Mr. John Czuczman  
International Vice-President  
Director Railroad Division  
Transport Workers Union of America  
80 West End Avenue  
New York, NY 10023

Dear Mr. Czuczman:

Thank you for sending me a copy of your October 1, 2000 letter to Mr. Mark D. Manion, Vice-President-Mechanical at Norfolk Southern Corporation (NS). You express concern about the treatment of members of your union, and problems associated with the corporate culture of the combined NS-Conrail system following the Conrail acquisition transaction.

As you know, the Surface Transportation Board (Board) imposed Safety Integration Plans (SIPs) on the Conrail transaction to address the safe implementation of that transaction, including corporate culture issues. NS must continue to comply fully with the terms of its SIP.

I appreciate your concerns, and I will have your letter and my response made a part of the public docket for the Conrail proceeding.

Sincerely,

Linda J. Morgan

cc: Mr. Mark D. Manion
October 01, 2000

Mr. Mark D. Manion
Vice-President-Mechanical
Norfolk Southern Corporation
110 Franklin Road, S.E.
Roanoke, Virginia 24042-0078

Certified Mail, Return Receipt # 7000-0600-0021-0001-9398 &
Via Fax to (540) 981-5398 - Sunday October 01, 2000, 3 PM.

Dear Mr. Manion,

Please consider this letter as a formal complaint, and formal notice from the Transport Workers Union of America, demanding that management representatives of Norfolk Southern Corporation immediately cease quite unprofessional, intimidating and hostile treatment of TWU members employed on Norfolk Southern Railroad.

This letter responds to the most recent complaint of improper and unacceptable Norfolk Southern managerial actions which was reported to this office at approximately 5:15 PM. On Saturday September 30, 2000.

The complaint which involves the unacceptable and hostile treatment of TWU member L. W. Ooten by Trainmaster Mike Scacco at Harrisburg, Pennsylvania was immediately investigated by my office subsequent to receiving this complaint at 5:15 PM. on Saturday September 30, 2000.

Upon concluding our initial investigation and review of this complaint shortly after 12:30 AM on Sunday October 01, 2000, and based on information received, it was determined that Trainmaster Scacco verbally assaulted, with the use of repeated obscenities, and threatened carmen Ooten during his tour of duty on September 30, 2000.
Being more specific, our investigation resulted in information that Carmen Ooten was subjected to the following, which does not represent all of the information we have developed to this point in our investigation of this complaint.

(1) Accused of holding up his (Trainmaster Scacco's) "F_ _ _ ing train".

(2) Confronted with a comment from Scacco that he, Ooten, "Must not know what the F_ _ _ you are doing".

(3) Threatened by Trainmaster Scacco, that he Scacco was going to take him (Carmen Ooten) out of service.

(4) Verbally assaulted by trainmaster Scacco, who said "you F_ _ _ING Car Inspectors don't respect supervision".

(5) Verbally assaulted by Trainmaster Scacco, who referred to Carmen Ooten as STUPID, further stating that Ooten didn't know what the F_ _ _ he was doing.

(6) Again, Scacco threatened Carmen Ooten with being taken out of service, and accused him of stopping the train too soon.

All of the above outlined, outright abuse of Carmen Ooten stemmed from the simple, but honest fact that Carmen Ooten was unable to get to the hind end of train 21T, on New 14 Track, Harrisburg Truck Terminal, to perform a rear car set-up and release of the brakes due to being blocked by other equipment.

In response, the reality is, with anyone having basic knowledge of railroad yard operations, being blocked and unable to get to any specific location, at any given time, in a railroad yard, especially as complex as Harrisburg, is not at all uncommon.

Moreover, such a situation, completely out of one's control, in this case Carmen Ooten, should not subject the employee, in this case, Carmen Ooten to such outright abuse from management representatives of Norfolk Southern Corporation.

Stated differently, such treatment of an employee is directly in violation of several State and Federal laws, rules and regulations which prohibit this type management behavior directed towards employees.

In fact, such treatment of Carmen Ooten was directly in violation of Norfolk Southern's Safety and General Conduct Rules. In particular, as just one example, we find that Trainmaster Scacco's treatment of Carmen Ooten was in direct conflict with and in violation of Norfolk Southern General Conduct Regulation, GCR-1, which reads in part, as follows:
Norfolk Southern Rules GCR-1, in part:

"Employees are to conduct themselves in a professional manner and not engage in behavior or display material that would be considered offensive or inappropriate by co-workers, customers, or the public."

As developed during our prompt investigation into this matter, Trainmaster Scacco’s behavior and treatment of Carmen Ooten was, in addition to being assaulting, abusive, obscene and threatening, directly in violation of General Conduct Regulation GCR-1, as follows:

1. Trainmaster Scacco’s behavior was excessively unprofessional
2. Trainmaster Scacco’s behavior was completely inappropriate
3. Trainmaster Scacco’s behavior was excessively offensive, to the extent of threatening the well-being of Carmen Ooten on the job.

During our investigation we also received information that this is not the first time TWU members have been subjected to abuse by Trainmaster Scacco.

As if the foregoing is not bad enough, even more disturbing is the fact that the Transport Workers Union of America has filed complaints over Norfolk Southern’s improper treatment of TWU members in the past. Complaints which have obviously fallen on deaf ears, as it is obvious that Norfolk Southern management’s style of intimidating and abusing employees continues.

In view of the foregoing, as stated previously, this formal complaint demands that management representatives of Norfolk Southern Corporation cease this abusive treatment of TWU members immediately.

Anything less than Norfolk Southern taking immediate and appropriate action to address this complaint will be viewed by this organization as Norfolk Southern’s, KNOWINGLY AND WILLINGLY PERMITTING A HOSTILE WORK ENVIRONMENT TO EXIST.

Be advised also, that the Transport Workers Union of America is immediately taking steps to closely monitor Norfolk Southern management conduct at all locations where TWU members are employed, and will respond immediately to any report (s) of improper Norfolk Southern management conduct.

Also, please be advised that copies of this notice and complaint are being transmitted to the following government agencies:

- United States Surface Transportation Board
- United States Federal Railroad Administration
In addition, a copy of this compliant is being forwarded to Rodney Slater, Secretary of Transportation, United States of America, as Secretary Slater oversees the operation of both of the above outlined agencies of the United States Department of Transportation.

Our purpose in communicating this complaint to these government agencies is in response to their monitoring responsibilities and obligations in connection with the acquisition of Conrail. As you should recall, the issue of corporate culture, which is certainly an issue in this complaint, was an issue of concern during the proceedings which resulted in Conrail being purchased, in large part by acquiring railroad Norfolk Southern.

Put simply, this complaint outlines what we view as a continuing corporate culture on Norfolk Southern, wherein employees continue to be intimidated and threatened. A continuing trend which we believe must be communicated to these agencies who are responsible for monitoring this transaction.

Finally, I find it necessary to remind Norfolk Southern Corporation, and its officers and management representatives that this letter should be considered a formal complaint and formal notice of our objections to Norfolk Southern’s improper treatment of TWU members.

In concluding, I must emphasize that the Transport Workers Union of America will not tolerate NS carrier managers, officers, or representatives, abusing, threatening or intimidating TWU members. Again, we have pursued steps to monitor all work locations to detect any improper carrier conduct, and are prepared to respond immediately to any report of improper carrier conduct.

Your immediate attention in this most critical matter would be appreciated.

Sincerely Yours,

[Signature]

John Czuczman
International Vice-President
Director Railroad Division

CC: S. Hall
    D. Rosen
    C. Moneypenny
    T. Grandfield
    All Local Presidents
    R. Johnson
    J.V. Waller

D. Goode
D. Vittur Via Fax @ (540) 981-5668, 10/01/2000, 3:05 PM
M. McMahon Via Fax @ (757) 629-2777, 10/01/2000, 3:10 PM
J. Molitoris
L. Morgan
October 25, 2000

Mr. Michael J. Ward  
Executive Vice President - Operations  
CSX Transportation, Inc.  
500 Water Street  
Jacksonville, Florida 32202

Re: Service Improvement Goals

Dear Mr. Ward:

Thank you for your letter of October 2nd regarding Fall Peak goals, your explanation for the goals, and your expectation that improved levels of performance will allow the company to stay ahead of its goals. I believe that the establishment of goals has been a key to the considerable operating improvements that CSXT has achieved. And these improvements of course would not have been possible without your personal commitment and leadership.

I appreciate your continued cooperation in these matters. As I have before, I will place your letter and my response in the public docket for the Conrail transaction proceeding.

On a related matter, I was grateful for the opportunity to meet with you and your staff during my recent visit to CSX in Jacksonville. Please accept my thanks for your time, and that of your staff, and for the most informative presentations and discussions. I look forward to continuing to work with you on our shared goal of further operational improvement.

Sincerely,

Linda J. Morgan

cc: Mr. John W. Snow
October 2, 2000

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

Dear Chairman Morgan:

This letter describes operational performance goals set by CSXT for the period generally described as “fall peak.” As you will note, CSXT is achieving many of these goals today. It is our expectation that the greatly improved performance of the last few months will provide the momentum necessary to stay ahead of the goals as they change during the three periods we have segmented for the remainder of the year.

We are now in the first segmented period, which will end October 15th. Our past experience indicates that as the demand builds during this period, we are able to meet customer expectations without extraordinary action. Last year was an exception when Hurricane Floyd disrupted the entire eastern seaboard portion of our system. In the absence of such an exception, we believe our goals for the period provide service that meets or exceeds customer expectations.

Between October 15th and Thanksgiving, the CSXT system historically faces its peak demand. Good management and economics dictate that a company maintain resource levels to support something less than its full peak demand. During this period we will occasionally be in a resource-deficit situation. This is especially true for one of our most expensive resources – locomotives. As you know, we did lease additional power for the fall peak, but they will still be a constraining resource impacting several key measures. While we calibrated our goals for this impact, we believe that the customer service provided will meet customer expectations. In addition, we conducted a comprehensive fall peak planning process to minimize customer impact, which I have previously presented to you and your staff.

From Thanksgiving to the end of the year the nature of the challenge changes. More demand comes from the intermodal and automobile networks, while the merchandise and bulk networks normalize. This period, which we call “normalization,” calls for goals set to higher standards of operation.

The following table summarizes the goals for each of these distinct periods.
I would offer the following amplifying comments:

1. **Safety.** We have not met expectations in this regard and I remain dissatisfied. When fall peak goals were established, we obtained the commitment from senior managers in the field that safety would be one of their primary points of focus. We did not lower our goals to accommodate the anticipated busy fall period. I am only slightly gratified to see that our personal accident rate has improved slightly this month. It is still not where it has to be, but we are building momentum and will get this area turned around.

2. **Cars-on-Line.** This number continues to trend strongly in the right direction. When we set the goals, we anticipated higher loadings, which would have to be supported by more cars on line. This has not happened yet, but the volumes will grow during the peak. While we are

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### FALL PEAK GOALS

<table>
<thead>
<tr>
<th></th>
<th>2nd Quarter Average</th>
<th>Previous Goal (Jul-Aug)</th>
<th>Sept. 1-Oct. 15</th>
<th>Oct. 15-Thanksgiving</th>
<th>Thanksgiving-End of Year</th>
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<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
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<tr>
<td>FRA Derailment</td>
<td>6.8/wk</td>
<td>7.6/wk</td>
<td>5.0/wk</td>
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<td>Cars-on-Line</td>
<td>265,225</td>
<td>250,000</td>
<td>257,000</td>
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<tr>
<td><strong>Velocity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>All trains</td>
<td>17.9</td>
<td>19.0</td>
<td>18.7</td>
<td>18.2</td>
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<tr>
<td>Merchandise</td>
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<td>18.3</td>
<td>18.2</td>
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<td>Miles of Slow Orders</td>
<td>529</td>
<td>430</td>
<td>430</td>
<td>375</td>
<td>350</td>
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<tr>
<td><strong>Crews</strong></td>
<td></td>
<td></td>
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<tr>
<td>Crews on duty &gt; 12 hrs</td>
<td>17.3%</td>
<td>15.0%</td>
<td>14.0%</td>
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<td>Recrews</td>
<td>97</td>
<td>65</td>
<td>65</td>
<td>80</td>
<td>55</td>
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<tr>
<td>Crew setback hours</td>
<td>N/A</td>
<td>N/A</td>
<td>175</td>
<td>225</td>
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<td>Dwells</td>
<td>29.8</td>
<td>27.0</td>
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<td><strong>Yard/Terminal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Right Car Right Train</td>
<td>71.0%</td>
<td>75.0%</td>
<td>70.0%</td>
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<tr>
<td>On-time (+2) originations</td>
<td>67.8%</td>
<td>80.0%</td>
<td>75.0%</td>
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<tr>
<td>30-hour cars</td>
<td>19,778</td>
<td>15,000</td>
<td>15,000</td>
<td>17,000</td>
<td>15,000</td>
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<tr>
<td><strong>Locomotives</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>Industry Switch Excellence</td>
<td>80.0%</td>
<td>85.0%</td>
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<td>Loco setback hours</td>
<td>483</td>
<td>350</td>
<td>450</td>
<td>650</td>
<td>450</td>
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<tr>
<td>CSX Out of Service</td>
<td>5.5%</td>
<td>5.0%</td>
<td>5.1%</td>
<td>5.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Leased Out of Service</td>
<td>11.9%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
<td>10.0%</td>
</tr>
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<td>Loco terminal dwell</td>
<td>7.4</td>
<td>7.0</td>
<td>7.0</td>
<td>7.7</td>
<td>7.0</td>
</tr>
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</table>
beating our goal, we continue to focus on pushing down the cars-on-line per revenue load to minimize the peak impact.

3. **Velocity.** CSXT enters fall peak with line-of-road train speeds at their highest level since split date. We are already seeing some slowing of those speeds, but enough positive ground has been made to give us the expectation that velocity can remain at healthy levels throughout the period.

4. **Miles of Slow Orders.** This number has not yet met goal, but lately has trended in the right direction.

5. **Crews on duty greater than 12 hours.** We have gotten much better control of this issue than when it first appeared on our goal list in April. Through continued management attention we expect it to remain within control limits.

6. **Recrews.** This number historically climbs during the fall. Our goals acknowledge this natural growth, but are set to ensure it does not become a debilitating factor.

7. **Crew setback hours.** This is a measurement of the number of hours that trains throughout the system are ready to depart a terminal but cannot do so because of lack of crew. We added the measurement to the fall peak report card because of its historic influence on our ability to manage through the peak in traffic.

8. **Terminal Dwell.** This number tends to go up during the fall. Our goals are set to ensure that as the number climbs, it remains within limits that allow the system to remain fluid.

9. **Right-car-right-train.** This is our measure of terminal efficiency -- on getting the car on the train to which it was scheduled upon arrival in a yard. A 70% rating means the yards are operating at controllable efficiency levels.

10. **On-time origination.** We emphasize this measure as the key to becoming a more scheduled railroad. Although maintaining high origination percentages is expected to become more difficult during the peak, we expect higher performance in this key area than we have seen in previous fall periods.

11. **30-hour Cars.** Our 30-hour car measurement also represents substantial improvement from previous 12-month averages. The goal for 30-hour cars was set by analysis of this time period in previous years.

12. **Industrial Switching Excellence (ISE).** This is a measurement of how well our local trains and industrial yard jobs perform their work orders. We continue to set high goals, but have not yet achieved them. Because switching performance is so critical to our customers, we will not lower the goals. As a note, we are expanding the ISE system to northern terminals early in 2001. Previously, only the southern terminals were loaded into the system and crews trained.
13. **Locomotive Measurements.** The four locomotive measurements give us a clearer picture of this asset than any other. Locomotives must be carefully managed as fall demands grow and we have set locomotive goals to let us know of a problem in time to pro-actively address it.

At CSX we are confident about our ability to meet the expected fall peak demands. We have planned more comprehensively than for any prior fall peak period. The goals we have set are based on a careful analysis of the history of the fall period, combined with modeling exercises. When we meet or exceed the above goals, we will meet or exceed our customers’ expectations.

I sincerely hope the above is of assistance to the Board as it monitors the effects of the CONRAIL integration.

Sincerely,

Michael Ward
October 25, 2000

Mr. R.W. Godwin  
General Chairman  
Brotherhood of Locomotive Engineers  
810 Abbott Road  
Suite 200  
Buffalo, NY 14220

Dear Mr. Godwin:

Thank you for sending me a copy of your October 9 letter to Mr. James Schultz, Vice President and Chief Safety Officer of CSX Transportation (CSXT). You express concern about the safety of operations in Erie, Pennsylvania, where Norfolk Southern (NS) is constructing a new main line track next to main line tracks of CSXT. In particular, you urge that a means of communication be established between employees of CSXT and NS for operations conducted over these lines.

As before, I will have your letter and any response that I receive made a part of the public docket in the Conrail proceeding. Again, I appreciate your concerns and commitment to a safe and fair implementation of the Board-approved Conrail acquisition.

Sincerely,

Linda J. Morgan

cc: Mr. James T. Schultz
Mr. James T. Schultz, V.P. & Chief Safety Officer
CSX Transportation
500 Water Street, J120
Jacksonville, FL 32202

Dear Sir:

I am writing concerning the Norfolk Southern Proposed New route Utilizing Existing CSXT (former Conrail) Right of Way in Erie, PA to Eliminate Street Running. In my letter of September 20, 2000, (copy attached) I only wrote about the building of the Norfolk Southern mainline track next to the CSXT tracks, Control Siding, Main Track #2 and Main Track #1. I did not write about the problems after the project was completed and Norfolk Southern trains (traveling at 50 MPH) are operating over their main line track and CSXT are traveling up to 60 MPH on the CSXT main tracks one and two and 30 MPH on the control siding.

What caused me to think of the problems after the new Norfolk Southern Main Track is up and running was a derailment and collision on Conrail in the vicinity we are talking about. A Conrail train derailed and another train going on the other track collided with the derailment. There were injuries. Luckily no one was killed, but locomotives and cars were derailed and severely damaged.

This collision was on Conrail tracks with Conrail trains, Conrail crews working on the same radio channel and under the same Train Dispatcher. It caused millions of dollars of damage and it was a miracle that no one was killed.

Now let’s set up a scenario of westbound Norfolk Southern train traveling at 50 MPH has a derailment at MP 87 and a CSXT westbound train was operating at 60 MPH on Track #2, in the vicinity of CP 85 and another CSXT train going eastbound on Track #1, just past CP 89 at 60 MPH. Throw in the fact that CSXT trains cannot talk to the Norfolk Southern train and each train is inside of two miles of each other and traveling at a mile a minute. As sure as God make little green apples, we are going to have a three train pile up with fatalities, injuries and a possible disaster in downtown Erie, PA.

I am not against the Norfolk Southern moving their mainline to get away from the always dangerous road crossings. All I want is a safe work place for my Brothers and Sisters, Locomotive Engineers and Conductors on both Norfolk Southern and CSXT. We need a way to talk to the Norfolk Southern crews in this close high speed corridor from CP 89 to CP 85.
I strongly suggest that we set up a meeting with both Railroads, the FRA, the STB, the State of Pennsylvania, the City of Erie, the B.ofL.E. and the U.T.U. There is a safer way and I think if we sit down with the above representatives, we can find it. Thanking you in advance for your time and effort, and requesting a written reply, I remain

Sincerely yours,

R. W. Godwin
General Chairman

RWG:rm

c: E. Dubroski, President
J. McCoy, 1st Vice President
M. W. Fitzgerald, Local Chairman #3
K. F. LeFauve, Local Chairman #382
K. Kertesz, PA Leg. Chairman
R. Downing, Vice President
James Decker, General Manager
Brian L. Hontz, Deputy Regional Administrator
Michael Ziolkowski - FRA
Jolene Molitoris, FRA Administrator
Linda Morgan, Chairperson, STB
Governor Tom Ridge, Pennsylvania
Mayor - Erie, PA
Mr. Michael Ziolkowski - FRA  
Thaddeus J. Dulski - Federal Building  
111 West Huron St. - Room 31  
Buffalo, NY 14202

Dear Sir:

Attached please find a Norfolk Southern map of the Proposed New Route Utilizing Existing Conrail (CSX) Right of Way to Eliminate Street Running. The project starts at CP 89 and goes east to CP 85, approximately five (5) miles. The problem I have is the Norfolk Southern will have BMWE gangs and heavy equipment within a few feet away from the CSXT Control Siding and three or four yard from main track 2 and the adjacent tracks.

In the spirit of safety, before the project starts I feel a meeting should be set up between CSX, Norfolk Southern, FRA, BLE, BMWE and UTU to set up safe work areas for the Norfolk Southern employees, the CSX employees and the public. We need a radio channel to allow Norfolk Southern employees to talk to the CSX Dispatchers and Locomotive Engineers and Conductors on the passing trains.

In this area on the main track one and two between CP 85 and CP 89 the speed is 60 MPH. At that speed, we have to use the best communications between the Norfolk Southern BMWE gangs and the CSX crews on the trains in a timely fashion to clear the BMWE gangs and the equipment.

If we all work together we can make this a one hundred percent safe project. Thanking you for your time and effort, I remain

Sincerely yours,

R. W. Godwin
General Chairman

RWG:rm

c:   E. Dubroski, President
     J. McCoy, 1st Vice President
     M. W. Fitzgerald, Local Chairman #3
     K. F. LeFauve, Local Chairman #382
     Ken Kertesz, BLE PA Leg. Chairman
     James T. Schultz, V.P. & Chief Safety Officer
     R. Downing, Vice President
     James Decker, General Manager
     Brian L. Hontz, Deputy Regional Administrator
NOTE: EXACT LOCATION AND CONFIGURATION OF PROPOSED TRACK TO BE DETERMINED BY MUTUAL AGREEMENT AT LATER DATE.
NOTE: EXACT LOCATION AND CONSTRUCTION OF PROPOSED TRACK TO BE DETERMINED BY MUTUAL AGREEMENT AT LATER DATE.

SCALE: NOT TO SCALE

NOTE: DRAWING BASED ON AVAILABLE INFORMATION NO FIELD SURVEY MADE - NOT ALL TRACKS SHOWN

ERIE, PENNSYLVANIA

PROPOSED NEW ROUTE UTILIZING EXISTING CONRAIL (CSX) RIGHT OF WAY TO ELIMINATE STREET RUNNING

NORFOLK SOUTHERN RAILWAY CO.
### NOTES:

- **Notes**: Additional notes or information specific to the diagram or table.
Mr. Clarence Turnquist  
President  
International Longshoremen’s Association  
2125 Tryon Road  
Ashtabula, OH 44004  

Dear Mr. Turnquist:

Thank you for sending me a copy of your September 13, 2000 letter to Mr. Stephen C. Tobias, Vice Chairman and Chief Operating Officer of Norfolk Southern Corporation (NS). You express frustration with the treatment of the members of your union following the Conrail acquisition transaction, and question the commitment of NS to safety.

As you know, the Surface Transportation Board (Board) imposed Safety Implementation Plans (SIPs) on the Conrail transaction to help ensure the safe implementation of that transaction. NS must continue to comply fully with the terms of its SIP. And, as stated previously, the Board urges management and labor to continue to strive to establish positive relationships and to resolve issues that arise through good-faith negotiations.

As before, I will place your letter and my response in the public docket for the Conrail proceeding.

Sincerely,

Linda J. Morgan

cc: Mr. Stephen C. Tobias  
Vice Chairman and Chief Operating Officer  
Norfolk Southern Corporation
September 13, 2000

Stephen C. Tobias
Vice Chairman and Chief Operating Officer
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA. 23510-2191

Dear Mr. Tobias:

Since the acquisition of Conrail on June 1, 1999, the International Longshoremen’s Association, Local 1913, has tried to work with the Carrier (Norfolk Southern) at the Ashtabula Coal Dock, in Ashtabula, Ohio to be the best dock on Lake Erie and to remain viable in handling as much coal as possible. We are consistently advising our members to keep working the way we always have in the past under Conrail that conditions will improve here. I feel and our members feel that fifteen (15) months later they have only gotten worst. I feel that our efforts have gone unheeded and unappreciated by Norfolk Southern (NS).

Since June 1, 1999 there has been drastic problems between labor and Labor relations and Management relations. These problems are the following:

• There have been continued violations of our Collective Bargaining Agreement, claims and grievances which are randomly denied. Over one hundred and twenty (120) grievances have been written since June 1, 1999.

• Excessive man power shortages are a daily problem that affects our member’s working safely.

• The Union Committee and our members have been told that Safety is at Supervision’s discretion or prerogative.

These topics reflect but a few of the ingredients that have combined to create this great unrest. Considering the above and lack or recognition of our tireless efforts to make NS a viable entity, the Union has no other alternative but to advise all our members that effective immediately ILA 1913 will support the efforts of the UTU and the General Chairman, Mr. Delbert G. Strunk , , unanimously and will no longer participate in the Carrier’s Safety Committee Programs. Furthermore, ILA Local 1913 will not participate in NS sponsored committees and lastly our local representative will not attend or participate in the Division Superintendent’s Meetings.

While ILA Local 1913 is a strong advocate for safety also, as well as service to our customers, the Union can not in good conscience continue to cooperate in joint
functions only to experience blatant abuses of our rights and Collective Bargaining Agreement. I regret to have to make this decision.

Yours truly,

C. E. Turnquist
President, I.L.A. Local 1913

cc: J. Hixon, Senior Vice President-Employee Relations
    M. MacMahon, Vice President Labor Relations
    A. Licate, Director Labor Relations
    R. Bartles, Division Superintendent
    L. Morgan, Chairman Surface Transportation Board
    B. N. Johnson, Terminal Superintendent

CET:jrl
April 15, 1998

Honorable Vernon A. Williams
Secretary, Case Control Branch
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, D.C. 20423-0001


Dear Secretary Williams:

Please remove my name as a party of record in the above proceeding. As a result of a merger with the North Carolina Railroad, the Beaufort and Morehead Railroad dissolved as a corporate entity on April 1, 1998. Pursuant to Decision No. 21, enclosed is an original and 25 copies of this request and certificate of service, together with a 3.5 inch diskette containing the filing in WordPerfect 5.x for Windows, which can be converted into WordPerfect 7.0.

Thank you for your assistance. Please contact me if you have questions or need additional information.

