

STB

FD-33388

5-5-98

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ID-MOIS



Office of the Chairman

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

FILE IN POCKET

FD-33388

May 5, 1998

The Honorable John Breaux
United States Senate
Washington, DC 20510-1803
Attn: Sara Traigle

Re: 1987 Tank Car Fire in New Orleans

Dear Senator Breaux:

Thank you for your letter and attached correspondence, which you sent to Dan King of my staff, on behalf of several of your constituents concerned about a CSX Transportation Company (CSX) tank car fire in New Orleans in 1987. Your constituents request time to speak at the Surface Transportation Board (Board) oral argument for the Conrail control proceeding, and you ask that we investigate and report to you on your constituents' views and concerns.

The Board is currently considering the joint application of CSX and Norfolk Southern Railroad (NS) to acquire control of the Consolidated Rail Corporation (Conrail). The Board's Section of Environmental Analysis (SEA) is conducting an extensive environmental analysis of the Conrail acquisition. Among the potential environmental impacts that SEA is analyzing are the effects of the proposed transaction on public health and safety. That analysis includes changes in the types of hazardous materials and quantities transported or re-routed by applicants CSX and NS. SEA is also examining the applicants' safety practices and protocols; their relevant safety data on derailments, accidents, and hazardous materials spills; and contingency plans to address accidental spills, which may be of particular interest to your constituents. SEA is planning to issue the Final Environmental Impact Statement for the Conrail acquisition in late May 1998, and the Board's decision on the acquisition will follow on July 23, 1998.

Requests for time at the Board's oral argument are limited to parties of record in the proceeding. As you can see from the enclosed decision issued by the Board on April 17, no parties to the lawsuit are parties of record. For this reason and because no new substantive information on safety has been offered, an earlier request to be made parties of record and to be allowed to present evidence by representatives of the plaintiffs to the pending lawsuit was rejected by the Board. I note that your constituents have sent a copy of their submission to SEA for use in SEA's safety analysis.

I appreciate your interest in this matter. I will have your letter and all attachments made a part of the public record for this proceeding. Please do not hesitate to contact me if I can be helpful in the future.

Sincerely,

Linda J. Morgan
Linda J. Morgan

Enclosure

JOHN BREAUX
LOUISIANA

MINORITY
CHIEF DEPUTY WHIP

COMMITTEES:

COMMERCE, SCIENCE, AND
TRANSPORTATION

FINANCE

SPECIAL COMMITTEE ON AGING

WASHINGTON OFFICE
(202) 224-4623
TDD (202) 224-1986

senator@breaux.senate.gov
http://www.senate.gov/~breaux

United States Senate

WASHINGTON, DC 20510-1803

FILE IN DOCKET

April 16, 1998

STATE OFFICES:

ONE AMERICAN PLACE, SUITE 2030
BATON ROUGE, LA 70825
(504) 382-2050

THE FEDERAL BUILDING
705 JEFFERSON STREET, ROOM 103
LAFAYETTE, LA 70501
(318) 262-6871

WASHINGTON SQUARE ANNEX BUILDING
211 NORTH 3RD STREET, ROOM 102A
MONROE, LA 71201
(318) 325-3320

HALE BOGGS FEDERAL BUILDING
501 MAGAZINE STREET, SUITE 1005
NEW ORLEANS, LA 70130
(504) 589-2531

CENTRAL LOUISIANA
(318) 487-8445

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

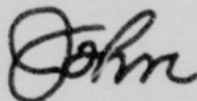
Dear Mr. King:

I have been sent a copy of a letter sent to the Surface Transportation Board from Mr. Wendell Gauthier and Mr. Joseph Bruno regarding the residents affected by the New Orleans tank car fire in 1987 and their request to testify at a hearing on June 4, 1998.

Please investigate the enclosed information sent to me and provide me with a report. Your reply may be forwarded to the attention of Sara Traigle.

Thank you for your attention and assistance.

