Mr. Keith A. Willard
123 Sandy Drive
Clinton, PA 15026

Dear Mr. Willard:

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.

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.

Sincerely,

Linda J. Morgan

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

October 9, 1997 -

Ms Linda Morgan -
Surface Transportation Board -
1925 K Street, NW -
Washington, DC 20423-0001 -

Dear Ms. Morgan:

I am a Conrail TCU union employee who would like to talk to you about the subject of "we" as it was used around our workplace for the last ten years or more.

The word "we" was first used extensively after the high level Conrail Management decided on the "TEAM" concept. It all seemed like a good idea. Conrail Management would work together with its union employees for the success of Conrail as a whole. Everyone was a winner with the "we" concept verses the "me" concept.

Unfortunately, as soon as the split up of Conrail between CSXT and NS was announced, "we" quickly reverted back to the old the way Conrail used to talk which is the word "me". Upper Conrail Management, who now talk only in the singular "me," have allowed themselves handsome severance packages.

Unionized employees are told you might qualify for New York Dock. If New York Dock is so good, why didn't Conrail Management pattern their packages after it?

Now you see why I say Conrail has gone from a Team "we" way of doing things to a "me" only attitude.

This is why I am writing to you. Please make sure now that the pie is being divided that Conrail is made to go back to the "TEAM" concept of "we". We're in this together and "we" should all get a fair deal in the end.

Sincerely,

Keith A. Willard
Mr. Kevin F. Campbell  
3627 Wild Pheasant Lane  
Sylvania, OH 43560  

Dear Mr. Campbell:

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.

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
The Honorable Linda Morgan  
Chairman  
Surface Transportation Board  
1925 K Street NW Room 842  
Washington D.C. 20423-0001

Re: Finance Docket 33388

Dear Madam Chairman:

I am the Local Chairman of Division 457, Brotherhood of Locomotive Engineers at Toledo, Ohio. I am writing to express my opposition to the Operating Plans submitted by CSX and Norfolk Southern.

My objections are based on the ambiguity of the plan in the area of the Labor Impact Statement. The NS portion in particular seems to be a goal rather than a plan to reach an objective and thus incomplete, it is disruptive to employees at Toledo, reduces competition in all areas but the Northeast Corridor and disrupts the most efficient route between the east coast and western connections. The Plan also is exceptionally optimistic when projecting traffic increases and savings. Not addressed are the consequences of an economic recession considering the debt being undertaken by the acquiring carriers, and how this debt will be serviced when the recession occurs.

The Plan also ignores or is in conflict with portions of the Rail Reorganization Act and the Conrail Privatization Act concerning the acquisition of Conrail by a Class 1 rail carrier concerning Labor Agreements.

I also object to the disparity in treatment between Conrail management that are displaced and employees that will be affected by the transaction.

The Plan is very concise when projecting equipment needs and savings but cavalierly glosses over employee concerns regarding crew bases and terminals with "THIS PAGE INTENTIONALLY LEFT BLANK."

I have been through one failed merger, Penn Central, where there was a clash of corporate cultures and a failure to address adequately the ramifications of the merger with devastating results, and hope the board will reject the plan as presented as ambiguous, incomplete, and disruptive.

Sincerely,

Kevin F. Campbell
Mr. Gerald A. Burgess  
County Administrator  
Botetourt County Board of Supervisors  
1 West Main Street - Box 1  
Finchastle, VA 24090

Dear Administrator Burgess:

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
Botetourt County
Board of Supervisors

September 18, 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:

This letter follows discussion at the regular September 16, 1997, meeting of the Botetourt County Board of Supervisors in the Old District Court in Fincastle, Virginia, regarding the issue of job retention and stability in the general Roanoke area of Norfolk Southern Corporation employees.

The County Board of Supervisors supports a strong, sound local and regional economy to the benefit and betterment of all its residents. The cornerstone of a vibrant economy is an educated, experienced, and stable workforce. In this time of downsizing and restructuring the continued success of corporate operations continues to be reliance on experienced, dedicated, long-term employees who form the backbone of the area’s business community.

Given this position Botetourt County would like to express its strong support for the retention of 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 your consideration of our comments.

Sincerely,

Gerald A. Burgess
County Administrator
The Honorable Albert V. Belan  
Senate of Pennsylvania  
Senate Post Office  
The State Capitol  
Harrisburg, PA 17120-0030

Dear Senator Belan:

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.

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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
September 22, 1997

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

Dear Chairperson Morgan:

I have received numerous inquiries and letters regarding the plan to divide Conrail between CSX Corporation and Norfolk Southern Corporation. I would appreciate your consideration of the many rail jobs which will be so greatly affected by the merger.

