facilities to either end users or other handlers. No elevator has the ability to receive and store all the grain delivered by their customers, especially this year after a bumper wheat and dry bean crop. They must ship grain so space is available for farmers to continue delivering grain. With the favorable yields farmers are harvesting this fall, the need to move grain from country elevators has become even more pressing.

The breakup of Conrail, and the merger with either Norfolk Southern or CSX has evidently not been as smooth as first indicated. Reports tell us that it is taking more than a month for a unit train (60 cars or more) to travel from Michigan to the mid-south, and return to Michigan. We have heard stories that some of these trains are sitting for several days in rail yards in Toledo, or other yards across the country, and not moving back to the country elevator.

The resulting situation is that in many cases elevators are being forced to close, and stop receiving grain from farmers because their storage is full. This means that grain is either being left in the field, where it may be subject to weather problems, or stored on the ground in piles for later processing through elevators.

In short, this is a crisis situation, and demands immediate attention. Times are tough enough in agriculture without this added burden. Railroads must move cars efficiently, and get them back to the country to ease the severe shortage of grain storage.

Page 2

I have received calls from all across Michigan about this problem, but especially the Thumb and Saginaw Valley, the central part of the state and even the west side. I want to reiterate that this is serious and unprecedented. We have never seen car shortages this severe, and the delivery of scheduled cars delayed as they are this fall.

We ask that you use your good offices to pursue four issues:

- What are railroads doing to get cars delivered when scheduled or promised and returned to country elevators, and what are they doing to unravel this problem
- Are grain trains receiving priority in movement
- What can we do to help relieve this bottleneck, and get trains back on schedule
- What can the government do to help solve this immediate problem

For the long term, we are very concerned that this problem must be solved so this does not happen again next year, and on into the future. A common response from the railroads in the past has been that there simply are not enough grain cars to meet the demands of country elevators. We believe that if they moved the cars in a timely fashion that there is sufficient equipment to handle our requirements.

Please do not hesitate to contact me with comments or questions, and I look forward to working with you to solve both the short term and long term problems with this critical transportation link.

Sincerely,

James E. Byrum, President



Jim Love Corp. Tabenow  
~~Ernest~~ JAY - Barska

Elevator in Pigeon, MI  
Coop. 13 mil Bu Storage  
served by short lines = HESR  
Connect w/ CSXT in Saginaw has  
Called - 330p 10/22 385 cars.

HESR says CSX's prob is  
power and crews. ~~Mike Bobik~~

Closing today for receipt of grain.

Mike Bobik -

Russell, Ky - 4 days hasn't moved.

- Train # 694577 lead car TILX 3/104

Called Bert Keefer 10/26 3PM

They received empty 65 car unit train 3PM yesterday, loaded and gone  
to Saginaw for CSXT. Still behind, elevator full, ordered  
8-15 car units still waiting on 5 units. The HESR owns  
385 cars which ~~was~~ were used for export move to Brunswick, Ga. in late August  
~~cars~~ to early September. Cars have not returned, understood  
30 of them are sitting in Russell, Ky. He stated CSX advised him  
that they give priority to their own cars. He will focus a  
list of cars or have the HESR for us.





Office of the Chairman

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

FILE IN DOCKET

November 30, 1999

FD-  
33388

The Honorable Debbie Stabenow  
U. S. House of Representatives  
Washington, D.C. 20515-2208

ATTENTION: Kimberly Love, Legislative Assistant

Re: Michigan Agri-Business Association  
Lansing, Michigan

Dear Congresswoman Stabenow:

I am pleased to respond to your communication regarding the concerns of your constituent, Michigan Agri-Business Association, about the rail service being provided to its members.

This letter confirms the actions taken by the Board since the October 22<sup>nd</sup> discussions between Kimberly Love and Mel Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), regarding car supply issues affecting Michigan agricultural shippers. Director Clemens has been in regular contact with the CSX Transportation, Inc. (CSXT) since those discussions and since providing the shipper information to the railroad by fax, and has confirmed that grain cars are moving to Michigan elevators from CSXT. We will continue to work directly with the involved shippers and the railroad to ensure that this matter remains a focus of the carrier.

I am hopeful that these efforts will result in improved rail service for Michigan grain shippers. Please do not hesitate to contact me if we can be of further assistance.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

## OFFICE OF CONGRESSMAN JAMES A. BARCIA

U.S. House of Representatives  
2419 Rayburn House Office Building  
Washington, DC 20515-2205  
tel: (202)225-8171  
fax: (202)225-2168  
email: kristen.day@mail.house.gov

FILE IN DOCKET

from the desk of

KRISTEN VALADE DAY  
CHIEF OF STAFF

OCT 22 3 16 PM '99

RECEIVED  
SUPERSTITION  
10 23attention: Mr Clemensorganization: Director of Compliancedate: 10/22/99

fax #: \_\_\_\_\_

telephone #: \_\_\_\_\_

number of pages (including cover): \_\_\_\_\_

message: Thank you for your help.Iguon



## Michigan Agri-Business Association

[www.miagbiz.org](http://www.miagbiz.org)

1501 North Shore Drive, Suite A  
East Lansing, Michigan 48823

Telephone (517) 336-0223

Fax (517) 336-0227

October 21, 1999

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2419 Rayburn House Office Bldg.  
Washington, D.C. 20515

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During the harvest season, in order for elevators to continue to receive grain from their farmer customers, they schedule movement of grain from their facilities to either end users or other handlers. No elevator has the ability to receive and store all the grain delivered by their customers, especially this year after a bumper wheat and dry bean crop. They must ship grain so space is available for farmers to continue delivering grain. With the favorable yields farmers are harvesting this fall, the need to move grain from country elevators has become even more pressing.

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The resulting situation is that in many cases elevators are being forced to close, and stop receiving grain from farmers because their storage is full. This means that grain is either being left in the field, where it may be subject to weather problems, or stored on the ground in piles for later processing through elevators.

In short, this is a crisis situation, and demands immediate attention. Times are tough enough in agriculture without this added burden. Railroads must move cars efficiently, and get them back to the country to ease the severe shortage of grain storage.

10/21/99

Page 2

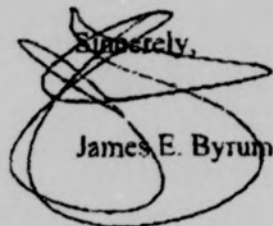
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Please do not hesitate to contact me with comments or questions, and I look forward to working with you to solve both the short term and long term problems with this critical transportation link.

Sincerely,  
  
James E. Byrum, President



Jim Love Corp. Stabenow  
EASTEN JAY - Barsha

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list of cars or have the HESR for us.



STB

FD

33388

11-30-99

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

November 30, 1999

Mr. Ronald F. Razzolini  
Plant Manager  
PVS Chemicals, Inc. (New York)  
55 Lee Street  
Buffalo, New York 14210

Dear Mr. Razzolini:

This responds to your letter regarding rail service issues affecting your company and their impact on your operations. I appreciate the challenge of your task in trying to adjust your operations to accommodate less-than-adequate rail service.

Our meeting in Buffalo on October 18<sup>th</sup> was an excellent opportunity for me to meet with shippers and listen to their concerns, and to get a sense of the proportions of the Buffalo-area rail service problem. As I pledged to the Congressional delegation in attendance, I have put forward a plan for addressing existing rail service concerns in the Buffalo area. In this regard, enclosed are copies of letters sent to NS and CSX directing that various actions be taken. As I also pledged, I will be returning to Buffalo in six months to assess the situation. In the meantime, we will continue to actively monitor rail service in the Buffalo area, and I hope that you will not hesitate to be in contact with Melvin Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), who attended the Buffalo meeting with me, if there are immediate rail service issues with which we might be helpful.

We at the Board remain committed to working with you in a constructive way to resolve service issues in the Buffalo area. I look forward to our continued association.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosures



## PVS CHEMICALS, INC. (NEW YORK)

SUBSIDIARY OF PVS CHEMICALS, INC.

55 Lee Street • Buffalo, New York 14210

Phone 716-825-5762 • 800-825-5762 • Fax 716-825-6454

October 18, 1999

Ms. Linda Morgan  
Chairwoman  
United States Surface Transportation Board  
C/O Erie Niagara Rail Steering Committee  
275 Oak Street  
Buffalo, New York 14203

Dear Ms. Morgan:

PVS Chemicals, Inc. (New York) is located at 55 Lee Street in the Industrial Corridor of Buffalo. Our manufacturing plant has been at this site since the 1870 s. This location employs 50 hardworking, dedicated workers that manufacture Sulfuric Acid and other Sulfur Derivative products. The Ultra High Purity Sulfuric Acid manufactured at this site is some of the highest quality acid produced in the world, and is ultimately used in the manufacture of silicon chips.

Our customer base includes such local companies as Bethlehem Steel, Eastman Kodak, United Refining Company, Occidental Chemical, Arch Chemicals and Nelson Steel. PVS also ships product to Puerto Rico, Germany and Australia. These customers, as well as all of our accounts, rely on our ability to supply their critical raw materials in a timely manner. Our ability to stay in business in Buffalo is predicated on this ability.

Until June 1, 1999 the Buffalo plant received 3 railroad switches pre week. Although PVS would have preferred rail switching on a daily basis, Conrail met our needs by RELIABLY switching our plant each Monday, Wednesday and Friday. If you are not aware of it, this is no longer the case. Since the split up of Conrail, service into our plant has been dismal. On a daily basis as many as 5 of our personnel are needed to call either the Norfolk Southern or CSX Railroad in order to plead for service into our plant. Often we find that we are not even able to make contact with railroad personnel because the telephone rings and rings with no answer (even voicemail would be preferable). Many of the railcars arrive in the Buffalo railyards only to be put on other trains to go to Ohio or Pennsylvania where they would sit and wait for the opportunity to travel back to Buffalo. This has added substantially to our travel times on railcars. In some instances we have come within hours of shutting down key processes due to the lack of raw materials whose delivery was delayed by the railroad. And only then was delivery made due to the efforts of our personnel frantically pleading with the railroad for service. We are now faced with carrying higher inventory of key raw

*"Let's Live Quality"*

material. This amounts to added costs for our facility in the form of higher inventory cost and detention charges on idle railcars. Our supplier also experiences added costs in the form of additional railcars to serve our needs.

Our investigation shows that transit times are running 3 times what they were prior to the Conrail split-up and we have gone up to 10 days without a switch. Since the split-up of Conrail we typically have been served once per week, compared to 3 times per week with Conrail. Since the formal announcement of this meeting 2 weeks ago, we have received multiple switches each week. Will this service continue, or will it revert back to a weekly switch once this meeting is concluded?

On behalf of the 50 families employed at our Buffalo manufacturing plant, our customers, and our industrial neighbors, I thank you for taking an interest in resolving this issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ronald F. Razzolini", with a stylized flourish extending to the right.

Ronald F. Razzolini  
Plant Manager

STB

FD

33388

11-30-99

J

MOC





Office of the Chairman

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

FILE IN DOCKET

JD-33388

November 30, 1999

The Honorable Robert Andrews  
U.S. House of Representatives  
Washington, DC 20515-3001

Dear Congressman Andrews:

Thank you for your letter regarding your concerns about the successful implementation of the Conrail transaction by Norfolk Southern Railroad (NS) and CSX Transportation, Inc. (CSXT). Specifically, you have expressed concern about the ability of NS and CSXT to marshal sufficient employee and other resources, to correct lingering computer problems, and to provide adequate service to shippers in the region. You have also indicated concern about the diversion of traffic to trucks by major shippers.

In its decision approving the Conrail transaction, the Board imposed significant reporting responsibilities on NS and CSXT related to the implementation of the transaction. The reporting requirements include a weekly regimen of operational metrics and monthly updates on such areas as Labor, Construction and Capital Projects, Information Technology, and Customer Service. The reports are filed with Mr. Melvin Clemens, the Director of the Board's Office of Compliance and Enforcement (OCE). As part of the Board's continuing effort to monitor and evaluate service and operational levels, Director Clemens has increased the reporting requirements on four occasions: in June; in July; in August; and most recently on November 5<sup>th</sup>. This increased reporting is intended to bring meaningful focus to areas that we believe continue to adversely affect operations. OCE Director Clemens also is in regular contact with senior officials at NS and CSXT to monitor the implementation, verify the metrics, and interface on customer issues.

In addition, I am in frequent contact with shippers and employees about their concerns, and with the Chief Executives of both railroads to ensure that their principal focus continues to be on improving the services that their companies provide. I also have requested information from the railroads on such issues as plans for handling seasonal traffic flows, cooperative efforts to ease congestion, and initiatives to improve the operations of the Shared Assets Areas, which clearly impact service in New Jersey. These contacts and the required reporting provide the Board with valuable information on the service issues that affect the public and on the condition of the former Conrail portions of each system.

Regarding your concern about the diversion from rail of truck-competitive traffic, clearly one of the objectives of this transaction was the opportunity to offer a new level of rail competition in the region that would compete with trucks. The full implementation of the shared assets operations and the redesign or construction of yard and intermodal facilities should

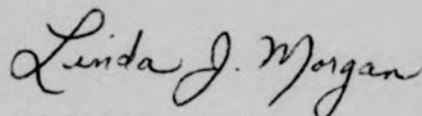
provide sufficient resources to accomplish this goal. In addition, NS, which clearly has acquired a significant presence in the region, has reported the addition of 416 locomotives, more than 300 additional train service employees, and its commitment to a \$250 million program for infrastructure improvements. The infrastructure improvements that focus more specifically on the needs of New Jersey, Pennsylvania, and New York are:

- ▶ Additional double-tracking and improved signalization of the "Penn Route", NS's main east-west route between the North Jersey Shared Assets Area and Chicago, including improvements in and around Harrisburg. These improvements are due to be completed in the first quarter of 2000.
- ▶ Completion of the Rutherford, Pennsylvania intermodal terminal. Due to be completed in the second quarter of 2000, this improved facility should increase the capacity and improve the fluidity of the "Penn Route", thus increasing the ability of NS to attract truck-competitive traffic otherwise moving by highway in the Northeast.
- ▶ Rehabilitation of the Bison and Buffalo and Pittsburgh yards in Buffalo, due to be completed in December 1999. This rehabilitation should improve the flow of traffic on NS's principal east-west line serving New Jersey and New York, relieve Conway Yard in Pittsburgh of some of its classification responsibilities, and greatly improve transit times for shippers in the region.

Clearly there have been start-up problems during the initial implementation of this transaction that, compounded by increased seasonal traffic flows, have resulted in less-than-adequate service for shippers. However, the Board's continued active and vigilant monitoring of the operations of NS and CSXT, as the carriers implement the Conrail transaction, and its proactive interface with shippers to resolve service issues informally as they are brought to our attention should serve to ensure a successful implementation of the Conrail transaction. The interaction that you seek is already occurring and, I assure you, will continue.

I appreciate the opportunity to respond to your concerns, and look forward to working with you in any area in which you or your constituents require the Board's assistance.

Sincerely,



Linda J. Morgan



Office of the Chairman

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

FILE IN DOCKET

FD-33388

November 30, 1999

The Honorable Robert Menendez  
U.S. House of Representatives  
Washington, DC 20515-3013

Dear Congressman Menendez:

Thank you for your letter regarding your concerns about the successful implementation of the Conrail transaction by Norfolk Southern Railroad (NS) and CSX Transportation, Inc. (CSXT). Specifically, you have expressed concern about the ability of NS and CSXT to marshal sufficient employee and other resources to handle seasonal traffic flows and provide adequate service to shippers in the region.

In its decision approving the Conrail transaction, the Board imposed significant reporting responsibilities on NS and CSXT related to the implementation of the transaction. The reporting requirements include a weekly regimen of operational metrics and monthly updates in such areas as Labor, Construction and Capital Projects, Information Technology, and Customer Service. The reports are filed with Mr. Melvin Clemens, the Director of the Board's Office of Compliance and Enforcement (OCE). As part of the Board's continuing effort to monitor and evaluate service and operational levels, Director Clemens has increased the reporting requirements on four occasions: in June; in July; in August; and most recently on November 5<sup>th</sup>. This increased reporting is intended to bring meaningful focus to areas that we believe continue to adversely affect operations. OCE Director Clemens also is in regular contact with senior officials at NS and CSXT to monitor the implementation, verify the metrics, and interface on customer issues.

In addition, I am in frequent contact with shippers and employees about their concerns, and with the Chief Executives of both railroads to ensure that their principal focus continues to be on improving the services that their companies provide. I also have requested information from the railroads on such issues as plans for handling seasonal traffic flows, cooperative efforts to ease congestion, and initiatives to improve the operations of the Shared Assets Areas, which clearly impact service in New Jersey. These contacts and the required reporting provide the Board with valuable information on the service issues that affect the public and on the condition of the former Conrail portions of each system.