Sincerely,



JOHN BREAUX
United States Senator

JB/set
Enclosure

CHAIRMAN MORGAN

APR 23 4 08 PM '98

SURFACE TRANSPORTATION

STB FD-33388 5-5-98 J ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

71-33388

May 5, 1998

Mr. John Snow
Chairman and Chief Executive Officer
CSX Corporation
One James Center
901 E. Cary Street
Richmond, VA 23219

Dear Mr. Snow:

I am in receipt of your letters to Mayor White indicating your concerns about the status of negotiations between the City of Cleveland and CSX. I continue to commend your commitment to negotiations with the City of Cleveland.

I am having your letters and my response placed in the formal docket for this proceeding.

Sincerely,

Linda J. Morgan
Linda J. Morgan



One James Center
Richmond, Virginia 23219
(804) 782-1434

John W. Snow
Chairman, President
Chief Executive Officer

April 30, 1998

FILE IN DOCKET

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

Dear Linda:

We are still trying our very best to work out an agreement with Mayor White. Enclosed is a letter I sent him earlier today by fax and mail. As you can see, we are close on virtually everything except for the train frequency issue.

With best wishes,

Sincerely,

trt

Enclosure



One James Center
Richmond, Virginia 23219
(804) 782-1434

John W. Snow
Chairman, President
Chief Executive Officer

April 30, 1998

The Honorable Michael R. White
Mayor, City of Cleveland
Cleveland City Hall
601 Lakeside Avenue
Cleveland, OH 44114

Dear Mayor White:

Thank you for your latest letter. I wish that there were a way to talk directly rather than by formalized letters, and I would still encourage you to return my call. I cannot agree with your characterization of the various positions and certain inaccuracies in your letter, but I have never rejected the hope we can reach agreement. In fact, I remain willing to meet with you in Cleveland, Washington, DC or elsewhere at your convenience to try and bring about a mutually satisfactory resolution of our differences.

Referring back to your letter of April 23, 1998, I believe there are many issues on which we are very close and could reach agreement. Let me summarize them:

Noise

I thought there was consensus that 15 foot soundwalls were an eyesore, casting long shadows into backyards, and not effective noise mitigation considering the narrow and elevated rail corridors, since they would create an echoing effect. We have explained this to your staff and consultants but I see no reason why our consultants cannot continue to talk about possible alternatives and enhancements to our proposal. I know that your consultants had initially misread our noise abatement plan and did not realize that it also included substantial trees and lower walls. Once this was understood, your consultants agreed that our plan was generally consistent with plans they themselves use. Although we did not express it in our initial letter, we did later communicate that, of course, we would be responsible for the permanent upkeep of the berms, plantings, and walls. There are other operational items that your consultants may not be aware of such as our agreement to use welded rail and to contribute to the soundproofing of the homes, and the fact that our operational plan places the great majority of train operations, 70 percent or more, in the 7 A.M. to 9 P.M. time slot. Then, of course, there is our program to guarantee the value of the homes impacted by noise, that in essence allows people to choose to stay in their homes with our proposed contribution and mitigation, or to sell to us or others with us protecting the value of their homes at the assessed rate.

Mayor White
April 30, 1998
Page Two

As you have so kindly said, you are not an expert in rail matters. With similar candor, I can say that we are not experts in what ultimately will work best in each neighborhood in Cleveland. We would like to be able to refine our noise plan by talking to people in the neighborhoods, with the City's assistance. As we have discussed there are a limited number of homes affected by additional trains along the Short Line in eastern Cleveland; so we should be able to work together to make improvements to this area. Let me make one further suggestion or offer. We have estimated the cost of the direct noise program to be about \$3 million. In addition, there is the cost of insulating the homes and the home guarantee program. Finally, we have offered an additional \$2 million for community programs. If you believe that the funds we have proposed for community projects can be put to better use, we would certainly be willing to discuss reallocating the \$2 million for further noise abatement in that neighborhood. Again I suggest that perhaps the best way to accomplish this is for the various noise consultants to talk and see if agreement can be reached on all of these various issues.

Hazardous Materials/Emergency Response

We certainly are willing to respond to your request for more information regarding hazardous material routing for the Short Line. We are as concerned about this issue as you are. We suggest that our technical staffs continue to meet with your emergency response management team and continue to work out the details. An effective plan requires input and cooperation by all parties. I feel very confident that we can put such a plan in place that will address all reasonable concerns. I should think that you will be well satisfied with it.