Conrail has provided employment opportunities for Pennsylvania's economically strapped western region. As you may be aware, Western Pennsylvania is just starting to improve economically. The loss of rail jobs will destroy these beginning economic and foundational signs of a thriving region.

I respectfully request that the Surface Transportation Board do all it can to preserve and support our railroads and rail jobs in Pennsylvania, specifically in Western Pennsylvania. I urge the board to thoroughly examine the merger proposal so that jobs will be retained and perhaps employment opportunities increase.

The concerns of Conrail's workers need to be fully addressed before the plan is approved and guarantees need to be made for those who have worked so hard in the rail industry. Therefore, it is without equivocation that I recommend you thoroughly review the merger and its effects on jobs in Pennsylvania.

Sincerely,

Albert V. Belan
State Senator
45th Senatorial District

AVB/HB/eb
November 18, 1997

Dear Secretary:

I respectfully request that our names be withdrawn from the service list in 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.

In August 1997, Nels J. Ackerson, James R. Baarda, and Susan E. Chamberlin of The Ackerson Group, Chartered filed a Notice of Intent to Participate as Parties of Record on behalf of the National Association of Reversionary Property Owners and Landowners who are Members of Plaintiffs Class in Indiana. At this time, we would like to be removed as parties of record.

Please let us know if you require further information, and please confirm by fax, letter or phone call that we have been so removed. Thank you for your attention this matter.

Very truly yours,

Nels Ackerson
B & G CORBIN STEEL & STONE CO.
P. O. Box 846
Route 33 East • Hightstown, NJ 08520
(609) 448-2749 • FAX - (609) 448-6641

Natural Stone • Structural Steel
November 4, 1997

National Surface Transportation Board
1230 11th Street N.W.,
Washington, D.C. 20423

Gentlemen:

Enclosed are letters and other information we are seeking from Conrail Corp. It is our thought that they are in disarray there on the merger of Conrail to Norfolk Southern + CSX Railroads. Our thought is the bigger the Transportation Companies get the less appreciation they give the small shipper. I am sending this information to the board as a thought of which way we see the small shipper get responses or no responses as they get bigger. My thought

M&G Merger

Yours Very Truly,

George Kobeswali
President

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October 23, 1997

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

Subject: Finance Docket No. 33388

Dear Mr. Secretary:

I am Alex R. Rankine, Manager-Traffic, Cleveland-Cliffs Inc, 1100 Superior Avenue, Cleveland, Ohio 44114. Cleveland-Cliffs, which is celebrating its 150th anniversary in 1997, is the largest supplier of iron ore products to the North American steel industry. We manage six iron ore mines in North America with equity interest in five of them and are a substantial iron ore merchant.

From time to time shipments of iron ore products move via rail routes from upper Michigan and Minnesota mines to integrated steelmakers in Illinois, Ohio, West Virginia, Michigan, Alabama and Utah. The only gateway for many of these movements is through the Chicago Switching District, an extremely congested terminal area.

We are writing to share our concerns about potential unfavorable impacts to Cliffs and its associates and customers if CSX dominates the Chicago terminal region through acquisition of certain Conrail assets, specifically the Indiana Harbor Belt (IHB). We understand that CSX already owns the Baltimore and Ohio Terminal Railway Company (B&OCT) and is a substantial shareholder of the Belt Railway Company of Chicago (BRC).

One possible solution to this would have another carrier acquire the operate a portion of the B&OCT. We understand that Wisconsin Central has proposed to buy the B&OCT trackage known as the Altenheim Subdivision and a portion of Conrail trackage identified as the “Panhandle Line”.

We believe that this has merit as a viable solution to potentially harmful impact on traffic trying to make its way through an already congested terminal area with CSX potentially dominating the rail capacity in the Chicago region.
We hope that the STB will consider these thoughts during its deliberation of the Conrail acquisition process.

Sincerely,

Alex R. Rankine
Mr. Vernon Williams, Secretary  
Surface Transportation Board  
12th and Constitution Ave., N.W.  
Washington, D.C. 20432

RE: CSX/Conrail Merger: STB Finance Docket No. 3300

Dear Sir:

On Oct. 27, 1997, the Members of the Ripley 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 Ripley 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/CP 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 if any of our Township Roads are closed or not maintain for the safety of our residents.

Please make our opposition and this resolution part of the record in the above mentioned finance docket.

[Signatures]

Trustee

[Signature]

Trustee

[Signature]

Trustee

cc: Huron County Commissioners  
State of Ohio  
Congressional Delegation
PETITION

We the undersigned, being residents and registered voters of Edwards Road, Ripley Township, Ohio; 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 Ripley 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.