Sincerely,

David D. King
Beaufort and Morehead Railroad Co.
PO Box 25201
Raleigh, NC 27611-5201

DDK/jab
Enclosures
cc: Parties of Record
CERTIFICATE OF SERVICE

I hereby certify that on April 15, 1998 I caused a copy of the attached letter to be served by first-class U.S. mail upon all parties of record listed in the attached service list pursuant to Decision No. 21 in Finance Docket 33388 and upon Administrative Law Judge Jacob Levanthal.

Mark B. Sullivan
North Carolina Department of Transportation
PO Box 25201
Raleigh, NC 27611
Chicago, IL 60605
Paul T. Denis
Arnold & Porter
555 12th Street NW
Washington, DC 20004-1202

Nicholas J. Dimichael
Donelan, Cleary, Et Al
1100 New York Avenue NW, Ste. 750
Washington, DC 20005-3934

David W. Donely
3361 Stafford Street
Pittsburgh, PA 15204-1441

Paul M. Donovan
Laroe, Winn, Et Al
3506 Idaho Avenue NW
Washington, DC 20016

Kelvin J. Dowd
Slover & Loftus
1224 17th Street NW
Washington, DC 20036

Clark Evans Downs
Jones, Day, Reavis & Pogue
1450 G. Street NW
Washington, DC 20005-2088

Daniel Duff
American Public Transit Association
1201 New York Avenue NW
Washington, DC 20005

John K. Dunleavy
Assistant Attorney General
133 State Street State Administration Bldg.
Montpelier, VT 05633-5001

Donald W. Dunlevy
230 State Street
UTU State Legislative Director
PA AFL-CIO Building, 2nd Floor
Harrisburg, PA 17101-1138

Fay D. Dupus, City Solicitor
City Hall
802 Plum Street, Room 214
Cincinnati, OH 45202

Martin T. Durkin
Durkin & Boggia, Esqs.
Centennial House

71 Mt. Vernon Street
PO Box 378
Ridgefield Park, NJ 07660

David Dysard
TMACOG
PO Box 9508
300 Central Union Plaza
Toledo, OH 43697-9508

Gary A. Ebert
City of Bay Village
350 Dover Center Road
Bay Village, OH 44140

Richard S. Edelman
Highsaw Mahoney & Clarke, PC
1050 Seventeenth Street NW, Ste. 210
Washington, DC 20036

Gary Edwards
Superintendent of Railroad Operations
Somerset Railroad Corporation
7725 Lake Road
Barker, NY 14012

Robert Edwards
Eastern Transport and Logistics
1109 Lanette Drive
Cincinnati, OH 45230

Daniel R. Elliott, III
Assistant General Counsel
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Terrell Ellis
CAEZWV
PO Box 176
Clay, WV 25043

Robert L. Evans
Oxychem
PO Box 809050
Dallas, TX 75380

Sara J. Fagnilli
City of Lakewood
12650 Detroit Avenue
Lakewood, OH 44107

Gerald W. Fauth, III
G. W. Fauth & Associates, Inc.
PO Box 2401
Carl Feller  
Dekalb Agra, Inc.  
PO Box 127  
4743 County Road 28  
Waterloo, IN 46793-0127

Michael P. Ferro  
Millennium Petrochemicals, Inc.  
11500 Northlake Drive  
Cincinnati, OH 45249

J. D. Fitzgerald  
UTU, General Chairperson  
400 E. Evergreen Blvd, Ste. 217  
Vancouver, WA 98660-3264

Stephen M. Fontaine  
Massachusetts Central Railroad Corporation  
One Wilbraham Street  
Palmer, MA 01069

Richard F. Friedman  
Earl L. Neal & Associates  
3600 East 95th Street  
Chicago, IL 60617-5193

Garland B. Garrett, Jr.  
NC Department of Transportation  
PO Box 25201  
Raleigh, NC 27611

Michael J. Garrigan  
BP Chemicals, Inc.  
4440 Warrensville Center Road  
Cleveland, OH 44128

Richard A. Gavril  
16700 Gentry Lane No. 104  
Tinley Park, IL 60477

Peter A. Gilbertson  
Louisville & Indiana Railroad Company  
53 W. Jackson Boulevard, Ste. 350  
Chicago, IL 60604

Peter A. Gilbertson  
Regional RRS of America  
122 C Street NW, Ste. 850  
Washington, DC 20001

Louis E. Gitomer  
Ball Janik LLP

Douglas S. Golden  
Main Line Management Services, Inc.  
520 Fellowship Road, Ste. A-105  
Mount Laurel, NJ 08054-3407

Andrew P. Goldstein  
McCarty, Sweeney Et Al  
1750 Pennsylvania Avenue NW  
Washington, DC 20006

Edward D. Greenberg  
Galland, Kharasch, Morse & Garfinkle  
1054 Thirty-First Street NW  
Washington, DC 20007-4492

Peter A. Greene  
Thompson Hine Flory  
1920 N Street NW, Ste. 800  
Washington, DC 20036

Robert E. Greenlese  
Toldeo-Lucas County Port Authority  
1 Maritime Plaza, Ste. 700  
Toledo, OH 43604

Donald F. Griffin  
Assistant General Counsel  
Brotherhood of Maintenance of Way Employees  
400 N. Capital Street NW  
Ste. 852  
Washington, DC 20001

P. Michael Giftos  
Paul R. Hitchcock  
CSX Transportation, Inc  
500 Water Street  
Jacksonville, FL 32202

John J. Grocki  
GRA, Inc.  
115 West Avenue  
One Jenkintown Station  
Jenkintown, PA 19046

Vaughn R. Groves  
Pittston Coal Company  
PO Box 5100  
Lebanon, VA 24266

Joseph Guerrieri, Jr.  
Guerrieri, Edmond, Et Al
1331 F Street NW, 4th Floor
Washington, DC 20004

David L. Hall
Commonwealth Consulting Associates
720 North Post Oak Road, Ste. 330
Houston, TX 77024

Michael P. Harmonis
United States Department of Justice
325 7th Street, Ste. 500
Washington, DC 20530

James W. Harris
The Metropolitan Planning Organization
1 World Trade Center, Ste. 82 East
New York, NY 10048-0043

Nicole Harvey
The Dow Chemical Company
2020 Dow Center
Midland, MI 48674

John D. Heffner, Esq.
Rea, Cross & Auchincloss
1920 N Street NW, Ste. 420
Washington, DC 20036

R. J. Henefeld
PPG Industries, Inc.
One PPG Place
Pittsburgh, PA 15272

William P. Hernan, Jr.
General Chairman
PO Box 180
Hilliard, OH 43026

Charles S. Hesse, President
Charles Hesse Associates
8270 Stoney Brook Drive
Chagrin Falls, OH 44023

Eric M. Hocky
Gollatz, Griffin, Ewing
213 West Miner Street
West Chester, PA 19381-0796

James E. Howard
90 Canal Street
Boston, MA 02114

James L. Howe, III
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191

John Hoy
PO Box 117
Glen Burnie, MD 21060

Brad F. Huston
Cyprus Amax Coal Sales Corporation
400 Technecenter Drive, Ste. 320
Milford, OH 45150

Sheila Meck Hyde, City Attorney
City Hall
342 Central Avenue
Dunkirk, NY 14048

Ernest J. Ierardi
Nixon Hargrave Devans Doyle LLP
PO Box 1051
Clinton Square
Rochester, NY 14603-1051

William P. Jackson, Jr.
Jackson & Jessup, PC
PC Box 1240
3426 North Washington Blvd.
Arlington, VA 22210

James R. Jacobs
Jacobs Industries
2 Quarry Lane
Stony Ridge, OH 43463

Doreen C. Johnson
Chief Antitrust Section
Ohio Attorney General Office
30 E. Broad Street, 16th Floor
Columbus, OH 43215

Erika Z. Jones
Mayer, Brown & Platt
2000 Pennsylvania Avenue NW
Ste. 6500
Washington, DC 20006

Terrence D. Jones
Keller & Heckman
1001 G Street NW, Ste. 500 West
Washington, DC 20001

Frank N. Jorgensen
The Elk River Railroad, Inc.
PO Box 460
Summersville, WV 26651
Local Union 1810 UMWA
R D #2
Rayland, OH 43943

Robert E. Martinez
Virginia Secretary of Transportation
PO Box 1475
Richmond, VA 23218

John K. Maser, III
Donelan, Cleary, Wood, Maser
1100 New York Avenue, Ste. 750
Washington, DC 20005-3934

David J. Matty
City of Rocky River
21012 Hilliard Road
Rocky River, OH 44116-3398

George W. Mayo, Jr.
Hogan & Hartson LLP
555 Thirteenth Street NW
Washington, DC 20004-1109

Michael F. McBride
Leboeuf Lamb Greene & Macrae, LLP
1875 Connecticut Avenue NW, Ste. 1200
Washington, DC 20009-5728

R. Lawrence McCaffrey, Jr.
New York & Atlantic Railway
405 Lexington Avenue, 50th Floor
New York, NY 10174

Edward C. McCarthy
Inland Steel Industries, Inc.
30 West Monroe Street
Chicago, IL 60603

Christopher C. McCracken
Ulmer & Berne LLP
1300 East Ninth Street, Ste. 900
Cleveland, OH 44114

Thomas F. McFarland, Jr.
McFarland & Herman
20 North Wacker Drive, Ste. 1330
Chicago, IL 60606-3101

James F. McGrail
Commonwealth of Massachusetts
Executive Office of Transportation
& Construction
10 Park Plaza, Room 3170
Boston, MA 02116-3969

John F. McHugh
McHugh & Sherman, Esqs.
20 Exchange Place
New York, NY 10005

Francis G. McKenna
Anderson & Pendleton
1700 K Street, NW, Ste. 1107
Washington, DC 20006

Coletta McNamee, Sr.
Cudell Improvement, Inc.
11500 Franklin Blvd, Ste. 104
Cleveland, OH 44102

H. Douglas Midkiff
65 West Broad Street, Ste. 101
Rochester, NY 14614-2210

Clinton J. Miller, III, General Counsel
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

G. Paul Moates
Sidley & Austin
1722 Eye Street, NW
Washington, DC 20006

C. V. Monin
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, OH 44113

Karl Morrell
Ball Janik LLP
1455 F Street NW, Ste. 225
Washington, DC 20005

Ian Muir
Bunge Corporation
PO Box 28500
St. Louis, MO 63146

William A. Mullins
Troutman Sanders LLP
1300 I Street NW, Ste. 500 East
Washington, DC 20005-3314

John R. Nadolny, Vice President &
General Counsel
Boston & Maine Corporation
Iron Horse Park
No. Billerica, MA 01862
L. John Osborn
Sonnenschein Nath & Rosenthal
1301 K Street NW, Ste. 600
Washington, DC 20005

William L. Osteen
Associate General Counsel TVA
400 West Summit Hill Drive
Knoxville, TN 37902

Jean Pierre Ouellet
Chief Legal Officer & Corporate Secretary
Canadian National Railway Company
935 de La Ga"chetiere Street W, 16th Floor
Montreal, Quebec H3B 2M9
Canada

Monty L. Parker
CMC Steel Group
PO Box 911
Seguin, TX 78156

Lawrence Pepper, Jr.
Gruccio Pepper
817 East Landis Avenue
Vineland, NJ 08360

F. R. Pickell
General Chairperson UTU
6797 North High Street, Ste. 108
Worthington, OH 43085

Patrick R. Plummer
Guerneri Edmond & Clayman PC
1331 F Street NW
Washington, DC 20004

Joseph R. Pomponio
Federal Railroad Administration
400 7th Street SW, RCC-20
Washington, DC 20590

Gregory Y. Porter
Sonnenschein Nath & Rosenthal
1301 K Street NW, Ste. 600 East
Washington, DC 20005

Harold P. Quinn, Jr.
Senior VP & General Counsel
National Mining Association
1130 Seventeenth Street NW
Washington, DC 20036

J. T. Reed
General Chairperson UTU
Washington, DC 20006

Roger A. Serpe
Indiana Harbor Belt Railroad
175 West Jackson Blvd, Ste. 1460
Chicago, IL 60604

James E. Shepherd
Tuscola & Saginaw Bay
PO Box 550
Owosso, MI 48867-0550

Kevin M. Sheys
Oppenheimer Wolff & Donnelly
1020 Nineteenth Street NW, Ste. 400
Washington, DC 20003-6105

Peter J. Shudtz
CSX Corporation
One James Center
901 East Cary Street
Richmond, VA 23219

Mark H. Sidman
Weiner, Brodsky, Sidman
1350 New York Avenue NW, Ste. 800
Washington, DC 20005

Philip G. Sido
Union Camp Corporation
1600 Valley Road
Wayne, NJ 07470

Kenneth E. Siegel
American Trucking Association
2200 Mill Road
Alexandria, VA 22314-4677

Patrick B. Simmons
NC Department of Transportation
1 S. Wilmington Street, Room 557
Raleigh, NC 27611

Samuel M. Sipe, Jr.
Steptoe & Johnson
1330 Connecticut Avenue NW
Washington, DC 20036-1765

Richard G. Slattery
Amtrak
60 Massachusetts Avenue NE
Washington, DC 20002

William L. Slover
Slover & Loftus

1224 Seventeenth Street NW
Washington, DC 20036-3003

Garrett G. Smith
Mobil Oil Corporation
3225 Gallows Road, Room 8A903
Fairfax, VA 22037-0001

Paul Samuel Smith
US Department of Transportation
400 7th Street SW, Room 4102 C-30
Washington, DC 20590

Mike Spahis
Fina Oil & Chemical Co.
PO Box 2159
Dallas, TX 75221

Charles A. Spitulnik
Hopkins & Sutter
888 Sixteenth Street NW
Washington, DC 20006

Eileen S. Stommes, Director
T&M Division
Agricultural Marketing Service, USDA
PO Box 96456
Washington, DC 20090-6456

D. G. Strunk, Jr.
General Chairperson UTU
817 Kilbourne Street
Bellevue, OH 44811

James F. Sullivan
CT Department of Transportation
PO Box 317546
Newington, CT 06131

Daniel J. Sweeney
McCarthy, Sweeney & Harkaway, PC
1750 Pennsylvania Avenue NW, Ste. 1105
Washington, DC 20006

Robert G. Szabo
Van Ness Feldman, PC
1050 Thomas Jefferson Street NW
Seventh Floor
Washington, DC 20007

J. E. Thomas
Hercules Incorporated
1313 North Market Street
Wilmington, DE 19894
K. N. Thompson  
General Chairperson UTU  
11017-F Gravois Industrial Plaza  
St. Louis, MO 63128

William R. Thompson  
City of Philadelphia Law Department  
1600 Arch Street, 10th Floor  
Philadelphia, PA 19103

W. David Tidholm  
Hutcheson & Grundy  
1200 Smith Street, #3300  
Houston, TX 77002

Merrill L. Travis  
Illinois Department of Transportation  
2300 S. Dirksen Parkway, Room 302  
Springfield, IL 62703-4555

Mayor Vincent M. Urbin  
150 Avon Belden Road  
Avon Lake, OH 44012

Stephen M. Uthoff  
Conigli & Uthoff  
110 W. Ocean Boulevard, Ste. C  
Long Beach, CA 90802

J. William Van Dyke  
NJ Transportation Planning Authority  
One Newark Center, 17th Floor  
Newark, NJ 07102

William C. Van Slyke  
152 Washington Avenue  
Albany, NY 12210

Robert P. vom Eigen  
Hopkins & Sutter  
888 16th Street NW, Ste. 700  
Washington, DC 20006

John A. Vuono  
Vuono & Gray  
2310 Grant Building  
Pittsburgh, PA 15219

F. Ronalds Walker  
Citizens Gas & Coke Utility  
2020 N. Meridian Street  
Indianapolis, IN 46202

Jack A. Walter  
WCI Steel, Inc.  
1040 Pine Avenue SE  
Warren, OH 44483

Timothy M. Walsh  
Steptoe & Johnson  
1330 Connecticut Avenue NW  
Washington, DC 20036-1795

Leo J. Wasescha, Transportation Manager  
Gold Medal Division  
General Mills Operations, Inc.  
Number One, General Mills Boulevard  
Minneapolis, MN 55426

James R. Weiss  
Preston Gates Ellis Et Al  
1735 New York Avenue, Ste. 500  
Washington, DC 20006

Hugh H. Welsh  
Law Department, Ste. 67E  
One World Trade Center  
New York, NY 10048-0202

Charles H. White, Jr.  
Galland, Kharasch & Garfinkle, PC  
1054 Thirty-First Street NW  
Washington, DC 20007-4492

William W. Jr, Whitehurst  
12421 Happy Hollow Road  
Cockeysville, MD 21030

Henry M. Wick, Jr.  
Wick, Streiff, Et Al  
1450 Two Chatham Center  
Pittsburgh, PA 15219

Robert J. Will  
United Transportation Union  
4134 Grave Run Road  
Manchester, MD 21102

Larry Willis, Esq.  
Transportation Trades Department AFL-CIO  
400 N. Capital Street NW, Ste. 861  
Washington, DC 20001

Bruce B. Wilson  
Consolidated Rail Corporation  
Two Commerce Square  
2001 Market Street  
Philadelphia, PA 19103
Richard R. Wilson
1126 Eight Avenue, Ste. 403
Altoona, PA 16602

Robert A. Wimbish, Esq.
Rea, Cross & Auchenbloss
1920 N Street NW, Ste. 420
Washington, DC 20036

C. D. Winebrenner
General Chairperson UTU
27801 Euclid Avenue, Room 200
Euclid, OH 44132

John F. Wing, Chairman
Citizens Advisory Committee
601 North Howard Street
Baltimore, MD 21201

Sergeant W. Wise
Livonia, Avon & Lakeville Railroad Corporation
PO Box 190-B
5769 Sweeteners Blvd.
Lakeville, NY 14480

Timothy A. Wolfe
Wyandotte Doleite, Inc.
PO Box 99, 1794 Co. Road, #99
Carey, OH 43316

Edward Wytkind, Executive Director
Larry I. Willis, Esq.
Transportation Trades Department, AFL-CIO
1000 Vermont Avenue NW, Ste. 900

Washington, DC 20005

Washington, DC 20005

Chicago, IL 60606

New York, NY 10017-3706

Norfolk, VA 23510-2191

1007 Market Street, DuPont Bldg. 3100
Wilmington, DE 19898

L. Pat Wynns
Suite 210
1050-17th Street NW
Washington, DC 20036-5503

Edward Wytkind, Executive Director
Larry I. Willis, Esq.
Transportation Trades Department, AFL-CIO
1000 Vermont Avenue NW, Ste. 900

Walter E. Zullig, Jr., Special Counsel
Metro-North Commuter Railroad Company
347 Madison Avenue
New York, NY 10017-3706
Honorable Vernon A. Williams  
Secretary, Case Control Branch  
Surface Transportation Board  
1925 K Street, N.W., Room 700  
Washington, D.C. 20423-0001


Dear Secretary Williams:

Please remove my name as a party of record in the above proceeding. Furthermore, please substitute E. Norris Tolson for Garland B. Garrett, Jr. as the only remaining party of record for the North Carolina Department of Transportation. Mr. Tolson replaced Mr. Garrett as Secretary of Transportation in January 1998. Pursuant to Decision No. 21, enclosed is an original and 25 copies of this request and certificate of service, together with a 3.5 inch diskette containing the filing in WordPerfect 5.X for Windows, which can be converted into WordPerfect 7.0.

Thank you for your assistance. Please contact me if you have questions or need additional information.

Sincerely,

Patrick B. Simmons  
N.C. Department of Transportation  
1 S. Wilmington Street, Room 557  
Raleigh, NC 27611

PBS/jab  
Enclosures  
cc: Parties of Record
CERTIFICATE OF SERVICE

I hereby certify that on April 15, 1998 I caused a copy of the attached letter to be served by first-class U.S. mail upon all parties of record listed in the attached service list pursuant to Decision No. 21 in Finance Docket 33388 and upon Administrative Law Judge Jacob Levanthal.

Mark B. Sullivan
North Carolina Department of Transportation
PO Box 25201
Raleigh, NC 27611
David G. Abraham
Ste. 631W
7315 Wisconsin Avenue
Bethesda, MD 20814

Constance Abrams
Consolidated Rail Corporation
Two Commerce Square
2001 Market Street
Philadelphia, PA 19103

Richard A. Allen
Zuckert, Scout, & Rasenberger, LLP
888 17th Street NW, Ste. 600
Washington, DC 20006-3939

Charles E. Allenbaugh, Jr.
East Ohio Stone Company
2000 W. Besson Street
Alliance, OH 44601

William D. Ankner
RI Dept. of Transportation
Two Capitol Hill
Providence, RI 02903

Mark G. Aron
CSX Corporation
One James Center
901 East Cary Street
Richmond, VA 23219

George A. Aspatore
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191

Donald G. Avery
Slover & Loftus
1224 Seventeenth Street NW
Washington, DC 20036-3003

T. Scott Bannister
T. Scott Bannister and Associates
1300 Des Moines Building
405 Sixth Avenue
Des Moines, IA 50309

J. R. Barbee
General Chairperson UTU
PO Box 9599
Knoxville, TN 37940

James C. Bishop, Jr.
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191

Christopher J. Burger, President
Central Railroad Company of Indianapolis
500 North Buckeye
Kokomo, IN 46903-0554

James L. Belcher
Eastman Chemical Company
PO Box 431
Kingsport, TN 37662

Martin W. Bercovici
Keller & Heckman
1001 G St NW, Ste. 500 West
Washington, DC 20001

David Berger
Berger and Montague, PC
1622 Locus Street
Philadelphia, PA 19103-6305

Thomas R. Bobak
313 River Oaks Drive
Calumet City, IL 60409

Charles D. Bolam
United Transportation Union
1400-20th Street
Granite City, IL 62040

William A. Bon, General Counsel
Brotherhood of Maintenance of Way Employees
26555 Evergreen Road, Ste. 200
Southfield, MI 48076

Anthony Bottalico
UTU
420 Lexington Avenue
Room 458-460
New York, NY 10017

William T. Bright ETAL
PO Box 149
200 Greenbrier Road
Summersville, WV 26641

Anita R. Brindza
The One Fifteen Hundred Building
11500 Franklin Blvd, Ste. 104
Cleveland, OH 44102

Stephen H. Brown
Vorys Sater Seymour and Pease
1828 L. Street NW  
Washington, DC  20036

James A. Calderwood  
Zuckert, Scout & Rasenberger, LLP  
888 17th Street NW, Ste. 600  
Washington, DC  20006-3939

Ross B. Capon  
National Association of Railroads  
900 Second Street NW  
Ste. 308  
Washington, DC  20002-3557

Hamilton L. Carmouche  
Corporation Counsel  
City of Gary  
401 Broadway, 4th Floor  
Gary, IN  46402

Richard C. Carpenter  
1 Selleck Street, Ste. 210  
East Norwalk, CT  06855

Charles M. Chadwick  
Maryland Midland Railway, Inc.  
PO Box 1000  
Union Bridge, MD  21791

Angelo J. Chick, Jr.  
Local Chairman  
PO Box 48398, Old Goose Bay Road  
Redwood, NY  13679

Sylvia Chinn-Levy  
Intergovernmental Co-op  
969 Copley Road  
Akron, OH  44320-2992

Elaine L. Clark  
Maine Department of Transportation  
16 State House Station  
Augusta, ME  04333

David H. Coburn  
Steptoe & Johnson  
1330 Connecticut Avenue NW  
Washington, DC  20036-1795

Paul D. Coleman  
Hoppe, Mayer & Coleman  
1000 Connecticut Avenue NW  
Ste. 400  
Washington, DC  20036-5302

John F. Collins  
Collins, Collins, & Kantor PC  
267 North Street  
Buffalo, NY  14201

Michael Connelly  
City of East Chicago  
4525 Indianapolis Blvd.  
East Chicago, IN  46312

Robert J. Cooney  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA  23510-2191

Robert J. Cooper, Chairperson  
United Transportation Union  
General Committee of Adjustment, GO-348  
1239 Cass Road  
Maumee, OH  43537

John J. Coscia, Executive Director  
DVRPC  
111 South Independence Mall East  
Philadelphia, PA  19106

Steve M. Coulter  
Exxon Company USA  
PO Box 3272  
Houston, TX  77210-4692

Paul A. Cunningham  
Harkins Cunningham  
1300 19th Street NW, Ste. 600  
Washington, DC  20036

M. W. Currie  
UTU GO-851, General Chairperson  
3030 Powers Avenue, Ste. 2  
Jacksonville, FL  32250

John M. Cutler, Jr.  
McCarthy, Sweeney & Harkaway, PC  
1750 Pennsylvania Avenue NW  
Ste. 1105  
Washington, DC  20006

Irwin L. Davis  
1900 State Tower Building  
Syracuse, NY  13202

Sandra J. Dearden  
Midco Consultants, Inc.  
407 South Dearborn, Ste. 1145
Chicago, IL 60605
Paul T. Denis
Arnold & Porter
555 12th Street NW
Washington, DC 20004-1202

Nicholas J. Dimichael
Donelan, Cleary, Et Al
1100 New York Avenue NW, Ste. 750
Washington, DC 20005-3934

David W. Donely
3361 Stafford Street
Pittsburgh, PA 15204-1441

Paul M. Donovan
Laroe, Winn, Et Al
3506 Idaho Avenue NW
Washington, DC 20016

Kelvin J. Dowd
Slover & Loftus
1224 17th Street NW
Washington, DC 20036

Clark Evans Downs
Jones, Day, Reavis & Pogue
1450 G. Street NW
Washington, DC 20005-2088

Daniel Duff
American Public Transit Association
1201 New York Avenue NW
Washington, DC 20005

John K. Dunleavy
Assistant Attorney General
133 State Street State Administration Bldg.
Montpelier, VT 05633-5001

Donald W. Dunlevy
230 State Street
UTU State Legislative Director
PA AFL-CIO Building, 2nd Floor
Harrisburg, PA 17101-1138

Fay D. Dupus, City Solicitor
City Hall
802 Plum Street, Room 214
Cincinnati, OH 45202