Regarding your concern about shared assets operations, sufficient yard and employee resources, and increased truck traffic due to congestion, NS, which clearly has acquired a significant presence in New Jersey and Pennsylvania, has reported the addition of 416 locomotives, more train service employees, and its commitment to a \$250 million program

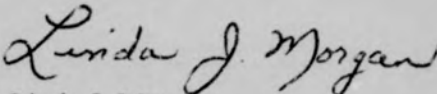
for infrastructure improvements. Some of the infrastructure improvements are addressed specifically to the needs of New Jersey are:

- ▶ Additional double-tracking and improved signalization of the "Penn Route", NS's main east-west route between the North Jersey Shared Assets Area and Chicago, including improvements in and around Harrisburg. These improvements are due to be completed in the first quarter of 2000.
- ▶ Completion of the Rutherford, Pennsylvania intermodal terminal. Due to be completed in the second quarter of 2000, this improved facility should increase the capacity and improve the fluidity of the "Penn Route", thus increasing the ability of NS to attract intermodal traffic otherwise moving by highway in New Jersey and New York.
- ▶ Rehabilitation of the Bison and Buffalo and Pittsburgh yards in Buffalo, due to be completed in December 1999. This rehabilitation should improve the flow of traffic on NS's principal east-west line serving New Jersey and New York, relieve some of the classification responsibilities of Conway Yard in Pittsburgh, and greatly improve transit times to New Jersey, New York and Pennsylvania shippers.

Clearly there were start-up problems during the initial implementation phase of this transaction that, compounded by increased seasonal traffic flows, have resulted in less-than-adequate service for shippers. However, the Board's continued active and vigilant monitoring of the operations of NS and CSXT, as the carriers implement the Conrail transaction, and its proactive interface with shippers to resolve service issues informally as they are brought to our attention should serve to ensure a successful implementation of the Conrail transaction.

I appreciate the opportunity to respond to your concerns, and look forward to working with you in any area in which you or your constituents require the Board's assistance.

Sincerely,

  
Linda J. Morgan





Office of the Chairman

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

FILE IN DOCKET  
JD-33388

November 30, 1999

The Honorable Bill Pascrell, Jr.  
U.S. House of Representatives  
Washington, DC 20515-3008

Dear Congressman Pascrell:

Thank you for your letter regarding your concerns about the successful implementation of the Conrail transaction by Norfolk Southern Railway (NS) and CSX Transportation, Inc. (CSXT). Specifically, you have expressed concern about the nature and extent of the transitional problems affecting service by both NS and CSXT, and the potential impact of increased highway traffic.

As you may know, in its decision approving the Conrail transaction, the Board imposed significant reporting responsibilities on NS and CSXT related to the implementation of the transaction. The reporting requirements include a weekly regimen of operational metrics, and monthly updates in such areas as Labor, Construction and Capital Projects, Information Technology, and Customer Service. The reports are filed with Mr. Melvin Clemens, the Director of the Board's Office of Compliance and Enforcement (OCE). As part of the Board's continuing effort to monitor and evaluate service and operational levels, Director Clemens has increased the reporting requirements on four occasions: in June; in July; in August; and most recently on November 5<sup>th</sup>. This increased reporting is intended to bring meaningful focus to areas that we believe continue to adversely affect operations. OCE Director Clemens also is in regular contact with senior officials at NS and CSXT to monitor the implementation, verify the metrics, and interface on customer issues.

In addition, I am in frequent contact with shippers and employees about their concerns, and with the Chief Executives of both railroads to ensure that their principal focus continues to be on improving the services that their companies provide. I also have requested information from the railroads on such issues as plans for handling seasonal traffic flows, cooperative efforts to ease congestion, and initiatives to improve the operations of the Shared Assets Areas, which clearly impact service in New Jersey. These contacts and the required reporting provide the Board with valuable information on the service issues that affect the public and on the condition of the former Conrail portions of each system.

Regarding your concern about increased truck traffic due to congestion, NS, which clearly has acquired a significant presence in New Jersey and adjoining Pennsylvania, has



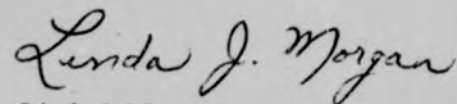
reported the addition of 416 locomotives, additional train service employees, and its commitment to a \$250 million program for infrastructure improvements. Some of the infrastructure improvements intended to address the flow of traffic to and from New Jersey and the Shared Assets Areas are:

- ▶ Additional double-tracking and improved signalization of the "Penn Route", NS's main east-west route between the North Jersey Shared Assets Area and Chicago, including improvements in and around Harrisburg. These improvements are due to be completed in the first quarter of 2000.
- ▶ Completion of the Rutherford, Pennsylvania intermodal terminal. Due to be completed in the second quarter of 2000, this improved facility should increase the capacity and improve the fluidity of the "Penn Route", thus increasing the ability of NS to attract intermodal traffic otherwise moving by highway in the Northeast.
- ▶ Rehabilitation of the Bison and Buffalo and Pittsburgh yards in Buffalo, due to be completed in December 1999. This rehabilitation should improve the flow of traffic on NS's principal east-west line serving New York and New Jersey, relieve some of the classification responsibilities of Conway Yard in Pittsburgh, and greatly improve transit times to New Jersey, New York, and Pennsylvania shippers.

Clearly there were start-up problems during the initial implementation phase of this transaction that, compounded by increased seasonal traffic flows, have resulted in less-than-adequate service levels for shippers. However, the Board's continued active and vigilant monitoring of the operations of NS and CSXT, as the carriers implement the Conrail transaction, and its proactive interface with shippers to resolve service issues informally as they are brought to our attention should serve to ensure a successful implementation of the Conrail transaction in the near term.

I appreciate the opportunity to respond to your concerns, and look forward to working with you and to keeping you informed as you wish on our continuing efforts with respect to the Conrail transaction. Please do not hesitate to contact me if we can be of assistance in any area in which you or your constituents may require the Board's assistance.

Sincerely,



Linda J. Morgan

STB

FD

33388

11-30-99

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD - 33388

November 30, 1999

Mr. Peter DelGobbo  
Director of Transportation  
AGWAY, Inc.  
P.O. Box 4933  
Syracuse, New York 13221-4933

Dear Mr. DelGobbo:

This responds to your letter regarding rail service issues affecting your company and their impact on your operations. I appreciate the challenge of your task in trying to adjust your operations to accommodate less-than-adequate rail service.

Our meeting in Buffalo on October 18<sup>th</sup> was an excellent opportunity for me to meet with shippers and listen to their concerns, and to get a sense of the proportions of the Buffalo-area rail service problem. As I pledged to the Congressional delegation in attendance, I have put forward a plan for addressing existing rail service concerns in the Buffalo area. In this regard, enclosed are copies of the letters sent to NS and CSX directing that various actions be taken. As I also pledged, I will be returning to Buffalo in six months to assess the situation. In the meantime, we will continue to actively monitor rail service in the Buffalo area, and I hope that you will not hesitate to be in contact with Melvin Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), who attended the Buffalo meeting with me, if there are immediate rail service issues with which we might be helpful.

We at the Board remain committed to working with you in a constructive way to resolve service issues in the Buffalo area. I look forward to our continued association.

Sincerely,

Linda J. Morgan

Enclosures



AGWAY INC., PO BOX 4933, SYRACUSE, NEW YORK 13221-4933

Chairman Linda Morgan  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

October 18, 1999

RE: Erie/Niagara Rail Committee Meeting  
Rail Crisis - Buffalo, NY

Dear Chairman Morgan,

My name is Peter DelGobbo; I am the Director of Transportation for Agway's Agricultural Division based in Syracuse, NY. Agway is the largest agricultural cooperative in the Northeast owned by 71,000 farmer members in 12 states. Agway's AG division operates 16 feed mills, 120 fertilizer facilities and 67 farm stores, and is very dependant on rail transportation, receiving and shipping approximately 10,000 carloads of grain, ingredients, and fertilizer products annually.

The breakup of Conrail has caused major and costly service delays for our company, mainly on the Norfolk Southern lines.

In the Buffalo area, the lack of a large classification yard has crippled the Norfolk Southern and I would say that the service on the NS lines between Buffalo and Binghamton NY is the worse in the entire merger area.

Agway has 18 covered hopper cars assigned to ADM Milling in Buffalo, which are used to ship wheat midds from Buffalo to Agway's feed mill in Binghamton, NY, 200 miles to the east on the NS Southern Tier Line. Prior to June 1<sup>st</sup> Agway was shipping six (6) cars per week with an average transit time of 5 days. Since the Conrail breakup our transit time is now averaging 28 days!!

The route on these cars is CSXT-Buffalo-NS, as ADM Milling is served by CSXT. Typically, a car is shipped and CSXT will offer the car to the NS within two to three days of ship date.

NS receives the car and routes it to Conway (Pittsburgh) where it is classified for the NS yard at Gang Mills, Corning, NY.

Cars are delayed in Buffalo, then delayed at Conway.

Cars then move from Conway to Ashtabula, back through Buffalo to Corning NY, where they are delayed another 2 to 3 days prior to movement to the Binghamton Yard for delivery.

Unfortunately, my empty cars, which are leased, return back to ADM Buffalo via the reverse route, again through Conway and back to Buffalo.

**We have had to truck midds from Buffalo to Binghamton to supplement this horrible rail service at twice the freight expense to keep of mill operating.**

**We are ,at this time, gathering all data to claim damages against the Norfolk Southern.**

**We are also experiencing MAJOR delays on shipments to Agway facilities at Jamestown, Castile and Big Flats,NY. It now takes a carload of corn two to four weeks to travel from Ohio to Castile NY (compared to 8 days with Conrail) and when the car is empty and released back to the NS, it has been averaging in excess of 30 days for NS to pickup the car... again these are Agway leased covered hopper cars.**

**CSXT and Norfolk Southern are under statutory obligation to render adequate service - these examples are NOT adequate service.**

**The Surface Transportation Board must step in and help solve this problem; at least until such time the Norfolk Southern has the ability to provide quality service.**

**It is most unfortunate that our company now looks for every possible way to NOT use Norfolk Southern in our rail routes.**





Office of the Chairman

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

JN-33388

November 30, 1999

Mr. Ronald F. Razzolini  
Plant Manager  
PVS Chemicals, Inc. (New York)  
55 Lee Street  
Buffalo, New York 14210

Dear Mr. Razzolini:

This responds to your letter regarding rail service issues affecting your company and their impact on your operations. I appreciate the challenge of your task in trying to adjust your operations to accommodate less-than-adequate rail service.

Our meeting in Buffalo on October 18<sup>th</sup> was an excellent opportunity for me to meet with shippers and listen to their concerns, and to get a sense of the proportions of the Buffalo-area rail service problem. As I pledged to the Congressional delegation in attendance, I have put forward a plan for addressing existing rail service concerns in the Buffalo area. In this regard, enclosed are copies of letters sent to NS and CSX directing that various actions be taken. As I also pledged, I will be returning to Buffalo in six months to assess the situation. In the meantime, we will continue to actively monitor rail service in the Buffalo area, and I hope that you will not hesitate to be in contact with Melvin Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), who attended the Buffalo meeting with me, if there are immediate rail service issues with which we might be helpful.

We at the Board remain committed to working with you in a constructive way to resolve service issues in the Buffalo area. I look forward to our continued association.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosures



## **PVS CHEMICALS, INC. (NEW YORK)**

*SUBSIDIARY OF PVS CHEMICALS, INC.*

55 Lee Street • Buffalo, New York 14210

Phone 716-825-5762 • 800-825-5762 • Fax 716-825-6454

October 18, 1999

Ms. Linda Morgan  
Chairwoman  
United States Surface Transportation Board  
C/O Erie Niagara Rail Steering Committee  
275 Oak Street  
Buffalo, New York 14203

Dear Ms. Morgan:

PVS Chemicals, Inc. (New York) is located at 55 Lee Street in the Industrial Corridor of Buffalo. Our manufacturing plant has been at this site since the 1870's. This location employs 50 hardworking, dedicated workers that manufacture Sulfuric Acid and other Sulfur Derivative products. The Ultra High Purity Sulfuric Acid manufactured at this site is some of the highest quality acid produced in the world, and is ultimately used in the manufacture of silicon chips.

Our customer base includes such local companies as Bethlehem Steel, Eastman Kodak, United Refining Company, Occidental Chemical, Arch Chemicals and Nelson Steel. PVS also ships product to Puerto Rico, Germany and Australia. These customers, as well as all of our accounts, rely on our ability to supply their critical raw materials in a timely manner. Our ability to stay in business in Buffalo is predicated on this ability.

Until June 1, 1999 the Buffalo plant received 3 railroad switches pre week. Although PVS would have preferred rail switching on a daily basis, Conrail met our needs by RELIABLY switching our plant each Monday, Wednesday and Friday. If you are not aware of it, this is no longer the case. Since the split up of Conrail, service into our plant has been dismal. On a daily basis as many as 5 of our personnel are needed to call either the Norfolk Southern or CSX Railroad in order to plead for service into our plant. Often we find that we are not even able to make contact with railroad personnel because the telephone rings and rings with no answer (even voicemail would be preferable). Many of the railcars arrive in the Buffalo railyards only to be put on other trains to go to Ohio or Pennsylvania where they would sit and wait for the opportunity to travel back to Buffalo. This has added substantially to our travel times on railcars. In some instances we have come within hours of shutting down key processes due to the lack of raw materials whose delivery was delayed by the railroad. And only then was delivery made due to the efforts of our personnel frantically pleading with the railroad for service. We are now faced with carrying higher inventory of key raw

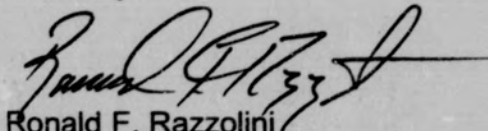
*"Let's Live Quality"*

material. This amounts to added costs for our facility in the form of higher inventory cost and detention charges on idle railcars. Our supplier also experiences added costs in the form of additional railcars to serve our needs.

Our investigation shows that transit times are running 3 times what they were prior to the Conrail split-up and we have gone up to 10 days without a switch. Since the split-up of Conrail we typically have been served once per week, compared to 3 times per week with Conrail. Since the formal announcement of this meeting 2 weeks ago, we have received multiple switches each week. Will this service continue, or will it revert back to a weekly switch once this meeting is concluded?

On behalf of the 50 families employed at our Buffalo manufacturing plant, our customers, and our industrial neighbors, I thank you for taking an interest in resolving this issue.

Sincerely,

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

Ronald F. Razzolini  
Plant Manager

STB

FD

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11-23-99

J

MOC

DAVE CAMP  
4TH DISTRICT, MICHIGAN

COMMITTEE ON STANDARDS  
OF OFFICIAL CONDUCT

COMMITTEE ON  
WAYS AND MEANS

TRADE  
HUMAN RESOURCES  
HEALTH

## Congress of the United States

House of Representatives

Washington, DC 20515-2204

November 17, 1999

137 CANNON BUILDING  
WASHINGTON, DC 20515-2204

(202) 225-3561

FAX (202) 225-9679

WORLD WIDE WEB:  
<http://www.house.gov/camp/welcome.htm>

DISTRICT OFFICES:

135 ASHMAN

MIDLAND, MI 48640

(517) 631-2552

FAX (517) 631-6271

3508 WEST HOUGHTON LAKE DRIVE

SUITE 1

HOUGHTON LAKE, MI 48629

(517) 366-4922

308 WEST MAIN ST.

OWOSSO, MI 48867

(517) 723-6759

TOLL FREE 1-800-342-2455

The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K Street, Northwest  
Washington, D.C. 20423-0001

Dear Chairman Morgan:

FILE IN DOCKET

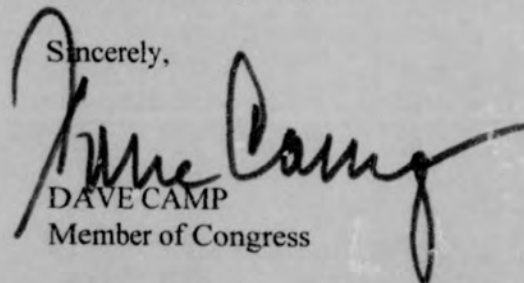
I am writing in regard to the transport of Michigan agricultural products via rail carriers.

As you know, recent weeks have seen a crisis in the lack of rail cars for shipment of Michigan agricultural products from elevators and storage facilities to market. The immediate crisis is the result of many factors, including a good harvest and the use of railcars in other parts of the country affected by weather disasters. However, another key factor, which has been a longstanding complaint of Michigan farmers, is the slow integration of Conrail assets into the CSX rail system.

In regard to this last factor, I would request that you provide me with information on the actions your Board has taken or studies and evaluations it has conducted in regard to the Conrail acquisition by CSX, as it relates to agricultural shippers in Michigan and their access to rail transport. Additionally, I would greatly appreciate any assistance you can provide in alleviating the shortage of rail cars for Michigan agricultural shippers.

Thank you in advance for your prompt attention to my request.

Sincerely,

  
DAVE CAMP  
Member of Congress

DLC:tnw

NOV 23 3 16 PM '99  
RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
CHAIRMAN MORGAN  
OFFICE OF



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11-23-99

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BUSINESS



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

November 23, 1999

FILE IN DOCKET

*Office of Compliance and Enforcement*

1925 K Street, N.W., Suite 780

Washington, DC 20423-0001

202-565-1573

FAX 202-565-9011

Mr. Michael J. Winn, Senior Vice President  
RR Donnelley & Sons Company  
Northeastern Division  
1375 Harrisburg Pike  
Lancaster, Pennsylvania 17601-2699

Dear Mr. Winn:

This responds to your letters and to the weekly Performance Reports that you have been providing this office since September to update me on your service issues. These updates have been extremely valuable to me in my efforts to work with Norfolk Southern Railway Company (NS) on your behalf to try and improve service to your Lancaster facilities.