Name........................................Address........................................Date

((Business))
Dean & Laura Neely 4472 Township Mill Plymouth 44865
William H. Brubaker 1311 Plymouth Rd. Greenwich Oh. 44837
Dean Farnell 4472 Township Mill Plymouth 44865
Richard Farnell William Rd. Plymouth 44865

((Business))
Terence L. Green 1450 Edwards Rd. North Fairfield 44855
Tom Lees 4314 Edwards Road, Chil. Oh. 44837
Earl Green 2774 Township Rd. North Fairfield 44855
Earl Moore 2261 Edwards Road, Greenwich Oh. 44837

((Business))
Earl Moore 2261 Edwards Road, Greenwich Oh. 44837

PETITION

We the undersigned, being residents and registered voters of Koad, Kipley Township, Ohio; 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 Ripley 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.

Name .................................................. Address ........................................ Date

9/24/97 Jack Huffman 3193 Old State Road, Greenwich 44837
9/27/97 Nancy Huffman 430 Edna Lane, Greenwich 44837
9/27/97 John Clark 2220 Old State Rd, Greenwich 44837
9/27/97 Jacquie Montgomery 315 Old State Rd, Greenwich 44837
9/27/97 John Montgomery 1015 Old State Rd, Greenwich 44837
9/27/97 Ruth McMillan 916 Township Rd, Greenwich 44837
9/27/97 Ruth Miller 3193 Old State Rd, Greenwich 44837
PETITION

We, the undersigned, being residents and registered voters of Road, Ripley Township, Ohio, 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 Ripley 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.

Name...........................................Address............................................Date

Jean Doolin ...........................................384 New St. LD ...........................................9/24/97
Donald Amundson ...........................................3251 New St. WA ...........................................9/24/97
Alexia Kessler ...........................................7413 New State Rd. Willard ...........................................9/24/97
William Moon ...........................................105 West 1st St. NE ...........................................9/24/97
Wayne Beele ...........................................110 W. 7th St. NE ...........................................9/24/97
Robert Alexander ...........................................915 New State Rd. Willard ...........................................9/24/97
Larry Sandil ...........................................3122 K7 224 ...........................................9/24/97
Larry M. Smith ...........................................3333 Main St. Willard ...........................................9/24/97
Dr. William A. Houchin ...........................................9-24-97
Carolyn Ely ...........................................New State Rd. Northfield ...........................................9-24-97
Bill Jordan ...........................................266 Township Rd. Willard ...........................................9-27-97
William Jordan ...........................................766 Township Rd. Willard ...........................................9-27-97
Richard Rogers ...........................................3210 Boughtonville Rd. E#: 9-28-97
Leonard Brown ...........................................1062 New State Rd. ...........................................10-4-97
Donna Hulz ...........................................8220 New State Rd. Willard ...........................................10-4-97
Gordon J. Fugely ...........................................214 Greenbush Rd. Willard ...........................................10-4-97
Barbara Eckles ...........................................776 Greenbush Rd. Willard ...........................................10-4-97
Robert E. Lucas ...........................................776 Greenbush Rd. Willard ...........................................10-4-97
Donna D. Miller ...........................................965 Greenbush Rd. Willard ...........................................10-4-97
PETITION

We the undersigned, being residents and registered voters of Boughtonville Road, Ripley Township, Ohio; 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 Ripley 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.

Name..............................................Address........................................Date

PHIL CLEMONS 687 Boughtonville Rd. Willard OH 9-25-91

JULIEN FINK 1300 Boughtonville Rd. Willard OH 9-25-97

M. K. POTTER 238 Boughtonville Rd. Willard OH 9-25-97

J. J. MORSE 228 Boughtonville Rd. Willard OH 9-25-97

W. L. FINCH 112 Clay St. Willard OH 9-25-97

J. E. KRAMER 112 Boughtonville Rd. Willard OH 9-25-97

Jean M. CRIDER 118 Boughtonville Rd. Willard OH 9-25-97

T. J. STURGEON 1201 Boughtonville Rd. Willard OH 10-4-97

S. L. BACHLER 526 Union St. Willard OH 10-4-97

J. G. BURLINGTON 1100 Green Bay Rd. Willard OH 10-4-97

L. M. BAILEY 3123 W. 26th St. Willard OH 10-4-97

W. R. BARNARD 1337 Boughtonville Rd. Willard OH 10-4-97
Surface Transportation Board  
Mr. Vernon A. Williams, Secretary  
1201 Constitution Avenue, N.W.  
Washington, D.C. 20423  

October 29, 1997

Dear Mr. Williams:

On October 27, 1997 I received a faxed letter from Mr. John Anderson, Executive Vice President of Sales and Marketing, CSX Transportation, asking for customer support from us at Producers Cooperative Oil Mill, Oklahoma City, Oklahoma in their CSX-NS joint acquisition of Conrail.