Martin T. Durkin
Durkin & Boggia, Esqs.
Centennial House

71 Mt. Vernon Street
PO, Box 378
Ridgefield Park, NJ 07660

David Dysard
TMACOG
PO Box 9508
300 Central Union Plaza
Toledo, OH 43697-9508

Gary A. Ebert
City of Bay Village
350 Dover Center Road
Bay Village, OH 44140

Richard S. Edelman
Highsaw Mahoney & Clarke, PC
1050 Seventeenth Street NW, Ste. 210
Washington, DC 20036

Gary Edwards
Superintendent of Railroad Operations
Somerset Railroad Corporation
7725 Lake Road
Barker, NY 14012

Robert Edwards
Eastern Transport and Logistics
1109 Lanette Drive
Cincinnati, OH 45230

Daniel R. Elliott, Ill
Assistant General Counsel
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

Terrell Ellis
CAEZWV
PO Box 176
Clay, WV 25043

Robert L. Evans
Oxychem
PO Box 809050
Dallas, TX 75380

Sara J. Fagnilli
City of Lakewood
12650 Detroit Avenue
Lakewood, OH 44107

Gerald W. Fauth, Ill
G. W. Fauth & Associates, Inc.
PO Box 2401
Fritz R. Kahn
1100 New York Avenue NW
Ste. 750 West
Washington, DC 20005-3934

Steven J. Kalish
McCarthy, Sweeney & Harkaway, PC
1750 Pennsylvania Avenue NW
Washington, DC 20006-4502

Larry B. Karnes
Transportation Building
PO Box 30050
425 West Ottawa
Lansing, MI 48909

Richard E. Kerth
Transportation Manager
Champion International Corporation
101 Knightsbridge Drive
Hamilton, OH 45020-0001

David D. King
Beaufort and Morehead Railroad Co.
PO Box 25201
Raleigh, NC 27611-5201

L. P. King, Jr.
General Chairperson UTU
145 Campbell Avenue SW, Ste. 207
Roanoke, VA 24011

Melissa B. Kirgis
Highsaw, Mahoney & Clarke, PC
1050 17th Street NW, Ste. 210
Washington, DC 20036

Mitchell M. Kraus, General Counsel
Transportation Communications International Union
3 Research Place
Rockville, MD 20850

Honorable Dennis J. Kucinich
United States House of Representatives
Washington, DC 20515

Paul H. Lamboley
1020 Nineteenth Street, NW
Ste. 400
Washington, DC 20036

Gary Lane
Norfolk Southern Corporation
Three Commercial Place

Norfolk, VA 23510-2191

J. Patrick Latz
Heavy Lift Cargo System
PO Box 51451
Indianapolis, IN 46251-0451

John K. Leary, General Manager
Southeastern Pennsylvania Transportation Authority
1234 Market Street, 5th Floor
Philadelphia, PA 19107-3780

Sherri Lehman Director of Congressional Affairs
Corn Refiners Association
1701 Pennsylvania Avenue NW
Washington, DC 20006-5805

Thomas J. Litwiler
Oppenheimer Wolff & Donnelly
180 N. Stetson Avenue, 45th Floor
Chicago, IL 60601

Edward Lloyd
Rutgers Environmental Law Clinic
15 Washington Street
Newark, NJ 07102

C. Michael Loftus
Slover & Loftus
1224 Seventeenth Street NW
Washington, DC 20036

Dennis G. Lyons
Arnold & Porter
555 12th Street NW
Washington, DC 20004-1202

Gordon P. MacDougall
1025 Connecticut Avenue NW
Ste. 410
Washington, DC 20036

Stephen A. Maclsaac
Deputy County Attorney
One County Complex Court
Prince William, VA 22192

William G. Mahoney
Highsaw, Mahoney & Clarke
1050 Seventeenth Street NW, Ste. 210
Washington, DC 20036

Ron Marquardt
Local Union 1810 UMWA
R D #2
Rayland, OH 43943

Robert E. Martinez
Virginia Secretary of Transportation
PO Box 1475
Richmond, VA 23218

John K. Maser, III
Donelan, Cleary, Wood, Maser
1100 New York Avenue, Ste. 750
Washington, DC 20005-3934

David J. Matty
City of Rocky River
21012 Hilliard Road
Rocky River, OH 44116-3398

George W. Mayo, Jr.
Hogan & Hartson LLP
555 Thirteenth Street NW
Washington, DC 20004-1109

Michael F. McBride
Leboeuf Lamb Greene & Macrae, LLP
1875 Connecticut Avenue NW, Ste. 1200
Washington, DC 20009-5728

R. Lawrence McCaffrey, Jr.
New York & Atlantic Railway
405 Lexington Avenue, 50° Floor
New York, NY 10174

Edward C. McCarthy
Inland Steel Industries, Inc.
30 West Monroe Street
Chicago, IL 60603

Christopher C. McCracken
Ulmer & Berne LLP
1300 East Ninth Street, Ste. 900
Cleveland, OH 44114

Thomas F. McFarland, Jr.
McFarland & Herman
20 North Wacker Drive, Ste. 1330
Chicago, IL 60606-3101

James F. McGrail
Commonwealth of Massachusetts
Executive Office of Transportation
& Construction
10 Park Plaza, Room 3170
Boston, MA 02116-3969

John F. McHugh
McHugh & Sherman, Esqs.
20 Exchange Place
New York, NY 10005

Francis G. McKenna
Anderson & Pendleton
1700 K Street NW, Ste. 1107
Washington, DC 20006

Coletta McNamee, Sr.
Cudell Improvement, Inc.
11500 Franklin Blvd, Ste. 104
Cleveland, OH 44102

H. Douglas Midkiff
65 West Broad Street, Ste. 101
Rochester, NY 14614-2210

Clinton J. Miller, Ill, General Counsel
United Transportation Union
14600 Detroit Avenue
Cleveland, OH 44107-4250

G. Paul Moates
Sidley & Austin
1722 Eye Street, NW
Washington, DC 20006

C. V. Monin
Brotherhood of Locomotive Engineers
1370 Ontario Street
Cleveland, OH 44113

Karl Morrell
Ball Janik LLP
1455 F Street NW, Ste. 225
Washington, DC 20005

Ian Muir
Bunge Corporation
PO Box 28500
St. Louis, MO 63146

William A. Mullins
Troutman Sanders LLP
1300 I Street NW, Ste. 500 East
Washington, DC 20005-3314

John R. Nadolny, Vice President &
General Counsel
Boston & Maine Corporation
Iron Horse Park
No. Billerica, MA 01862
Roger A. Serpe  
Indiana Harbor Belt Railroad  
175 West Jackson Blvd, Ste. 1460  
Chicago, IL 60604

James E. Shepherd  
Tuscola & Saginaw Bay  
PO Box 550  
Owosso, MI 48867-0550

Kevin M. Sheys  
Oppenheimer Wolff & Donnelly  
1020 Nineteenth Street NW, Ste. 400  
Washington, DC 20036-6105

Peter J. Shudtz  
CSX Corporation  
One James Center  
901 East Cary Street  
Richmond, VA 23219

Mark H. Sidman  
Weiner, Brodsky, Sidman  
1350 New York Avenue NW, Ste. 800  
Washington, DC 20005

Philip G. Sido  
Union Camp Corporation  
1600 Valley Road  
Wayne, NJ 07470

Kenneth E. Siegel  
American Trucking Association  
2200 Mill Road  
Alexandria, VA 22314-4677

Patrick B. Simmons  
NC Department of Transportation  
1 S. Wilmington Street, Room 557  
Raleigh, NC 27611

Samuel M. Sipe, Jr.  
Steptoe & Johnson  
1330 Connecticut Avenue NW  
Washington, DC 20036-1765

Richard G. Slattery  
Amtrak  
60 Massachusetts Avenue NE  
Washington, DC 20002

William L. Slover  
Slover & Loftus

Garrett G. Smith  
Mobil Oil Corporation  
3225 Galloes Road, Room 8A903  
Fairfax, VA 22037-0001

Paul Samuel Smith  
US Department of Transportation  
400 7th Street SW, Room 4102 C-30  
Washington, DC 20590

Mike Spahis  
Fina Oil & Chemical Co.  
PO Box 2159  
Dallas, TX 75221

Charles A. Spitalnik  
Hopkins & Sutter  
888 Sixteenth Street NW  
Washington, DC 20006

Eileen S. Stommes, Director  
T&M Division  
Agricultural Marketing Service, USDA  
PO Box 96456  
Washington, DC 20090-6456

D. G. Strunk, Jr.  
General Chairperson UTU  
817 Kilbourne Street  
Bellevue, OH 44811

James F. Sullivan  
CT Department of Transportation  
PO Box 317546  
Newington, CT 06131

Daniel J. Sweeney  
McCarthy, Sweeney & Harkaway, PC  
1750 Pennsylvania Avenue NW, Ste. 1105  
Washington, DC 20006

Robert G. Szabo  
Van Ness Feldman, PC  
1050 Thomas Jefferson Street NW  
Seventh Floor  
Washington, DC 20007

J. E. Thomas  
Hercules Incorporated  
1313 North Market Street  
Wilmington, DE 19894
Richard R. Wilson
1126 Eight Avenue, Ste. 403
Altoona, PA 16602

Robert A. Wimbish, Esq.
Rea, Cross & Auchincloss
1920 N Street NW, Ste. 420
Washington, DC 20036

C. D. Winebrenner
General Chairperson UTU
27801 Euclid Avenue, Room 200
Euclid, OH 44132

John F. Wng, Chairman
Citizens Advisory Committee
601 North Howard Street
Baltimore, MD 21201

Sergeant W. Wise
Livonia, Avon & Lakeville Railroad Corporation
PO Box 190-B
5769 Sweeteners Blvd.
Lakeville, NY 14480

Timothy A. Wolfe
Wyandot Doliote, Inc.
PO Box 99, 1794 Co. Road, #99
Carey, OH 43316

William C. Woolridge
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191

Frederic L. Wood
Donelan, Cleary, Wood & Maser, PC
1100 New York Avenue NW, Ste. 750
Washington, DC 20005-3934

E. C. Wright
Rail Transportation Procurement Manager
1007 Market Street, DuPont Bldg. 3100
Wilmington, DE 19898

L. Pat Wynns
Suite 210
1050-17th Street NW
Washington, DC 20036-5503

Edward Wytkind, Executive Director
Larry I. Willis, Esq.
Transportation Trades Department, AFL-CIO
1000 Vermont Avenue NW, Ste. 900

Washington, DC 20005

Sheldon A. Zabel
Schiff Hardin & Waite
7200 Sears Tower
Chicago, IL 60606

Walter E. Zullig, Jr., Special Counsel
Metro-North Commuter Railroad Company
347 Madison Avenue
New York, NY 10017-3706
1 Apr 98

Surface Transportation Board
1925 K Street NW
Washington DC 20423

Dear Sir/Madam:

This letter is regarding the proposed sale of Conrail to Norfolk Southern and CSX. While I do not have the knowledge necessary to judge whether this transaction would be good for the United States, there is an aspect of this proposal that I find disturbing.

I understand that many local politicians are requiring significant concessions and/or forms of payment from both NS and CSX in order to gain their approval to do what NS and CSX should not require their approval to do; i.e. run trains.

I would assume that if a trucking company's business were such that it chose to run twice as many vehicles along Interstate 90, no such mollifying would be necessary. Why then should a railroad have to provide appeasements to run additional trains along an existing right-of-way?

Admittedly, I don't look forward to longer waits at grade crossings. I do, however, look forward to less damage to and less congestion on the highways. Thank you.

Sincerely,

[Signature]

Paul A Augustine
March 6, 1998

Mr. Dan King
Congressional Liaison
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Dear Mr. King:

I have been contacted by approximately 150 constituents regarding the tank car fire in New Orleans in 1987.

Please review the enclosed information sent to me. If there is any information you have that I may provide to my constituents with regards to this issue, it would be appreciated. Also, I ask that you give the views and concerns expressed by my constituents the appropriate consideration within federal guidelines. You may forward a reply to the attention of Sara Traigle in my Washington office.

Thank you for your attention and assistance.

Sincerely,

JOHN BREAUX
United States Senator

JB: set
Enclosure
February 26, 1998

Senator John B. Breaux
United States Senate
Washington, DC 20510-1803

Dear Senator John B. Breaux:

By now you have probably received a number of correspondence from the victims of the butadiene leak in 1987. As you are aware in 1987 a tank car that was parked in the Gentilly yard leaked butadiene and caused an explosion that rocked the entire city and caused injuries, property damage and the evacuation of four thousand people. In all over eight thousand people were adversely affected and suffered a financial loss due to the reckless conduct of the railroad companies.

The night of the explosion the railroad companies told then Mayor Bartholomew that no one would accept responsibility. It was not until the mayor threatened and intimidated did they finally agree to help in determining what was in the tank car and a suitable method of fighting the fire. Those people injured and evacuated were forced to flee their homes without the bare necessities and had to stay away from their homes for over forty-eight hours.

When they returned they found their homes coated with soot. No one ever informed them of the danger of the soot. It was not until years later that a chemist obtained by the plaintiffs finally pointed out the necessity of cleaning all air conditioner filters and itty to remove the soot, which carried two known carcinogens. Immediately following the accident the nine companies lead by CSX took soil samples to determine how much butadiene leaked and how dangerous it was. These samples were then taken to an out-of-state lab and at trial the defendants claimed that the samples were somehow lost at the lab.
For ten years the defendants litigated this matter denying any responsibility and CSX even took writs to the U.S. Supreme Court to try to escape their responsibilities. Finally, when the evidence was allowed to go to a jury, the jury was infuriated with CSX’s conduct and took into consideration that this company with assets well over ten billion dollars had financially harmed and physically injured thousands of people and abandoned them. Consequently the jury returned a punitive award of 2.5 billion dollars which was meant to send a message that companies that carry toxic material need to operate the lines with a degree of care commensurate with the risk they implore on the public. CSX’s response was to hire, prior to the jury returning, the best lobbyist-public relations firm that money could buy to influence the press with fancy press kits and slogans that this was an injustice done to their company.

So far their tactics have been successful and once again the 8000 class members are left with no remedy for the losses they have sustained. Now CSX is petitioning the Surface Transportation Board to purchase Conrail and one has to wonder how it will treat parties who suffer injuries at their hands in the future. We have made inquiries on behalf of the citizens of Gentilly to the Surface Transportation Board as to when and how we can participate in these hearings and have not received enough information. The contact person at the Surface Transportation Board is Linda J. Morgan. She may be contacted at 1925 K. Street, NW, Washington, DC 20423-001 and her telephone number is 202-565-1500.

It is my understanding that there will soon be public hearings. Would you please determine whether we could attend these public meetings and participate.

Thank you for your effort.

With best regards, I am

Sincerely yours,

[Signature]

Wendell H. Gauthier
January 23, 1997

Dear Senator Pearce,

I am one of the victims of the 1987 tank car fire in New Orleans, Louisiana. That night I didn't know that I would suffer from toxic chemical exposure. I was removed from my home for three (3) days while the chemicals and residue were being cleaned up. The community has never recovered from this tragedy. The tank cars are still being parked in the same area with no regard to human life or safety.

When this case finally went to court this past summer, and punitive damages were awarded, I was relieved. Now my lawyer is telling me it maybe another ten (10) years before the case comes to an end because of appeals being filed by CSX. Where's the justice in this?

I was also informed that the railroad company wants to spend ten (10) billion dollars to buy another
railroad (Central). How is this possible the buying of another railroad when they are telling us they are bankrupt.

The federal agency that oversees matters like these should not allow CSX to purchase another railroad until their debts to us are paid.

Please assist the victims of this file obtain justice and a fair settlement.

Thanking You In Advance

Renda P. Estrellada

503 green st.
New Orleans, LA
70112
Dear Senator Breaux,

Recently, I was informed that the Tank Car Company is planning on buying another company. My concern is that this company is still in a legal battle and should not be allowed to buy any more property without paying its debts. This company has affected an entire community and still refuses to pay for it's mistake. I feel this company has no concern for the victims of this accident.

This accident inconvenienced my entire family for three days. We were unable to get changing clothing, lost sleep and had to sleep on the floor of a crowded grandmother's house. The flames from the fire left a horrid black stain on my parents' car and our house. When we return to our house it seemed stuffy and a challenge to breathe.

Joseph Theodore

1511 Maria St.
New Orleans, LA
July 1917
Dear Senator John B. Breaux,

I was a victim of the 1987 tanker fire in New Orleans, Louisiana. I was forced to leave my home for 3 days and 3 nights. When the explosion happened, the police made us leave our home without clothes and food. My life was burning and I was my husband. I am currently suffering with high blood pressure, glaucoma and heart disease.

I feel that CSXS should be made to pay us out because I have already been suffering for seven years.

I have heard that CSXS is planning to purchase another railroad company but I feel that they should be made to pay us.
On first, please help me with my situation and guide me in the steps I should.

Sincerely,

[Signature]

George Thomas Rose Lee Home
Dear Senator Braunt,

Ten years ago, my family and I was away in a railroad train explosion. We had to leave our home for a week; so the smoke can get out of our house. I stayed with my mother for that week. I had to meet a week work also. So I said will you please do something about this because they are trying to buy another railroad company for ten million dollars.

Sincerely yours,

[Signature]

1511 Louisiana St.
New Orleans, La.
70117
Feb. 28, 1995

Dear Sir, John Bradley,

Ten years ago, my family and I was away in a nuclear plant explosion. We had to leave our home for a week, as the people can get out of our house. I stayed with my mother for that week. I had to miss a week work also, so I said will you please do something about this because they are trying to buy another nuclear company for 10 billion dollars.

Sincerely yours,

Mrs. Susan B. Johnson
Feb. 27, 1997

Dear Senator John B. Breaux,

I hereby petition pleads to one of the Victims in the disaster you in New Orleans ten years ago. We and my family were displaced from our home for two days. We were sheltered at Ft. Copley School in Franklin, LA. God knows how many other people like this. I don't know what we're going to do long you are to get our share of the settlement. The Jury decided in the Breaux decision in damages this summer which we didn't earn a penny yet. We don't think it fair. We don't live in the same neighborhood anymore, but we are still descended by Hurricane Katrina in the New Neighborhood, an we never no when it will happen again. Justice is the only answer to this pain and suffering that the people as Victims have been going through day by day. Please help all to get what we deserve. Thank you.

Dorothy Pecoy Breaux
1610 Agricultural St.
New Orleans, La.

9/119
I am one of the victims of a tankcar fire in New Orleans. My family and I suffered toxic chemical exposure and two members of my family have cancer. My grandmother died of it (cancer) and now my mother has it and she is only 48. I have suffered a lot behind that toxic fire. My grandmother never smoked or drank in her life. But she died at the age of 76 back in 1996. And as for me I still have headache and a very bad sinus problems from the fire. And now CSX Railroad is now trying to buy Conrail for 10 billion dollars. But when the jury gave us three billion dollars in punitive damages, CSX had a problem with that and now my lawyer said it will be 10 more years before we see any justice and now they won't.
J. 28-95

operate a new railroad unsafely
where is the justice in that. This
is too much to Bear for a young
mother of one

Sincerely

Ms. Demtrini Mosby

Demtrini Mosby
8731 Associated
No. 22 LA 74-57
To: Senator John B. Breaux  
United States Senate

Ms. Paula Solomon  
8-B Louisiana  
9th Floor  
New Orleans, LA  
10-15-98

I suffered from a toxic chemical explosion approx. 16 yrs. ago (1982). She was 16 when a tanker truck occurred. My family was unable to evacuate due to the fact that we had no place to go because other relatives was surrounded by the chemical also.

Upon my suffering, I experienced unmentionable headaches, vomiting, burning eyes plus other extreme discomfort. Since this tanker exposure, I've suffered with skin problems, at a time that in such a small community a tanker car was able to pass with that type of material. Moreover, I've suffered emotionally because my grandmother who was also in the exposure died of cancer and my mother has cancer. I heard that the railroad company is trying to buy an area to relocate, but this has not yet fulfilled. The court's order, a small segment of the black community was affected and we are want to confront the problem. Please stop the management of casualties from occurring with this money to keep Congress from 10 billion dollars when they go before the Surface Transportation Board for approval.

Sincerely,

[Signature]
February 28, 1998
New Orleans, LA

Dear Senator John B. Breaux,

Ms. Verdel E. Brown Solomon
9737 Command Rd.
New Orleans, LA
70127-1537

About 10 years ago, I was a victim of a tankcar fire in New Orleans, Louisiana. Because of this toxic chemical exposure, I became a breast cancer victim. This February 17, 1998, I had to have my breast removed. My family and I have been suffering for 10 years because of Big Kissel's has no feeling for regular people and family. Please help to stop CSX railroad from buying Conrail for 10 billion dollars. They have to go before the Surface Transportation Board for approval.

Sincerely yours,

Ms. Verdel E. Brown Solomon
Dear Senator John B. Breaux,

I was a victim of the 1981 tanker fire in New Orleans, Louisiana. I was forced to leave my home for 2 days with all my clothes and medications. I had to wash the clothes I had in order to go to work. I had to call my doctor for my blood pressure medication because I had left my medication. I suffer with high blood pressure and severe sinus problems. At that time my son was also in my home, he also suffers with sinus and back problems.

It has been seven years and I feel that the tank car company should pay us as no matter what the...
Amounts.
I hear that CBS is planning to purchase another railroad company, but I feel that they should be made to pay us off first.
Please help me and tell me my next step, whereas we can get paid.

Sincerely,

Angela DeLaney
I am writing to express my feelings about the Amityville 1987 tank explosion. Recently, I was informed that the company CXS is talking about buying another railroad. I totally object to that decision. It’s very unfair to the people who suffered from the tank explosion. It has been over 10 yrs., and I have not yet been compensated for my pain and suffering, not to mention the death of my mother, Josie Elizabeth Jackson. After the tank explosion, my mother became very ill, not just physically but mentally also. She would worry about how we would be able to afford to get repairs done on the house, after the explosion’s damage. So what we had to do was borrow money from family members. Today I still owe them for...
March 4, 1998

The Honorable Linda Morgan,
Chairman,
Surface Transportation Board,
1925 K Street, NW,
Suite 820,
Washington, D.C. - 20423

Dear Chairman Morgan:

I am writing to express my very serious concerns regarding recent actions by the City of Cleveland, Ohio that would severely adversely affect the many benefits that could accrue to shippers by the acquisition of Conrail by CSX and the Norfolk Southern.

The substantial benefits projected for east/west shippers by the CSX/NS acquisition of Conrail are put at serious risk by a filing the City of Cleveland has made to the Surface Transportation Board. The threat of another operational debacle, such as the one experienced recently in the Houston area as the result of the Union Pacific merger with the Southern Pacific exists if the STB adopts the proposals put forth in the Cleveland filing. Also, like most Corporate citizens of the United States that railroads have property rights for the roadbeds they have bought, and track laid. Almost without exception the rail carriers did not impose themselves on the communities, the communities grew up along the rail lines. Also this case should be decided on the National interest, not solely on the interest of the State of Ohio.

One of the primary goals of the transaction is to allocate the Conrail assets to ensure that both CSX and NS are provided with east/west main lines that ensure the free flow of traffic without conflict from the other railroads operations. Only in this way can CSX and NS secure enhanced service, better
transit times, and balanced competition for customers in the Northeast and Midwest. The plan filed with the STB accomplished that goal.

The City of Cleveland has now proposed a “flip” of the allocated lines in Cleveland, essentially proposing that the STB assign to CSX the lines previously assigned to NS and vice versa. This “flip” guarantees that every east/west train operated by either CSX or NS should the proposed transaction be approved, will run in conflict with the other railroad. This flip and the inherent conflict it creates, will result in a degradation of the service improvements promised by the transaction. In fact should the flip be adopted, current Conrail east/west rail customers will see transit times increase compared to what's experienced today.

To resolve this inherent conflict, Cleveland has proposed a 2-mile long “fly-over”, or overhead bridge, that would cost in excess of $150-Million and take a minimum of four years to design and build. Assuming the ‘flip’ were necessary, which we do not believe, and that the money was available, the two-year construction period for the ‘fly-over’ with unavoidable traffic curfews would be devastating to efficient rail operations. In short, the creation of another Houston with the repeated service failures that have been felt nationwide, will occur in the East under Cleveland’s proposal.

Should the ‘flip’ be adopted and service quality affected, neither railroad will be able to compete as effectively with trucks, resulting in lost opportunity to relieve traffic congestion and make important environmental gains. CSX estimates alone identify more than eight-million truck miles to be diverted from the highways to the rails on an annual basis in the greater Cleveland area.

The allocation of lines and the routing of traffic through greater Cleveland as originally proposed in the CSX/NS filing with the STB represents the most effective means of achieving the objectives of the transaction and maximizing the public benefits for both the national and local interests.

Please assist us in ensuring that the concerns of the shipping community are not lost in arriving at a solution in Cleveland. We would appreciate your doing everything you can to ensure that the substantial benefits that would result from the Conrail acquisition are realized and that shipping nightmares like those that have occurred in Houston are avoided.
Thank you for your assistance.

Very truly yours,

Lanny S. Vaughn,
President and CEO,
GST Corporation,
2620 Thousand Oaks Blvd.,
Suite 3420.
Memphis, TN - 38118

cc: The Honorable Rodney Slater,
Secretary,
Department of Transportation,
400 7th St., SW,
Room 10200
Washington, D.C. 20590

The Honorable Jolene Molitoris,
Administrator,
Federal Railroad Administration,
1120 Vermont Ave.,
7th floor,
Washington, D.C. - 20005

The Honorable George Voinovich,
Governor,
State of Ohio,
77 S. High St.,
30th Floor,
Columbus, OH - 43266

Mr. John Q. Anderson,
Chief Commercial Officer,
CSX Transportation,
500 Water St.,
Jacksonville, FL - 32202
February 19, 1998

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

Dear Madam Chairman:

As a party of record, I want to take this opportunity to add these comments to Finance Docket No. 33388 and asked that the enclosed be considered as part of the Environmental Impact Statement. The attached correspondence was submitted to me by the city of Mentor, Ohio and ASHTA Chemicals, Inc. located in Ashtabula, Ohio. In addition, Madam Chairman, I respectfully ask that these issues are stipulated as conditions before final approval of the acquisition application is granted by your board.