Training and Equipment

We would welcome input from your fire chief and any others as to their suggestions for more extensive emergency response training. We also can identify our equipment suppliers, their locations, and their qualifications. These are details that simply have to be worked out.

Grade Crossings

While there are no at-grade crossings located on the Short Line in Cleveland, four exist on the Lakeshore Line. Under the CSX plan, these crossings will experience a significant reduction in daily freight trains from 55 to 13. This will reduce the instances where these crossings are blocked to the benefit of emergency response providers and vehicular traffic.

Mayor White
April 30, 1998
Page Three

Train Speed Limits

We will agree to limit train speeds to 30 miles per hour on the Short Line from approximately Collinwood to University Circle as part of the overall resolution of issues.

Community Advisory Committee

We certainly are open to increasing the composition of this committee to include additional representatives of the City agencies. This is really the City's call and we will be fully supportive of any suggestions you have on making the committee effective.

Employment Opportunities

We are anxious to work with the City to create and expand employment opportunities for Cleveland residents at CSX facilities in the Cleveland area. We are ready to immediately commence discussions to develop this program. As a matter of clarification, however, it should be noted that the planned improvements for the Conrail properties at Collinwood will be funded entirely by CSX with no public funds involved.

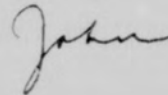
Train Frequencies

As you know, during this period, our staffs have been talking, but they have not been able to reach agreement primarily because of your staff's insistence, and I assume yours, that we dramatically change our operating plan, something we cannot do without risking terrible damage to our nation's rail system. We have studied literally dozens of alternatives to see if we could find some reasonable way to reroute the trains to meet your objections. Unfortunately, none work in terms of real world rail operations and safety. Specifically, we have used computer simulations to compare the operating alternatives of Cleveland's flyover at Berea and changing the operation to route more trains over the Lakefront as you suggest. The results are dramatic and clear; the railroad's preferred operating plan is the only reasonable option. Carl Taylor visited you and your staff and discussed the flyover proposal in detail. We are prepared to make yet another presentation to you about routing more traffic over the Lakefront if you think that it would be productive. I appreciate your candor when you say that you are not an expert in rail operations; but even the "experts" at CSX have not been able to come up with a safe, workable alternative to the joint CSX/NS Operating Plan. That is why I wanted a face-to-face meeting, so that you yourself could test those efforts and be sure we had left no stone unturned in trying to come up with a workable alternative. This is the critical issue which divides us. It is an issue that cannot be delegated to staff - it is an issue that obviously only you can decide for the City.

Mayor White
April 30, 1998
Page Four

In closing, let me say I feel very strongly that if you can accept our position on the critical issue of our train operations, the other issues will fall in place and I am prepared to have my staff meet with your representatives to finalize the details on all of the other outstanding issues. We have been able to reach agreement on our train operations with just about every greater Cleveland area community and I still hope we can do the same with Cleveland. I would still urge you to return my call because I very much would like to personally discuss these matters with you. I look forward to hearing from you. Without such discussions between us on the critical issue of train operations, it is hard for me to see how we can overcome the current impasse.

Sincerely,



trt

cc: Chairman Jim Betts, Ohio Rail Development Commission
The Honorable Jolene M. Molitoris, Administrator, Federal Railroad Administration
The Honorable Linda Morgan, Chairman, Surface Transportation Board
The Honorable Rodney E. Slater, Secretary of the Department of Transportation
The Honorable Louis Stokes, United States House of Representatives
The Honorable George V. Voinovich, Governor, State of Ohio
Cleveland City Council Members



One James Center
Richmond, Virginia 23219
(804) 782-1434

John W. Snow
Chairman, President
Chief Executive Officer

April 23, 1998

FILE IN DOCKET

The Honorable Michael R. White
Mayor, City of Cleveland
Cleveland City Hall
601 Lakeside Avenue
Cleveland, OH 44114

Dear Mayor White:

This is to acknowledge receipt of your letter of April 23. I must say I am somewhat confused and disappointed. Several days ago I read in the newspapers that you had ended your negotiations with CSX. I called your office personally trying to re-establish the dialogue, but to my knowledge you have not responded. Members of my staff have at various times called your staff and their calls also have not been returned.