I have written you previously expressing concerns and opposition to this matter and would like to reaffirm our position at Producers Cooperative.

Enclosed is a copy of a letter I delivered to Mr. Ragon Gentry of U.S. Senator James Inhofe’s office. We are presently starting another seed season, but have only purchased 150 rail cars for delivery of whole cottonseed compared to almost 1,800 last season. The difference has had to be changed to trucks and represents some 3,300 additional truckloads on our overcrowded highways. We are already experiencing railroad difficulties this season. Our suppliers are ordering cars for loading and not receiving enough car volume to fulfill contracts in a timely manner. Yesterday, October 28, 1997, BNSF informed us we would not receive a switch to bring cars to our plant for loading and unloading because they did not have an engine available. Last season we experienced this same situation and received demurrage bills from BNSF totaling over $130,000.00. We are still disputing these bills from a service (or lack thereof) standpoint.

BNSF tells us they are working on the problems and everything should be better soon. I personally do not see much improvement. If the rail industry complains about lost business and therefore revenue, I think they should look in their own backyard for the customers they forced to other transportation modes in order to stay in business. Apparently, bigger is not always better. Maybe it is time for the Federal Government to become more involved and enact more regulation.

Sincerely,

Gary Conkling, Traffic Manager  
Producers Cooperative Oil Mill
Dear Customer:

You may have recently received a letter or phone call from the Illinois Central Railroad asking you to join them in seeking special-interest conditions from the Surface Transportation Board that would affect the joint acquisition of Conrail by CSX and NS. I wanted to share our perspective with you.

I have written to you in the past about the benefits that the CSX-NS joint acquisition of Conrail will bring to customers, and wanted to write again to reaffirm our belief that this, without a doubt, is the most pro-competitive railroad combination that has ever been presented to the STB or its predecessor. But one of the regrettable by-products of merger cases has been the unseemly efforts by some carriers to line their own pockets at the expense of the combining railroads by asserting exaggerated claims of competitive damage or financial harm.

The Illinois Central (IC), which has been actively contacting many CSX customers, has a history of trying to extract benefits for itself from merging railroads as the price of peace. IC covets a rail line that CSX owns in Memphis, TN. It wants the federal government to force the transfer of CSX’s property based on IC’s claim that this property is more valuable to IC than it is to CSX. I’ll let you make up your mind whether that’s a proper matter for the federal government.

IC is also unhappy because CSX wouldn’t give them unilateral, long-term guarantees pertaining to routings and revenue divisions – guarantees that would ignore future market conditions. IC demanded that we equalize rates between efficient and inefficient routes, and guarantee to them a revenue stream even if their routing was circuitous or more costly for the customer. We will keep all IC gateways open, and expect that much of our joint-line IC traffic will continue to move via Effingham.

We have actively negotiated in good faith with IC -- looking for a mutually beneficial set of arrangements. In my most-recent letter to them, CSX sought to eliminate proposed “language that would constrain our ability to offer the best economics to customers, or would appear to give preferential treatment to one carrier or route…” This was not acceptable to IC, whose demands would reimpose regulation and disrupt the workings of the marketplace by putting in place artificial restrictions that prevent customers from choosing better or less-costly options.

We’re hard at work building your model railroad, and look forward to serving you. Should you have questions or need additional information, please feel free to contact a CSX sales representative. Meanwhile, we suggest that you ignore IC’s obvious grab for a government-imposed advantage. IC’s self-serving tactics should not be a factor in a thoughtful assessment of this issue.

Regards,

John Q. Anderson
Executive Vice President
Sales & Marketing
Surface Transportation Board  
Vernon A. Williams, Secretary  
1201 Constitution Ave. N.W.  
Washington, DC 20423  


Dear Board Members:

This letter is prompted by a request received by Producers Cooperative Oil Mill February 22, 1997 from Mr. John Q. Anderson, Executive Vice-President of Sales & Marketing for CSX Transportation. Enclosed you will find a copy of his letter. My name is Gary Conkling. I am Transportation Manager for Producers Cooperative Oil Mill in Oklahoma City, Oklahoma. During the past few years, we have seen mergers between the MP Railroad and UP Railroad and also the BN Railroad and ATSF Railroad. Our company is serviced by the BN (now known as the BNSF).