As the information indicates, both of these issues are vital to the safety and economic stability of Northeast Ohio and should receive due consideration during your review. I thank you in advance for your time and assistance with this matter. If you have any questions, please do not hesitate to contact me at (800) 447-0529. I remain

Very truly yours,

Steven C. LaTourette
Member of Congress

cc: A. Gianni, ASHTA Chemicals, Inc.
T. O'Leary, ORDC
Jay Suso, City of Mentor

enc.
February 19, 1998

Mr. Tom O'Leary
Ohio Rail Development Commission
50 West Broad Street
15th Floor
Columbus, OH 43215

Dear Tom:

Thank you for your time last week in our nation's capital. I very much appreciated the fact that you spent time with members of the delegation to review Ohio's position and strategy regarding the acquisition of Conrail by CSX and Norfolk Southern. In addition, I want to thank you for agreeing to consider including ASHTA Chemical's request to have the "reciprocal switching" issue included in the brief the State of Ohio is filing with the Surface Transportation Board next week. I strongly believe this issue should be dealt with as a condition to approving the application. Numerous companies in Ashtabula and Lake counties have approached me with this same concern, therefore I urge you to include this issue with the State's brief.

Secondly, I want to take this opportunity to ask that you also include a grade separation concern that has been brought to my attention by the City of Mentor, in Lake County. As you may know, Mentor is the largest city in my district and is one of the fastest growing cities in the state of Ohio. We have already met with representatives of both CSX and Norfolk Southern and they are considering contributing to this eleven million dollar project. In addition, I have committed to secure any available federal funding for this project during the upcoming reauthorization of ISTEA. This project would build two badly needed bridges over both the rail lines in this high growth, heavily traveled area. Therefore, I would respectfully ask that this proposal be included in the "Cleveland congestion" section of the state's brief.

Again, it was nice to see you in Washington. Thank you for your time and assistance with this matter. If you have any questions or need additional information, please contact me at (800) 447-0529. I remain

Very truly yours,

Steven C. LaTourette, M.C.

cc: A. Gianni
    Jay Suso
February 20, 1998

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

Dear Ms. Morgan:

On behalf of the council and administration of the City of Mentor, Ohio, I am asking the Surface Transportation Board to consider stipulating necessary improvements for grade separations on Heisley Road in Mentor as part of any approval of the pending application by the Norfolk Western Railway and Consolidated Railway Co.

Heisley Road is a major north-south roadway between SR 2 on the north and US 20-Mentor Avenue on the south. The current traffic count is 11,300 (ADT) to 14,200 (ADT) which is projected to increase by the year 2020 to 20,200 (ADT). The present roadway is a 2 lane facility and has two separate at grade railroad crossings, one at the Norfolk Southern tracks and one at the Conrail tracks.

The rapid growth of Mentor's industrial, commercial and residential sectors, the over 50 businesses located along Heisley Road, and the increasing daily railroad traffic has created serious traffic congestion. It is vital to our economic growth and safety that a solution to the congestion and time delays at the railroad crossing be achieved.

To further substantiate the safety problems being experienced with the existing conditions on Heisley Road, I have attached correspondence from Mentor Fire Chief John Preuer and Mentor Public School Superintendent William T. Hiller outlining their concerns.
February 20, 1998

The Hon. Linda J. Morgan, Chairman
Surface Transportation Board

Please give favorable consideration to this request.

Very truly yours,

RICHARD A. HENNIG
Mayor

RAH:mhr

enclosures

c The Hon. Steven LaTourette
February 19, 1998

Mr. Richard A. Hennig
President of Council
City of Mentor

Dear Mr. Hennig:

This letter will outline the Fire Department's position with respect to the construction of a railroad overpass on Heisley Road.

Fire Station #1, which provides both fire attack and paramedic service to the majority of the Heisley Road corridor, is located South of both rail crossings. When these crossings are blocked by one of the over 60 trains that daily cross the City, response of vital emergency services are delayed to a large number of people, plus a significant part of the industrial base of our community.

When Fire Station #1 equipment is delayed, apparatus from more distant stations must then be sent. This delay can add several minutes for the first fire and/or paramedics to arrive—minutes that can literally mean life or death and whether a business plus the corresponding jobs are saved.

As Chairman of the Lake County Hazardous Board, I became aware of several additional points pertinent to this critical issue. The rail corridor bisecting our City is the primary route for intermodal transportation between the many East Coast ports and the West Coast. As U.S. intermodal rail routes, which connect Europe to the Pacific rim countries, grow in popularity, even more trains are being forecast. This increase in train traffic will even further exasperate an already unacceptable situation.

Second, our railroad corridor annually carries the second highest tonnage of hazardous materials anywhere in the Country. Since a significant number of hazardous material spills are caused by crossing related accidents, every effort to eliminate such potential catastrophes must be instituted.
If the Fire Department can be of any further assistance, please contact me at your convenience.

Respectfully,

John D. Phelan
Fire Chief

cc: Julian M. Suso
    City Manager

JDP:ak
February 19, 1998

The Honorable Richard Hennig
Mayor of the City of Mentor
8500 Civic Center Boulevard
Mentor, OH 44060

Dear Mayor Hennig:

On behalf of the Mentor Exempted Village School District, I would like to confirm the District’s support for an overpass on Heisley Road. According to the supervisors in the School District’s Transportation Department, 20 to 30 buses cross the tracks on Heisley Road in the morning and again in the afternoon; each bus carries between 40 and 65 students. We anticipate that with the residential growth in north Mentor, additional buses will be used to transport students via Heisley Road.

Although the School District’s bus drivers are extremely cautious at railroad crossings, the amount of car, truck, and bus traffic is a safety concern. Often the District’s buses are delayed due to train traffic causing late arrivals to schools. The addition of an overpass on Heisley Road would certainly help facilitate traffic.

If we can supply additional information in support of this project, please do not hesitate to contact me.

Sincerely yours,

William Miller
Superintendent of Schools
February 19, 1998

Mr. Tom O'Leary
Ohio Rail Development Commission
50 West Broad Street
15th Floor
Columbus, OH 43215

Re: Surface Transportation Board Finance Docket 33388.

Dear Mr. O'Leary:

ASHTA is seeking Reciprocal Switching in Ashtabula, Ohio between the CSXT and the Norfolk Southern. From our research we have been able to determine that Reciprocal Switching previously existed in the early 1970's between the Penn Central RR and the Norfolk and Western RR. We would like to see this reinstated with the proposed CSX/Norfolk Southern split up of Conrail.

We have had several discussions with Rep. Steven LaTourette office and are pleased to learn that our request will be included with the Ohio Attorney General's submission to the STB.

ASHTA has been held captive under Conrail's "closed" restrictions since Conrail was formed. Even though the CSX RR has trackage rights on Conrail and the Norfolk and Southern has tracks that pass through our city, Ashtabula shippers are denied access to both. We do not believe that we have been treated fairly by Conrail in the past and our limited experience with CSX indicates this will continue in a one carrier situation.

Both Norfolk Southern and CSX believe that ASHTA will not be hurt by the proposed merger and ASHTA disagrees. ASHTA ships significant rail volume into the current Conrail territory, utilizing only Conrail. Under the proposed merger, 26% of these existing one railroad shipments will require two railroads. Changing current destinations from a single Conrail movement to a two-railroad movement originating with CSX will increase our costs. It is our experience that anytime a second railroad is added, rates increase.

If you have any questions or would like additional information, please feel free to contact Mr. Angelo Gianni, V.P. Marketing, Sales & Distribution at 440-997-6859 or me at 440-997-6858. We believe the information provided details our efforts but would welcome the opportunity to review the information with you.

Sincerely,

Elaine M. Sivy
Manager, Distribution and Order Fulfillment

cc: Mr. Brian Durdle
A. Gianni
Angelo Gianni, V.P. Marketing, Sales & Distribution at 440-997-6859 or me at 440-997-6858. We believe the information provided details our efforts but would welcome the opportunity to review the information with you.

Sincerely,

Elaine M. Sivy
Manager, Distribution and Order Fulfillment

cc: Mr. Brian Durdle
    A. Gianni
February 20, 1998

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

Dear Ms. Morgan:

On behalf of the council and administration of the City of Mentor, Ohio, I am asking the Surface Transportation Board to consider stipulating necessary improvements for grade separations on Heisley Road in Mentor as part of any approval of the pending application by the Norfolk Western Railway and Consolidated Railway Co.

Heisley Road is a major north-south roadway between SR 2 on the north and US 20-Mentor Avenue on the south. The current traffic count is 11,300 (ADT) to 14,200 (ADT) which is projected to increase by the year 2020 to 20,200 (ADT). The present roadway is a 2 lane facility and has two separate at grade railroad crossings, one at the Norfolk Southern tracks and one at the Conrail tracks.

The rapid growth of Mentor’s industrial, commercial and residential sectors, the over 50 businesses located along Heisley Road, and the increasing daily railroad traffic has created serious traffic congestion. It is vital to our economic growth and safety that a solution to the congestion and time delays at the railroad crossing be achieved.

To further substantiate the safety problems being experienced with the existing conditions on Heisley Road, I have attached correspondence from Mentor Fire Chief John Preuer and Mentor Public School Superintendent William T. Hiller outlining their concerns.
February 20, 1998

The Hon. Linda J. Morgan, Chairman
Surface Transportation Board

Please give favorable consideration to this request.

Very truly yours,

RICHARD A. HENNIG
Mayor

RAH:mhr

enclosures

c The Hon. Steven LaTourette
February 19, 1998

Dear Mayor Hennig:

On behalf of the Mentor Exempted Village School District, I would like to confirm the District's support for an overpass on Heisley Road. According to the supervisors in the School District's Transportation Department, 20 to 30 buses cross the tracks on Heisley Road in the morning and again in the afternoon; each bus carries between 40 and 65 students. We anticipate that with the residential growth in north Mentor, additional buses will be used to transport students via Heisley Road.

Although the School District's bus drivers are extremely cautious at railroad crossings, the amount of car, truck, and bus traffic is a safety concern. Often the District's buses are delayed due to train traffic causing late arrivals to schools. The addition of an overpass on Heisley Road would certainly help facilitate traffic.

If we can supply additional information in support of this project, please do not hesitate to contact me.

Sincerely yours,

William Hiller
Superintendent of Schools
February 19, 1998

Mr. Richard A. Hennig
President of Council
City of Mentor

Dear Mr. Hennig:

This letter will outline the Fire Department's position with respect to the construction of a railroad overpass on Heisley Road.

Fire Station #1, which provides both fire attack and paramedic service to the majority of the Heisley Road corridor, is located South of both rail crossings. When these crossings are blocked by one of the over 60 trains that daily cross the City, response of vital emergency services are delayed to a large number of people, plus a significant part of the industrial base of our community.

When Fire Station #1 equipment is delayed, apparatus from more distant stations must then be sent. This delay can add several minutes for the first fire and/or paramedics to arrive - minutes that can literally mean life or death and whether a business plus the corresponding jobs are saved.

As Chairman of the Lake County Hazardous Board, I became aware of several additional points pertinent to this critical issue. The rail corridor bisecting our City is the primary route for intermodal transportation between the many East Coast ports and the West Coast. As U.S. intermodal rail routes, which connect Europe to the Pacific Rim countries, grow in popularity, even more trains are being forecast. This increase in trail traffic will even further exasperate an already unacceptable situation.

Second, our railroad corridor annually carries the second highest tonnage of hazardous materials anywhere in the Country. Since a significant number of hazardous material spills are caused by crossing related accidents, every effort to eliminate such potential catastrophes must be instituted.
If the Fire Department can be of any further assistance, please contact me at your convenience.

respectfully,

John D. Preuer
Fire Chief

cc: Julian M. Suso
City Manager

JDP: ak
January 14, 1998

SURFACE TRANSPORTATION BOARD
ATT: VERNON A. WILLIAMS, SECRETARY
1925 K STREET, N.W. - RM 700
WASHINGTON, DC 20423-0001

RE: TRANSIT: CONRAIL LINE
MUNICIPALITY: BOROUGH OF ROSSELLE PARK
COUNTY: UNION
STATE: NEW JERSEY

Dear Sir:

Would you please advise as to the current negotiations and what the prospects are for the sale of Conrail in the near future.

Thanking you, I am,

Very truly yours,

James C. Heimlich

JCH: mcp

c: Mayor & Concil
Borough of Roselle Park
January 12, 1998

Office of Secretary
Case Control Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

RE: Finance Docket No. 33388

Dear Mr. Secretary:

I am Richard Wright, the Vice President-Sales for Vulcan Materials Company. Vulcan Materials, located in Lombard, Illinois, is the nation's largest producer of construction aggregates. Our plant is served by the Wisconsin Central Ltd. Vulcan Materials currently utilizes the Wisconsin Central to handle rail shipments from our Sussex, Wisconsin quarry to our Grayslake, Illinois distribution yard. With competitive rates and excellent service, from this Wisconsin Central, we have increased our shipments from 60,000 tons to the present rate of 800,000 tons annually. This growth was accomplished in four short years with nearly flawless performance from the Wisconsin Central.

We understand that WCL has proposed acquiring and operating a portion of BOCT trackage known as the Altenheim Subdivision and would invest in improving these routes. We also understand that BOCT would retain rights to continue serving the existing eleven Altenheim Subdivision customers. In the Applicants' Rebuttal, CSXT and NS rejected WCL's purchase proposal and expressed concern that WCL would subordinate the local BOCT switching operations to WCL overhead movements and that service to these customers would suffer.

In many respects we currently occupy a position to that of customers on the Altenheim Subdivision should WCL acquire it - we are local shippers on a heavily-used WCL through route. The Illinois territory served by the Wisconsin Central and in which we are located has scheduled local rail service that is coordinated with WCL through trains operating between Fond du Lac, Wisconsin and Chicago connections. Wisconsin Central provides the rail services for our plant in an appropriate manner that minimizes our total cost to conduct business and satisfies our customers needs. We are pleased with both the level of local service and the cooperation received from the Wisconsin Central.
Based on our relationship with WCL and knowledge of WCL's practices and philosophy, we believe WCL will provide service that meets the needs of customers located on the Altenheim Subdivision and that the Applicants' Rebuttal is without merit. The Wisconsin Central has historically operated to a high standard of local customer service and there is no cause to believe the Altenheim Subdivision operation would be handled differently. In fact, it is our belief that the Wisconsin Central has taken customer service to a level that the CSXT and NS cannot relate to, nor achieve.

We strongly urge you to take these facts and comments into consideration in your deliberation of this very important issue.

Sincerely,

Richard Wright
Vice President-Sales

cc: Will Glusac
    Tim Todd
    Tom Nawa
    Sharon Rissenbeck
January 6, 1998

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

STB FINANCE DOCKET NO. 33388

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

STB FINANCE DOCKET NO. 33388 (SUB-NO.76)

INDIANA SOUTHERN RAILWAY COMPANY
-TRACKAGE RIGHTS-
CSX TRANSPORTATION, INC. AND INDIANA RAILROAD COMPANY

VERIFIED STATEMENT
OF
ROBERT J. WILLIS

My name is Robert J. Willis, Vice President of Transportation for Grain Processing Corporation. My business address is 1600 Oregon Street; Muscatine, IA 52761. I have held my position for six (6) years and my responsibilities include negotiation of rail contracts, rail property leases and rail equipment leases, as well as arranging for carload shipments.

Grain Processing Corporation is a corn wet milling company located in Muscatine, Iowa. We are currently constructing a new plant near Washington, Indiana, on the Indiana Southern Railroad. One of the primary reasons for selecting this site was the rail transportation alternatives offered by connections the Indiana Southern had with Class I railroads. One of these was Conrail in Indianapolis for our customers in the east and northeast. By allowing the Indiana Southern's request for trackage rights you will assure competition for the future through this large 2 to 1 shipping community of Indianapolis and its surrounding area.

The grain business is highly competitive and economic survival is directly related to availability of responsive transportation service at competitive rates. Long distance truck transportation is not a viable alternative due to volume shipment requirements.
The loss of rail service options would be detrimental to our business as we are dependent on the cost effectiveness of rail shipments, especially over long distances where trucks cannot compete. Without these options, our ability to compete in the current market would be greatly reduced if not eliminated.

Furthermore, we have seen the manner in which customers throughout the country have been affected by service problems resulting from recent railroad mergers in the western United States. Given this scenario, we feel the value of a viable alternative after the Conrail acquisition is evident.

In summation, we request the Surface Transportation Board to grant the trackage rights requested by the Indiana Southern Railroad (ISRR). We believe the ISRR trackage rights will help maintain competition, protect my company and others from potential post-merger rate increases, and guarantee rail transportation in the event of service problems such as those experienced recently in the west.

I, Robert J. Willis, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.


Sincerely,

GRAIN PROCESSING CORPORATION

Robert J. Willis
Vice President Transportation

RJW/bc
Mr. Joel S. Weiner  
Executive Director  
North Jersey Transportation Planning Authority  
One Newark Center, 17th Floor  
Newark, NJ 07102  

Dear Mr. Weiner:

Thank you for your letter enclosing a copy of the resolution passed by your organization regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on the State of New Jersey.

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

In deciding whether a control transaction such as the one being proposed here is in the public interest and should be approved, the Board must consider various factors required by law, including the interest of all rail carrier employees affected by the proposed transaction, the effect of the proposed transaction on the adequacy of transportation to the public, and whether the proposed transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system. In this regard, let me assure you that the Board will give full consideration to the issues that you have raised. Because this proceeding is pending before the Board, however, it would be inappropriate for me to comment further on the case.
I am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

[Signature]

Linda J. Morgan
2340 South 35 Street
Omaha, Nebraska 68105
December 18, 1997

Surface Transportation Board
Department of Transportation
Washington, D. C.

I support the sale
of Conrail.
All single track mainline in the U. S. should be double-tracked. The Santa Fe from Denver to Omaha is single track.

George Van Haven
Ms. Linda Morgan  
Chairperson  
Surface Transportation Board  
1201 Constitution Avenue, NW  
Washington, D.C. 20423

Dear Ms. Morgan:

I am enclosing copies of correspondence I have received from concerned constituents.

Please provide any information you might have addressing my constituents' inquiry. I would appreciate it if you would respond directly to my constituents and return a copy of your response and the enclosed correspondence to my office.

Thank you for your assistance.

Sincerely,

Frank R. Lautenberg  
United States Senator

FRL\rmw
Enclosure
Dear Senator,

My name is Rafael T. Sanco. I have been working for Conrail since 10/11/75. Conrail is being purchased by N.S. and CSX railroads. Conrail is a company has stock set aside and is going to use this stock for employee bonuses after the sales. I would like to see these stocks divvied up between the union workers along with management. The average union worker has been on Conrail since its existence. Many of the managers have come later (much later). I believe the sales of Conrail should be held up until this is settled. I also believe the protection package should be the same as the employees of the B&O–Santa Fe railroad employees received.

Thank You

Richard Sanco
323 W. 6TH Ave
Cowshohocken, PA 19428
Dear Senator,

My name is Gay K. Weinstein and I have been working for Conrail since April of 1976. Prior to that, I worked for the Penn Central railroad since July of 1973.

Conrail is being purchased by the N.S. and C.S.X. railroad. As an agreement employee for almost 25 years, I feel I should also share in the Conrail stock that is set aside for management.

Most of Conrail management has far less time served than I. I also feel a prototype plan such as the BN-Santa FE agreement should also help.

C.K. Weinstein
39 West 56th St.
Rahway, N.J. 07065

Thank you,

Gay K. Weinstein
Dear Senator,

My name is James Moore. I have been working for Conrail since 1977. Conrail is being purchased by the NS and CSX Railroads. Conrail as a company has stock set aside and is going to use this stock provide employees bonuses after the sale. I would like to see these stocks divided up between the union worker along with management. The average union worker has been on Conrail since its existence. Many of the managers have come later (much later). I believe the sale of Conrail should be held up until this is settled. I also believe the Protection package should be the same as the employees of BN-SANTEFE RAILROAD employees received.

Thank you,

James Moore
86 IRVING ST
JERSEY CITY, NJ 07307
Dear Senator,

My name is CHARLES REAP. I have been working for Conrail since 1976. Prior to that the Lehigh Valley RR since 1971. Conrail is being purchased by the NS and CSX railroads. Conrail as a company has stock set up to end is going to give the stock for employees bonuses after the sale. I would like to see these stocks divide up between the union workers along with management. The average union worker has been on Conrail since it exists. Many of the managers have come later (much later). I believe the sale of Conrail should be held up until this is settled. I also believe the protection package should be the same as the employees of the BN-SANTE FE railroad employees received.

Thank You,

Charles Reap
387 PORT HU-PECK AVE
OCEANPORT N.J. 07757
DEAR SENATOR:

MY NAME IS TERRY SCHNEIDER. I HAVE BEEN WORKING FOR CONRAIL SINCE APRIL 1ST 1976. CONRAIL IS BEING PURCHASED BY THE NS AND CSX RAILROADS. CONRAIL AS A COMPANY HAS STOCK SET ASIDE AND IS GOING TO USE THIS STOCK FOR EMPLOYEES BONUSES AFTER THE SALE. I WOULD LIKE TO SEE THESE STOCKS DIVIDE UP BETWEEN THE UNION WORKERS ALONG WITH MANAGEMENT. THE AVERAGE UNION WORKER HAS BEEN ON CONRAIL SINCE IT EXISTENCE. MANY OF THE MANAGERS HAVE COME LATER, MUCH LATER.

I BELIEVE THE SALE OF CONRAIL SHOULD BE HELD UP UNTIL THIS IS SETTLED. I ALSO BELIEVE THE PROTECTION PACKAGE SHOULD BE THE SAME AS THE EMPLOYEES OF THE PEN-SANTE FE RAILROAD EMPLOYEES RECEIVED.

THANK YOU VERY MUCH FOR YOUR CONCERN.

TERRY SCHNEIDER
733 SHERIDAN AVE
ROSELLE NJ 07203

P.S. I STARTED ON THE RAILROAD WITH THE CNJ 1.28.74
December 16, 1997

via Facsimile

Mr. Joseph Dettmar
Surface Transportation Board
Railroad Issues
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Mr. Dettmar:

Enclosed is a letter I received from Mayor Wayne Meherg, Fayette, Alabama, regarding Norfolk Southern Railroad’s proposal to abandon the tracks in their county. Fayette is interested in obtaining operation of this portion of the railway in order to provide short line railroad service to the City.

Mayor Meherg is asking the Surface Transportation Board to delay their decision on this proposal for 60 to 90 days so that they may determine the viability of using the tracks to accommodate another short line rail service.

Mayor Meherg feels that the railroad is an important part of helping the local industry thrive and would greatly appreciate the opportunity to explore this option. Please provide any information that you may have in response to this request so that I may give assistance to the City of Fayette. Also, please note my concern and interest in this matter.

Thank you in advance for your attention to this issue. Please respond to Susan McEllyea in my Huntsville, Alabama office at 200 Clinton Avenue, Suite 706, Huntsville, Alabama 35801 or call 205/533-0979.

Very truly yours,

Jeff Sessions
United States Senator

JS:sm

Enclosure

w:\q4876
Mrs. Betty Wilson
Senator Sessions’ Office
Washington, DC

Dear Mrs. Wilson:

Norfolk Southern Railroad has proposed to abandon their tracks and service in Fayette County, AL. This abandonment effects the City Fayette by way of depriving us of rail service. We were led to believe that there were no parties interested in operating this section of railroad. The City of Fayette has reason to believe that if we could obtain the railway in tact we could have a "short line" railroad provide service for our city. I am asking that you and Senator Sessions try by all legal means to get the Surface Transportation Board to postpone their decision so we may fully explore this option. The decision is due by December 27, 1997, so I beseech you to use all possible haste.

If I can be of assistance, please do not hesitate to call.

Thank you,

CITY OF FAYETTE

Wayne Meherg,
Mayor
October 24, 1997

Surface Transportation Safety Board
1925 K Street, N.W.
Washington, D.C., 20423-001

To Whom It May Concern:

As a member of the South Central Local Schools Community in Huron County, I am asking for your help. CSX Railroad is expanding their Willard yard and Greenwich connections without concern for public safety. Repeated attempts have been made by Huron County to get CSX to address this issue, but CSX has refused to commit to public safety.

Increased rail traffic, (80 to 100 trains per day) through Greenwich, Ohio, will virtually close all emergency response access to 2,067 residents of Greenwich Village, Ripley Township, part of Greenwich Township, and 923 students in the South Central school system (1/4 mile north of Greenwich)...THIS IS TOTALLY UNACCEPTABLE.

Huron County has requested that CSX install either an overpass or underpass for all three rail crossings on Townsend Street in Greenwich, Ohio. We cannot deny public safety to our residents and schools! Adding two more tracks will not lessen the blockage but only enhance it.

How can railroads do major expansions to enhance their profitability without any regard for public safety? I really need your help; my life and the lives of others, especially our children, depend on it!!!

Sincerely,

Jeff Wilson
President, Scholarship
December 15, 1997

Mr. and Mrs. V.R. Iden
194 Arbor Rd.
Minerva, OH 44657

Dear Mr. and Mrs. Iden:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on Conrail employees.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
Nov. 3, 1997
194 Arbor Rd
Minerva, OH 44657

Dear Mr. Morgan,

We are writing to urge you as head of the STB to carefully consider the impact on the lives of many Conrail employees if CSX and N/S take it over.

The Maintenance of Way Shop where my husband is employed will be one of many Conrail Shops that will be closed. Many of the men employed there such as my husband are at the age where no one will hire them at a livable wage and they are too young to retire.

My husband is going on 59 and we are raising our grandson. We intend to lose everything we have worked for in our 35 years of marriage not to mention our grandson's welfare and future.
All you have to do is look at the mess caused by the merger of Union Pacific with Southern Pacific to see what is going to happen.

There is much more at stake here than business. There are many lines going to be drastically changed, and from all we've been told and read, it will not be for the better.

I implore you to consider all aspects of this merger before the STB reaches a decision on this matter.