Using your reports, I have discussed your concerns with NS officials during my frequent conference calls, including several discussions with Don Seale, NS's Vice President - Merchandise Marketing. It is clear from your reports and from the results of your meeting with NS officials on November 17<sup>th</sup> that substantial service issues remain. I am not satisfied with the service levels being provided to your company, and Mr. Mead's letter of November 19<sup>th</sup> makes it clear that neither are you. I am encouraged, however, by Thomas Lindsey's letter of November 19<sup>th</sup>, which sets out NS's goals for achieving improved service levels. As such, I will continue to work actively with NS officials to try and help bring about improved service levels for your company and for other similarly situated shippers and receivers. In order to aid me in this process, I would appreciate the continued receipt of your Performance Reports on NS service levels.

Please do not hesitate to contact me on any issue with which the Board can be of assistance.

Sincerely,

Melvin F. Clemens, Jr.  
Director

cc: Mr. Don Seale, Vice President - Merchandise Marketing  
Mr. James McClellan, Senior Vice President - Planning

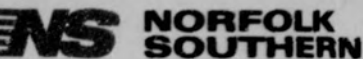
STB FD

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11-19-99

J

BUSINESS



Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-2191  
Telephone (757) 629-2610  
Facsimile (757) 629-2306

David R. Goode  
Chairman, President and  
Chief Executive Officer

FILE IN DOCKET

November 15, 1999

FD-33388

OFFICE OF  
CHAIRMAN MORGAN

NOV 19 5 03 PM '99

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

The Honorable Linda J. Morgan  
Chairman  
Surface Transportation Board  
Washington, D.C. 20423-0001

Dear Chairman Morgan:

I have reviewed your letter of November 5 and, of course, NS will comply with the various requests for additional information concerning issues affecting the Buffalo area. We are working with CSX concerning a possible solution to CP Draw and will have a report to you on that issue no later than December 15. The other information requested in your letter will be included in the weekly or monthly reports we are currently submitting to the Board through Melvin Clemens and will be supplied on the time frame you request.

The last several weeks have been the best for us since June 1. As our system improves and we gradually put our transition problems behind us, shippers in Buffalo and throughout our network will see better service.

Sincerely,

STB FD

33388

11-17-99

J

BUSINESS





FILE IN DOCKET

**PPG Industries, Inc.**

One PPG Place Pittsburgh, Pennsylvania 15272 USA Telephone: (412) 434-2349 Facsimile: (412) 434-2545

Donald W. Bogus  
Vice President  
Government Affairs

November 11, 1999

Ms. Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street N. W.  
Washington, D. C. 20423-0001

Dear Ms. Morgan:

This letter is to respectfully ask for your assistance with regard to the current rail service being provided in the northeast on the former Conrail network, that is now being operated by CSX and the Norfolk Southern.

PPG is a multi-business, global manufacturing corporation. In 1998, worldwide sales were in excess of \$7 billion, of which \$4.7 billion was generated in the United States. In 1998, PPG had 31,000 employees worldwide and 20,000 in the United States. PPG is a significant user of railroad transportation services for both the receipt of key raw materials and the shipping of products to our customers. PPG owns and leases 2,500 rail cars to transport bulk chemical products, including some that are virtually rail dependent.

On June 1, 1999 the Conrail acquisition by CSX and the Norfolk Southern occurred, and both railroads began operating their portion of the acquired system. PPG participated in the acquisition proceedings and expressed its concern about the elimination of competition and the operating capabilities of the two acquiring carriers. The acquisition was approved by the STB and the shippers were promised more competition and improved service.

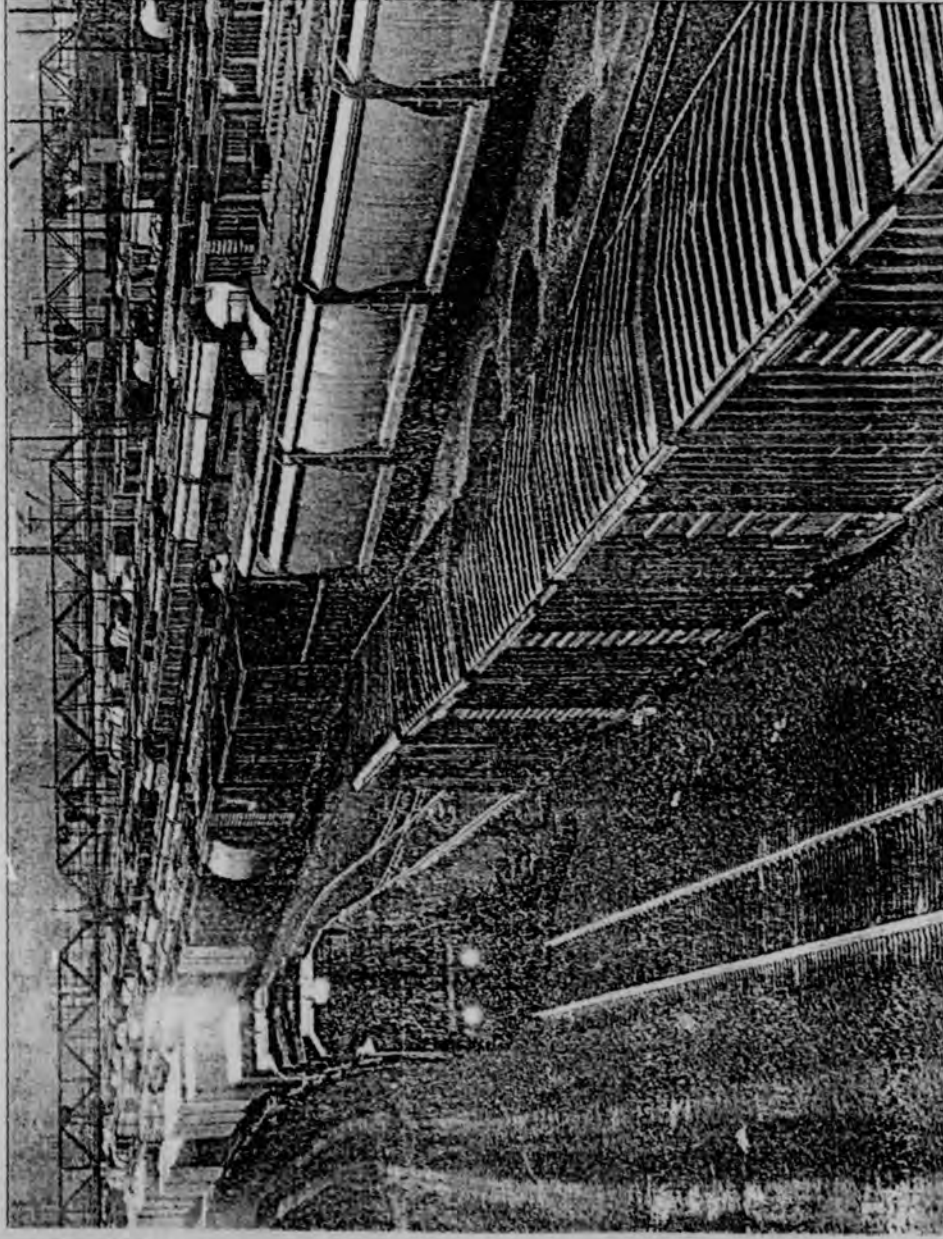
The start up did not go smoothly, and the carriers encountered significant problems in systems and service. CSX and the Norfolk Southern did acknowledge that start up problems were more severe than expected, but indicated service would be back to normal or better than previously provided by Conrail, in a short period of time.

Unfortunately the service performance of both carriers has not improved and in some cases it has gotten worse. CSX and the Norfolk Southern are not providing an acceptable level of service, resulting in extensive problems, unplanned expenses, and significant business disruptions for PPG and its

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SURFACE TRANSPORTATION  
BOARD  
NOV 17 9 52 AM '99

# BUSINESS

PITTSBURGH POST-GAZETTE ■ FRIDAY, NOVEMBER 5, 1999



Tony Tye/Post-Gazette

The former Conrail yard at Conway, Beaver County, has become home to lost cars and snarled trains since it was taken over by Norfolk Southern.

## Not working on the railroad

Norfolk Southern and CSX are still struggling to make the Conrail breakup pay off

By Len Boselovic  
and Jim McKay

Post-Gazette Staff Writers

**N**orfolk Southern Chairman David R. Goode hailed the June 1 breakup of Conrail as "the beginning of a new age in transportation."

Some of Goode's customers are thinking more in terms of a new rage.

Despite promises that the problems created by dividing Conrail between Norfolk Southern and CSX would dissipate by the peak fall freight season, customers of both railroads say delays in some cases are just as bad as they were this summer.

Problems include computers that think loaded cars are empty, lost cars and snarled trains at major yards like Norfolk Southern's Conway Yard in Beaver County. Amtrak passengers have been delayed by the congestion. In Ohio, lawmakers are considering stiffer sanctions for blocking railroad crossings, saying the

breakup of Conrail has exacerbated a public safety problem.

"Service levels continue to be unacceptable. We really have seen very little improvement, if any," says Donna Magill, director of logistics for PPG Industries.

"The big frustration is that they can't tell us when this is going to improve."

Transport Workers Union Local 2035 secretary-treasurer Tom Holsinger compares it to "a Triple-A team playing in the majors."

"They're having problems with the computers, paper work [and] finding out where the cars should go," says Holsinger, whose local represents about 135 former Conrail employees who now work at the Conway Yard.

Personnel decisions are another factor.

"The Conrail success was directly attributed to its great employees, and I think this merger has yet to fully utilize the employees as an asset," says Don Tre-

erhood of the Maintenance of Way Employees, another railworkers union. "I really don't want to slug these people too hard, because, quite frankly, they've been fair — different but fair."

Norfolk Southern spokesman Rudy Husband insists "major integration problems that we suffered from early on ... have really been corrected," but, he says, the railroad has been telling customers for some time not to expect much improvement during the fall freight crunch, when congestion and equipment shortages are common.

"They generally understand that," says Husband. "They don't like it, of course, but they understand why it's happening."

Hurricane Floyd, which damaged major sections of track, didn't make matters any easier, says CSX spokesman Robert Sullivan. "We're well aware that our service in many cases is not up to levels that customers require," he

SEE **CONRAIL**, PAGE E-2

# Firms struggle to make Conrail breakup pay off

CONRAIL FROM PAGE E-1

says. It may be mid-December "before you see real significant relief," Sullivan adds.

The impact of the chaos is apparent in Norfolk Southern's financial statements. The Norfolk, Va.,

based railroad spent \$116 million in the third quarter trying to untangle its rail lines, including \$49 million in incentives for unionized employees. In addition to paying more overtime, Norfolk Southern and CSX are rehiring Conrail crews, leasing additional locomotives and asking short-line railroads, whose limited track networks connect to Norfolk Southern's and CSX's main lines, to help them sort trains and handle some traffic.

"Both of [the railroads] have been very creative at using short lines to get traffic off the system," says Jim Johnson, traffic manager for Empire Wholesale Lumber in Akron.

Norfolk Southern and CSX are filing weekly reports with the U.S. Department of Transportation that detail on-time performance and other measures. While the reports are supposed to shed some light on progress, Johnson finds them of little use.

"I've got cars stuck in places where they shouldn't be stuck according to those reports," he says.

In Northwestern Ohio, blocked rail crossings were a major safety concern before the \$10.3 billion breakup of Conrail. Now in some towns such as Fostoria, southwest of Toledo, rail traffic has more than tripled, causing even more blocked crossings. State Rep. Rex Damschroder says the roadblocks have forced firefighters to crawl under a train to get to a fire. Kids have done the same thing to get to school on time, he says.

Damschroder is formulating a bill that would prohibit trains from blocking critical crossings. Another proposal would increase fines railroads are charged for blocking crossings for more than five minutes.

Husband says Norfolk Southern has stopped trains outside terminals because of congestion inside the yards, blocking crossings "in some cases for hours at a time." But the situation has improved significantly over the last few

months, he says.

The logjam is the East Coast version of what happened in the West in 1996, when the Union Pacific and Southern Pacific, two large western railroads, merged. Norfolk Southern and CSX control virtually all rail traffic east of the Mississippi River. CSX has a 22,700-mile network in 23 states, the District of Columbia and parts of Canada. Norfolk Southern has about 21,600 miles of track in 22 states, the District of Columbia and Ontario.

"It hasn't been anything close to what we had with the UP," says Johnson. "People quickly forget how bad it was with the UP."

PPG's Magill isn't so sure. Just when she thinks things are starting to get better, "we go right back into fighting the next crisis."

"The longer it's gone on, it's hard for us to say which is worse. This continues to be a major problem for us," Magill says.

Most customers give CSX and Norfolk Southern credit for trying hard.

"We've had some problems, but I think we can get them worked out," says J&L Specialty Steel spokesman James Leonard.

Ed Vigneaux, traffic manager for Reagent Chemicals in Houston, Texas, says that unlike Union Pacific, Norfolk Southern and CSX have been "willing to take lumps on the financial side to make this thing work." Still, service "has not improved any since June 1," Vigneaux says. "Some areas have gotten better and others have gotten worse."

Not everybody is complaining. Short lines are seeing more business since June 1.

"They've generated a lot of traffic," says Dale Berkley, president and co-owner of ISS Rail in New Castle. "What we've found on both inbound and outbound traffic... is that Norfolk Southern is competing with CSX as far as rates are concerned, which Conrail was unwilling or unable to do."

Norfolk Southern's Husband says initially "there was a lot of new business that wanted to come to the railroads." However, delays have made many of them change their minds.

"Right now, there is traffic looking for other modes because neither railroad can handle it," Husband says.



customers. The following highlights what PPG has had to deal with since the Conrail breakup. In 1999, PPG has experienced:

- Curtailment of production at PPG's Beauharnois, Quebec and Natrium, West Virginia facilities.
- Shutdowns of key PPG customers.
- Emergency use of trucks at PPG's Meadville and Carlisle, Pennsylvania facilities to supply critical raw materials to keep our plants operating.
- Extraordinary amount of resources required to trace and expedite cars on a daily basis.
- Additional expense for temporary manpower.
- Added expenses to maintain additional cars in PPG's private fleet, offsetting service inconsistencies.
- Curtailment of outbound shipments at our facilities.
- Increases in transit times of 15-30%.

Our experience shows that interchange delays are particularly acute at several yard locations on both railroads such as Buffalo, NY; Hagerstown, Cumberland MD; Cleveland, Ohio; Pittsburgh, Philadelphia, Allentown, PA, and Russell, KY.

Personal and written communications have been made with key CSX and Norfolk Southern management expressing the critical nature of these problems. Calls are made on a daily basis trying to determine when cars will move and when they will be delivered. The railroads are unable to provide reliable information because frequently the information needed is simply not available. Unreliable systems frequently cause loads to become empties and empties to become loads. Cars are mishandled and sent in the wrong direction or just disappear.

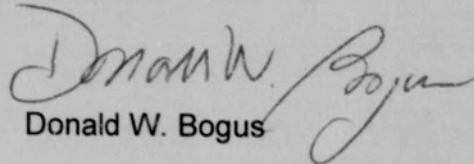
Neither railroad can provide a reliable time frame for PPG to expect consistent service. It is extremely critical that service deficiencies be corrected as soon as possible. PPG is requesting that the Surface Transportation Board, with its oversight of the acquisition, take whatever steps are necessary to restore rail service back to consistent and reliable service standards. The Board must not adopt an accepting attitude of the levels of service currently being provided

because rail dependent users cannot continue to successfully run their operations with a continuation of the current railroad service levels. **In our opinion, CSX and the Norfolk Southern must be required by the Board to take immediate actions to improve this situation.**

Respectfully, PPG would appreciate a written response from the Board as to what steps are being taken by both companies that will result in an expedited rail service recovery.

To stress the importance of this situation, we are sending copies of this letter to Senators Rockefeller (WV), Santorum (PA), Specter (PA) and Pennsylvania Congressmen English and Goodling.

Sincerely,

  
Donald W. Bogus





**PPG Industries, Inc.**  
One PPG Place Pittsburgh, Pennsylvania 15272 USA

**Margaret H. McGrath**  
Vice President  
Purchasing & Distribution  
412-434-2731 (Phone)  
412-434-4170 (FAX)

November 11, 1999

Mr. John W. Snow  
Chairman, President, and CEO  
CSX Corp.  
One James Center  
901 East Carey Street  
Richmond, VA 23219-4031

Dear Mr. Snow:

PPG Industries, Inc. is writing this letter to inform you of our serious concerns with rail service since the acquisition of Conrail by CSX and Norfolk Southern on June 1, 1999. Over the past several months we have been working diligently with all of your customer service representatives and various managers to rectify problems caused by very poor service performance. Although we appreciate everyone's efforts, our service has not improved and, as a matter of fact, it continues to deteriorate.

PPG is doing everything possible to mitigate the damages caused by the service performance; however, the impacts to our business are tremendous. The following provides a broad overview of the problems we are encountering:

- **Customer shutdowns**
- **Curtailed production rates**
- **Premium truck transportation expenses**
- **Temporary employee expenses**
- **Additional tank car fleet expenses**
- **Curtailed outbound shipments**

We feel we have no choice but to raise this issue to the highest possible level. We are requesting your immediate assistance in addressing this service performance. We would like to meet with you and your management team to review specific action plans to improve service. Thank you for your assistance.