Since the day when we first became aware of your concerns, I have personally directed more attention to this issue than just about any other matter, and my senior staff and the staff of the railroad have literally spent months of their time working on this issue in their offices and in Cleveland. We tried to arrange a train trip, and I wanted to spend that time with you so we both could see the real facts. But, unfortunately, your schedule would not allow your participation on the trip or on subsequent trips we offered.

In terms of your list of items "not received", we did provide you with a very extensive package of materials, which you rejected without explanation or response.

I committed to you that we would look at every possible way to responsibly reduce train frequencies and we did. You will recall at our meeting with Congressman Stokes, I said we would try to reduce the train frequencies as much as possible. Unfortunately, as I explained in my April 8 letter, the maximum reduction we could offer was four trains a day for a period of two years while mitigation was constructed. And obviously, although I and the chief operating officer of the railroad explained to you and your staff in great detail why we could not reduce the number of trains to the level you demanded, you have never accepted that explanation although you have not offered a workable, safe alternative. These presentations were made several times.

We presented you a detailed emergency response program developed by recognized experts in this field and based on industry best practices for responding to any possible hazardous materials incident. I thought from our face to face meeting that this program was positively received by you. Your press releases and mailings indicate that there will be a massive increase in hazardous materials carloads...and time after time we have presented the facts showing how this is incorrect. But somehow they are ignored. In reality Conrail currently moves 33,000 hazardous material tank cars through Cleveland and CSX expects to increase that to 35,000 cars annually.

Likewise, the noise mitigation program was presented in great detail and is literally inches thick. The plan was developed by consultants with established scientific and professional credentials. You indicated that you prefer 15-foot soundwalls in the neighborhoods rather than the low soundwalls, landscaping and berms proposed by our consultants. In a report given to your staff, our consultants offered a detailed explanation as to why high noise walls were not an appropriate mitigation strategy for the Short Line. Specifically, they pointed out the negative impact of high soundwalls on the City's neighborhoods since these walls would be aesthetically obtrusive as well as prime targets for graffiti and vandalism. We spoke to your outside consultants and they confirmed that the program we proposed was similar to ones they themselves have recommended in the past. We also noted your comments about the impact of train noise on the Cleveland Symphony's performances. In response we sent our noise consultant team to take actual measurements inside Symphony Hall and no train noise, whatsoever, was measurable.

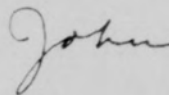
We committed to maintaining the bridges and other properties, consistent with all legal obligations. This legally binding commitment obviously obviates the need for any "endowment" fund. We have asked for specific pre-existing Conrail bridge issues to address, and no information has been forthcoming. We also pointed out that our operations program provided for 70 percent of trains to be operated between the hours of 7 A.M. to 9 P.M.

I also was surprised that you did not mention in your cover letter our offer to guarantee the value of homes along key rights-of-way and to provide literally millions of dollars of benefits to the citizens of Cleveland. I have heard that some of your staff want us to purchase the homes and then I assume destroy them. Our program would protect the integrity of these neighborhoods and give the homeowners the choice to stay, improve their homes with a \$4,000 grant, or to sell and move. We proposed \$2 million to support various community and economic development initiatives and we suggested that the monies be spent in the neighborhoods. I am also dismayed that your letters and press releases continue to repeat incorrect facts and distort others even after we have provided you the correct information.

Mayor White
April 24, 1998
Page Three

Obviously, I still want to be part of the future of Cleveland, and I stand ready to talk to you if you so choose. Where we go from here, frankly, is in your hands. If you, your staff or outside consultants have constructive changes to propose to our noise mitigation program, our emergency response program, our home value guarantee program or our community investment program, please tell us what they are so that we can successfully conclude this process if that indeed is your desire. Finally, I feel constrained to send copies of this letter to the various officials to whom you sent your letters; however, I have not sent them the literally hundreds of pages of materials we have provided to you, but I would be most happy to do that as well.