Yours truly,

Mrs. & Mrs. U. R. Eden

Very truly,

Bette Eden
December 15, 1997

Rev. Railton D. Loy  
712 E. 10th Street  
Mishawaka, IN 46544

Dear Rev. Loy:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on Conrail employees.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
November 19, 1997

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

Dear Ms Morgan;

I represent one of many endangered Con-Rail Railroad employees that are "Shaking in their boots" over the thought that we shall become stastics like so many became after the ill fated UP/SP merger.

Just recently Con_Rail implemented an Impac program designed to relieve the many long hours held away from home when one is working a road job. We used to lay in a motel 16 to 20 hours now we are there no more then 14. Nearly all who have worked the road for any number of years have heart, blood pressure and cholesterol problems. So much that Elkhart has a "Zipper Club" of men who have had open heart surgeries due to the stress, long hours and improper diet. Norfolk Southern does not have this Impac program and we must go back to conditions that are less then appealing. Norfolk Southern fires anyone who sustains an injury to make their record look good. This keeps a young, inexperienced work force.

The massive tie ups on the UP Railroad has caused severe headaches for shippers and freight has slowed to a crawl. We have engines coming out of the Proviso UP yard that are not serviced, fueled or cleaned.
Some of the poorest engines on the rail come from the Norfolk Southern. They do not even have bathrooms with a sanitary system.

Now you are asked to open Pandoras Box once more by allowing NS/CSX to absorb Con_Rail. Norfolk Southern has already stated that there will be at least a 20% reduction in freight in the Elkhart area. The huge Bethlehem Steel and Midwest Steel do not want Norfolk Southern as their shipper.

Please allow the F.R.A. to have a part in these negotiations as the country deserves better then this merger will create.

Com-Ed has said they will have to switch to more expensive natural gas because their shipments are no longer on time. Bigger certainly is not better.

Sincerely,

Rev. Railton D. Loy
712 E 10th Street
Mishawaka, IN 46544
219-256-0315
Dear Mr. Williams:

My name is Mary Tatarko and I am Corporate Traffic Manager for Fleet Supplies, Inc. with Cleveland area facilities located at 250 Mahonong Avenue. My company had previously submitted a letter of support for the joint application of CSX and NS to acquire Conrail and had urged the STE to approve the transaction giving my company greater market penetration through single-line service and competitive pricing to, from and within the eastern United States.

The purpose of this letter is to strongly reiterate that support. It has come to my attention that the City of Cleveland and the Honorable Mayor White have expressed serious concerns over the impact of increased frequencies of trains through certain neighborhoods of Cleveland. Furthermore, the City and Mayor White have stated that the City of Cleveland, its residents and businesses, will not see any noticeable benefits from this transaction. While I appreciate the City's concerns for the impact on local neighborhoods, I believe the NS plans offer enormous economic benefits to the city, its residents and businesses. As most of this new traffic is intermodal, the expected increased train traffic will be far less disruptive to local neighborhoods than more trucks traversing roads in Cleveland and northern Ohio.

My company employs 16 Cleveland area residents. For this facility to stay competitive in the face of a global economy, Cleveland area businesses need a viable, strong rail network that the transaction will produce. Competitive rail service offers my company and others the opportunity to expand and enhance employment prospects for Cleveland residents.

I have serious reservations about suggestions that NS restructure or alter a solid operating plan. These suggestions lack economic or transportation justification. I expressed support for the transaction because I believed that those plans, if implemented, would translate into significant advantages to my company. Deviations from that plan could place my and other Cleveland businesses dependent on rail services at a competitive disadvantage vis-a-vis other
industrial Midwestern cities. I cannot stress enough that in order to grow and employ more residents, we cannot jeopardize the efficient, cost-effective rail service this plan represents. Using alternative trucking is more expensive and affects my company's ability to compete successfully. Besides, trucks pollute far more than rail. They damage our roads, and increase the tax burden on citizens and businesses. These types of costs determine whether businesses locate or expand in Cleveland.

NS has an excellent safety record. Its safety program serves as a model for other carriers. I know firsthand that NS takes its commitment to safety seriously, and so do we. I know that NS has pledged to work with Cleveland officials to improve safe rail operations.

The City of Cleveland should not view this transaction as a threat or blight to local communities, but as an opportunity. Cleveland has an opportunity to prosper again as an industrial giant. The joint NS/CSX transaction is a necessary component in attaining that goal.

Very truly yours,

Mary Tatarko
Fleet Supplies, Inc.
November 25, 1997

Office of Secretary
Case Control Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20473

RE: Finance Docket No. 33388

Dear Mr. Secretary:

I am Bill Esslinger, the Manager of Land Transportation Services for Amoco Petroleum Products. Amoco operates a 400MB/D petroleum refinery in Whiting, IN which is located in the Chicago Switching District and served by the Indiana Harbor Belt.

We are very much concerned about the potential ramifications to us and other industries should CSX Transportation, Inc (CSXT) and Norfolk Southern Railway Company (NS) be permitted to acquire Conrail’s 51% interest in the IHB, as proposed in the pending application in the Conrail acquisition case. We are particularly concerned about the effect of CSXT’s proposed control and administration of the IHB on the vital neutral switching services that IHB now provides. CSXT will dispatch and manage IHB and, as we understand the CSXT/NS application makes clear, will utilize IHB largely to accommodate and service CSXT’s own line haul traffic to and from Chicago.

The Chicago Switching District is both an extremely important and an extremely congested terminal area. Efficient switching services accessible to everyone on an equal basis are vital for the movement of my company’s traffic - not to mention for the handling of the vast amount of other freight that moves through this vital gateway. We believe that CSXT’s control of IHB will seriously diminish IHB’s capability and availability to serve this role. With CSXT seeking to utilize IHB for its own self-serving purposes, we are concerned about the impact on charges assessed other line-haul carriers for intermediate switching service and for terminal service to access our facilities. In addition, CSXT’s prior performance and its record for fair and equitable dispatching of trains and switching of customers has been less than commendable.

The proposed Conrail transaction also would diminish any possible alternatives we might have to a CSXT-dominated IHB. As the Board is aware, there are three major terminal and transfer carriers serving Chicagoland and the Northeast Indiana industrial area - IHB, the Belt Rail company of Chicago (BRC) and the Baltimore & Ohio Chicago Terminal Railroad Company (BOCT). CSXT already owns BOCT outright. It is also a sizable (in fact, the largest) owner of the BRC. If its application in this proceeding is approved as
submitted, CSXT would not only own and operate BOCT, but would further increase its
dominant holdings in the BRC (and together with NS would control half of BRC’s stock)
and manage the day-to-day operations of IHB. The ownership and control of IHB will
give CSXT a stranglehold on the vital Chicago switching district.

We feel that, in the best interests of the shipping public, the Surface Transportation Board
should order that an independent owner or owners acquire Conrail’s share of the IHB, and
continue the neutral control and operation of the IHB in conjunction with IHB’s existing
minority interest owner, Soo Line Railroad Company (Canadian Pacific).

A consortium consisting of the Elgin, Joliet and Eastern Railway Company and its parent,
Transtar, Inc. and I&M Rail Line, LLC has indicated its desire to acquire Conrail’s
interest in the IHB and continue to operate the carrier as an independent and neutral
provider of switching services. We feel this is a desirable and viable alternative to the
CSXT proposal.

We strongly urge you to take these facts and comments into consideration in your
deliberation of this very important issue.

Sincerely,

Bill P. Esslinger
Manager, Land Transportation Services

BPE/ms
Ms. Elaine K. Kaiser  
Chief, Environmental Analysis  
Case Control Unit, STB Finance Docket 33388  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423-0001

REVIEW AND RECOMMENDATION

State Application Identifier: MD970916-0908  
Description: Scoping for Draft Environmental Impact Statement CSX Corp. and Norfolk Southern Railway Corporation’s Proposed Acquisition and Control of Conrail (see MD970108-0012)  
Applicant: Surface Transportation Board, Section of Environmental Analysis  
Location: Washington, DC & Maryland

Recommendation: Endorsement With Qualifying Comments and Contingent Upon Certain Actions

Dear Ms. Kaiser:

In accordance with Presidential Executive Order 12372 and Code of Maryland Regulation 14.24.04, the State Clearinghouse has coordinated the intergovernmental review of the referenced project. This letter with attachments constitutes the State process review and recommendation based upon comments received to date. This recommendation is valid for a period of three years from the date of this letter.

Review comments were requested from the Maryland Departments of Budget and Management-Capital, Business and Economic Development, the Environment, Housing and Community Development including the Maryland Historical Trust, Natural Resources and Transportation; Tri-County Council for Western Maryland; and the Maryland Office of Planning. As of this date, the Tri-County Council for Western Maryland has not submitted comments. This endorsement is contingent upon the applicant considering and addressing any problems or conditions that may be identified by their review. Any comments received will be forwarded.

The Maryland Departments of Budget and Management, Business and Economic Development, and Transportation; and the Maryland Office of Planning found this project to be consistent with their plans, programs, and objectives.

The Maryland Departments of Natural Resources and the Environment found this project to be generally consistent with their plans, programs, and objectives, but included certain qualifying comments summarized below and discussed in the attached comments.

The Maryland Departments of Housing and Community Development including the Maryland Historical Trust stated that their findings of consistency are contingent upon the applicant taking the actions summarized below and discussed in the attached comments.

Summary of Comments:

The Maryland Historical Trust recommended that the applicant consult with the Trust in order to complete the review of Section 106 of the National Historic Preservation Act.
The Maryland Department of the Environment stated that the proposed environmental impact statement should address these issues: the effect of the merger on MARC rail service, plans for night-time freight operations, and existing Conrail properties that may require some remediation due to environmental contamination.

The Maryland Department of Natural Resources recommended that land along wetlands and waterways be maintained as naturally vegetated buffer areas.

Any statement of consideration given to the comments should be submitted to the approving authority, with a copy to the State Clearinghouse. Additionally, the State Application Identifier Number must be placed on any correspondence pertaining to this project. The State Clearinghouse must be kept informed if the recommendation cannot be accommodated by the approving authority.

Please remember, you must comply with all applicable state and local laws and regulations. If you have any questions about the comments contained in this letter or how to proceed, please contact the State Clearinghouse at (410) 767-4490. Also please complete the attached form and return it to the State Clearinghouse as soon as the status of the project is known. Any substitutions of this form must include the State Application Identifier Number. This will ensure that our files are complete.

We appreciate your attention to the intergovernmental review process and look forward to your continued cooperation.

Sincerely,

Linda C. Janey, J.D.
Manager, Clearinghouse & Plan Review Unit

Enclosures
  (* indicates with attachments)

c:  *DBMC - Charles Richardson
    *MDE - Steve Bieber
    *DNR - Ray Dintaman
    *MDOT - Henry Kay
    *TCCWMD - Michael Wagoner

*DBED - Jim Gatto
*DHCD - Sue Hartman
*OPC - Mary Abrams
*OPL - Scrib Sheafor
*OPM - Gray
**PLEASE COMPLETE YOUR REVIEW & RECOMMENDATION BEFORE October 13, 1997**

**RETURN YOUR COMPLETED RESPONSE FORM TO:**
Linda C. Janey, J.D.  
Manager, Clearinghouse & Plan Review Unit  
Maryland Office of Planning  
301 West Preston Street, Room 1104  
Baltimore, Maryland 21201-2365

<table>
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<th>State Application Identifier:</th>
<th>MD970916-0908</th>
<th>Clearinghouse Contact Person:</th>
<th>Bob Rosenbush</th>
<th>Clearinghouse Telephone:</th>
<th>(410) 767-4490</th>
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<tr>
<td>Location:</td>
<td>Washington, DC &amp; MD</td>
<td>Clearinghouse Contact Person:</td>
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<td>Clearinghouse Telephone:</td>
<td>(410) 767-4490</td>
</tr>
</tbody>
</table>

**Applicant:** Surface Transportation Board, Section of Environmental Analysis

**Description:** Scoping for Draft Environmental Impact Statement CSX Corp. and Norfolk Southern Railway Corp's Proposed Acquisition and Control of Conrail (see MD970108-0012)

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**Based on a Review of the Information Provided, We Have (✓) Checked the Appropriate Determination Below**

**CONSISTENT RESPONSES - FOR USE BY STATE AGENCIES ONLY**

| C1 | It is consistent with our plans, programs, and objectives. |
| C2 | It is consistent with the policies contained in Executive Order 01.01.1992.27 (Maryland Economic Growth, Resource Protection, and Planning Act of 1992) and our plans, programs, and objectives. |
| No | It has been determined that the project will have "no effect" on historic properties and that the federal and/or state historic preservation requirements have been met. |
| C4 | It has been determined that this project is in the Coastal Zone and is not inconsistent with the Maryland Coastal Zone Management Program. |

**CONSISTENT RESPONSES - FOR USE BY COUNTY & LOCAL AGENCIES ONLY**

| C5 | It is consistent with our plans, programs, and objectives. |
| C6 | It is consistent with the Economic Growth, Resource Protection, and Planning Visions (Planning Act of 1992) and our plans, programs, and objectives. |

**OTHER RESPONSES - FOR USE BY ALL AGENCIES**

| R1 | GENERALLY CONSISTENT WITH QUALIFYING COMMENTS: It is generally consistent with our plans, programs and objectives, but the attached qualifying comment is submitted for consideration. |
| R2 | CONTINGENT UPON CERTAIN ACTIONS: It is generally consistent with our plans, programs and objectives contingent upon certain actions being taken as noted in the attached comment. |
| R3 | NOT CONSISTENT: It raises problems concerning compatibility with our plans, programs, objectives, or Planning Act visions/policies; or it may duplicate existing program activities, as indicated in the attached comment. |
| R4 | ADDITIONAL INFORMATION REQUESTED: Additional information is required to complete the review. The information needed is identified below. If an extension of the review period is requested, please check here. |

---

**STB must complete its Section 106 review, in consultation with MHT, as project planning proceeds**

**Name:** E. J. Col  
**Signature:** [Signature]  
**Phone:** (410) 514-7631  
**Date Completed:** 9/26/97

**Organization:** MHT / DMCD  
**Address:** 100 Community Place, Crownsville, MD 21032

---

Attach additional comments if necessary OR use the spaces below for brief comments.
Please complete your review & recommendation before October 13, 1997

Return your completed response form to:

Linda C. Janey, J.D.
Manager, Clearinghouse & Plan Review Unit
Maryland Office of Planning
301 West Preston Street, Room 1104
Baltimore, Maryland 21201-2365

State Application Identifier: MD970916-0908
Location: Washington, DC & MD

Applicant: Surface Transportation Board, Section of Environmental Analysis

Description: Scoping for Draft Environmental Impact Statement CSX Corp. and Norfolk Southern Railway Corp's Proposed Acquisition and Control of Conrail (see MD970103-0012)

Based on a review of the information provided, we have (√) checked the appropriate determination below:

**CONSISTENT RESPONSES - FOR USE BY STATE AGENCIES ONLY**

C1 It is consistent with our plans, programs, and objectives.
C2 It is consistent with the policies contained in Executive Order 01.01.1992.27 (Maryland Economic Growth, Resource Protection, and Planning Act of 1992) and our plans, programs, and objectives.
C3 (MHT ONLY) It has been determined that the project will have "no effect" on historic properties and that the federal and/or state historic preservation requirements have been met.
C4 (DNR ONLY) It has been determined that this project is in the Coastal Zone and is not inconsistent with the Maryland Coastal Zone Management Program.

**CONSISTENT RESPONSES - FOR USE BY COUNTY & LOCAL AGENCIES ONLY**

C5 It is consistent with our plans, programs, and objectives.
C6 It is consistent with the Economic Growth, Resource Protection, and Planning Visions (Planning Act of 1992) and our plans, programs, and objectives.

**OTHER RESPONSES - FOR USE BY ALL AGENCIES**

√ R1 GENERALLY CONSISTENT WITH QUALIFYING COMMENTS: It is generally consistent with our plans, programs and objectives, but the attached qualifying comment is submitted for consideration.
R2 CONTINGENT UPON CERTAIN ACTIONS: It is generally consistent with our plans, programs and objectives contingent upon certain actions being taken as noted in the attached comment.
R3 NOT CONSISTENT: It raises problems concerning compatibility with our plans, programs, objectives, or Planning Act visions/policies; or it may duplicate existing program activities, as indicated in the attached comment. If a meeting with the applicant is requested, please check here.
R4 ADDITIONAL INFORMATION REQUESTED: Additional information is required to complete the review. The information needed is identified below. If an extension of the review period is requested, please check here.

Attach additional comments if necessary OR use the spaces below for brief comments.

Name: Steve Bieber
Organization: TARSA/MDE
Address: 2500 Broening Highway
Baltimore MD 21224
(410) 631-3656

Signature: ____________________________
Phone: (____) __________
Date completed: 10/28/97

(√) Check here if additional comments attached.
July 31, 1997

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, NW
Washington DC 20423-0001

Attention: Elaine K. Kaiser, Chief
Section of Environmental Analysis
Environmental Filing

RE: MDE Identification Number: ES970721-0033
Project: CSX Corporation et al

Dear Ms. Kaiser:

Thank you for the opportunity to review the above referenced project. The document was circulated throughout the Maryland Department of the Environment (MDE) for review, and the following comments are offered for your consideration.

- The EIS needs to address the air quality implications of the proposed merger on MARC commuter service, in particular how will mobile emissions change if MARC service is curtailed or is not allowed to expand in the future. MARC expansion is important to long range air quality goals because as the population of the Baltimore Washington area increases, Vehicle Miles Traveled (VMT) will increase unless there are alternatives to the automobile.

- Use of commuter rail is part of the regional effort to achieve compliance with National Ambient Air Quality Standards (NAAQS), standards for ozone reductions in mass transit service or prohibitions to its expansion will make compliance with the NAAQS more difficult. As it appears now, the proposed rail merger will not affect current or proposed levels of MARC service. If there is a reduction in current or proposed MARC service caused by this action, air quality modeling has to be performed and mitigation measures proposed.

- The EIS should cover impacts of the proposed merger, if any, on planned transit-oriented development, either by limiting expansion of commuter rail or by increasing night-time freight operations that might make living near the rail stations less attractive from a noise standpoint.
A section which identifies and describes existing Conral properties that may have environmental contamination or requiring remediation on other action should also be provided in the Environmental Impact Statement.
PLEASE COMPLETE YOUR REVIEW & RECOMMENDATION BEFORE October 13, 1997
RETURN YOUR COMPLETED RESPONSE FORM TO:

State Application Identifier: MD970916-0908
Location: Washington, DC & MD
Applicant: Surface Transportation Board, Section of Environmental Analysis
Description: Scoping for Draft Environmental Impact Statement CSX Corp. and Norfolk Southern Railway Corp's Proposed Acquisition and Control of Conrail (see MD970108-0012)

Based on a Review of the Information Provided, We Have (√) Checked the Appropriate Determination Below

CONSISTENT RESPONSES - FOR USE BY STATE AGENCIES ONLY

C1 It is consistent with our plans, programs, and objectives.
C2 It is consistent with the policies contained in Executive Order 01.01.1992,27 (Maryland Economic Growth, Resource Protection, and Planning Act of 1992) and our plans, programs, and objectives.
C3 (MDH ONLY) It has been determined that the project will have "no effect" on historic properties and that the federal and/or state historic preservation requirements have been met.
C4 (DNR ONLY) It has been determined that this project is in the Coastal Zone and is not inconsistent with the Maryland Coastal Zone Management Program.

CONSISTENT RESPONSES - FOR USE BY COUNTY & LOCAL AGENCIES ONLY

C5 It is consistent with our plans, programs, and objectives.
C6 It is consistent with the Economic Growth, Resource Protection, and Planning Visions (Planning Act of 1992) and our plans, programs, and objectives.

OTHER RESPONSES - FOR USE BY ALL AGENCIES

R1 GENERALLY CONSISTENT WITH QUALIFYING COMMENTS: It is generally consistent with our plans, programs and objectives, but the attached qualifying comment is submitted for consideration.
R2 CONTINGENT UPON CERTAIN ACTIONS: It is generally consistent with our plans, programs and objectives contingent upon certain actions being taken as noted in the attached comment.
R3 NOT CONSISTENT: It raises problems concerning compatibility with our plans, programs, objectives, or Planning Act visions/policies; or it may duplicate existing program activities, as indicated in the attached comment. If a meeting with the applicant is requested, please check here.
R4 ADDITIONAL INFORMATION REQUESTED: Additional information is required to complete the review. The information needed is identified below. If an extension of the review period is requested, please check here.

Attach additional comments if necessary OR use the spaces below for brief comments.

Name:
Organization:
Address:

Signature:
Phone:
Date Completed:

(√) Check here if additional comments attached.
Based on a review of the information provided, we have determined that the above referenced project is generally consistent with our plans, programs and objectives; however, the following comments concerning guidelines and agency contacts for the development of an EIS are offered as guidance.

Critical Area Review
Projects proposed within the Chesapeake Bay Critical Area (area within 1000 feet of the high tide mark) may require notification of the Critical Area Commission by the local Government. For information in this regard, the applicant should contact the local Critical Area Program office in their county. For further information please call (410) 974-2426.

Threatened or Endangered Species
For information on Federal/State threatened or endangered species that may be present at the proposed project site, project plans should be sent to Michael Slatten, Associate Director, Wildlife and Heritage Division, Maryland Department of Natural Resources, Tawes State Office Building, E-1, Annapolis Md. 21401 (410) 260-8540.

Fisheries Data
For information on fisheries, project plans should be sent to Ray Dinnaman, Environmental Review Unit, Maryland Department of Natural Resources, Tawes State Office Building, B-3, Annapolis Md., 21401 (410) 260-8330.

Forest Conservation Act
The Forest Conservation Act requires that before the issuance of a grading or sediment control permit, the applicant shall have an approved Forest Conservation Plan and Forest Stand Delineation (Nat. Res. Art. 5-1601-5-1613, Annotated Code of Maryland).

The Act provides for the retention of forested areas in environmentally sensitive areas. For additional information, contact Maryland DNR-Forest Service, State Forest Conservation Act Coordinator, Anne Arundel County Project Office, 8023 Long Hill Road, Pasadena, MD 21122. (410) 768-0830.

Wetlands and Waterways
This Department strongly recommends that the land along wetlands and waterways and be maintained as naturally vegetated buffer areas. Impacts to these sensitive areas should be avoided. However, if impacts cannot be avoided they should be minimized to the greatest extent possible. Proposed impacts may require authorization from the Maryland Department of the Environment (MDE), Water Management Administration. It would be advisable for the project manager to contact MDE early in the planning process to establish a process for project review. For information in this regard, you may call 1-800-876-0200.

The Coastal Zone Management Act (CZMA) of 1972 requires that federally conducted or supported activities which affect the State's coastal zone be consistent, to the maximum extent practicable, with the State's approved Coastal Zone Management Program (CZMA, Section 307). A determination of consistency with the Act may require review of any permit applications for construction in floodplains, waterways or wetland areas by the Department of Natural Resources and the Department of the Environment. For further information please call (410) 631-8091.
MARYLAND Office of Planning

MEMORANDUM

Please complete this form and return it to the State Clearinghouse upon receipt of notification that the project has been approved or not approved by the approving authority.

TO: Maryland State Clearinghouse
   Maryland Office of Planning
   301 West Preston Street
   Room 1104
   Baltimore, MD 21201-2365

FROM: (Name of person completing this form)

DATE: ____________________________  
(Please fill in the date form completed)

PHONE: (______)  
(Area Code & Phone number)

RE: State Application Identifier: MD970916-0908  
Project Description: Scoping for Draft Environmental Impact Statement CSX Corp. and Norfolk Southern Railway Corp's Proposed Acquisition and Control of Conrail (see MD970108-0012)

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<td>□ Approved  □ Approved with Modification  □ Disapproved</td>
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<td>□ Further comment or explanation is attached</td>
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301 West Preston Street • Baltimore, Maryland 21201-2365  
State Clearinghouse: (410) 767-4490  Fax: 767-4480
December 4, 1997

Mr. Richard K. Wilcox  
President and CEO  
Zen-Noh Grain Corporation  
P.O. Box 39  
Mandeville, LA 70470-0039

Dear Mr. Wilcox:

Thank you for your letter expressing the concerns of your organization about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 20, 1997

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

Control and Operating Leases/Agreements -  
Conrail Corporation, et al

Dear Chairman Morgan:

I am President and CEO for Zen-Noh Grain Corporation. Zen-Noh Grain Corporation is a grain and woodchip exporter from the U.S. Gulf with annual sales of over $2 billion. We are a major receiver of grain at our Convent, Louisiana terminal. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’ proposed control of Conrail, Zen-Noh Grain Corporation has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this Company which we believe would be adversely affected by the merger. Absent the availability of effective competition alternative routings to those markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s
routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close or hamper those gateways through a rate structure which forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis should not be condoned and must be remediated.

We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Respectfully submitted,

Zen-Noh Grain Corporation

Richard K. Wilcox
President and CEO

RKW/bc
December 4, 1997

Mr. Edwin E. Vigneaux
Traffic Manager
Reagent Chemical & Research, Inc.
1300 Post Oak Blvd.
Suite 680
Houston, TX 77056

Dear Mr. Vigneaux:

Thank you for your letter expressing the concerns of your organization about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 17, 1997

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

RE: Finanace Docket No. 33388, CSX Corporation et al. – Control and Operating Leases/Agreements - Conrail Corporation, et al.

Dear Chairman Morgan:

I am Traffic Manager for Reagent Chemical & Research, Inc. Reagent Chemical is the largest marketer of Hydrochloric Acid in the United States, with annual sales of over $80MM. We operate facilities at Institute, WV (Conrail), Natrium, WV (CSX), Gallipolis, WV (CSX), Middlesex, NJ (Conrail), Baltimore, MD (CSX & Conrail), Charlotte, NC (CSX), Savannah, GA (CSX), Jacksonville, FL (CSX), Chattanooga, TN, (NS & CSX), Geismar and St. Gabriel, LA (IC). Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’ proposed control of Conrail, Reagent Chemical has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to Reagent Chemical which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from Eastern markets. Almost 60% of our production is located in the Geismar, LA area and supplies much of our Eastern market. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis, TN is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and
gateways to Eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX's long-haul routes. Further, Illinois Central's rail line is fast and efficient. The ability of CSX to operationally impede the rail line at Memphis should not be condoned and must be remediated.