Attached for your review is a recent memo we sent to Linda Morgan, Surface Transportation Board. Copies of this memo were also respectfully submitted to Senators Rockfeller (WV), Santorum (PA), Specter (PA) and Pennsylvania Congressmen English and Goodling.

Sincerely,

*MM McGrath*

Margaret McGrath  
Vice President  
Purchasing & Distribution

*Rae R. Burton*

Rae R. Burton  
Vice President  
Chlor Alkali  
& Derivatives

*Richard B. Leggett*

Richard B. Leggett  
Vice President  
Flat Glass

Attachment



**PPG Industries, Inc.**  
One PPG Place Pittsburgh, Pennsylvania 15272 USA

**Margaret H. McGrath**  
Vice President  
Purchasing & Distribution  
412-434-2731 (Phone)  
412-434-4170 (FAX)

November 11, 1999

Mr. David R. Goode  
Chairman, President, and CEO  
Norfolk Southern Corp.  
Three Commercial Place  
Norfolk, VA 23510-2191

Dear Mr. Goode:

PPG Industries, Inc. is writing this letter to inform you of our serious concerns with rail service since the acquisition of Conrail by CSX and Norfolk Southern on June 1, 1999. Over the past several months we have been working diligently with all of your customer service representatives and various managers to rectify problems caused by very poor service performance. Although we appreciate everyone's efforts, our service has not improved and, as a matter of fact, it continues to deteriorate.

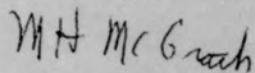
PPG is doing everything possible to mitigate the damages caused by the service performance; however, the impacts to our business are tremendous. The following provides a broad overview of the problems we are encountering:

- **Customer shutdowns**
- **Curtailed production rates**
- **Premium truck transportation expenses**
- **Temporary employee expenses**
- **Additional tank car fleet expenses**
- **Curtailed outbound shipments**

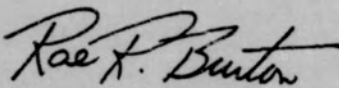
We feel we have no choice but to raise this issue to the highest possible level. We are requesting your immediate assistance in addressing this service performance. We would like to meet with you and your management team to review specific action plans to improve service. Thank you for your assistance.

Attached for your review is a recent memo we sent to Linda Morgan, Surface Transportation Board. Copies of this memo were also respectfully submitted to Senators Rockfeller (WV), Santorum (PA), Specter (PA) and Pennsylvania Congressmen English and Goodling.

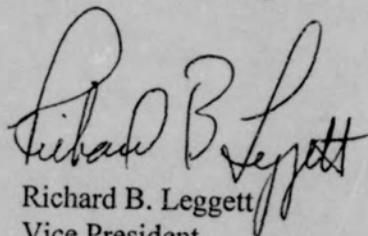
Sincerely,



Margaret McGrath  
Vice President  
Purchasing & Distribution



Rae R. Burton  
Vice President  
Chlor Alkali  
& Derivatives



Richard B. Leggett  
Vice President  
Flat Glass

Attachment

STB FD

33388

11-17-99

J

BUSINESS



# TROUTMAN SANDERS LLP

ATTORNEYS AT LAW  
A LIMITED LIABILITY PARTNERSHIP

1300 I STREET, N.W.  
SUITE 500 EAST  
WASHINGTON, D.C. 20005-3314  
www.troutmansanders.com  
TELEPHONE 202-274-2950

FILE IN DOCKET

William A. Mullins  
william.mullins@troutmansanders.com

Direct Dial: 202-274-2953  
Fax: 202-274-2994

November 17, 1999

## VIA OVERNIGHT DELIVERY

James C. Bishop, Jr., Esquire  
Executive Vice President - Law  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-2191

RE: Service Failures Suffered by R.R. Donnelley & Sons Company at Its Lancaster,  
Pennsylvania Printing Plants

Dear Jim:

We have been retained by R.R. Donnelley & Sons Company ("Donnelley"), the nation's largest printer of catalogs and similar advertising and sales materials, to advise them about their alternatives in dealing with continuing inadequate Norfolk Southern rail service at their two Lancaster, PA plants. The purpose of this letter is to advise you of the seriousness of this situation and to request your assistance in remedying these problems so that Donnelley is not forced to seek an emergency service order from the Surface Transportation Board ("STB").

Since the June 1 Conrail split date, Donnelley has suffered from seriously diminished rail service. Like others, Donnelley had planned for service difficulties by increasing the lead times on its paper orders, but NS' service has failed to meet even those reduced expectations. NS computers proved initially to be almost completely incapable of informing Donnelley of the status of its shipments. This is a severe problem for Donnelley, which must schedule major printing jobs to coincide with arrival of the appropriate papers, yet it cannot get accurate information on the delivery status of those shipments. While NS' data systems have improved, their accuracy remains less than 50%. For planning purposes, this level of accuracy/inaccuracy is completely useless.

Because of transit delays and unpredictable service, Donnelley and its suppliers have been forced to divert a significant amount of rail-appropriate freight to truck. Indeed, at times, Donnelley has been forced to use over two and half times its normal truck usage. This has greatly increased Donnelley's transportation costs and as of this date has resulted in over a half a

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A LIMITED LIABILITY PARTNERSHIP

James C. Bishop, Jr., Esquire  
November 17, 1999  
Page 2

million dollars in damages. This has caused considerable difficulties because the Lancaster plants are largely rail-dependent and are not equipped to handle the current volumes of truck shipments efficiently. Indeed, Donnelley's Lancaster plants were built with rail service as the primary delivery mechanism.

Donnelley has worked hard in communicating with NS at all levels and cooperating to resolve these problems. Beginning in September, Donnelley also sought, through the informal complaint process, the involvement of the STB. Donnelley had hoped that the STB could facilitate progress which Donnelley and NS had not been able to accomplish alone. Since that time, Donnelley has been providing the STB and NS with weekly reports on a variety of service quality issues concerning Donnelley's Lancaster plants. I am attaching copies of those letters for your information.

Now, more than five months after the Conrail split-up was effectuated, NS' service is improved, but inadequate to meet Donnelley's critical business needs. As compared to Conrail's service, there has been "over an identified period of time, . . . a substantial, measurable deterioration or other demonstrated inadequacy in rail service provided by the incumbent carrier" (i.e., NS). See 49 C.F.R. § 1146.1(a). Shipment information, as stated previously, remains uselessly inaccurate. Transit times, while finally catching up with the elongated estimates Donnelley and its suppliers have used since the split date, remain well below the quality of Conrail's service. There continues to be tremendous variations in transit times and often NS' shipment status information is completely unreliable. Together, these failures mean that Donnelley cannot plan and schedule its printing. Yet, the company *must* be able schedule its work in order to meet its contractual commitments to its customers, particularly at this busy time of year.

This letter should be considered as Donnelley's final effort to discuss with NS "the service problems and the reasons why the incumbent carrier is unlikely to restore adequate rail service consistent with current transportation needs within a reasonable period of time," as referenced in the STB's Ex Parte 628 emergency service rules. 49 C.F.R. § 1146.1(b)(1)(B). This does *not* mean that Donnelley intends, at this time, to discontinue its cooperation with NS and the STB. Rather, it is time for definitive steps to be taken to determine whether NS can in fact fix the problems at Lancaster and, if so, to put a timetable to those remedies. If not, then Donnelley must quickly assess its options to obtain sufficient alternative service. In either case, it is imperative that Donnelley be able to resume, in the very near term, conducting its business in the scheduled manner that is critical to the time-sensitive printing needs of its customers.

As a final note, please be advised that this letter in no way waives any rights or forecloses any options that Donnelley may have with respect to the deficiencies of NS' service. In

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ATTORNEYS AT LAW  
A LIMITED LIABILITY PARTNERSHIP

James C. Bishop, Jr., Esquire  
November 17, 1999  
Page 3

particular, Donnelley has incurred substantially increased costs as a result of NS' inconsistent service. Donnelley is exploring its contractual and other remedies with respect to recovery of these costs. Donnelley also has received demurrage bills for excessive amounts due to NS's bunching of deliveries and even NS's billing Donnelley for demurrage on cars containing the shipments of other NS customers. Donnelley will not pay these improper charges.

Top priority for Donnelley at this time is immediate restoration of reliable rail service at its Lancaster plants and an immediate accurate accounting of appropriate demurrage charges. Donnelley must be able to schedule its work and rely on the requisite materials being available on schedule. If NS cannot provide that service, then Donnelley must explore other means of obtaining it. While Donnelley would prefer to obtain a resolution with NS and to build the foundation for a long term relationship, service meeting Donnelley's essential needs is the paramount goal. How and with whom that goal is achieved must be secondary.

On Donnelley's behalf, I request that NS respond no later than December 1, 1999, specifying both how and when it will achieve the goal of meeting Donnelley's service reliability requirements. Donnelley and I look forward to your rapid response to this request.

Sincerely,



William A. Mullins

cc: The Honorable Linda J. Morgan  
Mr. Melvin F. Clemens, Jr.  
Mr. Stephen C. Tobias, Vice Chairman and Chief Operating Officer  
Mr. L.I. Prillaman, Vice Chairman and Chief Marketing Officer  
Mr. James W. McClellan, Sr. Vice President-Planning  
Mr. Donald W. Seale, Vice President-Merchandise Marketing

September 17, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation,  
Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Clemens:

Thank you for our conference call on 9/8/99 regarding our transportation "challenges" with Norfolk Southern. It resulted in a call between representatives of Norfolk Southern and myself on 9/9/99. That discussion was quite constructive - they acknowledged our delivery problems, and in turn I promised to provide Norfolk Southern with performance metrics.

The R.R. Donnelley Materials Department, primary interface with Norfolk Southern, has spent the last week designing and compiling some basic performance metrics. These are intended to track information systems, transit time, and reliability of delivery dates. We will provide the same metrics weekly, summarized on a month to date basis. Attached is the first attempt, with definitions. (These are "September To Date" results.) Briefly, the metrics demonstrate the following:

**Information Accuracy:** Faxtrac is the information we receive from Atlanta that is intended to track total RRD cars in the system for both of our plants - East and West. So far this month, only 7.8% of our cars are on the list - all other cars on Faxtrac are for other customers. Another way of looking at this information - of all the cars that we know are in the Norfolk system, only 8.7% are on the Faxtrac.

(Note: Our expeditors use mill shipment information plus the Norfolk Southern Internet Web Site to actually track our cars. Between these two sources we have a fairly reliable picture of all of what cars SHOULD be in the system.)

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SURFACE TRANSPORTATION  
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DIRECTOR OF COMPLIANCE  
AND ENFORCEMENT



**Daily Placement (East):** This is a measure of the accuracy of the daily fax of cars to be delivered to our East Plant. (It is an "open" yard.) So far, only 28.3% of the cars on this list are really our cars. We must call Norfolk Southern and inform them that the other cars are NOT ours, or they will very likely be delivered in error.

**Constructive Placement (West):** Our West Plant is a closed yard. This is the daily notice of the cars in the local yard ready to be delivered when we call for them. Only 17.6% of the cars on this list are actually RRD cars. In this case, if we don't correct the information, Norfolk Southern begins the demurrage charges on all cars.

The next section is **Transit Efficiency** – obviously a critical factor for us in managing inventories and meeting production dates. Note the average time of transit from the various mills, and the variance. Currently we are using 14 days as a prediction of transit time in ordering paper. This is a significant increase over past practices and obviously not a reliable number.

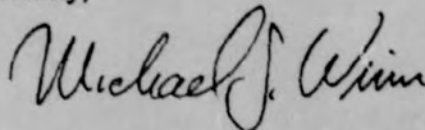
This then leads us to look at **On-Time Delivery Statistics**. So far this month, deliveries have been an average of 3.5 days late. Bad enough, but the Standard Deviation is plus or minus 10.5 days!

This leads us to the final metric **Effect on Donnelley Operations**. Again, we designed and built our plants to rely on rail deliveries of paper. We DO NOT have the personnel or facilities to handle large volumes of truck deliveries. The statistics provided are for August – we will update in subsequent reports for September. August rail deliveries were DOWN 57.3%, and truck deliveries were up 291% for the two plants!

In conclusion, we plan to provide these statistics on a weekly basis to Norfolk Southern and to the Surface Transportation Board. This is being done in the spirit of assisting to improve service for R.R. Donnelley and all of their other customers of Norfolk Southern.

Thank you for your attention to this urgent matter.

Sincerely,



Copy: Jim McClellan, Norfolk Southern





To: Michael Winn

Date: 09/15/99

From: Wade Smith

Location: Lancaster East

Subject: Norfolk Southern Performance Measures

Phone: (717) 293-2080

Fax: (717) 293-2157

**Information Accuracy** – These metrics define the accuracy of transit and delivery information provided to R.R. Donnelley Lancaster from the NS Customer Service Center in Atlanta. It looks at the two main sources of data: The Faxtrac, which lists all of the cars routed to a facility, and the Daily Placement Sheet, which is a notice of cars scheduled for delivery on a given day.

	Faxtrac (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
Month to Date	7.8%	8.7%	28.3%	17.6%
Current Week				

**Transit Efficiency** – These metrics define the efficiency and consistency of travel through the Norfolk Southern rail system. Specifically, these metrics track travel time from specific mills and Norfolk Southern's ability to deliver cars on the requested due date.

Mill	Location	Average Transit Time in Days		
		Prior Month (August 1999)	Month to Date	Current Week
Alliance	B	15.0	11.6	
ABICON	M	16.6	12.2	
Madison		18.0	14.0	
Bowater		14.6	16.8	
Fraser		14.2	16.9	
International		13.8	15.0	
TRIPAP		11.0	13.5	

	On-Time delivery Statistics		
	Prior Month (August 1999)	Month to Date	Current Week
Lancaster Average	-4 (Late)	-3.5 (Late)	
STD DEV	6	10.5	

**Effect on Donnelley Operations** – The Donnelley plants in Lancaster are designed to receive the majority of paper shipments via rail. Due to the current rail situation, many suppliers have elected to ship paper in trucks to ensure on-time delivery. This causes increased overtime wage and reduced efficiencies for R.R. Donnelley. This metric compares rail and truck receipt levels from 1998 and 1999.

August - Rail Cars Received		August - Trucks Received	
1998	1999	1998	1999
520	298	484	1413
% Change	-57.3%		+291%

## **DEFINITIONS**

**Faxtrac** – The term 'Faxtrac' refers to the daily notice sent from the NS Atlanta Customer Service Center identifying the cars in route to a specific customer location. This notice lists cars by shipper, their last reported location, and their last reported status (arrival, departure, ...). It is sent each morning to the expeditors at both Donnelley locations. This report is extremely unreliable. Few of the cars listed on the reports are actually intended for the individual plant receiving the report. Additionally, the information on the report is typically 24 to 48 hours behind the information available on the internet.

**Daily Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars scheduled to be placed at the customer location that day. The Lancaster East Plant is an 'Open - Gate' facility. The local rail yard delivers cars to the plant as they receive them. Donnelley Expeditors no longer call NS to inform them of misplaced cars. The local yardmasters have a good handle on where the cars are going. The concern with this report is that the majority of the cars listed are not being shipped to the East Plant.

**Constructive Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars that are 'constructively placed' at the local railyard and ready to be delivered. The Lancaster East plant is a 'closed gate' facility. The local railyard notifies the receiving office that cars are available for delivery. The expeditor then requests specific cars for each days delivery. The concern with this report is that a small percentage of the cars actually in the local yard are reflected on this report.

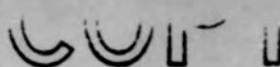
**Average Transit Time** – This is a measure the average travel time from individual mills to the Donnelley Locations. Time is measured from reported ship date to date received in Lancaster.

**On Time Delivery** – This is a measure of timeliness of delivery. The statistics are calculated by comparing the requested due date to the date actually received. Because of the wide swings in deliveries, both an average and a standard deviation are given.

Predictability is crucial as Donnelley moves more and more to a Just-In-Time inventory system. We can not allow a large deviation in average travel times and the timeliness of deliveries. Both press schedules and crewing levels depend on the rail shipments arriving as predicated. Large swings (whether early or late) add excessive cost to Donnelley's operations in the form of lost production and increased overtime.

**Effect on Donnelley Operations** – R.R. Donnelley, like most major commercial printers, depends on rail service to move the large quantities of paper required in the printing industry. Relying on trucks to move these large quantities of paper is not cost effective for Donnelley, our paper suppliers, or our customers.

RR DONNELLEY & SONS COMPANY  
Northeastern Division



*caption  
file*

Northeastern Division  
1375 Harnsburg Pike  
Lancaster, PA 17601-2600  
Telephone (717) 293-2400  
Fax (717) 293-3843

Michael J. Winn  
Senior Vice President

September 24, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation,  
Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

OFFICE OF COMPLIANCE  
AND ENFORCEMENT  
DIRECTOR OF COMPLIANCE  
AND ENFORCEMENT

SEP 27 1 09 PM '99

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SURFACE TRANSPORTATION  
BOARD

Dear Mr. Clemens:

Attached is the 9/23/99 Performance Report for Norfolk Southern deliveries to the R.R. Donnelley Lancaster facilities. Note the improvement comments. While it appears that Norfolk Southern is responding to our appeal, the metrics still support our claim of the inability to operate our business any where near normal. And again, that significantly increases our costs, and our inability to meet contractual obligations. Our customers will go to competitors in other parts of the country if we cannot meet their requirements for delivery.