During the past few months since the creation of the BNSF, there have been some devastating changes in rail service to our facility. All the pre-merger hype was similar to the plea for support made by CSX/Conrail.

For the past four years, Producers has purchased whole cottonseed from locations other than our normal Oklahoma/Texas area due to lower crop yields. During this four year period, we have constructed a facility to unload railcars to fulfill our operating needs. Prior to the BNSF merger, this arrangement worked very well. The BN Railroad was very cooperative and willingly switched cars for Producers twice daily, seven days per week if at all possible. Cottonseed receipts normally start in October or November and continue through March to May. Basing our decisions on past experience and hoping the BN/ATSF merger and "improved service" would be true, Producers purchased approximately 1800 boxcar loads of whole cottonseed for the 1996-97 crop season. This buying decision worked well, until the past few weeks. It seems that the more merging BNSF does, the worse service we receive.

Producers Cooperative Oil Mill was informed on Saturday, February 22, 1997 that rather than two switches per day, seven days per week, we would be cut back to one switch per day Monday through Friday. By cutting our car flow by 64%, there is no way possible for Producers to unload the 571 cars remaining on contract anywhere near the completion date we need. On Tuesday, February 25, 1997, five representatives for Producers, including our president, Mr. T.W. Detamore, met with Mr. Mike Elkins and Mr. Dave Hefley representing BNSF in Oklahoma City, Oklahoma. Agreement was made on that date to continue two switches per day Monday through Friday, and one switch each Saturday and Sunday through completion.
of cottonseed receipts this season if at all possible. Since this "agreement", BNSF has given Producers Cooperative one switch per day.

At the current time, we have 75 boxcars in Oklahoma City to unload and another 84 boxcars enroute to our plant to await unloading. Our suppliers are loading boxcars daily for shipment to Producers, and we need some help. If there is anything we at Producers Cooperative Oil Mill can do to help remedy this problem, please let us know. The circumstances involved have certainly put Producers in a bad situation. Many of our operating decisions are made several months to several years in advance. We cannot function efficiently when the rules are changed from week to week.

In regards to the CSX/Conrail merger, if it is anything like the BN/ATSF merger, I would strongly disapprove. Rather than "fast, flexible, and reliable" with "long-term benefits to customers", the new BNSF seems typical big business with very, very little customer oriented thought.

Sincerely,

Gary Conkling
Producers Cooperative Oil Mill
TO WHOM IT MAY CONCERN:

RE: Rail Transportation Problems at Producers Cooperative Oil Mill

Since the BN/ATSF merger into the BNSF Railroad we, at Producers Cooperative Oil Mill, Oklahoma City, Oklahoma, have encountered several new traffic problems that are of great concern to our operations.

On March 14, 1997 one of the clerks for BN/F at Ft. Worth, Texas faxed to Producers Coop a letter and list of telephone numbers which were to become effective March 23, 1997. On that date our contacts were transferred from Ft. Worth, Texas to Topeka, Kansas. The clerk faxing this information enclosed a cover letter stating "Your Advance Copy". On March 27, 1997, I called one of our account representatives and asked if he had any other telephone numbers that would be useful to Producers Coop. He in turn, faxed another list of new contacts and telephone numbers. Were it not for these two faxes, Producers Cooperative would still not have current telephone numbers and contacts for our daily business needs.

Also, on March 23, 1997, the BNSF office at Oklahoma City, Oklahoma was converted to a new computer program. As of today, April 4, 1997, the clerk we deal with locally has not received training on the new system. He cannot retrieve a list of cars and tell us which cars are in Oklahoma City or on which track the cars may or may not be located. This computer problem is obviously not limited to the Oklahoma City area.

At the present time, we are unloading boxcars of whole cottonseed at Oklahoma City. During the current cottonseed season, Producers Cooperative Oil Mill will unload approximately 1,800 boxcar loads of cottonseed. During this same season we will ship approximately 600 carloads of products out of Oklahoma City. Today there are 141 boxcars in Oklahoma City to be unloaded and another 37 boxcars enroute to Producers Coop. There are also another 70 cars to be released to us when BNSF can handle the traffic. On March 28, 1997 Dave Helfley, BNSF Trainmaster in Oklahoma City, called asking us to stop releases of loaded cars because their yard was "plugged". We have since stopped releases. However, existing contracts for cottonseed to be shipped to us cannot be completed as written with shipments stopped. We presently are converting as many shipments as possible to truck loads to try to fulfill these contracts. Enclosed is a list of seed cars enroute to Producers Coop showing release dates and arrival at Oklahoma City dates. Demurrage could very possibly be a major problem to Producers if
assessed on these cars. I have also enclosed a copy of a letter written to Mr. Robert Krebs, BNSF President regarding their new demurrage provisions effective June 1, 1996. Also enclosed is a copy of a letter dated March 3, 1997 to Mr. Vernon A. Williams, Secretary, Surface Transportation Board, Washington, DC expressing some of the problems and concerns faced by Producers Cooperative Oil Mill.