We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I railroad, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central's proposed conditions to the CSX application.

Respectfully submitted,

Edwin E. Vigneaux
Traffic Manager
December 4, 1997

Mr. Lamar Self
Manager of Distribution
Mississippi Chemical Corporation
Post Office Box 388
Yazoo City, MS 39194-0388

Dear Mr. Self:

Thank you for your letter expressing the concerns of your organization about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

Linda J. Morgan
October 20, 1997

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


Dear Chairman Morgan:

I am Manager of Distribution for Mississippi Chemical Corporation with headquarters at Yazoo City, Mississippi. Mississippi Chemical is a major producer of all three primary plant food nutrients with sales of over $520 million. We are a major shipper of nitrogen fertilizers with facilities at Yazoo City, Mississippi. We are served by the Illinois Central Railroad Company. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’s proposed control of Conrail, Mississippi Chemical has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this company which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable. As here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis should not be condoned and must be remediated.
The Honorable Linda J. Morgan  
October 20, 1997  
Page 2

We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide as effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Respectfully submitted.

[Signature]

Lamar Self  
Manager of Distribution  

LS/bre
December 4, 1997

Mr. M.R. Checchi
Vice President - General Manager
Matson Intermodal System
333 Market Street
P.O. Box 7452
San Francisco, CA 94120

Dear Mr. Checchi:

Thank you for your letter expressing the concerns of your organization about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 20, 1997

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

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

Dear Chairman Morgan:

Matson Intermodal System is an intermodal marketing company that arranges rail freight distribution services throughout the United States, Canada and Mexico. Matson Intermodal is headquartered in San Francisco, CA., with sales offices located throughout the United States.

A number of our customers are located in the eastern United States at locations served by Conrail. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to Matson Intermodal which we believe would be adversely affected by the merger.

The Illinois Central Railroad is an important link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact IC’s route structure through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the eastern United States. Illinois Central’s routings and gateways to eastern markets are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis should not be condoned and must be remedied.
We believe that Illinois Central provides a route structure with neutral access to all eastern gateways, and has demonstrated a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Respectfully submitted,

M.R. Checchi
Vice President-General Manager

MRC/sm
December 4, 1997

Mr. Tom Hastings  
President and CEO  
Truck-Track Logistics Ltd.  
9902 South 148th Street  
Omaha, NE 68138-3820

Dear Mr. Hastings:

Thank you for your letter expressing the concerns of your organization about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

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Sincerely,

Linda J. Morgan

Linda J. Morgan
Re: Finance Docket No. 33388, CSX Corporation et al. - Control and Operating Leases/Agreements - Conrail Corporation, et al.

Dear Chairman Morgan:

I am writing to on record supporting the Illinois Central Railroad on the two conditions to protect competitive service and routing alternatives that they are requesting in reference to CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreement -- Conrail, Inc. and Consolidated Rail Corporation.

The first is for the CSX to agree that for traffic moving to or from stations on CSX’s lines and the lines of CSX’s short line connections, upon request of Illinois Central or its customers, CSX will join with Illinois Central in market competitive joint rates via Illinois Central’s Illinois gateways where the applicable joint line routes are reasonably efficient (distance considered) and/or where a competitive service package can be offered to the customer. In constructing joint rates via Illinois Central, CSX agrees that its portion of such joint rates shall be at rate levels comparable on a per mile basis with CSX’s revenue requirement via the portion of its preferred long-haul route between the same origins and destinations. The parties by mutual agreement shall be free to establish joint rates on bases differing from those specified above.

The second is that Illinois Central believes that the Surface Transportation Board should allow Illinois Central to own and dispatch the Leewood-Aulon trackage while allowing CSX to operate over that trackage under trackage rights. This will preserve the integrity of Illinois Central’s main line, while at the same time continuing to enable CSX to use the line for its secondary movements.

After the most recent debacle of the Union Pacific and Southern Pacific merger I believe it has become apparent to everyone that the importance of a competitive rail system is integral to the economic well being of the United States. Something as crucial as service and price competitive transportation of the goods and services required in our economy can not be taken for granted. To adequately protect the services that relies upon the Mississippi River gateway to New Orleans you must allow a quality carrier like the...
Illinois Central to compete on a fair and level playing field. The condition will not obligate the shipper to move the traffic via Illinois Central, nor will it guarantee that they will move that traffic. Rather, by obligating CSX to charge the same per mile rate via alternate routes, Illinois Central will have the opportunity to compete for the traffic and insure the shipper has routing alternatives.

Again I feel it is very apparent the disastrous affect the Union Pacfic-Southern Pacific merger has had and I could go on with a 200 page document and explain the financial hardship it has caused our company and our shippers but all you need to do is read the front page of any newspaper.

I urge you to grant the Illinois Central’s request to help insure that our country continues to have a competitive and quality rail system.

Sincerely,

Tom Hastings
President and C.E.O.
The Honorable H. William DeWeese  
Pennsylvania House of Representatives  
The State Capitol  
Harrisburg, PA 17120-2020

Dear Representative DeWeese:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on railroad employees and the State of Pennsylvania.

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

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

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

Sincerely,

Linda J. Morgan

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

Re: Finance Docket No. 33388  

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

Dear Chairperson Morgan:

I am writing to communicate my opposition to the proposed transaction contained in Finance Docket No. 33388. Specifically, I am requesting that the Surface Transportation Board (STB) vote against merging the Consolidated Rail Corporation (Conrail) into the Norfolk Southern Corporation and the CSX Corporation.

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

This proposed merger would affect almost every northeastern state. However, no state will suffer the consequences that the Commonwealth of Pennsylvania will experience if the Surface Transportation Board approves this proposed merger.

Federal statute law mandated that Conrail’s corporate headquarters be located in Philadelphia, Pennsylvania. This facility would be severely downgraded to a regional office with the bulk of its jobs lost from the commonwealth forever.

Conway Yard in Beaver County, Pennsylvania is one of four major hump reclassification yards on the Conrail system. The Norfolk Southern Corporation in Volume 3B of the Railroad Control Application projects Conway Yard will lose 35.90 per cent of its
eastbound car reclassification work and 21.90 per cent of its westbound car reclassification work if this proposed merger is approved. These projected loses will be even greater if the Norfolk Southern Railway is unable to generate additional traffic gains in the post-merger period.

This merger will also eliminate Conrail's National Customer Service Center in North Fayette Township, Allegheny County, Pennsylvania. All of these jobs will be lost to the commonwealth.

In addition to job loses, railroad worker safety is a major concern. The western United States has recently witnessed a reduction from being served by four very large Class I carriers to being served by just two very large Class I carriers. This occurred with the merger of the Burlington Northern Railroad with the Atchison, Topeka and Santa Fe Railway and the merger of the Union Pacific Railroad with the Southern Pacific Transportation Company.

The merged Union Pacific System is an incredible behemoth consisting of a 36,000 mile rail network. The post-merger operations of the larger Union Pacific System has been a tragic experience for its operating rail crews. It has had three serious accidents recently that cost the lives of five workers and two stowaways.

A distinct problem is fatigue caused by a severe shortage of operating train crews and dispatchers. Countless train crewmembers have been stranded for hours until the railroad supplied relief crews. The fact is the Union Pacific did not have a sufficient number of properly trained operating employees to run a 36,000 mile system safely through 23 western and mid-western states.

The Union Pacific problem is not an isolated one. Two facts are highly relevant at this juncture. One fact is that the railroad industry is hauling more tonnage over more miles than ever before in the nation's history. The second fact is the railroads are doing this with fewer employees than ever before. Therein lies much of the problem.

The Union Pacific-Southern Pacific merger has been an unfortunate experience for many operating employees. However, the merger has been a horrendous experience to hundreds of businesses that are captive shippers and receivers to the larger Union Pacific in the post-merger period.

In addition to a significant crew and dispatcher shortage, the Union Pacific has a severe shortage of locomotives to move its incredibly large volume of freight. Contributing to this dilemma is the incompatibility of the Union Pacific and Southern Pacific car tracking computer systems. This has caused thousands of freight cars to be lost on the former Southern Pacific trackage within the Union Pacific System. Shippers and other railroads can not get empty freight cars back to be reloaded in a timely fashion. As opposed to stranded crews mentioned above, some crews have sat on Union Pacific trains for 12 hours while going nowhere.
Older Pennsylvanians are familiar with these types of problems. Thousands of cars, as well as whole trains one and two miles long, were lost on the Penn Central Railroad in the late 1960s and early 1970s. This occurred because the computer systems of the Pennsylvania Railroad and the New York Central System were incompatible. Chaos resulted. Yardmasters assembled trains uncertain of the true freight car destinations just to get the cars out of their gridlock choked yards. Unfortunately, the Interstate Commerce Commission had given its approval for those railroads to merge. This decision helped to create, what was at the time, the largest bankruptcy in American corporate history.

The Union Pacific operating problem recently became so bad that the National Industrial Transportation League, representing rail shippers, called a “summit meeting” in Houston, Texas with the railroad’s executives to seek a resolution to the grievous problem. A key element of the problem is the monopolistic nature of service territories. This occurs because only two very large rail carriers remain to serve the entire western half of the contiguous forty-eight states of the country.

Railroad shippers, receivers, workers and public officials on the Conrail system have witnessed the operating disaster brought about by the sheer size of the Union Pacific-Southern Pacific merger. The absorption of Conrail into the Norfolk Southern Railway and CSX Transportation will leave only two very large rail systems in the eastern United States. These two very large railroads will be that much larger and that much more unwieldy to operate.

In 1980, the nation’s large railroads lobbied hard for deregulation. They said that free market competition within the freight rail transportation industry should regulate the railroads - not government. Most lawmakers agreed and the Staggers Act was passed. It provided for a deregulated operating environment for the nation’s large freight railroads including an expedited merger provision. However, since 1980 the large railroads have consistently eroded the discipline of the free rail transportation marketplace by eliminating competition through an endless succession of large-scale mergers.

If one-third of the very large Class I rail carriers in the eastern United States are eliminated by merger, a remedy must be offered by the Surface Transportation Board in the form of competitive access. At a minimum, the very existence of smaller Class II and III railroads must not be threatened.

Regional carriers that serve Pennsylvania must be given the opportunity to provide competition through competitive access. This includes the Delaware & Hudson Railway (D&H), the Wheeling & Lake Erie Railway and the Buffalo & Pittsburgh Railroad. This merger, as presently structured, threatens the very existence of the Delaware & Hudson and the Wheeling & Lake Erie. Hence, this merger will not just eliminate eastern rail competition at the Class I level; it will grievously damage the economic viability of smaller regional rail carriers in Pennsylvania as well. This is unconscionable.
The Surface Transportation Board should deny the merger requested in this Railroad Control Application for all of the above listed reasons. However, if the board votes to approve the merger, it should attach such conditions that would preserve the limited competition that the Regional Rail Reorganization Act of 1973 provided by granting the Delaware & Hudson Railway trackage rights to connect with friendly carriers beyond the reach of its substantially larger competitors. The board should also bring about true competitive access by giving shippers and receivers, in proximity to D&H trackage rights, the ability to have the D&H directly serve their facilities.

Also, the Surface Transportation Board should grant the Wheeling & Lake Erie Railway and the Buffalo & Pittsburgh Railroad such trackage rights over Norfolk Southern and CSX as the smaller railroads need to make direct connection with shortline railroads in Pennsylvania. These two regional carriers should also have rights to directly serve those Pennsylvania businesses that are rail shippers and receivers along the lines with trackage rights.

Thank you for your consideration in this matter.

H. William DeWeese
The Democratic Leader
SENDING TO:

Teletype Number: 202-565-9004
Office: Surface Transportation Board
Name: William J. Williams
Number of Pages Including Cover Sheet: 5

SENT FROM:

Name: Rep. Bill [Handwritten]
Office: Democratic Leader/PA House of Representatives
Teletype Number: 717-3605
December 4, 1997

The Honorable Susan Laughlin  
Pennsylvania House of Representatives  
120 South Office Building  
House Box 202020  
Harrisburg, PA 17120-2020

Dear Representative Laughlin:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on railroad employees and the State of Pennsylvania.

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

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

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

Sincerely,

Linda J. Morgan  
Linda J. Morgan
Dear Chairperson Morgan:

I am writing to communicate my opposition to the proposed transaction contained in Finance Docket No. 33388. Specifically, I am requesting that the Surface Transportation Board (STB) vote against merging the Consolidated Rail Corporation (Conrail) into the Norfolk Southern Corporation and the CSX Corporation.

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

This proposed merger would affect almost every northeastern state. However, no state will suffer the consequences that the Commonwealth of Pennsylvania will experience if the Surface Transportation Board approves this proposed merger.

Federal statute law mandated that Conrail’s corporate headquarters be located in Philadelphia, Pennsylvania. This facility would be severely downgraded to a regional office with the bulk of its jobs lost from the commonwealth forever.

Conway Yard in Beaver County, Pennsylvania is one of four major hump reclassification yards on the Conrail system. The Norfolk Southern Corporation in Volume 3B of the Railroad Control Application projects Conway Yard will lose 35.90 per cent of its
eastbound car reclassification work and 21.90 per cent of its westbound car reclassification work if this proposed merger is approved. These projected loses will be even greater if the Norfolk Southern Railway is unable to generate additional traffic gains in the post-merger period.

This merger will also eliminate Conrail’s National Customer Service Center in North Fayette Township, Allegheny County, Pennsylvania. All of these jobs will be lost to the commonwealth.

In addition to job loses, railroad worker safety is a major concern. The western United States has recently witnessed a reduction from being served by four very large Class I carriers to being served by just two very large Class I carriers. This occurred with the merger of the Burlington Northern Railroad with the Atchison, Topeka and Santa Fe Railway and the merger of the Union Pacific Railroad with the Southern Pacific Transportation Company.

The merged Union Pacific System is an incredible behemoth consisting of a 36,000 mile rail network. The post-merger operations of the larger Union Pacific System has been a tragic experience for its operating rail crews. It has had three serious accidents recently that cost the lives of five workers and two stowaways.

A distinct problem is fatigue caused by a severe shortage of operating train crews and dispatchers. Countless train crewmembers have been stranded for hours until the railroad supplied relief crews. The fact is the Union Pacific did not have a sufficient number of properly trained operating employees to run a 36,000 mile system safely through 23 western and mid-western states.

The Union Pacific problem is not an isolated one. Two facts are highly relevant at this juncture. One fact is that the railroad industry is hauling more tonnage over more miles than ever before in the nation’s history. The second fact is the railroads are doing this with fewer employees than ever before. Therein lies much of the problem.

The Union Pacific-Southern Pacific merger has been an unfortunate experience for many operating employees. However, the merger has been a horrendous experience to hundreds of businesses that are captive shippers and receivers to the larger Union Pacific in the post-merger period.

In addition to a significant crew and dispatcher shortage, the Union Pacific has a severe shortage of locomotives to move its incredibly large volume of freight. Contributing to this dilemma is the incompatibility of the Union Pacific and Southern Pacific car tracking computer systems. This has caused thousands of freight cars to be lost on the former Southern Pacific trackage within the Union Pacific System. Shippers and other railroads can not get empty freight cars back to be reloaded in a timely fashion. As opposed to stranded crews mentioned above, some crews have sat on Union Pacific trains for 12 hours while going nowhere.
Older Pennsylvanians are familiar with these types of problems. Thousands of cars, as well as whole trains one and two miles long, were lost on the Penn Central Railroad in the late 1960s and early 1970s. This occurred because the computer systems of the Pennsylvania Railroad and the New York Central System were incompatible. Chaos resulted. Yardmasters assembled trains uncertain of the true freight car destinations just to get the cars out of their gridlock choked yards. Unfortunately, the Interstate Commerce Commission had given its approval for those railroads to merge. This decision helped to create, what was at the time, the largest bankruptcy in American corporate history.

The Union Pacific operating problem recently became so bad that the National Industrial Transportation League, representing rail shippers, called a “summit meeting” in Houston, Texas with the railroad’s executives to seek a resolution to the grievous problem. A key element of the problem is the monopolistic nature of service territories. This occurs because only two very large rail carriers remain to serve the entire western half of the contiguous forty-eight states of the country.

Railroad shippers, receivers, workers and public officials on the Conrail system have witnessed the operating disaster brought about by the sheer size of the Union Pacific-Southern Pacific merger. The absorption of Conrail into the Norfolk Southern Railway and CSX Transportation will leave only two very large rail systems in the eastern United States. These two very large railroads will be that much larger and that much more unwieldy to operate.

In 1980, the nation’s large railroads lobbied hard for deregulation. They said that free market competition within the freight rail transportation industry should regulate the railroads- not government. Most lawmakers agreed and the Staggers Act was passed. It provided for a deregulated operating environment for the nation’s large freight railroads including an expedited merger provision. However, since 1980 the large railroads have consistently eroded the discipline of the free rail transportation marketplace by eliminating competition through an endless succession of large-scale mergers.

If one-third of the very large Class I rail carriers in the eastern United States are eliminated by merger, a remedy must be offered by the Surface Transportation Board in the form of competitive access. At a minimum, the very existence of smaller Class II and III railroads must not be threatened.

Regional carriers that serve Pennsylvania must be given the opportunity to provide competition through competitive access. This includes the Delaware & Hudson Railway (D&H), the Wheeling & Lake Erie Railway and the Buffalo & Pittsburgh Railroad. This merger, as presently structured, threatens the very existence of the Delaware & Hudson and the Wheeling & Lake Erie. Hence, this merger will not just eliminate eastern rail competition at the Class I level; it will grievously damage the economic viability of smaller regional rail carriers in Pennsylvania as well. This is unconscionable.
The Surface Transportation Board should deny the merger requested in this Railroad Control Application for all of the above listed reasons. However, if the board votes to approve the merger, it should attach such conditions that would preserve the limited competition that the Regional Rail Reorganization Act of 1973 provided by granting the Delaware & Hudson Railway trackage rights to connect with friendly carriers beyond the reach of its substantially larger competitors. The board should also bring about true competitive access by giving shippers and receivers, in proximity to D&H trackage rights, the ability to have the D&H directly serve their facilities.

Also, the Surface Transportation Board should grant the Wheeling & Lake Erie Railway and the Buffalo & Pittsburgh Railroad such trackage rights over Norfolk Southern and CSX as the smaller railroads need to make direct connection with shortline railroads in Pennsylvania. These two regional carriers should also have rights to directly serve those Pennsylvania businesses that are rail shippers and receivers along the lines with trackage rights.

Thank you for your consideration in this matter.

Sincerely,

[Signature]

Representative Susan Laughlin
DATE: 10/21/97

SENDING TO:

Telecopy Number: 202-565-9004

Office: Surface Transportation Board

Name: Vernon A. Williams

Number of Pages Including Cover Sheet: 5

SENT FROM:

Name: Rep. Anselmo Laughter

Office: House of Representatives - PA

Telecopy Number: (717) 787-6118
The Honorable Linda Morgan  
Chairperson  
Surface Transportation Board  
12th & Constitution Avenue, NW  
Washington, DC 20423

Re: Finance Docket No. 33388

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

Dear Chairperson Morgan:

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eastbound car reclassification work and 21.90 per cent of its westbound car
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in the post-merger period.

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Fayette Township, Allegheny County, Pennsylvania. All of these jobs will be lost to the
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In addition to job loses, railroad worker safety is a major concern. The western United
States has recently witnessed a reduction from being served by four very large Class I
carriers to being served by just two very large Class I carriers. This occurred with the
merger of the Burlington Northern Railroad with the Atchison, Topeka and Santa Fe
Railway and the merger of the Union Pacific Railroad with the Southern Pacific
Transportation Company.

The merged Union Pacific System is an incredible behemoth consisting of a 36,000 mile
rail network. The post-merger operations of the larger Union Pacific System has been a
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that cost the lives of five workers and two stowaways.

A distinct problem is fatigue caused by a severe shortage of operating train crews and
dispatchers. Countless train crew members have been stranded for hours until the railroad
supplied relief crews. The fact is the Union Pacific did not have a sufficient number of
properly trained operating employees to run a 36,000 mile system safely through 23
western and mid-western states.

The Union Pacific problem is not an isolated one. Two facts are highly relevant at this
juncture. One fact is that the railroad industry is hauling more tonnage over more miles
than ever before in the nation’s history. The second fact is the railroads are doing this
with fewer employees than ever before. Therein lies much of the problem.

The Union Pacific-Southern Pacific merger has been an unfortunate experience for many
operating employees. However, the merger has been a horrendous experience to
hundreds of businesses that are captive shippers and receivers to the larger Union Pacific
in the post-merger period.

In addition to a significant crew and dispatcher shortage, the Union Pacific has a severe
shortage of locomotives to move its incredibly large volume of freight. Contributing to
this dilemma is the incompatibility of the Union Pacific and Southern Pacific car tracking
computer systems. This has caused thousands of freight cars to be lost on the former
Southern Pacific trackage within the Union Pacific System. Shippers and other railroads
can not get empty freight cars back to be reloaded in a timely fashion. As opposed to
stranded crews mentioned above, some crews have sat on Union Pacific trains for 12
hours while going nowhere.
Older Pennsylvanians are familiar with these types of problems. Thousands of cars, as well as whole trains one and two miles long, were lost on the Penn Central Railroad in the late 1960s and early 1970s. This occurred because the computer systems of the Pennsylvania Railroad and the New York Central System were incompatible. Chaos resulted. Yardmasters assembled trains uncertain of the true freight car destinations just to get the cars out of their gridlock choked yards. Unfortunately, the Interstate Commerce Commission had given its approval for those railroads to merge. This decision helped to create, what was at the time, the largest bankruptcy in American corporate history.

The Union Pacific operating problem recently became so bad that the National Industrial Transportation League, representing rail shippers, called a "summit meeting" in Houston, Texas with the railroad's executives to seek a resolution to the grievous problem. A key element of the problem is the monopolistic nature of service territories. This occurs because only two very large rail carriers remain to serve the entire western half of the contiguous forty-eight states of the country.

Railroad shippers, receivers, workers and public officials on the Conrail system have witnessed the operating disaster brought about by the sheer size of the Union Pacific-Southern Pacific merger. The absorption of Conrail into the Norfolk Southern Railway and CSX Transportation will leave only two very large rail systems in the eastern United States. These two very large railroads will be that much larger and that much more unwieldy to operate.

In 1980, the nation's large railroads lobbied hard for deregulation. They said that free market competition within the freight rail transportation industry should regulate the railroads— not government. Most lawmakers agreed and the Staggers Act was passed. It provided for a deregulated operating environment for the nation's large freight railroads including an expedited merger provision. However, since 1980 the large railroads have consistently eroded the discipline of the free rail transportation marketplace by eliminating competition through an endless succession of large-scale mergers.

If one-third of the very large Class I rail carriers in the eastern United States are eliminated by merger, a remedy must be offered by the Surface Transportation Board in the form of competitive access. At a minimum, the very existence of smaller Class II and III railroads must not be threatened.

Regional carriers that serve Pennsylvania must be given the opportunity to provide competition through competitive access. This includes the Delaware & Hudson Railway (D&H), the Wheeling & Lake Erie Railway and the Buffalo & Pittsburgh Railroad. This merger, as presently structured, threatens the very existence of the Delaware & Hudson and the Wheeling & Lake Erie. Hence, this merger will not just eliminate eastern rail competition at the Class I level; it will grievously damage the economic viability of smaller regional rail carriers in Pennsylvania as well. This is unconscionable.
The Surface Transportation Board should deny the merger requested in this Railroad Control Application for all of the above listed reasons. However, if the board votes to approve the merger, it should attach such conditions that would preserve the limited competition that the Regional Rail Reorganization Act of 1973 provided by granting the Delaware & Hudson Railway trackage rights to connect with friendly carriers beyond the reach of its substantially larger competitors. The board should also bring about true competitive access by giving shippers and receivers, in proximity to D&H trackage rights, the ability to have the D&H directly serve their facilities.

Also, the Surface Transportation Board should grant the Wheeling & Lake Erie Railway and the Buffalo & Pittsburgh Railroad such trackage rights over Norfolk Southern and CSX as the smaller railroads need to make direct connection with shortline railroads in Pennsylvania. These two regional carriers should also have rights to directly serve those Pennsylvania businesses that are rail shippers and receivers along the lines with trackage rights.

Thank you for your consideration in this matter.

Sincerely,

[Signature]

Representative Guy A. Travaglio
DATE: 10/31/97

SENDING TO:

Telecopy Number: 202-565-9004
Office: Surface Transportation Board
Name: Verna A. Williams
Number of Pages Including Cover Sheet: 5

SENT FROM:

Name: Rep. Guy A. Faragasso
Office: House of Representatives
Telecopy Number: 787-6118
December 4, 1997

Mr. James B. Barrett
2750 U.S. Route 30
Hookstown, PA 15050

Dear Mr. Barrett:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on employees and customers.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
Madam Chairman:

I am writing concerning the impending Acquisition of Conrail by the Norfolk Southern and CSXT.

As a railroad worker since August 26, 1976, I want to emphasize that this is not just a job, but my career. I take great pride in the work that I do. The customers I work with day to day have become more than just customers; they have become friends I address on a first name basis. The quality of service we provide has become more than just my duty; it is a personal commitment to my friend.

It is therefore, with considerable distress and alarm, that we now face the impending acquisition of Conrail. We have witnessed the disastrous results of the UP/SP merger, know the same awaits our own operations and fear that they will be even worse. It does not take a genius to figure out that SOMEONE will have to pay for this hugely expensive acquisition. Likewise, we know it will not be the CEO’s, Presidents and Vice-Presidents with their lucrative golden parachutes! It will be my customers through rate increases and poorer service. Belts will have to be tightened, and that "belt" will be around the necks of employees like me. Jobs will have to be cut, service WILL suffer and if my customer does not like it, well too bad. Just ask the UP’s customers in Texas or California. Imagine if you will, the chaos that would result if that happened in New York City, where they depend on rail service for most of their food? Fine words from CSXT and NS spokespersons to the contrary will not change facts. I remind you that the very same promises came from the mouths of the UP and SP officials as well.