This weekend we have paper in the Norfolk Southern system that they cannot deliver, and we will not be able to produce a catalog per our customer's requirements. Our ability to compensate for their deficiencies has finally failed. This may very well be the start of losing business.

This information is being presented to Norfolk Southern in the spirit of continuous improvement. Hopefully it is being utilized in the same manner. We will continue to provide the metrics. But please remember that this is a situation that places our business in significant risk, and the fallout will have a major impact on the local economy.

Thank you for your attention to this urgent matter.

Sincerely,

cc: Jim McClellan, Norfolk Southern



To: Michael Winn

Date: 09/22/99

From: Wade Smith

Location: Lancaster East

Subject: Norfolk Southern Performance Measures

Phone: (717) 293-2080

Fax: (717) 293-2157

**Information Accuracy** – There has been dramatic improvement in this area over just the past week. The daily FAXTRAC is still not a useable tool because the information continues to lag 24 – 48 hours behind the internet site. The daily placement report has improved for the Lancaster East plant. The constructive placement report for the West Plant showed a decline in accuracy.

	Faxtrac (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
Month to Date	7.8%	8.7%	28.3%	17.6%
Current Week	38.9%	49.3%	37.0%	17.0%

**Transit Efficiency** – In general, transit times improved during the past week. Transit times as a whole are still above the averages prior to the merger. On time efficiency showed an improvement. This is partially a result of improved transit times. All paper suppliers are adding at least seven days to their expected ship times due to the ongoing delivery problems. Overall, the consistency of delivery has improved (standard deviation decreased 30% to 5.2).

Mill	Location	Average Transit Time in Days		
		August 1999	Month to Date	Current Week
Alliance	Dolbeau, Quebec	15.0	15.11	9.0
ABICON	Laurentide, Quebec	16.6	12.2	N/A
Madison	Madison, Maine	18.0	14.0	N/A
Bowater	East Millinocket, Maine	14.6	15.9	9.3
Fraser	Madawaska, Maine	14.2	14.4	13.0
International	Pine Bluff, Arkansas	13.8	13.8	N/A
TRIPAP	Trois Rivieres, Quebec	11.0	13.5	11.0

	On-Time delivery Statistics		
	Prior Month (August 1999)	Month to Date	Current Week
Lancaster Average	-4 (Late)	+1.7 (Early)	+0.6 (Early)
STD DEV	6	7.4	5.2

**Effect on Donnelley Operations** – Truck activity remains at a record level. Rail activity continues to be below historical levels, although we saw an increase in the flow of cars already in the system after last weeks conference call. Whether conditions from recent storms has dramatically increased paper damage due to wet rolls. This type of damage is prevalent in trucks and almost non-existent in railcars. This will add additional costs to the mills and carriers as they address damage claims.

## AUGUST Comparison

Rail Cars Received		Trucks Received	
1998	1999	1998	1999
520	298	484	1413
% Change	-57.3%		+291%



## **DEFINITIONS**

**Faxtrac** – The term 'Faxtrac' refers to the daily notice sent from the NS Atlanta Customer Service Center identifying the cars in route to a specific customer location. This notice lists cars by shipper, their last reported location, and their last reported status (arrival, departure,...). It is sent each morning to the expeditors at both Donnelley locations. This report is extremely unreliable. Few of the cars listed on the reports are actually intended for the individual plant receiving the report. Additionally, the information on the report is typically 24 to 48 hours behind the information available on the internet.

**Daily Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars scheduled to be placed at the customer location that day. The Lancaster East Plant is an 'Open – Gate' facility. The local rail yard delivers cars to the plant as they receive them. Donnelley Expeditors no longer call NS to inform them of misplaced cars. The local yardmasters have a good handle on where the cars are going. The concern with this report is that the majority of the cars listed are not being shipped to the East Plant.

**Constructive Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars that are 'constructively placed' at the local railyard and ready to be delivered. The Lancaster East plant is a 'closed gate' facility. The local railyard notifies the receiving office that cars are available for delivery. The expeditor then requests specific cars for each days delivery. The concern with this report is that a small percentage of the cars actually in the local yard are reflected on this report.

**Average Transit Time** – This is a measure the average travel time from individual mills to the Donnelley Locations. Time is measured from reported ship date to date received in Lancaster.

**On Time Delivery** – This is a measure of timeliness of delivery. The statistics are calculated by comparing the requested due date to the date actually received. Because of the wide swings in deliveries, both an average and a standard deviation are given.

Predictability is crucial as Donnelley moves more and more to a Just-In-Time inventory system. We can not allow a large deviation in average travel times and the timeliness of deliveries. Both press schedules and crewing levels depend on the rail shipments arriving as predicated. Large swings (whether early or late) add excessive cost to Donnelley's operations in the form of lost production and increased overtime.

**Effect on Donnelley Operations** – R.R. Donnelley, like most major commercial printers, depends on rail service to move the large quantities of paper required in the printing industry. Relying on trucks to move these large quantities of paper is not cost effective for Donnelley, our paper suppliers, or our customers.



RR DONNELLEY & SONS COMPANY  
Northeastern Division

COPY *Completed File*

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Northeastern Division  
1375 Hamburg Pike  
Lancaster, PA 17601-2000  
Telephone (717) 293-3843  
Fax (717) 293-3843

Michael J. Winn  
Senior Vice President

OCT 4 12 05 PM '93

OFFICE OF COMPLIANCE  
AND ENFORCEMENT  
DIRECTOR'S OFFICE

October 1, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation, Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Clemens:

Attached is the 9/29/99 Performance Report for Norfolk Southern deliveries to the R.R. Donnelley Lancaster facilities. We have been tracking the metrics for three weeks. After noting some minimal improvement, nothing further has changed. Our operations are severely impacted by this unpredictable performance. Most importantly, we cannot depend on their information systems. This has a major impact on our production loading, and in turn our ability to meet contractual requirements.

Our costs have risen substantially since the merger, and decline in reliability of Norfolk Southern. Areas affected include production disruptions, expedited shipments by truck, overtime, additional press runs, inventory carrying charges etc. We are tracking the increase, and it is now over \$500,000 in additional expense to R.R. Donnelley. That does not include similar expenses that our customers and the paper mills have also incurred.

I would appreciate a response from the Surface Transportation Board regarding the action plans in place to fix the problems, and the timetable. R.R. Donnelley is ready to participate in any activities that would alleviate these problems that we are experiencing.

Thank you for your attention to this urgent matter.

Sincerely,

*M. Winn/ecs*

cc: J. McClellan, Norfolk Southern

# RR DONNELLEY & SONS COMPANY

## Interoffice Memorandum



To: Michael Winn

Date: 09/29/99

From: Wade Smith

Location: Lancaster East

Subject: Norfolk Southern Performance Measures

Phone: (717) 293-2080

Fax: (717) 293-2157

**Information Accuracy** – Gains seen last week in the accuracy of the information provided by Norfolk Southern has stagnated or regressed. The Lancaster West Plant continues to receive constructive placement reports that are incomplete. In addition, 8 cars were delivered in error to the Lancaster East Plant. This ties up the rail siding and requires additional time and manpower to sort cars. These cars were bound for the West Plant and could have caused production delays. In this case there was no disruption.

	Faxtrac (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
Month to Date	38.9%	48.7%	39.1%	16.2%
Current Week	38.3%	47.9%	41.7%	15.4%

**Transit Efficiency** – Travel times continue to fluctuate. This makes it extremely difficult to predict and control the flow of paper into the facilities. Expeditors and Customer Service Representatives track paper in on a daily basis to protect production schedules. With the magnitude of variation we are seeing, it is very difficult to predict delivery with any confidence. This has lead to paper suppliers increasing the planning window used for shipping paper to the plants and can lead to increased inventory costs.

Mill	Location	Average Transit Time in Days		
		August 1999	Month to Date	Current Week
Alliance	Dolbeau, Quebec	15.0	12.0	11.0
ABICON	Laurentide, Quebec	16.6	16.5	30
Madison	Madison, Maine	18.0	14.0	N/A
Bowater	East Millinocket, Maine	14.6	16.4	15.8
Fraser	Madawaska, Maine	14.2	27.5	30
International	Pine Bluff, Arkansas	13.8	16.1	25
TRIPAP	Trois Rivières, Quebec	11.0	13.0	N/A

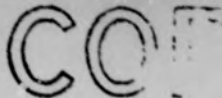
	On-Time delivery Statistics		
	Prior Month (August 1999)	Month to Date	Current Week
Lancaster Average	-4 (Late)	+3.6 (Early)	+3.7 (Early)
STD DEV	6	10.1	14.5

**Effect on Donnelley Operations** – Truck activity remains at a record level. Rail activity continues to be below historical levels, although we saw an increase in the flow of cars already in the system after last week's conference call. Whether conditions from recent storms has dramatically increased paper damage due to wet rolls. This type of damage is prevalent in trucks and almost non-existent in railcars. This will add additional costs to the mills and carriers as they address damage claims.

### AUGUST Comparison

Rail Cars Received		Trucks Received	
1998	1999	1998	1999
520	298	484	1413
% Change	-57.3%		+291%

RR DONNELLEY & SONS COMPANY  
Northeastern Division



*Complaint file*

Northeastern Division  
1375 Harnsburg Pike  
Lancaster, PA 17601-2000  
Telephone: 717-293-2900  
Fax: 717-293-3843

Michael J. Winn  
Senior Vice President

October 8, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation,  
Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Clemens:

Attached is the 10/7/99 Performance Report for Norfolk Southern rail car deliveries to the R.R. Donnelley Lancaster facilities. We have been tracking the metrics for four weeks. You will note that there is some information system accuracy improvement in this week's report. Our frustration over the situation shows when we are excited by a report that has the Daily Placement Fax accuracy reaching 53.5% and 63.2%! If we met our customer's expectations only 60% of the time, we would not keep our customers very long!

Which brings me to the Truck versus Rail Shipment Statistics for the month of September. We received 1600 trucks of paper in September - a **236% INCREASE** over the same period in 1998! Likewise, our rail deliveries were **DOWN 37.1%** for the same time period in 1998. (It takes four trucks to replace one rail car.) Obviously, the paper mills are utilizing alternate means of delivery. Some points:

- This is crippling our operation. Our facilities are constructed to receive the bulk of our paper by rail, and not truck. As an example, we have one delivery this weekend that will require 150 trucks! We cannot unload the trucks fast enough to support production. Printing presses will be halted for lack of paper, which will jeopardize our ability to meet our contractual delivery dates.
- The road system in and around Lancaster is not capable of supporting this volume of truck traffic in the best of times. With the extraordinary amount of construction in progress (Route 30), this amount of extra truck traffic must be a major impediment.

OFFICE OF COMPLIANCE  
AND ENFORCEMENT  
FBI  
FBI  
FBI

OCT 12 12 23 PM '99

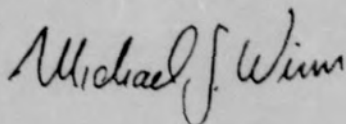
SURFACE TRANSPORTATION  
BOARD

- Is Norfolk Southern not worried about their inadequate performance impacting their customer base and revenue stream? This is not a good sign for their long term financial viability.

Finally, the statistics that track delivery times continue to be very disappointing. The length of time in transit is excessive and, more importantly, unpredictable. Note that for this week, the Standard Deviation of On Time Delivery is 12.2 days. This means that when a mill ships a rail car full of paper to R.R. Donnelley in Lancaster with a specified delivery date, it could arrive (on average) 12.2 days early, or 12.2 days late. A window of 25 days! This makes ordering paper to meet production requirements virtually impossible. The result is (1) missed production dates, or (2) excessive inventories and the corresponding increased expense.

Thank you for your attention to this urgent matter.

Sincerely,

A handwritten signature in cursive script, reading "Michael J. Wynn". The signature is written in dark ink and is positioned above the "cc:" line.

cc:

J. McClellan, Norfolk Southern





To: Michael Winn  
From: Wade Smith  
Subject: Norfolk Southern Performance Measures

Date: 10/07/99  
Location: Lancaster East  
Phone: (717) 293-2080  
Fax: (717) 293-2157

**Information Accuracy** – This week has shown another jump in the accuracy of the information provided by Norfolk Southern to Donnelley Lancaster. There is still a problem, but it appears that steps are being taken to improve the flow. This improvement is a good sign, but we are still not able to rely on data provided by NS to accurately reflect the current status of rail shipments.

	Faxtrac (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
September	38.9%	48.7%	39.1%	16.2%
Current Week	53.7%	59.2%	53.5%	63.2%

**Transit Efficiency** – Travel times continue to fluctuate. This makes it extremely difficult to predict and control the flow of paper into the facilities. Expeditors and Customer Service Representatives track paper in on a daily basis to protect production schedules. With the magnitude of variation we are seeing, it is very difficult to predict delivery with any confidence. This has lead to paper suppliers increasing the planning window used for shipping paper to the plants and can lead to increased inventory costs.

Mill	Location	Average Transit Time in Days		
		September 1999	Month to Date	Current Week
Alliance	Dolbeau, Quebec	12.0	11.0	11.0
ABICON	Laurentide, Quebec	16.5	13.5	14.0
Madison	Madison, Maine	14.0	N/A	N/A
Bowater	East Millinocket, Maine	16.4	18.3	18.3
Fraser	Madawaska, Maine	27.5	N/A	N/A
International	Pine Bluff, Arkansas	16.1	15.0	15.0
TRIPAP	Trois Rivières, Quebec	13.0	N/A	N/A

	On-Time delivery Statistics		
	Prior Month (September 1999)	Month to Date	Current Week
Lancaster Average	+3.6 (Early)	+3.9	12.2
STD DEV	10.1	+3.9	12.2

**Effect on Donnelley Operations** – September Truck receipts were at record levels for the Donnelley East Plant. Paper suppliers continue to ship large volumes of paper by truck instead of rail, adding manpower and overtime requirements during our busiest time of the year.

## September Comparison

Rail Cars Received		Trucks Received	
1998	1999	1998	1999
512	322	677	1600
% Change	-37.1%		+236%



## **DEFINITIONS**

**Faxtrac** – The term 'Faxtrac' refers to the daily notice sent from the NS Atlanta Customer Service Center identifying the cars in route to a specific customer location. This notice lists cars by shipper, their last reported location, and their last reported status (arrival, departure,...). It is sent each morning to the expeditors at both Donnelley locations. This report is extremely unreliable. Few of the cars listed on the reports are actually intended for the individual plant receiving the report. Additionally, the information on the report is typically 24 to 48 hours behind the information available on the internet.

**Daily Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars scheduled to be placed at the customer location that day. The Lancaster East Plant is an 'Open - Gate' facility. The local rail yard delivers cars to the plant as they receive them. Donnelley Expeditors no longer call NS to inform them of misplaced cars. The local yardmasters have a good handle on where the cars are going. The concern with this report is that the majority of the cars listed are not being shipped to the East Plant.

**Constructive Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars that are 'constructively placed' at the local railyard and ready to be delivered. The Lancaster West plant is a 'closed gate' facility. The local railyard notifies the receiving office that cars are available for delivery. The expeditor then requests specific cars for each days delivery. The concern with this report is that a small percentage of the cars actually in the local yard are reflected on this report.

**Average Transit Time** – This is a measure the average travel time from individual mills to the Donnelley Locations. Time is measured from reported ship date to date received in Lancaster.

**On Time Delivery** – This is a measure of timeliness of delivery. The statistics are calculated by comparing the requested due date to the date actually received. Because of the wide swings in deliveries, both an average and a standard deviation are given.

Predictability is crucial as Donnelley moves more and more to a Just-In-Time inventory system. We can not allow a large deviation in average travel times and the timeliness of deliveries. Both press schedules and crewing levels depend on the rail shipments arriving as predicated. Large swings (whether early or late) add excessive cost to Donnelley's operations in the form of lost production and increased overtime.

**Effect on Donnelley Operations** – R.R. Donnelley, like most major commercial printers, depends on rail service to move the large quantities of paper required in the printing industry. Relying on trucks to move these large quantities of paper is not cost effective for Donnelley, our paper suppliers, or our customers.

RR DONNELLEY & SONS COMPANY  
Northeastern Division

Norfolk Southern  
1375 Harrisburg Pike  
Lancaster, PA 17601-2600  
Telephone 717/293-2400  
Fax 717/293-3843

Michael J. Winn  
Senior Vice President

October 15, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation,  
Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Clemens:

Attached is the 10/14/99 Performance Report for Norfolk Southern rail car deliveries to the R.R. Donnelley Lancaster facilities. We have been tracking the metrics for five weeks.