Sincerely,

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

trt

cc: Chairman Jim Betts, Ohio Rail Development Commission
The Honorable Jolene M. Molitoris, Administrator, Federal Railroad Administration
The Honorable Linda Morgan, Chairman, Surface Transportation Board
The Honorable Rodney E. Slater, Secretary of the Department of Transportation
The Honorable Louis Stokes, United States House of Representatives
The Honorable George V. Voinovich, Governor, State of Ohio
Cleveland City Council Members

STB

FD-33388

5-5-98

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Office of the Chairman

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

FILE IN DOCKET

FD-33388

May 5, 1998

The Honorable Jay Westbrook
President of City Council
City of Cleveland
Cleveland City Hall
601 Lakeside Avenue
Room 216
Cleveland, OH 44114

Dear President Westbrook:

Thank you for forwarding copies of your letters to Mr. John Snow with CSX and Mr. David Goode with NS regarding your meetings with representatives of those companies concerning the impact of the proposed Conrail acquisition on the City of Cleveland. I appreciate your keeping me informed of the negotiations.

I am having your letters and my response included in the formal docket for this proceeding. I hope that a mutually acceptable resolution can be reached expeditiously in this matter.

Sincerely,

Linda J. Morgan
Linda J. Morgan



City of Cleveland

Office of the Council

JAY WESTBROOK

President of City Council

FILE IN DOCKET

March 26, 1998

Mr. John W. Snow
President and CEO
CSX Corporation
901 Cary Street
Richmond, Virginia 23219

Dear Mr. Snow,

Thank you for your participation in the Cleveland City Council hearing on the Conrail Acquisition, held last Wednesday, March 16, 1998 in Cleveland City Hall. As you are aware, this hearing was well attended with the participation of approximately 200 citizens, top staff of several federal congressional offices, the Ohio Rail Development Corporation, the CSX Corporation, Norfolk Southern Corporation and the Wheeling & Lake Erie Railway Company. The hearing, which began at 1:00 PM and ended at 9:45 PM, was aired in its entirety on our local public access cable television station.

Council members and citizens raised a number of specific concerns related to the impact of the railroad traffic proposed to cut through Cleveland neighborhoods as a result of the Conrail acquisition. Our chief concern is the lack of proposals presented by either train company to mitigate negative potential effects of this acquisition on the movement of street surface vehicular traffic and quality of City neighborhoods. Cleveland City Council will be an active part of the negotiations on this issue, and we see the need for substantial mitigation to reduce the negative affects of dramatic train traffic increases through Cleveland neighborhoods. Several council members alluded to mitigation strategies at the council hearings, some projecting the inadequacy to the terms of East Cleveland's agreement with CSX, others pursuing the strategy of securing one billion dollars to be used exclusively for relief from the negative impact of railroad traffic on Cleveland's residential neighborhoods.

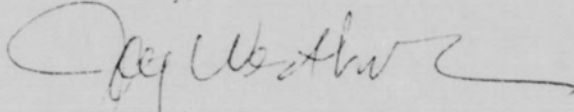
Council is additionally concerned about the configuration of a more appropriate routing pattern for freight traffic passing through our city; the importance of intermodal facilities to the economic growth in the City; and the possibilities of alternative route connections outside the City to divert pass through freight traffic from Cleveland.



CSX Corporation
Page 2

We wish to schedule a follow-up session for the purpose of hearing (1) re-routing plans from residential neighborhoods; (2) mitigation strategies for industrial routes; (3) compensation to the City of Cleveland for added hardships. We would like for this meeting to occur the first week of April and we will call on March 30 to schedule these meetings.