To allow this acquisition to go forward, will result in an unmitigated disaster, far worse than anything we now face with the ill advised merger of the UP and SP railroads. I will not waste my time trying to convince you to stop this merger. I am sure that has already been decided and is a done deal. What I would like to stress, is the need for real guarantees for my customers. Guaranteed service at their current level and high standards, guaranteed rate stabilization at present levels, as a maximum, to ensure they don’t have to pay for your mistake and guaranteed manpower levels to protect property and safety of our fellow employees. The needs of our customers are not served with over-worked, and exhausted people, as well demonstrated by the UP/SP.

Thank you for your consideration.

Respectfully,

James B Barrett
Ms. Janet A. McFarland  
103 Vandivort Dr.  
Beaver, PA 15009  

Dear Ms. McFarland:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on employees and customers.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
Madam Chairman:

I am writing concerning the impending Acquisition of Conrail by the Norfolk Southern and CSXT.

As a railroad worker since October 10, 1966, I want to emphasize that this is not just a job, but my career. I take great pride in the work that I do. The customers I work with day to day have become more than just customers, they have become friends I address on a first name basis. The quality of service we provide has become more than just my duty; it is a personal commitment to my friend.

It is therefore, with considerable distress and alarm, that we now face the impending acquisition of Conrail. We have witnessed the disastrous results of the UP/SP merger, know the same awaits our own operations and fear that they will be even worse. It does not take a genius to figure out that SOMEONE will have to pay for this hugely expensive acquisition. Likewise, we know it will not be the CEO's, Presidents and Vice-Presidents with their lucrative golden parachutes! It will be my customers through rate increases and poorer service. Belts will have to be tightened, and that "belt" will be around the necks of employees like me. Jobs will have to be cut, service WILL suffer and if my customer does not like it, well too bad. Just ask the UP's customers in Texas or California. Imagine if you will, the chaos that would result if that happened in New York City, where they depend on rail service for most of their food! Fine words from CSXT and NS spokesmen to the contrary will not change facts. I remind you that the very same promises came from the mouths of the UP and SP officials as well.

To allow this acquisition to go forward, will result in an unmitigated disaster, far worse than anything we now face with the ill advised merger of the UP and SP railroads. I will not waste my time trying to convince you to stop this merger. I am sure that has already been decided and is a done deal. What I would like to stress, is the need for real guarantees for my customers. Guaranteed service at their current level and high standards, guaranteed rate stabilization at present levels, as a maximum, to ensure they don't have to pay for your mistake and guaranteed manpower levels to protect productivity and safety of our fellow employees. The needs of our customers are not served with over-worked, and exhausted people, as well demonstrated by the UP/SP.

Thank you for your consideration.

Respectfully,

Janet A. McFarland
December 4, 1997

Ms. Michele Ann Johns
2911 Leona Lane
Coraopolis, PA 15108

Dear Ms. Johns:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on employees and customers.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
Michele Ann Johns  
2911 Leona Lane,  
Coraopolis, PA 15108  

October 17, 1997  

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

Madam Chairman:  

I am writing concerning the impending Acquisition of Conrail by the Norfolk Southern and CSX.  

As a railroad worker since October 25, 1976, I want to emphasize that this is not just a job, but my career. I take great pride in the work that I do. The customers I work with day to day have become more than just customers, they have become friends I address on a first name basis. The quality of service we provide has become more than just my duty, it is a personal commitment to my friend.  

It is therefore, with considerable distress and alarm, that we now face the impending acquisition of Conrail. We have witnessed the disastrous results of the UP/SP merger, know the same awaits our own operations and fear that they will be even worse. It does not take a genius to figure out that SOMEONE will have to pay for this hugely expensive acquisition. Likewise, we know it will not be the CEO's, Presidents and Vice-Presidents with their lucrative golden parachutes! It will be my customers through rate increases and poorer service. Belts will have to be tightened, and that "belt" will be around the necks of employees like me. Jobs will have to be cut, service WILL suffer and if my customer does not like it, well too bad. Just ask the UP's customers in Texas or California. Imagine if you will, the chaos that would result if that happened in New York City, where they depend on rail service for most of their food? Fine words from CSX and NS spokesmen to the contrary will not change facts. I remind you that the very same promises came from the mouths of the UP and SP officials as well.  

To allow this acquisition to go forward, will result in an unmitigated disaster, far worse than anything we now face with the ill advised merger of the UP and SP railroads. I will not waste my time trying to convince you to stop this merger. I am sure that has already been decided and is a done deal. What I would like to stress, is the need for real guarantees for my customers. Guaranteed service at their current level and high standards, guaranteed rate stabilization at present levels, as a maximum, to ensure they don't have to pay for your mistake and guaranteed manpower levels to protect productivity and safety of our fellow employees. The needs of our customers are not served with over-worked, and exhausted people, as well demonstrated by the UP/SP.  

Thank you for your consideration.  

Respectfully,  

Michele Ann Johns
December 4, 1997

Mr. James Heatley
RD#2, Box 80
New Cumberland, WV 26047

Dear Mr. Heatley:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on employees and customers.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
James Heatley  
RD#2, Box 80,  
New Cumberland, WV 26047  

October 17, 1997  

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

Madam Chairman:

I am writing concerning the impending Acquisition of Conrail by the Norfolk Southern and CSXT.

As a railroad worker since October 20, 1976, I want to emphasize that this is not just a job, but my career. I take great pride in the work that I do. The customers I work with day to day have become more than just customers, they have become friends I address on a first name basis. The quality of service we provide has become more than just my duty, it is a personal commitment to my friend.

It is therefore, with considerable distress and alarm, that we now face the impending acquisition of Conrail. We have witnessed the disastrous results of the UP/SP merger, know the same awaits our own operations and fear that they will be even worse. It does not take a genius to figure out that SOMEONE will have to pay for this hugely expensive acquisition. Likewise, we know it will not be the CEO’s, Presidents and Vice-Presidents with their lucrative golden parachutes! It will be my customers through rate increases and poorer service. Belts will have to be tightened, and that “belt” will be around the necks of employees like me. Jobs will have to be cut, service WILL suffer and if my customer does not like it, well too bad. Just ask the UP’s customers in Texas or California. Imagine if you will, the chaos that would result if that happened in New York City, where they depend on rail service for most of their food? Fine words from CSXT and NS spokesmen to the contrary will not change facts, I remind you that the very same promises came from the mouths of the UP and SP officials as well.

To allow this acquisition to go forward, will result in an unmitigated disaster, far worse than anything we now face with the ill advised merger of the UP and SP railroads. I will not waste my time trying to convince you to stop this merger. I am sure that has already been decided and is a done deal. What I would like to stress, is the need for real guarantees for my customers. Guaranteed service at their current level and high standards, guaranteed rate stabilization at present levels, as a maximum, to ensure they don’t have to pay for your mistake and guaranteed manpower levels to protect productivity and safety of our fellow employees. The needs of our customers are not served with over-worked, and exhausted people, as well demonstrated by the UP/SP.

Thank you for your consideration.

Respectfully,

James Heatley

P.S. At the present time, it takes the UP RR 35 days to get Rail cars from Texas to East St Louis. Is this progress? Is this acquisition worth this country’s needs? I think not.
December 4, 1997

Mr. George Fletcher
628 S. Lincoln Avenue
Niles, MI 49120-2928

Dear Mr. Fletcher:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on rail employees.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 16, 1997

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

Dear Linda J. Morgan,

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

It is my belief that if the Surface Transportation Board does not put curtai efforts in the area of massive job cuts, safety and / or abandonment of parts of our rail system in the states that Conrail now operates this will have an impact on the local people.

Look at the problem that the Union Pacific and the Southern Pacific are having trying to make that merger takeover work. Loss of jobs, business's, inability to track cars, the hours crews are having to work trying to move trains. This I believe is just a tip of the iceberg that can happen if this break-up takes place. The change's that these company's are about to make needs to be looked at REALLY CLOSE.

The railroad's are under staffed in all crafts now. How are they going to be able to run the railroads safely?

Please take a close look at the problems Union Pacific and Southern Pacific and make our jobs safer and better place to work.

Sincerely,

George Fletcher
Locomotive Engineer Conrail
Mr. W. Robert Herbert  
City Manager  
City of Roanoke  
Room 364, Municipal South  
215 Church Avenue, S.W.  
Roanoke, VA 24011-1591  

Dear Mr. Herbert:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on railroad employees and the Roanoke community.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 20, 1997

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

RE: Case #33388 CSX/NS - Contract and operating leases and agreement - Conrail, Inc., and Consolidated Rail Corporation

Dear Ms. Morgan:

Since 1852 the railroad has played a defining role in the development of the city of Roanoke and its surrounding area in western Virginia. The Virginia and Tennessee Railroad (V&T) was built in that year through Roanoke, then known as Big Lick. It provided delivery of goods and services between Lynchburg and Bristol, Virginia.

Since V&T's first track was laid, acquisitions, mergers and reorganization have occurred to enhance the delivery of transportation services throughout this region and the eastern portion of the nation. As the mergers occurred in the mid 1800's, many issues had to be dealt with. But, as a result of the continued mergers and acquisitions, Roanoke, Virginia, became a vibrant city built around the railroad's growth. Today Roanoke still has the largest concentration of Norfolk Southern employees in the NS system.

With the announcement of the proposed merger between Norfolk Southern and Conrail, issues surface as they did previously. Foremost in the minds of some Roanoke area Norfolk Southern employees is the possible elimination of their jobs. Since Norfolk Southern is a major employer in this region, elimination of these jobs would negatively impact the region's economy.

Still, the city's Office of Economic Development, because of its expectation that the area's existing jobs will be preserved, as well as new jobs created, expresses support for the merger. In fact, the greatest threat to jobs in the Roanoke region would be CSX's acquisition of Conrail without NS. In this instance, Norfolk Southern would be reduced to a regional carrier, vulnerable to a hostile take over by another railroad, such as Burlington Northern.

The city of Roanoke, along with other jurisdictions in the region, is prepared to work closely with NS. It is our hope that Roanoke's position will be enhanced by its being a major center of a stronger Norfolk Southern Corporation. Towards this end, we are prepared to work with NS to create new growth opportunities.
Because of our history with the railroad and its many past mergers and acquisitions, the city asks for your support in retaining existing jobs. Our experience leads us to believe that the proposed merger could be a growth opportunity for Norfolk Southern, CSX, and the Roanoke Region.

Thank you for your time and consideration.

Sincerely,

W. Robert Herbert
City Manager

cc: Mayor and Members of Roanoke City Council,
    David Goode, Chairman, Norfolk Southern Corporation
    Phillip F. Sparks, Chief, Economic Development
December 4, 1997

The Honorable Charles Hill
Mayor
Town of Vinton
P.O. Box 338
Vinton, VA 24179

Dear Mayor Hill:

I have received your letter expressing concerns about the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and the effect it may have on railroad employees and the Roanoke community.

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 17, 1997

The Honorable Linda J. Morgan  
Chair, U. S. Surface Transportation Board  
1925 K Street, NW  
Washington, DC 20423

RE: Case #33388CSX/NS-Contract and  
Operating Leases and Agreements  
Conrail, Inc. and Consolidated Rail Corporation

Dear Ms. Morgan:

The Vinton Town Council wishes to go on record seeking the Surface Transportation Board's support for including during its deliberations for the above merger, the maintenance of jobs within the NS system and more specifically the Roanoke Valley.

The Council received material regarding this matter at its September 16, 1997 meeting. The material discussed the maintenance of jobs in the existing Conrail, CSX and NS systems. The Council wishes to support the working citizens of the NS facilities in the Roanoke Valley and asks that all due and deliberate consideration be given during your deliberations regarding this merger to maintaining these facilities, and maintaining the existing rail employment level in the Roanoke area to the greatest extent feasible during the ongoing efforts by Norfolk Southern Corporation to purchase Conrail operations.

Thank you for consideration of this request.

Sincerely,

Charles Hill  
Mayor
November 21, 1997

The Honorable Norman J. Levy  
New York State Senate  
30 South Ocean Avenue  
Room 305  
Freeport, NY 11520

Dear Senator Levy:

Thank you for both of your letters forwarding correspondence from your constituent, Mr. Bill O’Brien, expressing concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Specifically, Mr. O’Brien recommends that specific conditions be imposed to address competitive issues in New York.

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

I already have had your letter, and those of your constituent, made a part of the public docket in this proceeding, so that they can be considered along with the other comments received. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 17, 1997

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

Dear Ms. Morgan:

On September 15, 1997, I wrote to you on behalf of Mr. Bill O'Brien, who resides at 79-43 268th Street, Floral Park, New York, and to date have received no response. I am enclosing, for your convenience, a copy of Mr. O'Brien's original correspondence to me.

I would greatly appreciate your expeditious review of this matter and being afforded the benefit of your comments as they will be most helpful in responding to Mr. O'Brien.

Thank you for your prompt attention to this request. I shall look forward to hearing from you.

Sincerely,

NORMAN J. LEVY
New York State Senator

NJL:11
Encl.
The Surface Transportation Board has requested public comment on the
Conrail acquisition by Norfolk Southern & CSX Railroads. As a supporter of
rail transportation and an elected official, I would suggest several conditions
to be imposed by the STB which would benefit New York. This window of opportu-
nity could be used to correct transportation difficulties that the Federally
created Conrail imposed on the Long Island & Lower Hudson Valley region.

FIRST CONDITION

The New York & Atlantic RR be granted trackage rights between Bush Junction
Brooklyn and Green ville, N.J. over the Cross Harbor RR. This should put the
Jellirrk Burjde into its deserved final rest.

SECOND CONDITION

The New York & Atlantic RR be granted trackage rights over CSX between
Fresh Pond Junction & Oak Point, Bronx and freight rights over the entire
Metro-North System with the exception of the Port Jervis Line. This would
restore a missing part of the old New Haven Line between Fresh Pond Junction
and New Haven, Conn. A rail short-cut between N.J. & the Port of N.Y. would
be created into Boston and New England, which would coincide with the Aeging
of N.J. Harbor, rebuilding of the N.Y. Port Facilities and the rebuilding of
the Amtrak line to Boston. Today there are about 3400 rail carloads originatin
in N.J. destined for New England. The potential is 129,750. N.J. recieves
13,400 carloads from New England but 202,500 carloads could be sent via this
routing (source N.J. D.O.T.), That's 867,300 less trucks crossing N.Y. State.
The current Conrail bias & presumably CSX's, against Metro-North Freight
shippers, who want to ship traffic south, could then be addressed. Some
examples: Jack Frost Sugar, located in Tonkera, ships refined sugar by truck,
because Conrail will only ship South after first going North to Jellirrk;
Metro-Northbuys sand in Central N.J. for use in their Diesel Engines. The
sand is trucked to Croton because this routing is cheaper. In an odd twist,
King's Lumber on the Brewster Line in upper Westchester, used to receive two to three cars a week from Conrail. Since the Housatonic RR took service, the lumber is trucked from Danbury, because the Housatonic will not equip their engines for use on a commuter RR.

These conditions should go a long way towards removing truck traffic from the Hudson River crossings and toads, reducing congestion and pollution, but cutting infrastructure damage and increasing economic opportunities in the region.

I would hope that you would take these and other views known to the Surface Transportation Board.

Sincerely

Bill O'Brien

79-27 268 St

Floral Park, NY 11004
November 21, 1997

Mr. Henry J. Deiters  
Executive Vice President  
Rowell Chemical Corporation  
15 Salt Creek Lane  
Suite 205  
Hinsdale, IL 60521

Dear Mr. Deiters:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998.

Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

[Signature]

Linda J. Morgan
October 24, 1997

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

Re: Finance Docket No. 33388, CSX Corporation, et al. - Control and Operating Leases/Agreements
Conrail Corporation, et al.

Dear Chairman Morgan:

I am Executive Vice President for Rowell Chemical Corporation. Rowell is a large chemical distribution company in the Midwest with annual sales of over $30,000,000.00. We are a major shipper of critical inorganic chemicals with facilities at Willow Springs, Illinois. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’ proposed control of Conrail, Rowell has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this Company which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints.
should not be allowed to close those gateways through a rate structure which forces traffic to CSX's long-haul routes. Further, Illinois Central's rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis should not be condoned and must be remediated.

We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central's proposed conditions to the CSX application.

Respectfully submitted,

Henry J. Deiters
Executive Vice President

HJD/transboard1024
November 21, 1997

Mr. Cliff Edwards
Logistics Coordinator
Nucor-Yamato Steel Co.
Post Office Box 1228
Blytheville, AR 72316

Dear Mr. Edwards:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
November 6, 1997

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


Dear Chairman Morgan:

I am the Logistics Coordinator for Nucor-Yamato Steel. Nucor-Yamato Steel is a producer of wide flange steel beams, with annual sales of over 2,200,000 tons. We ship 12,000-13,000 rail loads per year from our facility in Blytheville, AR. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’s proposed control of Conrail, Nucor-Yamato has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, we want to be sure the application increases competition to the markets we serve. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The NS and CSX will control much of the rail traffic in the Eastern United States. The Illinois Central is an extremely efficient railroad and currently offers a competitive choice to shippers through its various routes and gateways. We believe those gateways should remain open, and without artificial economic constraints that would lessen the level of competition that currently exists.

Nucor-Yamato customers have experienced problems between the UP/SP and BNSF with cases in which one or the other railroad would not deliver cars over the other railroad’s line at 2 to 1 customer locations. According to the Illinois Central, this same type of situation is happening on trackage between Leewood and Aulon in Memphis, TN. According to them, the CSX is “impeding Illinois Central’s ability to move through Memphis”. Even though all the railroads say they will work together after the merger, this has not been proven in the west and we fear it will not be the case in the east. We want to be sure that service on all railroads gets better after the merger.

Nucor-Yamato has seen the level of competition, with respect to our business, decrease in the previous two mergers between UP/SP and the BNSF. We have seen the level of service decrease
after the UP/SP merger. We support the proposed CSX and NS control of Conrail, if it creates more competition among the railroads and better service for Nucor-Yamato. We also strongly believe the Illinois Central can provide neutral access to all eastern gateways, and that the control of Conrail should not be allowed to negatively affect the valuable service Illinois Central provides.

We support Illinois Central in trying to maintain the competition that exists pre-control of Conrail, and in trying to improve service over the Leewood to Aulon trackage that is part of their main line.

Sincerely,

Cliff Edwards  
Logistics Coordinator
November 21, 1997

Mr. Steve Geneva
General Manager-Transportation
Ultramar Diamond Shamrock Corp.
P.O. Box 696000
San Antonio, TX 78269-6000

Dear Mr. Geneva:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

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

Sincerely,

[Signature]

Linda J. Morgan
October 17, 1997

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


Dear Chairman Morgan:

I am Manager, Transportation for Diamond Shamrock Company. Diamond Shamrock is a petrochemicals producer with annual sales of over eleven billion dollars. We are a major shipper of liquid petroleum gases and lubricating oils with facilities at Three Rivers and Mont Belvieu Texas. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’s proposed control of Conrail, Diamond Shamrock has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this Company which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis should not be condoned and must be remediated.
We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Sincerely,

Steve Geneva

SG/lw

Enclosures
November 21, 1997

Mr. John M. Pollack  
General Manager - Pricing  
Compass Consolidators Inc.  
47 Stephen Street  
Lemont, IL 60439  

Dear Mr. Pollack:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan
October 21, 1997

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

Re: Financial Docket No. 33388, CSX Corporation, et. al.  
Control and Operating Leases/Agreements  
Conrail Corporation, et. al.

Dear Chairman Morgan:

I am the General Manager for Compass Consolidators, Inc., a full service intermodal marketing company with annual sales over $32,000,000. We are a major shipper of intermodal and carload freight within the United States, Canada and Mexico, and are headquartered in Lemont, Illinois. Conrail today serves markets that are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’s proposed control of Conrail, Compass Consolidators, Inc. has reviewed the materials proposed by CSX and NS and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, these remain, however, markets vital to this company, which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact Illinois Central’s route through economic closure of gateways, or creation of operating impediments at Memphis, is neither appropriate nor acceptable where, as here, CSX’s proposed
application will enable it to control much of the rail traffic in the eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede the rail line at Memphis should not be condoned and must be remedied.

We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by CSX and NS. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Respectfully submitted,

John M. Pollack
General Manager – Pricing

JMP dep
November 21, 1997

Mr. Rick Reeves  
President  
Mr. Martin J. Marasco  
Executive Director  
Altoona-Blair County Development Corp.  
4500 Sixth Avenue  
Altoona, PA 16602

Dear Mr. Reeves and Mr. Marasco:

Thank you for your letter expressing your support for the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You indicate that positive meetings have occurred between your organization and the applicants.

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

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

Sincerely,

Linda J. Morgan
November 6, 1997

Ms. Linda Morgan, Chairperson
Surface Transportation Board
1625 K. Street N.W.
Washington, D.C. 20423

RE: Proposed Norfolk Southern/Conrail Merger

Dear Ms. Morgan:

The Altoona-Blair County Development Corporation is the lead economic development organization in the Altoona-Blair County, Pennsylvania area and has assumed the role of catalyst for synergistic economic development collaboration throughout the entire I-99 Regional Growth Corridor. Our roots go back to our founding in 1946. We bring to the viewpoint an economic development heritage of over half a century.

Our City, our County, our Region - is the focus of a railroad history dating from 1848. Once home to the world’s largest railroad repair and construction facilities, we bring to the 21st century a railroad heritage and understanding of five generations of craftsmen, and that - most certainly - make us unique.

History becomes meaningful and important to us - only when it teaches us a lesson - the most valuable of which is a “living lesson.” Being a railroad center for 150 years has been both positive and negative and has had the same effect on our culture. But beyond question - our railroad history has taught us that most valuable of lessons - “how to work.” Through five generations of skilled craftsmen, “steam and cinders” have been in our blood. Today we know and appreciate the advantages of DC vs. AC motors and why high-speed turnouts are a necessity.

Does that mean we’re out of touch with today’s economic realities? - Not at all. During the last 50 years, the Blair County economy has undergone a drastic shift from “mostly hard manufacturing” to a more balanced sector economy. This was especially true during the late 1980’s and into the ‘90’s. It is both unusual and very healthy to see manufacturing, distribution, services and retail make up equal sectors of an economy.
At the Altoona-Blair County Development Corporation and throughout our regional community - we support progress. We support someone who knows how to do it better. We support a better, more agile, highly competitive value-added rail system. We take no part in resistance to change - and we’re convinced - that future success for our region and our people lies in creating a “cooperative advantage.”

Based on the information that has been presented to date, we believe that Altoona/Blair County stands to benefit greatly from the Conrail restructuring - new capital investment to improve the Hollidaysburg Car Shops and the Juniata Locomotive Shops - resulting in increased employment opportunities for the entire region.

Early indications also point to an outstanding potential collaborative relationship with Norfolk Southern’s Industrial Development Department. Our introductory meetings have provided a preview of a shared growth vision and an obvious core competency in both tactical industrial development and strategic economic development. More and more, our inter-connected world requires - and rewards - those who are skilled in the “connection process.”

We conclude by pledging our support to the joint merger proposal filed with the Surface Transportation Board by Norfolk Southern and CSX calling for the restructuring of Conrail operations. As an organization serving a community with a rail service past, we see the potential for the future - we see a collaborative partner in Norfolk Southern, a partner that will allow us to mutually create growth and jobs for our Blair County citizens. After all, that’s our basic mission. Your support of this merger can only enhance our opportunity for a successful continuation of our on-going mission.

Sincerely,

Rick Reeves
President

Sincerely,

Martin J. Marasco
Executive Director

C: Congressman Bud Shuster
   Senator Robert C. Jubilirer
   David Goode
   ABCD Corp. Executive Committee
November 21, 1997

Mr. G. Fredric Stunkard
Manager Rail Fleet Services
Zeneca Ag Products
1800 Concord Pike
P.O. Box 15458
Wilmington, DE 19850-5458

Dear Mr. Stunkard:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

[Signature]

Linda J. Morgan
October 22, 1997

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


Dear Chairman Morgan:

I am the Manager of Rail Fleet Services for Zeneca Ag Products. Zeneca Ag Products manufacturers and markets agricultural and horticultural chemicals other than fertilizers with annual sales of over $800 Million in North America. We are a major shipper, receiver of intermediate chemicals and shipper of technical herbicides by rail with facilities at St. Gabriel, LA, Lemoyne, AL, Bayport, TX, Omaha, NE and North Little Rock, AR. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’ proposed control of Conrail, Zeneca has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this Company which we believe would be adversely affected by the merger as proposed. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.
The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern and midwestern markets. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable under CSX’s proposed application, which will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX’s long-haul routes.

Much of Zeneca Ag Products business is seasonal and requires reliable, fast, efficient service to our primary market areas. Loss of IC’s direct service to gateways into these areas, particularly from our St. Gabriel, LA plant, will jeopardize our sales. Closure of gateways providing CSX long-haul routes will also force our traffic through numerous additional terminating operations which will unduly delay these time critical shipments. Further continued dispatch of trains, under a hostage mentality, through Memphis is another situation leading to the kinds of problems we, the shipping public, are suffering following the Southern Pacific takeover. CSX’s ability to operationally impede IC’s North-South movement through Memphis must not be condoned and remedied prior to their proposed control of any part of the current Conrail system.

We believe that Illinois Central, as a major railroad with the lowest operation ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Respectfully submitted,

G. Fredric Stunkard
Manager Rail Fleet Services
Mr. J. A. Volovich  
Export and Logistics Lead  
Zeneca Ag Products  
1800 Concord Pike  
P.O. Box 15458  
Wilmington, DE 19850-5458

Dear Mr. Volovich:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

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

Sincerely,

(Linda J. Morgan)
October 22, 1997

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


Dear Chairman Morgan:

I am the Export and Logistics Lead for Zeneca Ag Products. Zeneca Ag Products manufacturers and markets agricultural and horticultural chemicals other than fertilizers with annual sales of over $800 Million in North America. We are a major shipper, receiver of intermediate chemicals and shipper of technical herbicides by rail with facilities at St. Gabriel, LA, Lomoyne, AL, Bayport, TX, Omaha, NE and North Little Rock, AR. Conrail today serves markets which are vital to the transportation of our traffic. The proposed control of Conrail by CSX and NS will directly and substantially affect us.