On Friday October 8<sup>th</sup>, several representatives from Norfolk Southern visited the R.R. Donnelley facilities in Lancaster to review the problems we are experiencing with information accuracy, delivery problems, and transit time unpredictability. We were hopeful that the visit would result in some significant improvements, but are disappointed with the metrics this week. While there is some good improvement in the Faxtrac data and the Constructive Placement metric for the West Plant, the East Plant Placement metrics deteriorated significantly. This variance, coupled with the Transit Time and On Time Delivery metrics, speaks to the difficulties we are experiencing. Basically, the service is unreliable, and not improving. Week after week the metrics prove that to be true.

The result is that the paper mills are shipping via truck, which is being passed along to us in higher prices. Higher prices for raw materials, and higher operating costs to handle paper in this manner place our Lancaster operations in a non-competitive position. There are other printers in other areas of the country that are very capable of doing our work in a more cost effective manner. We will loose business if this continues. There are over 2400 jobs that will be affected.

I am available to meet with the Board at any time if they would like to review the situation first hand. Our facilities and operating personnel are also available if necessary.

Thank you for your attention to this urgent matter.

Sincerely,

*Michael Winn*

Copy: J. McClellan, Norfolk Southern

RECEIVED  
OCT 18 10 34 AM '99  
FACILITY STATION



To: Michael Winn

Date: 10/14/99

From: Wade Smith

Location: Lancaster East

Subject: Norfolk Southern Performance Measures

Phone: (717) 293-2080

Fax: (717) 293-2157

**Information Accuracy** – The accuracy of the Faxtrac (Cars in Pipeline) report showed continued gains. This improvement is a good sign, but we are still not able to rely on data provided by NS to accurately reflect the current status of rail shipments. Daily placement reporting declined to September levels, while constructive placement reporting continued to show gains. This caused continued concern over demurrage reporting accuracy.

	Faxtrac (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
September	38.9%	48.7%	39.1%	16.2%
Current Week	54.3%	78.5%	13.4%	47.8%

**Transit Efficiency** – A negative trend is developing in some transit times and in on-time delivery. This makes it extremely difficult to predict and control the flow of paper into the facilities. Expeditors and Customer Service Representatives track paper in on a daily basis to protect production schedules. With the magnitude of variation we are seeing, it is very difficult to predict delivery with any confidence. This has lead to paper suppliers increasing the planning window used for shipping paper to the plants and can lead to increased inventory costs.

Mill	Location	Average Transit Time in Days		
		September 1999	Month to Date	Current Week
Alliance	Dolbeau, Quebec	12.0	11.8	11.5
ABICON	Laurentide, Quebec	16.5	20.0	22.7
Madison	Madison, Maine	14.0	N/A	N/A
Bowater	East Millinocket, Maine	16.4	14.3	14.3
Fraser	Madawaska, Maine	27.5	13.7	15.0
International	Pine Bluff, Arkansas	16.1	18.5	22.0
TRIPAP	Trois Rivieres, Quebec	13.0	N/A	N/A

	On-Time delivery Statistics		
	Prior Month (September 1999)	Month to Date	Current Week
Lancaster Average	+3.6 (Early)	-1.3 (Late)	-3.7 (late)
STD DEV	10.1	11.1	11.0

**Effect on Donnelley Operations** – September Truck receipts were at record levels for the Donnelley East Plant. Paper suppliers continue to ship large volumes of paper by truck instead of rail, adding manpower and overtime requirements during our busiest time of the year.

## September Comparison

Rail Cars Received		Trucks Received	
1998	1999	1998	1999
512	322	677	1600
% Change	-37.1%		+236%

## **DEFINITIONS**

**Faxtrac** – The term 'Faxtrac' refers to the daily notice sent from the NS Atlanta Customer Service Center identifying the cars in route to a specific customer location. This notice lists cars by shipper, their last reported location, and their last reported status (arrival, departure,...). It is sent each morning to the expeditors at both Donnelley locations. This report is extremely unreliable. Few of the cars listed on the reports are actually intended for the individual plant receiving the report. Additionally, the information on the report is typically 24 to 48 hours behind the information available on the internet.

**Daily Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars scheduled to be placed at the customer location that day. The Lancaster East Plant is an 'Open - Gate' facility. The local rail yard delivers cars to the plant as they receive them. Donnelley Expeditors no longer call NS to inform them of misplaced cars. The local yardmasters have a good handle on where the cars are going. The concern with this report is that the majority of the cars listed are not being shipped to the East Plant.

**Constructive Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars that are 'constructively placed' at the local railyard and ready to be delivered. The Lancaster West plant is a 'closed gate' facility. The local railyard notifies the receiving office that cars are available for delivery. The expeditor then requests specific cars for each days delivery. The concern with this report is that a small percentage of the cars actually in the local yard are reflected on this report.

**Average Transit Time** – This is a measure the average travel time from individual mills to the Donnelley Locations. Time is measured from reported ship date to date received in Lancaster.

**On Time Delivery** – This is a measure of timeliness of delivery. The statistics are calculated by comparing the requested due date to the date actually received. Because of the wide swings in deliveries, both an average and a standard deviation are given.

Predictability is crucial as Donnelley moves more and more to a Just-In-Time inventory system. We can not allow a large deviation in average travel times and the timeliness of deliveries. Both press schedules and crewing levels depend on the rail shipments arriving as predicated. Large swings (whether early or late) add excessive cost to Donnelley's operations in the form of lost production and increased overtime.

**Effect on Donnelley Operations** – R.R. Donnelley, like most major commercial printers, depends on rail service to move the large quantities of paper required in the printing industry. Relying on trucks to move these large quantities of paper is not cost effective for Donnelley, our paper suppliers, or our customers.



RR DONNELLEY & SONS COMPANY  
Northeastern Division

Northeastern Division  
1375 Harnsburg Pike  
Lancaster, PA 17601-2649  
Telephone: (717) 293-2444  
Fax: (717) 293-3543

Michael J. Winn  
Senior Vice President

12 43 11 '99

October 22, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation,  
Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Clemens:

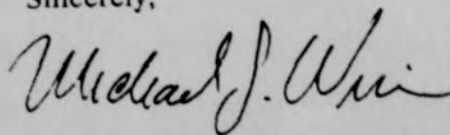
Attached is the 10/21/99 Performance Report for Norfolk Southern rail car deliveries to the R.R. Donnelley Lancaster facilities. We have been tracking the metrics for six weeks.

In the metrics you will note that the Faxtrax accuracy continues to improve - that is the good news. The bad news is that it is accompanied by a significant deterioration in the Daily Placement and Constructive Placement Reports (East Plant and West Plant respectively). This is particularly disturbing as these are the reports that indicate which cars are in the local yard ready for delivery. In addition, the cars noted on these reports start the clock ticking for demurrage charges. As indicated in the past, if we do not track this accuracy and correct the errors, Norfolk Southern could attempt to charge R.R. Donnelley demurrage for cars that are not even ours!

Note also the excessive and unpredictable transit time. While 24 days of transit from one mill (Pine Bluff, Arkansas) is totally unacceptable (excessive transit damage), the Standard Deviation of 14.9 days is intolerable. We cannot plan purchases of paper to support production requirements. We cannot plan delivery accuracy of plus or minus 14.9 days! That is a 29 day window!

Thank you for your attention to this urgent matter. I would appreciate a conference call with the Board to review these problems. I, or my staff, are available any time that is convenient.

Sincerely,



Copy: J. McClellan, Norfolk Southern





To: Michael Winn  
 From: Wade Smith  
 Subject: Norfolk Southern Performance Measures

Date: 10/21/99  
 Location: Lancaster East  
 Phone: (717) 293-2080  
 Fax: (717) 293-2157

**Information Accuracy** – The accuracy of the Faxtrac (Cars in Pipeline) report continues to show improvement. This is a good sign, but we are still not able to rely on data provided by NS to accurately reflect the current status of rail shipments. Inaccurate Daily and Constructive placement reporting causes continued concern over demurrage calculation accuracy.

	Cars in Pipeline (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
September	38.9%	48.7%	39.1%	16.2%
Current Week	50.6%	73.2%	27.0%	47.8%

**Transit Efficiency** – In general, average transit times showed an increase over September and month to date levels. The deviation for delivery is now in excess of two weeks! This makes it extremely difficult to predict and control the flow of paper into the facilities. Expeditors and Customer Service Representatives track paper in on a daily basis to protect production schedules. With the magnitude of variation we are seeing, it is very difficult to predict delivery with any confidence. This has lead to paper suppliers increasing the planning window used for shipping paper to the plants and can lead to increased inventory costs.

Mill	Location	Average Transit Time in Days		
		September 1999	Month to Date	Current Week
Alliance	Dolbeau, Quebec	12.0	11.8	11.7
ABICON	Laurentide, Quebec	16.5	20.8	N/A
Madison	Madison, Maine	14.0	18.0	18.0
Bowater	East Millinocket, Maine	16.4	14.5	15.6
Fraser	Madawaska, Maine	27.5	14.9	17.7
International	Pine Bluff, Arkansas	16.1	20.3	24.0
IRIPAP	Trois Rivieres, Quebec	13.0	N/A	N/A

	On-Time delivery Statistics		
	Prior Month (September 1999)	Month to Date	Current Week
Lancaster Average	+3.6 (Early)	0.21 (Early)	5.0 (Early)
STD DEV	10.1	13.2	14.9

**Effect on Donnelley Operations** – September Truck receipts were at record levels for the Donnelley East Plant. Paper suppliers continue to ship large volumes of paper by truck instead of rail, adding manpower and overtime requirements during our busiest time of the year.

#### September Comparison

Rail Cars Received		Trucks Received	
1998	1999	1998	1999
512	322	677	1600
% Change	-37.1%		-236%

## **DEFINITIONS**

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**Constructive Placement Report** – This report is sent from the NS Atlanta Customer Service Center identifying the cars that are 'constructively placed' at the local railyard and ready to be delivered. The Lancaster West plant is a 'closed gate' facility. The local railyard notifies the receiving office that cars are available for delivery. The expeditor then requests specific cars for each days delivery. The concern with this report is that a small percentage of the cars actually in the local yard are reflected on this report.

**Average Transit Time** – This is a measure the average travel time from individual mills to the Donnelley Locations. Time is measured from reported ship date to date received in Lancaster.

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Predictability is crucial as Donnelley moves more and more to a Just-In-Time inventory system. We can not allow a large deviation in average travel times and the timeliness of deliveries. Both press schedules and crewing levels depend on the rail shipments arriving as predicated. Large swings (whether early or late) add excessive cost to Donnelley's operations in the form of lost production and increased overtime.

**Effect on Donnelley Operations** – R.R. Donnelley, like most major commercial printers, depends on rail service to move the large quantities of paper required in the printing industry. Relying on trucks to move these large quantities of paper is not cost effective for Donnelley, our paper suppliers, or our customers.

RR DONNELLEY & SONS COMPANY  
Northeastern Division

Northeastern Division  
1375 Harrisburg Pike  
Lancaster, PA 17601-2699  
Telephone: (717) 293-2400  
Fax: (717) 293-3843

Michael J. Winn  
Senior Vice President

October 29, 1999

Mr. Melvin F. Clemens, Jr.  
Dept. of Transportation,  
Surface Transportation Board  
Director of Compliance and Enforcement  
The Mercury Building  
1925 K Street, NW  
Washington, DC 20423

Dear Mr. Clemens:

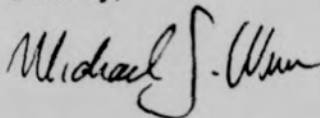
Attached is the 10/28/99 Performance Report for Norfolk Southern rail car deliveries to the R.R. Donnelley Lancaster facilities. We have been tracking the metrics for seven weeks.

While there has been some improvement in the accuracy of the Faxtrac data, as well as in the Daily Placement Report (East Plant) and Constructive Placement Report (West Plant), it is still woefully short of being useful. In addition, there is a huge problem growing because Norfolk Southern is using this data to bill demurrage. This week we were invoiced for \$28,200 in demurrage for the East Plant - a total of 105 cars. Upon investigation, we found that of those 105 cars, 40 cars were really West Plant cars, and 18 did not even belong to Donnelley! Norfolk Southern is billing with information that may only be 50% accurate!

We are contesting any demurrage charges because Norfolk Southern is "bunching" deliveries, and we cannot handle the huge swings in the demand to unload cars. (Plus, our operators are unloading trucks to keep production going - note the 236% increase in truck traffic!) How can a Norfolk Southern customer be held to a contract requirement if Norfolk Southern cannot perform to its obligations under that contract?

Thank you for your attention to this urgent matter. I would appreciate a conference call with the Board to review these problems. I, or someone from my staff, are available any time that is convenient.

Sincerely,



cc: J. McClellan, Norfolk Southern

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
NOV 1 12 39 PM '99  
OFFICE OF  
AND ENFORCEMENT  
DIRECTOR



To: Michael Winn

Date: 10/28/99

From: Wade Smith

Location: Lancaster East

Subject: Norfolk Southern Performance Measures

Phone: (717) 293-2080

Fax: (717) 293-2157

**Information Accuracy** – The accuracy of the Faxtrac (Cars in Pipeline) report continues to show improvement. This is a good sign, but we are still not able to rely on data provided by NS to accurately reflect the current status of rail shipments. Inaccurate Daily and Constructive placement reporting causes continued concern over demurrage calculation accuracy. Norfolk Southern's information systems problems resulted in erroneous demurrage billing for September. A bill for \$28,200 was sent to the East plant. Of the 105 cars listed on the bill, only 42 of them were delivered to the East plant. This bill will be disputed.

	Cars in Pipeline (Both Plants)		Daily Placement (East)	Constructive Placement (West)
	% Correct	% On Faxtrac	% Correct	% On Notice
September	38.9%	48.7%	39.1%	16.2%
Current Week	56.6%	83.7%	61.1%	46.9%

**Transit Efficiency** – Transit times remain unpredictable. Areas that had shown improvement recently have shown declines while other areas have improved. This makes it extremely difficult to predict and control the flow of paper into the facilities. Expeditors and Customer Service Representatives track paper in on a daily basis to protect production schedules. With the magnitude of variation we are seeing, it is very difficult to predict delivery with any confidence. This has lead to paper suppliers increasing the planning window used for shipping paper to the plants and can lead to increased inventory costs.

Mill	Location	Average Transit Time in Days		
		September 1999	Month to Date	Current Week
Alliance	Dolbeau, Quebec	12.0	11.8	N/A
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Madison	Madison, Maine	14.0	17.0	24.0
Bowater	East Millinocket, Maine	16.4	14.9	15.0
Fraser	Madawaska, Maine	27.5	15.3	17.0
International	Pine Bluff, Arkansas	16.1	20.3	N/A
TRIPAP	Trois Rivieres, Quebec	13.0	N/A	N/A

	On-Time delivery Statistics		
	Prior Month (September 1999)	Month to Date	Current Week
Lancaster Average	+3.6 (Early)	0.22 (Early)	0.36 (Early)
STD DEV	10.1	10.4	9.6

**Effect on Donnelley Operations** – September Truck receipts were at record levels for the Donnelley East Plant. Paper suppliers continue to ship large volumes of paper by truck instead of rail, adding manpower and overtime requirements during our busiest time of the year.

## September Comparison

Rail Cars Received		Trucks Received	
1998	1999	1998	1999
512	322	677	1600
% Change	-37.1%		+236%



## **DEFINITIONS**

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STB

FD

33388

11-01-99

J

MOC

RICHARD J. DURBIN  
ILLINOIS

COMMITTEE ON APPROPRIATIONS

COMMITTEE ON  
GOVERNMENTAL AFFAIRS

COMMITTEE ON THE BUDGET

SELECT COMMITTEE ON ETHICS

ASSISTANT DEMOCRATIC  
FLOOR LEADER

United States Senate  
Washington, DC 20510-1504

October 19, 1999

364 RUSSELL SENATE OFFICE BLDG.  
WASHINGTON, DC 20510-1304  
(202) 224-2152  
TTY (202) 224-8180

230 SOUTH DEARBORN, 38TH FL.  
CHICAGO, IL 60604  
(312) 353-4952

525 SOUTH EIGHTH STREET  
SPRINGFIELD, IL 62703  
(217) 492-4062

701 NORTH COURT STREET  
MARION, IL 62959  
(618) 998-8812

FILE IN DOCKET

Dan King, Director  
Congressional & Public Services  
Surface Transportation Board  
1925 K Street, N.W., Room 840  
Washington, D.C. 20423-0001

Re: Bruce S. Ecker

Dear Mr. King:

Attached is a letter I received from Bruce Ecker of  
Caseyville, Illinois.

As my constituent is very concerned, I would appreciate your  
giving this matter your immediate attention. It would also be  
helpful to me in responding to Mr. Ecker if you would provide  
Donna Eastman of my Marion office with a report of your findings.

Thank you for your time and consideration of this matter.

Sincerely,

*Richard J. Durbin*

Richard J. Durbin  
United States Senator

RJD/de  
attachment

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
OCT 19 1 42 PM '99  
OFFICE OF  
CHAIRMAN MORGAN

September 13, 1999

Honorable Richard J. Durbin  
364 Russell Senate Office Building  
Washington, D.C. 20510-1304

Attention: Richard J. Durbin

To the Honorable Richard Durbin,

I wish to give you a brief background of my work history with Conrail (formally Penn Central Railroad - Pennsylvania side). I hired in on July 31, 1975 and established vehicle operator rights on 9/25/78. My seniority rank on **Conrail's 1999 Vehicle Operator Seniority Roster** is number #29 which means that only 28 other employees could have out bid me or have bumped me off a vehicle operators position. In approximately 1990 I became a furloughed employee and have remained such. During the later 1980's, it was hard for me to get 100 days of work a year before being laid-off from the railroad each year. When I was furloughed from Conrail I did everything that was required to do to protect my seniority.