Since the shift in service to Topeka, Kansas, car movement has been a disaster. You will also find enclosed a copy of a letter from Mr. Jack Goetz, Goetz and Sons, Inc. dated March 26, 1997 regarding a shipment we made for their company on March 19, 1997. This shipment was to a new customer for Mr. Goetz and they are not pleased.

Producers Cooperative manufactures about 200,000 pounds of cottonseed oil per day and depends primarily on rail transportation for this oil. At our facility, we can store approximately 3,000,000 pounds of cottonseed oil awaiting shipment. Tank car movements are by far the primary means of cottonseed oil shipment from our location. With all of the computer problems experienced by BNSF since their changeover to Topeka, tank car movement problems have escalated dramatically. During the past weeks we have had to struggle to get empty tank cars to our plant to avoid shut-down. Several instances of tank car delays have been encountered causing problems for us as well as our customers. Enclosed is also a copy of billing on a car we released to C&T Foods, Quincy, IL which apparently went from Oklahoma City to Tulsa, Oklahoma and back twice before being correctly routed.

It seems that since the merger and especially since the transfer of service to Topeka, every car movement has to be carefully watched in order to insure arrival at destination points. Rail movements that used to be accomplished in one day, in many instances, now take three to four days.

On March 31, 1997, I placed a telephone call to Mr. Robert Krebs, President BNSF and was told he was traveling. My call was then transferred to Mr. Don McGuiness, Executive Vice-President of Operations, BNSF. Mr. McGuiness was in a meeting, but my call was returned by another gentleman in his office. Concerns were expressed and I was assured BNSF would look into the matters discussed and try to remedy any problem areas.

Much of our business and success at Producers Cooperative depends on rail service. I hope that in the near future, BNSF transformation problems are resolved, and our rail operations in Oklahoma City return to a workable situation. Continued operation between Producers Cooperative and BNSF are critical.

Sincerely,

Gary Conkling, Traffic Manager
Producers Cooperative Oil Mill
October 28, 1997

The Honorable Vernor A. Williams, Secretary
Surface Transportation Board
Washington, DC 20423

Dear Mr. Williams:

As a member of the Economic Development Council of the Lehigh Valley, I wish to go on record with the Surface Transportation Board on the matter of the proposed division of Conrail between CSXT Transportation and Norfolk Southern Railway.

The terms of the 1976 creation of Conrail states that CP Rail and its predecessor Delaware & Hudson Railway are precluded from providing service to other shippers within the region although its trains operate along both the Lehigh and Reading main lines. Thus, CP Rail serves only the Bethlehem Steel Corporation in Bethlehem and its associated Philadelphia, Bethlehem and New England Railroad, and the Lehigh Valley relies on Conrail for its system of main lines and branch lines.

The presence of competitive rail access in the Lehigh Valley would truly enhance our economic viability. The competitiveness would augment our efforts to attract new business to the area as well as our efforts to retain existing businesses. Therefore, we respectfully request that the Surface Transportation Board impose conditions on the application, which would increase the competitive rail access within the Lehigh Valley. One means of providing this improved service may include granting CP Rail rights to serve additional shippers.

Sincerely,

Thomas A. Kucharski
President & COO
October 20, 1997

The Honorable Vernon A. Williams  
Surface Transportation Board  
Mercury Building #711  
1925 K Street N.W.  
Washington, DC 20433-0001

Dear Sec. Williams:

RE: Finance Docket 33388

KOCHER COAL COMPANY SHIPS LARGE VOLUMES OF ANTHRACITE COAL AND ASH BY RAIL AND IS WRITING TO URGE YOU TO HELP US.

Dealing with railroads can be extremely frustrating. If you don't like the service or rate you get you have no alternatives. We have only one primary rail provider, Conrail - we need more!

Our company will ship approximately 2,000 plus railcars of coal ash and anthracite coal in 1998. We could potentially ship many more if our short line (Reading, Blue Mountain and Northern Railroad) interchanged with not only Conrail but also with the Delaware Hudson Railroad at Taylor. If there are other potential railroad interchanges with RBMR we want you to grant all of them.