Since the announcement of CSX’s and NS’ proposed control of Conrail, Zeneca has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this Company which we believe would be adversely affected by the merger as proposed. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.
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We believe that Illinois Central, as a major railroad with the lowest operation ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central’s proposed conditions to the CSX application.

Respectfully submitted,

J. A. Volovich
Expert and Logistics Lead
Mr. Dale P. Walsh  
Materials Flow Manager  
Rubicon Inc.  
P.O. Box 517  
Geismar, LA 70734  

Dear Mr. Walsh:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties, including the Illinois Central Railroad, addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998. Because this case is still pending, it would be inappropriate for me to comment on your specific concerns.

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

Sincerely,

Linda J. Morgan  

Linda J. Morgan
October 20, 1997

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

Re: Finance Docket No. 33388, CSX Corporation, et al
Control and Operating Leases/Agreements -
Conrail Corporation, et al.

Dear Chairman Morgan:

I am Materials Flow Manager for Rubicon, Inc. Rubicon is a manufacturer of chemical commodities with annual sales of over $750,000,000. We are a major shipper with facilities at Geismar, LA. Conrail today serves markets which are vital to the transportation of our products. The proposed control of Conrail by CSX and NS could directly and substantially affect us.

Since the announcement of CSX’s and NS’ proposed control of Conrail, Rubicon has reviewed the materials provided by NS and CSX and listened with interest to what these carriers and others have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets, there remain, however, markets vital to this Company which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved.

The Illinois Central Railroad is a vital link in the transportation route structure to and from eastern markets. The ability of CSX to adversely impact IC’s route through economic closure of gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are extremely efficient. We want those gateways to remain open and available without artificial economic constraints. CSX should not be allowed to close those gateways through a rate structure which forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis should not be condoned and must be remediated.
We believe that Illinois Central, as a major railroad with the lowest operating ratio of any Class I, a route structure that would provide neutral access to all eastern gateways, and a willingness to invest its capital in its lines, has the necessary resources, commitment and incentive to provide an effective competitive alternative to and from eastern markets that we believe is necessary if Conrail is to be controlled by NS and CSX. We, therefore, strongly support Illinois Central's proposed conditions to the CSX application.

Respectfully submitted,

Dale P. Walsh
Materials Flow Manager

DPW:DB

c: Mr. Donald H. Skelton (ICRR)
**Description of Responsive Application Conditions**

The Illinois Central has consistently been an aggressive supporter of maintaining gateway options to connecting carriers. By including the Illinois Central in the route, shippers are assured of several efficient interchange points between eastern and western railroads. This provides shippers with expanded routing options into connecting carriers’ territory. You, the shipper, need only look at the service problems occurring in the west, as underscoring exactly why routing options are of vital necessity. Our proposed conditions will help us preserve those routing options for you.

**Gateway Protection:**
- Each year thousands of carloads are routed to or from Conrail’s origins/destinations via Illinois Central’s efficient main line and its Illinois gateways.
- After consummation of the Conrail merger, CSX will have the opportunity to economically close Illinois Central’s efficient gateways in favor of more inefficient long-haul routes to the detriment of many shippers throughout the United States.
- In order to maximize customer benefits, CSX must not be able to economically close efficient gateways.
- NS has agreed in writing, not to economically close Illinois Central’s gateways. CSX refuses to commit itself to this principle of open gateways.
- Therefore, to adequately protect Illinois Central’s gateways for its shippers, Illinois Central believes that the Surface Transportation Board should attach a condition which will obligate CSX to charge the same rate per mile via Illinois Central’s Illinois gateways that CSX charges for its alternate routes.
- This condition will not obligate you to move the traffic via Illinois Central, nor will it guarantee that we will move that traffic. Rather, by obligating CSX to charge the same per mile rate via alternate routes, Illinois Central will have the opportunity to compete for the traffic and insure that you have routing alternatives. An outline of the requested condition is as follows.

CSX agrees that for traffic moving to or from stations on CSX’s lines and the lines of CSX’s short line connections, upon request of Illinois Central or its customers, CSX will join with Illinois Central in market competitive joint rates via Illinois Central’s Illinois gateways where the applicable joint line routes are reasonably efficient (distance considered) and/or where a competitive service package can be offered to the customer. In constructing joint rates via Illinois Central, CSX agrees that its portion of such joint rates shall be at rate levels comparable on a per mile basis with CSX’s revenue requirement via the portion of its preferred long-haul route between the same origins and destinations. The parties by mutual agreement shall be free to establish joint rates on bases differing from those specified above.
Purchase of CSX trackage extending between Leewood and Aulon in Memphis, Tennessee.

- Leewood to Aulon is a two mile segment of Illinois Central's main line in Memphis - but it is owned and controlled (dispatched) by CSX.
- The Leewood-Aulon trackage forms an integral part of Illinois Central's main line between Chicago and New Orleans.
- It is at best a secondary track for CSX, used by CSX primarily for some run-through trains and switching operations.
- As a result of the transaction proposed in the Primary Application, the new CSX/Conrail system lines will compete with Illinois Central lines for portions of your rail traffic.
- In the past several months, due to changes in CSX dispatching operations, CSX has begun to cause significant interference with and delays to Illinois Central's through train movements over the Leewood-Aulon trackage.
- The ability of CSX to control a "choke point" on Illinois Central's main line is anti-competitive and must be remedied.
- Illinois Central believes that the Surface Transportation Board should allow Illinois Central to own and dispatch the Leewood-Aulon trackage while allowing CSX to operate over that trackage under trackage rights. This will preserve the integrity of Illinois Central's main line, while at the same time continuing to enable CSX to use the line for its secondary movements.
Mr. Michael Lee Albert
Manager-Planning and Logistics
Airgas Carbonic Industries
3700 Crestwood Parkway
Suite 200
Duluth, GA 30096-5583

Dear Mr. Albert:

Thank you for your correspondence expressing your concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads, and expressing your support for conditions proposed by the Illinois Central Railroad. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

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

Sincerely,

Linda J. Morgan
November 4, 1997

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

Verified Statement


Dear Chairman Morgan:

My name is Michael Lee Albert. I am Manager-Planning and Logistics for Airgas Carbonic Industries in Duluth, Georgia. My office address is 3700 Crestwood Parkway, Suite 200, Duluth, GA 30096-5583. In my position, I am responsible for product supply and distribution to eighteen branch locations throughout the eastern USA. I have served my company in my current capacity for 11 years. Although I have offered my support to the proposed control of Conrail by CSX and NS, I offered this support subject to several conditions. Primarily, I wish to object to any plans that may adversely affect the excellent service we now receive to the Northeastern United States via the IC/Conrail gateway at Effingham, Illinois.

Airgas Carbonic Industries is a producer and marketer of liquid carbon dioxide and dry ice products operating primarily in the Eastern United States. Our products are used throughout many industries and primary uses include beverage carbonation and refrigeration. The company distributes its products from eighteen different sites, but originates rail shipments of liquid carbon dioxide from only three plants, two of which are located on the CSX, the other and largest rail shipper is located on the Illinois Central. Carbonic Industries shipped 2,267 carloads of liquid carbon dioxide during 1996, most of which we also in-bounded at Carbonic Industries redistribution terminals. Our primary production plants are at Jackson, MS (1,000 tons per day) and Augusta, GA (1,200 tons per day), and it is from these two plants that 97% of our rail shipments originate. The Augusta, GA plant was expanded to a production rate of 1,200 tons per day during September 1997.
Since the announcement of CSX’s and NS’ proposed control of Conrail, Airgas Carbonic Industries has reviewed the materials provided by the NS and CSX and listened with interest to what these carriers have said with respect to the benefits and effects of this control application. Although it appears that the proposed application may provide public benefits in certain markets (including those served and contemplated by Airgas Carbonic Industries), there remain, however, markets vital to this Company which we believe would be adversely affected by the merger. Absent the availability of effective competitive alternative routings to these markets, we do not believe that the proposed merger can or should be approved (in its present form).

Airgas Carbonic Industries relies very heavily on the Illinois Central as a vital link in the transportation route structure for its product to eastern markets. The ability of CSX to adversely impact IC’s route through closure of vital gateways or creation of operating impediments at Memphis is neither appropriate nor acceptable where, as here, CSX’s proposed application will enable it to control much of the rail traffic in the Eastern United States. Illinois Central’s routings and gateways to eastern markets are in heavy use now and are functioning extremely efficiently. We wish those gateways to remain open and available without artificial economic restraints. CSX should not be allowed to close those gateways through a rate structure, which effectively forces traffic to CSX’s long-haul routes. Further, Illinois Central’s rail line is fast and efficient. The ability of CSX to operationally impede that rail line at Memphis (Leewood to Aulen) should not be condoned and must be remediated. I believe that the Illinois Central has offered to purchase this section of track.

Over 60% of our current product inventory is traveling in railcars. Carbon dioxide is a by-product of other production processes and production plants cannot be positioned near markets unless there is a by-product stream available. Most markets must be reached via the railroads. Rail cost containment and improved operating efficiencies are a major part of our business plan and our growth strategy. The proposed transaction is positive for Airgas Carbonic Industries if the conditions outlined above are met. I have expressed this sentiment personally to John Snow, CSX’s Chairman of the Board. Now is the time to prevent problems that could occur as a result of this otherwise sound plan. Let’s not “throw out the baby with the bathwater” and keep what is working rather than make wholesale changes. I believe we have all seen what happened in the West with UP/SP and wish to avoid that type of constraint to transportation and our economy. The only way for the new CSX and NS systems to meet their performance goals is to increase business by attracting more freight to the railroads. It can only do this by working to achieve collective efficiencies, incorporating what is already working well on the acquired lines. I have full confidence in the new systems to provide more shipping options to more markets at better pricing than is currently available (if these types of pitfalls are avoided).
In conclusion, Airgas Carbonic Industries generally supports the application and requests that the Board move as expeditiously as to assure approval as long as the conditions that I have outlined are met. We honestly feel this transaction provides an opportunity to improve service efficiency and promote the growth of rail traffic in the East. We also feel it can benefit consumers and the overall economy as more options for product supply from and to this region becomes economically and physically possible. The Illinois Central, the CSX and NS are excellent companies with visionary leadership; and the sooner this application is approved, the sooner these companies can yield the benefits that these combinations represent. We realize that a careful review of these transactions is required, and would urge you to include the requests contained herein in the conditions of your approval. With, and only with, the inclusion of these conditions, I encourage your approval of the application for control of Conrail.

I, Michael Lee Albert, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed this 4th day of November, 1997.

[Signature]
Michael Lee Albert
Manager-Planning and Logistics
Airgas Carbonic Industries

MLA: mla
Mr. Gerald E.A. McDermott  
TCU Dist. 1218  
NJ Legislative Rep.  
1049 Lynwood Lane  
Somerdale, NJ 08083

Dear Mr. McDermott:

Thank you for your letter enclosing correspondence from your members expressing their concerns regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. This proceeding has been docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

As you may know, the Board adopted a procedural schedule for deciding the merits of the control application filed in this proceeding, which it recently extended by 45 days to accommodate the filing of safety integration plans by the applicant railroads. As provided by the procedural schedule, the Board has received comments and evidentiary submissions from all interested parties addressing the merits of the merger proposal, which were filed with the Board on or before October 21, 1997. The Board is currently analyzing those filings. A final written decision in this matter will be issued on July 23, 1998.

Because this case is still pending, it would be inappropriate for me to comment on your specific concerns. However, as you requested, I will have all of the material you sent included in the public docket, and will keep in mind your members’ concerns as the case proceeds. The Board will issue a decision next year setting forth the procedures for speaking at the Board’s oral argument in this case. You may check the Board’s website at www.stb.dot.gov for this decision, or you may wish to contact the Board’s Office of Public Services at 202-565-1592 for more information on this matter.

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

Sincerely,

Linda J. Morgan

November 20, 1997

Linda J. Morgan
October 16, 1997

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

Dear Madam Chairwoman:

Enclosed with our letter to you of October 16, 1997, are the first batch of signed data sheets of our co-railworkers, who are in accord with the grave concerns expressed in this letter.

We are respectfully requesting that our letter to you, our initial batch of signed data sheets and the remaining batches of signed data sheets, which will be forthcoming, be made a part of your official docket for public discussion at an appropriate time before your board.

Also, as indicated in our letter of October 16, 1997, our TCU District 1218 Tri-State Legislative Committee would deeply appreciate an opportunity to appear before your committee to convey a rank and file viewpoint concerning the impending NS/CSXT acquisition.

Respectfully,
The TCU District 1218 Tri-State Legislative Committee

Gerald E.A. McDermott, TCU Dist. 1218 NJ Legislative Rep.
1049 Lynwood Lane, Somerdale, N.J. 08083
Pat Newcomb, TCU Dist. 1218 Pres./FST-PA. Legislative Rep.
923 Winton Street, Philadelphia, Pa. 19148

Butch Van Hekle, TCU District 1218 Legislative Representative
803 Penna Avenue, New Castle, Dela. 19720

cc.
Gus Owen-Member of Surface Transportation Board
William Clyburn, Jr. Member of Surface Trans. Board
R.A. Scardelletti, TCIU International President
H.W. Randolph, Jr., TCIU International Legislative Director
A.P. Santoro, Jr., TCU General Chairman-S.B. No.86
Robert C. Torricelli, U.S. Senator, New Jersey
Frank R. Lautenberg, U.S. Senator, New Jersey
Robert E. Andrews, N.J. House Representative
Frank A. Lobiondo, N.J. House Representative
John Saxon, N.J. House Representative
Arlen Specter, U.S. Senator, Pennsylvania
Richard Santorum, U.S. Senator, Pennsylvania
Thomas M. Foglietta, PA. House Representative
Chaka Fattah, PA House Representative
Robert A. Borski, PA House Representative
William V. Roth, U.S. Senator, Delaware
Joseph R. Biden, Jr., U.S. Senator, Delaware
Michael Castle, Delaware House Representative
TCU Members
October 16, 1997

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

Subject: Norfolk Southern/CSXT Acquisition of Conrail

Dear Madam Chairwoman:

Along with our undersigned co-railworkers with decades of committed service to the building and maturation of ConRail into an entity that has commanded a sale price of ten billion dollars, we bring before your consideration our concerns for our ability to plan for and secure the future economic stability of our families.

First and foremost, the attached signatures to this letter represent United States citizens who have fulfilled the requirements of their citizenship. They have earned their wages and have paid their federal, state, city, school and Railroad Retirement taxes for many, many decades. They all have built a common equity in the communities they live in and in the ConRail Corporation they raised out of the ashes. What will be the final economic result of their doing the right things?

The acquisition impact study presented to your board forecasts the loss of thousands of jobs in our Tri-State area of Pennsylvania, New Jersey and Delaware. The most severely impacted will be the TCU represented office workers in the Tri-State area, particularly, at the National Customer Service Center in Pittsburgh and Two Commerce Square in Philadelphia. Their jobs will either be abolished or moved to a location thousands of miles from their homes and families. Why is it necessary to move these jobs to a new location? The factual reality is that the majority of our office workers use telephones, fax machines, copy machines and computers to perform their duties. These machines and equipment can be operated from any location in the world transmitting information in micro-seconds. The only conclusion we are left with is that the corporate culture is willing to destroy local communities in order to foster the global economy.

Part and parcel to this acquisition will be the destruction of hundreds of thousands of truck drivers jobs. A recent letter published in the Philadelphia Inquirer from Teamster President John Morris conveyed the fact that for every unmanned truck that was transported on a rail car, nine and one-half truck driver jobs would be lost. For every newly created 100 car train the trucking industry would profit approximately 32 million dollars a year. This does not include the enormous savings
reaped from eliminating the expense of fuel, wear and tear and the payment of benefits to the truck drivers. The railroads profit on the new business will be astronomical.

Presently, the latest figures concerning the solvency of the Railroad Retirement system reflects funding of 15 billion dollars and solvency into the future. Nevertheless, also reflected in the latest evaluation is the ominous warning that drastic job cuts would threaten the solvency. Compounding the threat to Railroad Retirement pension solvency are two bills that if passed would be harmful to railworkers, railroad retirees and the future solvency of the Railroad Retirement funding. They are H.R. 2247, just reported out of Bud Shuster’s Transportation Committee for a vote by the full House of Representatives and S-738, introduced in the Senate by Kay Bailey Hutchinson (R-Tex). Both bills deal with the funding of Amtrak. These bills permit wholesale contracting out of work, reduce the job protection from six years to zero on Amtrak. They also reduce job protection on freight railroads from six to two years. Estimates of job reductions on Amtrak if these bills pass are from eight to ten thousand employees. None of these employees would receive any payment at all. These two bills also reduce job protection on the freight railroads from six years to two. The projected ConRail cuts across the system due to the NS/CSXT acquisition would amount to about four thousand jobs lost. This four year reduction would save ConRail (or NS/CSXT) close to 740 million dollars($740,000,000.00) and cause the Railroad Retirement funding to suffer a loss of over two hundred forty million dollars($240,000,000.00).

It is extremely ironic, that the above two proposed bills are trying to revoke laws that in their essence are full of loop holes which historically have forced adversely affected workers into years of arbitrating their economic protection. Concurrent to this arbitration process the mortgage and food bills still have to be paid in a timely manner in order for the railworkers family to survive.

Unfortunately, another harsh reality of the mega-merger monster has reared it’s ugly head. Over the past few months our E-mail Bulletin board has been deluged with horror stories of tragic deaths and the utter failure of the Union Pacific Railroad to accomplish their mega-merger. The communal uprising against mile long freight trains sprawled across their communities has reached a fever pitch.

In conclusion, we the undersigned ConRail TCU Railworkers oppose strongly the acquisition of the railroad we built and made profitable. We urge you to take an objective look at this acquisition and let ConRail be ConRail. If, the decision of the Board authorizes this acquisition, then we implore the Board to take the moral high-ground by strengthening our employee protection laws in a manner that shields our life long railworkers from financial disaster and protects the solvency of the Railroad Retirement system. We also strongly implore your Board to address the crucial pension solvency issues that will arise in the trucking industries due to an
approved acquisition and take strong action to ensure their job stability and pension solvency.

We also request that the members of our TCU District 1218 Tri-State Legislative Committee be given an opportunity to appear at an appropriate time before your committee to convey a rank and file viewpoint concerning the impending NS/CSXT acquisition.

We look forward to your help and advise.

Respectfully,
The Transportation Communications Union
Tri-State Legislative Committee

cc.
R.A. Scardelletti, T.C.I.U. International President
H.W. Randolph, Jr. T.C.I.U., International Legislative Director
A.P. Santoro, Jr., TCU General Chairman-ConRail/Amtrak System Board No.86
Robert C. Torricelli, U.S. Senator-New Jersey
Frank R. Lautenberg, U.S. Senator-New Jersey
Arlen Specter, U.S. Senator-Pennsylvania
Richard Santorum, U.S. Senator-Pennsylvania
William V. Roth, U.S. Senator-Delaware
Joseph R. Biden, Jr.-U.S. Senator-Delaware
Thomas M. Foglietta, U.S. House of Representatives-1st District
Chaka Fattah, U.S. House of Representatives-2nd District
Robert A. Borski, U.S. House of Representatives-3rd-District
Pat Newcomb, President/FST-PA. Legislative Rep.
Butch Van Hekle, Del. Legislative Rep.
Cass Stepnowska, District Chairwoman TCU District 590
John Kroll, Division Chairman TCU System Board 86
Mike Cogliano, District Chairman TCU District 587
Joe Driscoll, Rank and File member
Jim Capaldi, Member District 1218 Board of Trustees
Edwina Newcomb, Rank and File member
Rich Dinsmore, Rank and File member
Ted Medrana, CBT District 1218
October 16, 1997

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

Subject: Norfolk Southern/CSXT Acquisition of ConRail

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We also request that the members of our TCU District 1218 Tri-State Legislative Committee be given an opportunity to appear at an appropriate time before your committee to convey a rank and file viewpoint concerning the impending NS/CSXT acquisition.

We look forward to your help and advise.

Respectfully,
The Transportation Communications Union
Tri-State Legislative Committee

c.
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H.W. Randolph, Jr. T.C.I.U. International Legislative Director
A.P. Santoro, Jr., TCU General Chairman-ConRail/Amtrak System Board No.86
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Robert A. Borski, U.S. House of Representatives-3rd-District
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Joe Driscoll, Rank and File member
Jim Capaldi, Member District 1218 Board of Trustees
Edwina Newcomb, Rank and File member
Rich Dinsmore, Rank and File member
Ted Medrana, CBT District 1218
TO: Vernon Williams, Secretary, Surface Transportation Board

FROM: Fredrick Eldred, Board President

DATE: November 13, 1997

RE: CSX/NS/CR Acquisition; Finance Docket: 333888

Please find attached a resolution and a petition, regarding the above. Please make this part of the finance docket.

Thank you.
Mr. Vernon Williams, Secretary
Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20432


Dear Sir,

On October 13, 1997, the Members of the Norwich Township, Huron County, Ohio, Board of Trustees, met and passed the following resolution:

RESOLVED: That the proposed acquisition of the Consolidated Rail Corporation (Conrail) by CSX Corporation is not in the interests of the citizens of Norwich Township, Ohio; because of the unusual hardships that it will impose on our Township, in the disruption of our local transportation system of roads at points where they cross either the CSX lines or the Conrail lines, both of which bisect our Township. The proposed CSX/CR acquisition will result in the closure of necessary roadways, the large scale destruction of our rural way of life and the increased danger to the populace on the remaining roadways because of unsafe conditions and inadequate protection from the large numbers of trains that will be crossing them.

We therefore request that the Surface Transportation Board reject the proposed acquisition of Conrail by CSX and any other proposal to merge with Conrail.

Please make our opposition and this resolution part of the record in the above mentioned finance docket.


Fred E. Edin
Trustee

Martin Edmlinger
Trustee

Herb Stockmasta
Trustee

cc: Huron County Commissioners
State of Ohio
Congressional Delegation
PETITION

We the undersigned, being residents and registered voters of

[Address]

wish to seek to stop the adverse conditions that will arise from the proposed CSX/CR transaction and more specifically, the adverse impact from the loss of our ability to freely and safely travel our Township, the disruption of local communication and the resulting decline in the quality of life in our part of the Township. We are also concerned about the increased train traffic and the resulting unsafe and hazardous conditions for the populace that will result from it.

Therefore, we ask that the Trustees of Norwich Township, Ohio pass the attached resolution and send it to the Surface Transportation Board in Washington, D.C., at the next meeting of the Trustees.

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<td>Eileen K. Fritz</td>
<td>2240 Dandridge Rd. Willard</td>
<td>9/24/97</td>
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<td>Terry E. Vancad</td>
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<td>Margaret Thum</td>
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<td>Russell Denny</td>
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<td>John C. Sullivan</td>
<td>531 Egypt Rd. Willard</td>
<td>9/24/97</td>
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<td>Nancy E. Batchelor</td>
<td>5731 Egypt Rd. Willard</td>
<td>9/24/97</td>
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<td>Mary S. Krusinski</td>
<td>1603 Daniel Rd. Willard</td>
<td>9/24/97</td>
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<td>Clifford L. Daniel</td>
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<td>Dorothy L. Daniel</td>
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<td>Paul Miller</td>
<td>8925 Daniel Rd. Willard</td>
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<td>Eugene R. Killam</td>
<td>5731 Egypt Rd. Willard</td>
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<td>Joseph F. Vancad</td>
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<td>Fred E. Miller</td>
<td>6591 Egypt Rd. Willard</td>
<td>10/14/97</td>
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<tr>
<td>Rita Courtright</td>
<td>2168 Southside Rd. Willard</td>
<td>10/14/97</td>
</tr>
</tbody>
</table>
Memorandum

TO: Surface Transportation Board

FROM: S. Arthur Krikke, Board President

DATE: November 13, 1997

RE: CSX/NS/CR Transaction, Finance Docket: 333888

Please find attached a resolution passed by the Board of Trustees regarding the above captioned matter. Please make this part of the finance docket.

Thank you.
Mr. Vernon Williams, Secretary  
Surface Transportation Board  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20432

RE: CSX/Conrail merger  
STB Finance Docket No. 3320

Dear Sir,

On October 28, 1997, the Members of the Greenwich Township, Huron County, Ohio, Board of Trustees, met and passed the following resolution:

RESOLVED that the proposed acquisition of the Consolidated Rail Corporation (Conrail) by CSX Corporation is not in the interests of the citizens of Greenwich Township, Ohio; because of the unusual hardships that it will impose on our Township, in the disruption of our local transportation system of roads at points where they cross either the CSX lines or the Conrail lines, both of which bisect our Township. The proposed CSX/CR acquisition will result in the closure of necessary roadways, the large scale destruction of our rural way of life and the increased danger to the populace on the remaining roadways because of unsafe conditions and inadequate protection from the large numbers of trains that will be crossing them.

We therefore request that the Surface Transportation Board reject the proposed acquisition of Conrail by CSX and any other proposal to merge with Conrail, due to their disregard for public safety.

Please make our opposition and this resolution part of the record in the above mentioned finance docket.

[Signatures]

Trustee

[Signatures]

Trustee

[Signatures]

Trustee

cc: Huron County Commissioners  
State of Ohio  
Congressional Delegation
VIA HAND DELIVERY

Mr. Vernon A. Williams, Secretary
Case Control Branch
ATTN: MTF Finance Division No. 13388
Surface Transportation Board
1325 F Street NW
Washington, DC 20423-0515

Re: Finance Packet No. 13388: CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Leases Agreements - Conrail Inc. and Consolidated Rail Corporation

Dear Mr. Williams,

Enclosed please find an original and twenty-five copies of Transporation Communications International Union's Comments to Proposed Railroads Control and Operating Leases Agreements Application 100-171, Verified Statement of Thomas A. Roth (TCU-7), Certified Statement of J.E. M. Varner (TGU-1), and Certified Statement of Richard A. Shinn (TCU-6) and Certificate of Service (TCU-10) in the above-referenced matter.

Also enclosed are two IBM compatible floppy disks containing the above comments.

Thank you for your attention to this matter.

Very truly yours,

[Signature]
Mitchell M. Kraus
General Counsel

The Zach Leventhal
Division to Service, Inc.

[Address]
[Phone and Fax Numbers]