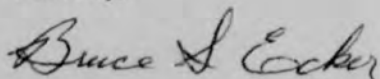
Just recently Mr. I. C. Raypole retired from Conrail and they advertised his boom truck as a permanent position at Collinsville, IL (Position, PCSW/0030 Vehicle Operator 5R98-073). I placed a bid for this position. Mr. R.A. Hunt, Division Engineer sent me a letter stating I have no Seniority on the CSX. With the sale of Conrail to CSX and being furloughed at the time CSX took over I was simply eliminated from the seniority roster without any protection whatsoever. Mr. Durbin I was not even given the opportunity to return to the railroad or informed of any rule changes that would place my seniority in jeopardy while this reorganization was in progress.

You may be thinking this could or should be all handled through your Union Representative? I have exhausted this avenue. Mr. Wayne Ames, District Chairman my union representative hands are tied. It seems I have an unusual predicament. With all the new changes I am an individual that has slipped through the cracks and he cannot get anyone to listen that could persuade the Railroad Officials to allow me the courtesy to maintain my 24 years seniority and work this position at Collinsville, IL.

It has come to my attention that Mr. Freeburg is an instrumental figure whom negotiated the rule changes through the STB (Service Transportation Board) when Conrail was sold to the CSX Railroad. With Mr. Freeburg being a Convicted Felon, I find it hard to have such an individual take my best interest in his concerns and decisions. It is apparent to me that after 24 years with the railroad (16years active service) and my lifes future for my wife and family is absolutely insignificant to people like Mr. Freeburg and Mr. R.A. Hunt.

Mr. Wayne Ames lives in Peru, IN. His telephone number is: 765 473-7349, mobile phone is 765 473-2907 and his pager is 765 472-8785. Please feel free to contact him for any information that may help in understanding this situation. I have always felt he has been top notch with anything that has come up in the past. However, this time I am sure he would agree, he could use your help and I need your help. Thank you.

Sincerely,



Bruce S. Ecker

306 BETHEL MEADOWS RD.  
CASEYVILLE, IL 62232-2507  
CECKER@STLNET.COM

STB

FD

33388

9-29-99

J

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STB FD-33388 9-29-99 J

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Office of the Chairman

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

FILE IN DOCKET

JD  
33388

September 29, 1999

Mr. & Mrs. Peter Kasturas  
139 West Shore Avenue  
Bogota, New Jersey 07603

Dear Mr. & Mrs. Kasturas:

This responds to your recent letter to me, with an attached petition addressed to CSX Transportation, Inc. (CSXT), expressing the concerns of residents regarding railroad operations through the Borough of Bogota.

As you may know, there have been several meetings between CSXT and area residents and representatives to discuss issues regarding CSXT's operations through the Borough and its plans for the construction of additional tracks. Our Office of Compliance and Enforcement (OCE) has been working informally with Borough representatives, including Borough Attorney Andrew Fede, and the railroad to help define ways in which accommodation might be reached. As CSXT's Mr. Ruehling indicated to you in his letter of September 9, 1999, regarding your petition (copy enclosed), CSXT's plans to restore a third track in an area where there were four tracks should help to eliminate parked trains in your area and thus reduce significantly the objectionable fumes from idling engines. I will have your letter, the petition, and my response made a part of the public docket for the Conrail proceeding. Regarding the issue of audible train warning devices such as horns, the Federal Railroad Administration's safety rules require the use of such warning devices by railroads during train operations, and those rules address requirements both for the decibel level of the devices and the locations and distance requirements for use.

While the Board does not have direct jurisdiction over the safety or construction issues raised in your petition, we will continue our efforts to facilitate resolutions to problems involving rail carriers that are jurisdictional to the Board. In that regard, please do not hesitate to contact me on any issue in which you believe we might be helpful.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosure

8/30/1999

FILE IN DOCKET

Chairman Linda J. Morgan  
Surface Transportation Board  
1925 K Street N.W.  
Washington, DC 20423-0001

Attached is a copy of a petition sent to CSX Transportation expressing the concerns of the residents of the Borough of Bogota about the operation of the railroad in our community. This petition has been signed by 405 voting residents and we would appreciate any help you can give us to resolve this matter. Please use this petition as a formal complaint by the residents of Bogota concerning the health and welfare of those who reside in the vicinity of the railroad.

Mr. & Mrs. Peter Kasturas  
139 West Shore Ave.  
Bogota, NJ 07603

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SURFACE TRANSPORTATION  
BOARD  
SEP 2 12 09 PM '99  
OFFICE OF  
CHAIRMAN MORGAN

08/29/99

FILE IN DOCKET

Mr. M. J. Ruehling  
Vice President-State Relations  
CSX Corporation  
One James Center  
901 E. Cary Street  
Richmond, VA 23219

We, the undersigned residents of the Borough of Bogota, New Jersey, are strongly opposed to the actions of CSX Transportation in the residential section of the Borough. The following is a list of our grievances to which we are seeking a resolution.

1. Since CSX Transportation took over Conrail, the number of freight trains passing through the Borough of Bogota has increased threefold causing an inordinate amount of noise and diesel pollution in the residential neighborhood bordering the railroad. This has not only deprived the residents of their right to peace and quiet but has also adversely affected the health and welfare of the neighborhood. The luxury of entertaining in the back yard or being able to have open windows practically doesn't exist. Constant running of the air conditioners and having to pay high electric bills has become the norm just to avoid the diesel fumes and the noise.
2. In the center of town there is a pedestrian crossing (no cars) that results in the blowing of the train whistles as they approach the crossing. This would not be so bad but at times, mostly after midnight, approaching trains will start blowing their whistles almost a mile before the crossing and not cease until they are well past the crossing. These are not just short blasts but a steady blaring of the whistle that literally throws you out of bed even with the windows closed. Obviously the whistles are not blown out of necessity but out of spite. The residents of Bogota endure many sleepless nights as a result of these inconsiderate actions.
3. The high speeds of the freight trains passing through the residential neighborhood are a danger to all that live here. Many of the cars carry such chemicals as sulfuric and nitric acid as well as chlorine and propane. If there were ever an accident the devastation to this community would be unimaginable.
4. CSX Transportation is now in the process of installing a third rail line through the Borough of Bogota to increase the number of freight trains passing through the community. As it stands now, some homes have had cracks appear in their foundations that can be directly attributed to the increase in the freight traffic through the borough. The constant rumbling of the freight trains can be felt in the houses as they pass through and that will only get worse as freight traffic is increased.
5. Lately, the area bordering the railroad has been turned into a junkyard. Railroad equipment and machinery is often left for weeks at a time creating an eyesore. Trees are not just trimmed but butchered and the debris is just left to rot on the ground. Pine trees, planted by the borough to beautify the area, are dying possibly due to the diesel pollution and their beauty is overshadowed by the railroad trash.

A solution has to be found for these very serious problems. We are prisoners in our homes and our health is in jeopardy because of the actions of CSX Transportation. The construction of a pedestrian bridge and the erection of sound barriers are something to be considered, but in any event CSX Transportation has to accept responsibility in this rapidly deteriorating situation. It is strongly advised that you take a personal interest in this matter and work with the elected officials and the residents of the Borough of Bogota to resolve these grievances.

Mr. & Mrs. Peter Kasturas  
139 West Shore Ave.  
Bogota, NJ 07603

Cc: Governor Christine Todd Whitman  
Mr. Robert C. Shinn, Jr., Commissioner – NJ State DEP  
Chairman Linda J. Morgan – Surface Transportation Board  
Sen. Frank Lautenberg  
Sen. Robert Torricelli  
Rep. Steven Rothman  
Sen. Byron M Baer  
Assemblywoman Loretta Weinberg  
Assemblyman Charles Zisa  
Mayor Steve Lonegan – Borough of Bogota  
Jody Calendar - Managing Editor – The Record



①

NAMEADDRESS

1. Peter Kasturas 139 W. SHORE AVE. BOGOTA, NJ 07603-1625
2. Rita Kasturas 139 W. Shore Ave. Bogota, N.J.
3. Jim Moore 445 RUCK RD Bogota 07603
4. Phil Costello 157 Palisade Ave Bogota 07603
5. Pat Wilkins 400 Larch Ave Bogota 07603
6. ELEANOR Fowler 340 Orchard Terr Bogota 07603
7. Ruth French 120 Chestnut Ave Bogota 07603
8. Madeline Zeger 228. Oakwood Ave Bogota 07603
9. Victor P. De Leo 228 Oakwood Ave Bogota 07603
10. Katherine Zenger 243 Cypress Ave Bogota N.J. 07603
11. Peggy Hill 181 Fairview Ave. Bog. N.J. 07603
12. Helen Passaro 130 Canal St Bogota 07603
13. Grace Lurito 340 Elm Ave Bogota
14. Elizabeth Zeger 79 Oakwood Ave. Bogota N.J. 07603
15. Gerald Bakken 51 River Rd Bogota 07603
16. ANN MARRA - 28 West Grove St - Bogota, 07603
17. Lydia Blawie 348 Leonia Ave Bogota
18. Albertine McGill 483 River Rd Bogota
19. Mae Rosse - 401 Elm Ave Bogota N.J.
20. Lydia B. Grey - 69 Third Place, Bogota, N.J.
21. Andy Laggner 117 Beechwood Ave Bogota
22. ~~Hele~~ Helen Laggner 117 Beechwood Ave Bogota
23. Dorothy Zimmerman 59 Chestnut Ave. Bogota
24. Ed Padden 137 Linwood Ave - Bogota
25. Barbara Schenkenberg 148 Linwood Ave Bogota N.J.
26. Lydia Padden 137 Linwood Ave Bogota, N.J.
27. Jo Dal Conte 134 Pine St.
28. Christine Zeger 116 Pine St Bogota N.J.



(2)

NAMEADDRESS

- |    |                    |                             |
|----|--------------------|-----------------------------|
| 29 | Charles H. Cordero | 195 Chestnut Ave. Bogota    |
| 30 | Emilee Cordero     | 195 Chestnut Ave Bogota     |
| 31 | Alois Maymulli     |                             |
| 32 | Louisa Maymulli    | 28 W. Grove Bogota          |
| 33 | ANTONIO FRISINA    | 306 - Elm Av. Bogota        |
| 34 | Giovanna Frisina   | 306 - Elm Av. Bogota        |
| 35 | Dorothy Gleason    | 393 Larch Ave Bogota        |
| 36 | Joan Kuentzner     | 370 River Rd. Bogota        |
| 37 | Joan Bajada        | 305 Second Place Bogota     |
| 38 | Gophie Galizia     | 78 Beechwood Ave Bogota     |
| 39 | Mary Hart          | 371 Linden Ave. Bogota      |
| 40 | Mason Wiles        | 371- Linden Ave Bogota      |
| 41 | Dorothy Ferrette   | 475 Elm Ave Bogota          |
| 42 | Joseph Christiano  | 70 East Broad St.           |
| 43 | Dorothy Kerrigan   | 36 LYNN COURT Bogota N.J.   |
| 44 | Joan Kerrigan      | 36 LYNN COURT Bogota N.J.   |
| 45 | Charles Loforte    | 347 River Rd Bogota N.J.    |
| 46 | Lawrence Loforte   | 347 River Rd Bogota N.J.    |
| 47 | ILSE CILLICK       | 367 ORCHARD TERR "          |
| 48 | Madeline Banks     | 200 Summit Ave "            |
| 49 | Patricia A Brone   | 16 2 Chestnut Ave H         |
| 50 | Kathleen Bener     | 354 Leonia Ave Bogota N.J.  |
| 51 | Mae Omelicia       | 354 Leonia Ave Bogota N.J.  |
| 52 | Mary Spadaccini    | 348 Leonia Ave. Bogota N.J. |
| 53 | Madeline De La     | 228 Oakwood Ave Bogota      |
| 54 | Victor De La       | " " " "                     |
| 55 | Margaret Franich   | 354 Leonia Ave. Bogota N.J. |
| 56 | Elisabeth Franich  | 354 Leonia Ave Bogota, N.J. |

(3)

## NAME

## ADDRESS

- 57 Martin F. Pensch 455 Linnville Bogota 07603
- 58 Evelyn D. Stanki 197 Walnut Ave - Bogota 07603
- 59 Jesse Gahja 70 Beechwood Ave Bogota 07603
- 60 Myriam Ruvalcaba 225 Maplewood Ave Bogota, N.J. 07603
- 61 Connie Kuebard 75 Chestnut Ave. Bogota
- 62 Virginia Henry 30 Maple St. Teaneck 07666-3823
- 63 Fred D Mallo 385 Linden Ave Bogota, N.J. 07603
- 64 Patumi Patum 62 3rd St. Bogota, N.J.
- 65 Marie Williams 154 Central Ave. Bogota
- 66 Kay Carey Linwood Ave Bogota
- 67 Christine Derby 60 River Rd Bogota
- 68 Edward Gahja 67 Maplewood Ave Bogota
- 69 Fran Gahja 67 Maplewood Ave Bogota
- 70 Joe Rizzo 409 River Rd. Bogota
- 71 FERDINAND OCAMPO 22 BEECHWOOD AVE. BOGOTA
- 72 JOCELYN OCAMPO 22 BEECHWOOD AVE. BOGOTA
- 73 MRS. River 26 Beechwood Ave Bogota
- 74 Bayard River 26 Beechwood Ave. Bogota
- 75 William Jean River 26 Beechwood Ave
- 76 Greg Effert 26 Beechwood Ave
- 77 Patricia 32 Beechwood Ave
- 78 Andrea Lee Kane 15 Walnut Ave Bogota NJ
- 79 Alice A. Woodliff 15 Walnut Ave Bogota, NJ
- 80 Charlotte Kieber 16 Walnut Ave Bogota, N.J.
- 81 Susan Kieber 16 Walnut Ave Bogota NJ
- 82 Mrs. R Cummings 27 Walnut Ave Bogota NJ
- 83 Stephen Totten 21 WALNUT AVE. BOGOTA, N.J.
- 84 Kathleen Moan 35 Maplewood Ave, Bog

(4)

NAMEADDRESS

- |     |                     |                              |
|-----|---------------------|------------------------------|
| 85  | Ann R. O'Leary      | 107 Elm Ave Bogota, NJ 07603 |
| 86  | Paul O'Leary        | 107 Elm Ave Bogota NJ        |
| 87  | Jimie Polnar        | 184 ELM AVE Bogota           |
| 88  | RICHARD MARCHENA    | 118 ELM AVE Bogota           |
| 89  | Michael O'Leary     | 255 Elm Ave, Bogota          |
| 90  | Miguel O'Leary      | 255 Elm Ave, Bogota          |
| 91  | John O'Leary        | 251 Elm Ave Bogota           |
| 92  | John O'Leary        | 251 Elm Ave Bogota           |
| 93  | John O'Leary        | 251 Elm Ave Bogota           |
| 94  | Amy Beard           | 241 Elm Ave Bogota           |
| 95  | Abel Beard          | 241 Elm Ave Bogota           |
| 96  | Sachel Keenen       | 241 Elm Ave Bogota           |
| 97  | Richard Keenen      | 241 Elm Ave Bogota           |
| 98  | Barbara Muskant     | 164 Elm Ave Bogota           |
| 99  | David Muskant       | 241 Elm Ave Bogota           |
| 100 | Roll Lopez          | 230 ELM AVE Bogota           |
| 101 | ALFREDO TRIUNFO     | 211 ELM AVE BOGOTA           |
| 102 | LEANDRO TRIUNFO     | 211 ELM AVE BOGOTA NJ        |
| 103 | Trinidad Triunfo    | 211 ELM AVE Bogota NJ        |
| 104 | Maria Luisa Triunfo | 211 ELM AVE Bogota NJ        |
| 105 | Precioci Te Camilar | 197 Elm Ave Bogota NJ        |
| 106 | John Wren           | 181 Elm Ave Bogota           |
| 107 | W. Sullivan         | 181 Elm Ave Bogota           |
| 108 | Albert F. Wren      | 177 Elm Ave Bogota           |
| 109 | Cindy Papeler       | 171 Elm Ave Bogota           |
| 110 | Art Papeler         | 171 Elm Ave Bogota           |
| 111 | Anders Papeler      | 171 Elm Ave Bogota           |
| 112 | Gloria Buonarota    | 375 Elm Ave Bogota           |



(5)