Competition has improved the phone industry, the airline industry and will improve the electric utility industry in the future. Competition will surely improve the railroad industry. RBMR cannot be a captive carrier beholden to the discretionary decision making of one large railroad (Conrail).

I, George Elias, business manager for Kocher Coal Company, declare under penalty of perjury that the foregoing is true and correct.

Best regards

George Elias
via fax transmittal

October 21, 1997

Linda J. Morgan, Chair
Surface Transportation Board
1925 K Street, N.W.
Washington, DC  20423-1101

RE: Finance Docket No. 33388

Dear Chair Morgan:

Please accept this submission of the Brotherhood of Locomotive Engineers Massachusetts State Legislative Board (BLE MA SLB) on behalf of our members in the Commonwealth of Massachusetts.

The BLE MA SLB strongly urges the Surface Transportation Board (STB) to disapprove the takeover of Conrail by CSXT and Norfolk Southern (NS) because the safety of rail employees and the general public will be put at risk as has happened in the Western regions of our country following the merger of the Union Pacific (UP) and Southern Pacific (SP) railroads. After conducting a safety audit of the new enormous UP system, the Federal Railroad Administration (FRA) concluded that the merger contributed to the UP’s recent serious safety problems. We do not wish to see similar safety concerns develop in the East, including Massachusetts, if CSXT and NS are allowed to split-up the Conrail system. Safety problems are inevitable after larger mergers since operating employees, including Locomotive Engineers, must learn new territories while adapting to new operating rules and supervisory procedures.

Indeed, CSXT, which stands to takeover Conrail’s Massachusetts’ lines, has recently been severely chastised by FRA in a report critical of its operating practices. CSXT was forced to pay some $750,000 in fines for safety violations found by FRA. If CSXT cannot safely run its already far-flung system, how will it handle the additional Conrail trackage which will create a 45,000 mile railroad? In addition, we are concerned that the CSXT takeover may adversely impact the Amtrak and MBTA commuter rail passenger
service which will operate over CSXT tracks in Massachusetts, especially in light of the above-mentioned critical FRA safety report.

While the BLE MA SLB argues that safety should be the STB’s chief focus in its scrutiny of this proposed transaction, there are other reasons why we have grave concerns about the wisdom of approving such a takeover. Despite the claims of CSXT, it does not appear that competition will be enhanced in Massachusetts and other Northeastern states as a result of this takeover. In Massachusetts, the proposed transaction would simply exchange CSXT for Conrail, one large monopoly rail carrier for another! In fact, a coalition of Northeast Governors is worried that CSXT may even be a ‘stronger monopolist’ than Conrail.

The BLE MA SLB also fears that the CSXT takeover may adversely affect rail employees in Massachusetts. Although the CSXT Operating Plan does not show any loss of Locomotive Engineer jobs in Massachusetts initially, we are concerned that after the takeover is approved, CSXT may decide to sell off the so-called “Boston Cluster” branch lines to non-union, ‘non-carrier’ railroads, thereby causing the overnight loss of many union Locomotive Engineer positions. We ask that the STB determine if CSXT is committed to operating the entire Conrail system in Massachusetts, including branch lines as well as the main Boston-Albany line.

The STB has the authority to approve or disapprove this takeover. It must make safety its primary focus, ahead of all other concerns. In the West, the UP-SP merger has resulted in a huge system plagued by serious safety deficiencies and now, in the East, CSXT, one of the carriers pursing Conrail, has been reprimanded by FRA for its own poor safety record. The carriers say they are committed to safety first, but their performance does not support that claim. The STB has grounds to reject this takeover based on the sad UP-SP experience and now, on CSXT’s subpar safety performance.

On behalf of Locomotive Engineers in Massachusetts and in the interest of public safety which is our Board’s mission, we ask that the STB disapprove the proposed takeover of Conrail by CSXT and NS.

Sincerely,

George J. Newman,
Chairman,
Massachusetts State Legislative Board
257 Hersey Street
Hingham, MA 02043
TO: ALL GENERAL CHAIRMEN, LOCAL AND
DISTRICT CHAIRPERSONS ON CSXT,
NORFOLK SOUTHERN AND CONRAIL

Dear Sirs and Brothers:

Enclosed for your information is a copy of TCU's Comments presented to the Surface Transportation Board regarding labor protective issues of the proposed transaction between Norfolk Southern (NS), CSX and Conrail. Also attached are the Verified Statements of Carmen General President R. A. Johnson, International Vice President J. M. Parker, and Economist T. A. Roth.

I will continue to keep you informed of further developments in this matter.