Sincerely,

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

Jay Westbrook
President
Cleveland City Council

JW:bcb

cc: Secretary Rodney Slater, US Department of Transportation
Chairman Linda Morgan, Surface Transportation Board
Congressman Dennis Kucinich, 10th District
Congressman Louis Stokes, 11th District
Congressman Steven LaTourette, 19th District
Senator John H. Glenn
Senator Michael DeWine
Mayor Michael R. White, City of Cleveland



City of Cleveland

Office of the Council

JAY WESTBROOK

President of City Council

March 26, 1998

Mr. David Goode
President and CEO
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510

Dear Mr. Goode,

Thank you for your participation in the Cleveland City Council hearing on the Conrail Acquisition, held last Wednesday, March 18, 1998 in Cleveland City Hall. As you are aware, this hearing was well attended with the participation of approximately 200 citizens, top staff of several federal congressional offices, the Ohio Rail Development Corporation, the CSX Corporation, Norfolk Southern Corporation and the Wheeling & Lake Erie Railway Company. The hearing, which began at 1:00 PM and ended at 9:45 PM, was aired in its entirety on our local public access cable television station.

Council members and citizens raised a number of specific concerns related to the impact of the railroad traffic proposed to cut through Cleveland neighborhoods as a result of the Conrail acquisition. Our chief concern is the lack of proposals presented by either train company to mitigate negative potential effects of this acquisition on the movement of street surface vehicular traffic and quality of City neighborhoods. Cleveland City Council will be an active part of the negotiations on this issue, and we see the need for substantial mitigation to reduce the negative affects of dramatic train traffic increases through Cleveland neighborhoods. Several council members alluded to mitigation strategies at the council hearings, some projecting the inadequacy to the terms of East Cleveland's agreement with CSX, others pursuing the strategy of securing one billion dollars to be used exclusively for relief from the negative impact of railroad traffic on Cleveland's residential neighborhoods.

Council is additionally concerned about the configuration of a more appropriate routing pattern for freight traffic passing through our city; the importance of intermodal facilities to the economic growth in the City; and the possibilities of alternative route connections outside the City to divert pass through freight traffic from Cleveland.

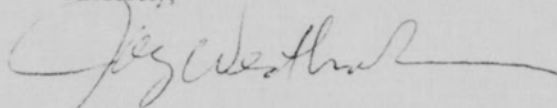


Norfolk Southern Corporation

Page 2

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Sincerely,

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

Jay Westbrook
President
Cleveland City Council

JW:bcg

cc: Secretary Rodney Slater, US Department of Transportation
Chairman Linda Morgan, Surface Transportation Board
Congressman Dennis Kucinich, 10th District
Congressman Louis Stokes, 11th District
Congressman Steven LaTourette, 19th District
Senator John H. Glenn
Senator Michael DeWine
Mayor Michael R. White, City of Cleveland

STB

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5-4-98

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Office of the Chairman

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

FILE IN DOCKET

FD-33388

May 4, 1998

The Honorable Alfonse D'Amato
United States Senate
Washington, D.C. 20510

Dear Senator D'Amato:

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

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

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

Sincerely,

Linda J. Morgan
Linda J. Morgan

Enclosures



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

Office of the Chairman

May 4, 1998

The Honorable Daniel Patrick Moynihan
United States Senate
Washington, D.C. 20510

Dear Senator Moynihan:

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

Enclosures

United States Senate

WASHINGTON, DC 20510

April 23, 1998

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

CHAIRMAN JORDAN

APR 21 3 17 PM '98

RECEIVED
SURFACE TRANSPORTATION BOARD

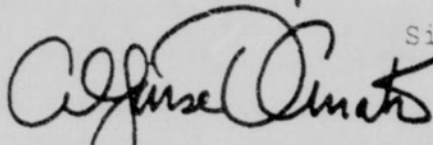
Dear Mr. Williams:

We are writing to request that we be given an opportunity to speak before the Surface Transportation Board on June 4, 1998 during the presentation of oral arguments for Docket #33388.

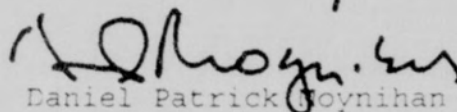
The extent which goods move by rail freight throughout New York State makes the pending acquisition of Conrail by CSX Corporation and Norfolk Southern an obvious concern to us. Thus, we would welcome the opportunity to address the Board to express our views on this issue. Further, we would appreciate your consideration of the vagaries of the Senate schedule with respect to determining a proper time to speak before the Board.