	NAME	ADDRESS
113	Lenny Liza	45 West Shore Ave, Bogota
114	DAVID LOZA	45 WEST SHORE Ave, Bogota
115	Jalen Giraud	33 Cypress Ave, Bogota
116	Marika Bodnar	37 Cypress Ave. Bogota
117	MITCHELL	41 Cypress Ave BOGOTA
118	STANLEY	38 Cypress Ave. BOGOTA
119	J. Kern	76 Linwood Ave Bogota
120	Alvin M. Warner	353 Leonia Ave Bogota
121	Raymond P Warner	353 Leonia Ave Bogota
122	Marie Crane	429 Leonia Ave Bogota
123	Curt Donovan	450 Leonia AVE, Bogota
124	JANE DONOVAN	450 Leonia AVE, Bogota
125	Joan T Green	418 Leonia Ave, Bogota
126	Edward R. Green Jr.	418 Leonia Ave. Bogota
127	ORVILLE BOLIN	412 Leonia Ave Bogota
128	Gert Tedesco	402 Leonia Ave Bogota
129	Sylvia Curry	235 W. Shore Ave Bogota
130	Laura Curry	10 E FT Lee Rd Bogota
131	Derrick Banks	237 Westshore Ave. Bogota
132	Cynthia McKethan	237 Westshore Ave. Bogota
133	Richard D. D	237 Westshore Ave Bogota
134	Thomas Benar	22 Linwood Ave, Bogota
135	Alexandre Filbin	11 Elmwood Ave Bogota
136	Michael & Rose O'Hallony	22 Hill St. Bogota.
137	James L Smith	21 Hill St Bogota
138	Patricia A Smith	21 Hill St Bogota
139	Betty Lou Jones	68 Fairview Ave
140	Russell M Jones	68 Fairview Ave

(6)

NAMEADDRESS

- 141 Catherine Murphy 161 W. Shore Ave Bogota  
 142 Michael Murphy " " " " " "  
 143 Raymond Edm 15 Beechwood Ave Bogota  
 144 John J Roche 135 West Shore Ave Bogota  
 145 Sally Roche 135 West Shore Ave Bogota  
 146 Mike Roche 135 West Shore Ave Bogota N.J.  
 147 Steve Cukr 18 Oakwood Ave Bogota N.J.  
 148 Shirley Deal 28 Maplewood Ave  
 149 Mike Deal " " " " "  
 150 Robert Thanneaux 32 Maplewood Ave.  
 151 Lillian Thanneaux 32 Maplewood Ave.  
 152 Anita Trejese 33 Chestnut Ave, Bogota  
 153 Jimmy Lin 38 Chestnut Ave Bogota  
 154 Ed Wimer 45 CHESTNUT AVE BOGOTA  
 155 Ed Wimer 45 Chestnut Ave Bogota  
 156 Paul Litzlow 22 Chestnut Ave, Bogota  
 157 Richard Litzlow 22 Chestnut Ave, Bogota  
 158 E Gloria Williams 78 Elm Ave, Bogota  
 159 M. Williams 78 Elm Ave. Bogota  
 160 M. Mario William 78 Elm Ave Bogota  
 161 Mr. Wentworth Brane 86 Elm Ave  
 162 Donnet Swaby 86 Elm Ave  
 163 Michael Scott 86 Elm Ave, Bogota, NJ  
 164 Jon Apple 90 Elm Ave Bogota, NJ  
 165 Kazym Dalskus 98 Elm Ave Bogota N.J.  
 166 Carmel McDermott 103 Elm Ave Bogota NJ  
 167 Greg W. Smith 103 Elm Ave Bogota NJ  
 168 Nick Black 105 Elm Ave Bogota



(7)

	NAME	ADDRESS
169	Levent F. Arny	421 Linden Bogota
170	Jennifer Gomez	421 Linden
171	RAY Loney	424 Linden
172	Mr, Mrs Veras	425 Linden #1 Bogota
173	Ursula Veras	425 Linden #2
174	Arthur Foul	426 Linden Ave
175	Max Foul	426 Linden Ave
176	Jim Dunning	441 Linden Ave.
177	Paul Spä	2 West Grove St Bogota
178	Bryan Hanna	2 " " " "
179	William B Keith	461 Linden Ave Bogota
180	Suzanne E Keith	" "
181	Wendy Vitello	480 Linden Ave Bogota
182	Oris Bell	483 Linden av. Bogota
183	Margery Bell	483 Linden Av. Bogota
184	Joan Palomba	22 W. Stone St. Bogota
185	John Palomba	22 W. Stone St. Bogota
186	Antonia Adams	439 Elm Ave Bogota
187	Lillian Comacho	410 Elm Ave.
188	Lillian C Torres	410 Elm Ave.
189	Bonnie Langenstein	397 Elm Ave. Bogota
190	Philip Langenstein	397 Elm Ave. Bogota
191	Sydney Langenstein	397 Elm Ave. Bogota
192	Barbara Cannon	389 Elm Ave Bogota
193	Mr. Nicks	365 Elm Ave Bogota
194	Marvin Nicks	365 Elm Ave
195	Richard Boatti	365 Elm Ave

(8)

## NAME

## ADDRESS

- |     | NAME                       | ADDRESS                                |
|-----|----------------------------|--|
| 196 | Nelly Olmeda               | 305 Orchard Terr. Bogota, N.J.         |
| 197 | Bernard C. Olmeda          | 354 Penn Ave Bogota, NJ                |
| 198 | John C. Buiacuta           | 375 Elm Ave Bogota, NJ                 |
| 199 | Jaime Santander            | 45 Penn Ave. Lehigh Park, NJ 07160     |
| 200 | June Buiacuta              | 111 E. Brown Bogota                    |
| 201 | Mary Hart                  | 371 Linden Ave Bogota, N.J.            |
| 202 | Anne Buebach               | 31 Maplewood Ave Bogota, N.J.          |
| 203 | <del>Daniel Buiacuta</del> | <del>162 Chestnut Ave Bogota, NJ</del> |
| 204 | Harold Chiraga             | 301 Elm Ave Bogota, NJ 07603           |
| 205 | Jonathan Cataldi           | 349 Linden Ave                         |
| 206 | Joseph Cataldi             | 349 Linden Ave                         |
| 207 | Sal Mamm                   | 357 Elm Ave Bogota                     |
| 208 | Elton Mamm                 | 357 Elm Ave Bogota                     |
| 209 | M. Mongeau                 | 371 Elm Ave "                          |
| 210 | M. Mongeau                 | 371 Elm Ave Bogota                     |
| 211 | Brunilda Carino            | 375 Linden Ave Bogota                  |
| 212 | Sonia Perez                | 375 Linden Ave Bogota                  |
| 213 | Joseph Vini                | 397 Linden Bogota                      |
| 214 | Mame Vini                  | 397 Linden Bogota                      |
| 215 | SIMON BULANADI             | 401 LINDEN AVE. "                      |
| 216 | THELMA BULANADI            | 401 " "                                |
| 217 | DOROTHY MERGEL             | 389 " " "                              |
| 218 | ROBERT PEREZ               | " " "                                  |
| 219 | SHARON MERGEL              | " " "                                  |
| 220 | JOSEPH J. BENAVIDES        | 411 LINDEN AVE. BOGOTA, NJ             |
| 221 | Michelle Benauides         | 411 " "                                |
| 222 | Maureen Gomez              | 401 Linden Ave                         |
| 223 | Salvador Gomez             | 401 Linden Ave                         |

	NAME	ADDRESS
224	Don P. Ruff	289 Elm Ave. 1 <sup>st</sup> Floor, Bogota
225	Janice A. Mozarak	289 Elm Ave. 1 <sup>st</sup> Floor, Bogota
226	Clement Fullam	209 BLM AVE Hous E
227	Philippo Calabro	315 ELM AVE 1 <sup>st</sup> FL.
228	Clara Calabro	315 ELM AVENUE 1 <sup>st</sup> FL.
229	Joseph Calabro	315 ELM AVENUE 1 <sup>st</sup> FL.
230	David Gambuzza	315 ELM AVENUE 2 <sup>nd</sup> FL
231	ADA GAMBUTZA	315 ELM AVENUE 2 <sup>nd</sup> FL
232	John Shurf	320 Elm Ave Bogota 2nd Fl.
233	Marje Jackson	437 Larch Ave., Bogota, N.J.
234	Lia Jackson	437 Larch Ave., Bogota
235	Eleanor & Stan Nicholson	132 Bogota G.D.N.S
236	Robert Fredrick	128 BOGOTA G.D.N.S
237	Madeline Fredrick	128 BOGOTA G.D.N.S
238	Oliver Bain	113 Bogota G.D.N.S
239	W. S. Brown	113 Bogota G.D.N.S
240	Theresa	280 Larch Ave.
241	James W. Murphy	291 LARCH AVE
242	Anna E. Murphy	291 LARCH AVE
243	Janette S. Wilson	12 East 74th Rd
244	Allie Reynolds	12 East 74th Rd
245	Frank Buncio	349 Elm Ave Bogota
246	Michael Buncio	349 Elm Ave.
247	Don Lafer	357 Elm Ave.
248	R. Lewis	355 LINDEN AVE.
249	S. Lewis	355 LINDEN AVE.
250	Joanite R. Cataldi	349 Linden Ave
251	Jason Cataldi	349 Yonkers Ave



NAME

ADDRESS

(10)

252	Apple & Son	67 Fairview Ave Bogota
253	John Mar	48 FAIRVIEW AVE
254	Melissa Teran	48 Fairview Ave.
255	Mike Gibson	54 Fairview Ave
256	Maria Fabian	79 Fairview ave
257	Walton	39 FAIRVIEW AVE
258	Rosemary Giff	39 Fairview Ave
259	Jimmy H. Murphy	43 Fairview Ave
260	Vernice Melay	35 Walnut Ave
261	THOMAS MELAY	35 WALNUT AVE
262	Ellen Devine	461 LARCH AVE
263	Gerard Devine	461 LARCH AVE.
264	Mary Devins	132 Fairview Ave
265	James Devins	132 Fairview Ave
266	Mary Higgins	140 Beechwood Ave
267	Jim Higgins	140 Beechwood Ave
268	MARGARET McMahon	30 Hill St
269	Mike Mc Mahon	30 Hill St
270	THOMAS O'Sullivan	Fairview Ave
271	ANN O'Sullivan	Fairview Ave
272	Patricia Smith	285 Elm Ave Bogota
273	Lillicm Torres	303 Elm Ave Bogota
274	Victor Estrella	303 Elm Ave Bogota
275	Maria Toro	303 Elm Ave Bogota
276	Juliffa Robins	315-ELM AVE Bogota
277	Clara Robins	315-ELM AVE Bogota
278	Wayne Brachitt	341 Elm Ave Bogota
279	Elizabeth Brachitt	" "

## NAME

## ADDRESS

280	John Ann	320 Elm Ave Apt C Bogota
281	John Ann	"
282	Theresa Pessery	320 Elm Ave Apt 6 Bogota
283	Sandra Quinn	116 Cane St. Bogota
284	Margaret Quinn	116 Cane St Bogota
285	Stephen Ann	116 Cane St Bogota
286	Selma Barry	141 Cane St Bogota
287	John Barry	237 Maplewood Ave Bogota
288	John Barry	237 Maplewood Ave Bogota
289	Gloria Dodge	249 Maplewood Ave Bogota
290	Bruce Padon	240 Maplewood Ave. Bogota
291	Eleanor Thomas	235 Cypress Ave, Bogota
292	Al. Thomas	235 Cypress Ave Bogota
293	Ann Lane	51 MUNN AVE Bogota
294	May Lane	51 MUNN AVE "
295	Giuseppe Biamonte	63 MUNN AVE BOGOTA
296	Marlene Biamonte	63 MUNN AVE BOGOTA
297	Robert F. Zamboni	262 ELM AVE BOGOTA
298	William	157 LARCH AVE BOGOTA
299	Laure Gre	157 Larch Ave, Bogota
300	Barbara Messine	130 Munn Ave, Bogota
301	Ronald Messine	130 Munn Ave, Bogota



NAMEADDRESS

302	Kevin Brock	1536 Shore Ave Bogota, NJ
303	NICHOLAS PIANTIERI	167 WEST SIDE AVE
304	Rachel Keenan	22 Linwood Ave Bogota NJ
305	Rafaela Swinton	38 Linwood Ave Bogota NJ
306	Theresa Barlow	58 Linwood Ave Bogota
307	Frank Barlow	58 Linwood Ave Bogota
308	Michael Catalano	186 SUMMIT AVE BOGOTA
309	Barbara Catalano	196 Summit Ave Bogota
310	Edward Jopp	197 SUMMIT AVE BOGOTA
311	Theresa J. Jopp	205 - Summit Ave Bogota
312	Andrew E Kane	209 Summit Ave Bogota
313	<del>Theresa Jopp</del>	215 SUMMIT AVE Bogota
314	Mildred Jopp	215 Summit Bogota
315	William A. Hebert	221 Summit Bogota
316	John R. Boyer	235 Summit Bogota
317	Franziska Cunningham	235 Summit Bogota
318	John Tassary	235 Summit Bogota
319	Chris	242 Summit Bogota
320	John Walsh	247 Summit Bogota
321	John P. Walsh	251 Summit Bogota
322	Franklin B. Stephano	263 Summit Ave. Bogota
323	Bruce Boyer	265 SUMMIT AVE BOGOTA
324	Isabel Bone	254 Summit Ave. Bogota
325	Michael A Bone	254 Summit AVE Bogota
326	Susan Castello	250 SUMMIT AVE BOGOTA
327	Maria Castello	238 Summit Ave. Bogota

	NAME	ADDRESS
328	Sheila Lopez	243 Summit Ave Bogota
329	Burt Wilson	243 Summit Ave Bogota
330	Melissa Nodene	188 Summit Ave Bogota
331	Thomas Napolitano	217 Ridgely Ave Bogota
332	Priscilla Johnson	214 Ridgely Ave Bogota
333	Elsie Otis	208 Ridgely Bogota 07603
334	Jania Otis	208 Ridgely Bogota 07603
335	Juan L. Otis	208 Ridgely Ave Bogota 07603
336	Monica Burton	192 Ridgely Ave Bogota 07603
337	Bryan Burton	192 Ridgely Ave Bogota 07603
338	Beverly Merdano	186 Ridgely Ave Bogota 07603
339	William Merdano	186 Ridgely Ave Bogota 07603
340	John E. Hubel	20 Elmwood Ave
341	Alexis Hubel	" " "
342	Diane Hubel	20 Elmwood Ave Bogota 07603
343	Victor Rella	20 Elmwood Ave Bogota
344	Luis Vizcaino	28 Elmwood Ave Bogota 07603
345	JUAN PORRES <del>Juan Porres</del>	28 Elmwood Ave 07603
346	Alba Vizcaino	28 Elmwood Ave
347	PABLO CUEVA	28 Elmwood Ave
348	Elvis + ANDREA SOTO	43 Elmwood Ave
349	Kary + Mary Roupenyan	46 Elmwood Ave
350	David Castaneda	116 Maplewood Ave
351	Olympia Castaneda	76 Elmwood Ave Bogota
352	M. Daley	88 Elmwood Ave Bogota
353	Mary Daniel	51 Elmwood Ave Bogota, NJ

	NAME	ADDRESS
354	Tom McDevitt	68 Elmwood Ave
355	May McDevitt	61 "
356	Valerie Paul	33 Elmwood Ave
357	Thomas H. Miller	29 Elmwood Ave
358	Jeffrey Casanova	25 Elmwood Ave
359	Daisy Ramirez	25 Elmwood Ave
360	Alicia Pugh	17 Elmwood Ave
361	Frank Pugh	17 Elmwood Ave
362	Joe HANSON	11 Elmwood Ave
363	Dahlia Hanson	11 Elmwood Ave
364	Maxine Hanson	11 Elmwood Ave
365	Patricia Hansen	11 Elmwood Ave
366	Arland Furman	25 Beechwood Ave
367	Martha Furman	25 BEECHWOOD AVE
368	Carole Regan	49 BEECHWOOD AVE
369	Kevin J. Regan	49 Beechwood Ave
370	Dorothy Regan	same ?
371	William J. McCann	55 Beechwood Ave
372	Elitha J. McCann	" " "
373	Jim Martin	71 Abbott Ave
374	Josie R. Cubias	75 BEECHWOOD AVE
375	Helene Devaney	79 Beechwood Ave
376	Thomas A. Devaney	79 Beechwood Ave
377	Rebbie Devaney	79 Beechwood Ave
378	Robert A. Cole	78 Beechwood Ave
379	Susan J. Gany	74 Beechwood Ave



	NAME	ADDRESS
380	Louise Galizia	70 Beechwood Ave
381	Jessie Galizia	70 Beechwood
382	Jul. Congiello	66 Beechwood
383	Eleanore Gordon	62 Beechwood
384	J. J. Gordon	" "
385	Peter Rulonak	58 Beechwood
386	John Hill	40 Beechwood Ave
387	John Bury	40 Beechwood Ave
388	William Kries	26 Beechwood Ave
389	Robert Cummings	27 Walnut Ave
390	Vernon Patacco	30 Walnut Ave
391	Marilyn Gilliam	26 Walnut Ave
392	James Sontag	24 Walnut Ave
393	Tom Sontag	24 Walnut Ave
394	James Davis	30 Walnut Ave
395	James Davis	36 Walnut Ave
396	Thomas Mel	35 WALNUT AVENUE
397	Tom Cordes	39 WALNUT AVE
398	Rosa Cardes	39 Walnut ave
399	Theresa Stank	42 Walnut Avenue
400	Walter	42 Walnut Ave
401	Chas. M. A.	43 WALNUT AVE
402	Christine	48 Walnut Ave
403	Ed Clark	54 Walnut Ave
404	John Capasso	58 Walnut Ave
405	Bill	55 Walnut Ave