In solidarity,

[Signature]
Robert A. Scardelletti
International President

Attachments

cc: Executive Council
Carmen Division Officers
Ms. Page A. Matherly  
Member  
Franklin County Board of Supervisors  
1117 Hatchett Road  
Penhook, VA 24137  

Dear Ms. Matherly:  

Thank you for your letter expressing the concerns of Franklin County, Virginia, 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. The Surface Transportation Board (Board) has docketed this proceeding as STB Finance Docket No. 33388.  

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

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

Sincerely,  

Linda J. Morgan  

Linda J. Morgan
September 30, 1997

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

RE: Finance Docket No. 33388: CSX/Norfolk Southern -Control & Operating Leases and Agreements - Conrail Inc. and Consolidated Rail Corporation

Dear Madam Chair:

As a member of the Board of Supervisors of Franklin County, VA, I am deeply concerned about the proposed break-up of Conrail by the CSX and Norfolk Southern railroads. The residents of Franklin County could be seriously harmed by the purchase of Conrail by NS and CSX. The financial stability of a large sector of our population is directly linked to dependable, low cost rail transportation.

As you know NS and CSX are acquiring a huge debt in order to finance the purchase of its section of Conrail. That debt will have to be reduced in order to be assured of long term success. The carrier will be very tempted to increase freight rates in order to reduce that debt. Any increase in rates will have a serious negative impact on our community. The companies will be forced to absorb those rate increases, thus reducing profits for their shareholders, or pass the increases on to their customers, reducing their competitiveness. Neither of those options are good for the companies, their customers or their employees.

The operating plans submitted by NS and CSX are not a guarantee of the future operation of the railroad. Once the STB gives its approval, nothing prevents the carrier from changing the operating plan to meet its own needs. The fact is that shippers, communities and workers will have little recourse to challenge the actions of the carrier.

Traffic could increase through our community, disrupting our protective services to the people. More and longer trains could prevent fire, rescue and police personnel from responding fast enough to save a life. The break-up of Conrail will put our citizens at risk.
Worst of all, our community will see significant job losses, with corresponding losses of consumer spending and tax revenues. According to the operating plans submitted by NS and CSX, we will lose good paying jobs in our community.

It is not in the best interest of the residents of Franklin County, VA for this transaction to be approved. The future of the companies that operate in our County and State has a tremendous impact on the lives of our citizens. Therefore it is not in the public’s interest for this transaction to be approved and I urge the STB to reject the proposed break-up of Conrail by NS and CSX.

Sincerely,

Page A. Matherly
October 17, 1997

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

The Economic Development Council of the Lehigh Valley, a consortium of all the economic development agency professionals in Lehigh and Northampton County, wishes to go on record with the Surface Transportation Board on the matter of the proposed division of Conrail between CSXT Transportation and Norfolk Southern Railway.

The Lehigh Valley is served by Conrail by a system of main lines and branch lines. CP Rail is the only other class 1 carrier serving our region. However, their service is limited to the Bethlehem Steel Corporation in Bethlehem and its associated Philadelphia, Bethlehem and New England Railroad. Under the terms of the 1976 creation of Conrail, CP Rail and its predecessor Delaware & Hudson Railway are precluded from providing service to other shippers within the region although its trains operate along both the Lehigh main line and Reading main line.

We believe that the presence of competitive rail access in the Lehigh Valley would enhance our economic viability. The competitiveness would accrue both to our agency's efforts to attract new business to the area as well as our efforts to retain existing businesses. We feel that the need for good, competitive rail service is particularly crucial to the Lehigh Valley in view of the recent phenomenal growth of the warehousing and distribution facilities, as numerous companies have chosen to use Lehigh Valley locations as their East Coast distribution centers. Competitive rail access would allow these market decisions to be fully realized.

The draft operations information which has been made available to us indicate that all of the proposed Conrail service in the Lehigh Valley would be via trackage rights over the currently out of service Bethlehem branch. As such, the plans, as presently proposed, do not improve competitive rail access in the Lehigh Valley. Therefore, we respectfully request that the Surface Transportation Board impose conditions on the application which would increase the competitive rail access within the Lehigh Valley. One means of providing this improved service may include granting CP Rail rights to serve additional shippers.

Sincerely,

John M. Cook
Chairman

Cc: Membership of EDC of Lehigh Valley

John Austen
Wayne Barz
Richard Bollinger
John Buchheit
Mary Ann Bungart
James Burns
Christine Cleaver
Jack Cook
Candace Cure
Nancy Dischutz
J. Michael Dowd
Diane V. Elliott
Sara Greer
John M. Henricks
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