Thank you for your attention in this matter.

Sincerely,



Alfonse M. D'Amato
United States Senator



Daniel Patrick Moynihan
United States Senator

STB

FD-33388

4-29-98

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ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

April 29, 1998

Mr. Richard L. Ehrlich
Executive Director
The Western Reserve Historical Society
10825 East Boulevard
Cleveland, OH 44106-1777

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Ehrlich:

Thank you for your letter dated March 9, 1998, expressing your opposition to the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety resulting from the proposed increased rail traffic in the Greater Cleveland area.

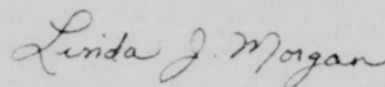
The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) is conducting an environmental review of the potential environmental impacts associated with the proposed Conrail Acquisition. As part of its environmental review, SEA issued a Draft Environmental Impact Statement (EIS) on December 12, 1997 which addressed various environmental impact areas, including safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, environmental justice, and cultural and historic resources. Chapter 5 of the Draft EIS focused on the concerns relating to increased rail traffic in Ohio, especially the northeast Ohio and Cleveland areas. SEA recommended numerous mitigation measures to address the potential environmental impacts in that area, including railroad consultations with affected communities to discuss their concerns and possible solutions; vehicular and emergency response delays; highway/rail at-grade crossing safety; hazardous materials transport; and noise. SEA also identified minority and low-income populations that could incur high and disproportionate environmental impacts and has targeted public outreach activities to these communities with potential environmental justice issues.

SEA is fully aware that these issues are of major concern to the residents of Cleveland. SEA has attended several public meetings in the area in order to hear those concerns firsthand and discussed the issues with numerous local officials. SEA has also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA plans to issue in late May 1998 a Final EIS for consideration by the Board. In its final decision, the Board will consider the entire environmental record, including all public comments, the Draft EIS, and the Final EIS. The Board will issue its final written decision on July 23, 1998.

If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

THE WESTERN RESERVE HISTORICAL SOCIETY

10825 EAST BOULEVARD
CLEVELAND, OHIO 44106-1777
(216) 721-5722
FAX (216) 721-8934

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FILE IN DOCKET

March 9, 1998

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

Dear Judge Morgan:

I am writing to express strong opposition to the manner in which CSX and the Norfolk and Southern Railways intend to route trains through and around the City of Cleveland, Ohio as they implement their acquisition of Conrail.

The plans these companies have put forward amount to a gross imposition on the lives of tens of thousands of residents of this area in a number of very significant ways:

1. Safety

- a. Given the large number of grade crossings in this vicinity, increases in the amount of traffic of the magnitude the railroads contemplate will inevitably lengthen emergency services response time and in so doing cost lives.
- b. Markedly increasing traffic though heavily populated areas will produce a corresponding increase in injuries and fatalities among motorists and pedestrians.
- c. Routing large number of rail cars laden with hazardous materials as contemplated through densely populated areas has the potential of yielding catastrophic results. This is of particular concern in the University Circle area of Cleveland where the tracks are not readily accessible to emergency vehicles.

The Honorable Linda J. Morgan
March 9, 1998
Page 2

This matter is especially troublesome in light of the fact that the railroads have as yet not developed any disaster mitigation plans covering this type of contingency.

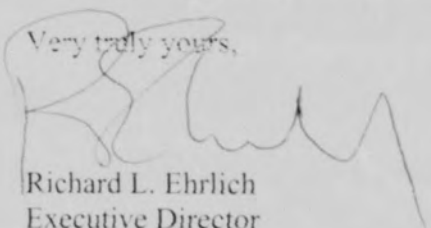
2. **Noise**

Running upwards of 80 to a 100 trains per day on certain lines will create intolerable noise pollution for residents living near the tracks. This is especially of concern because a great deal of the traffic will occur at night, and because of the need for each train to sound its horn as it approaches grade crossing.

In light of these concerns, I strongly urge that prior to the approval of the sale of Conrail to CSX and the Norfolk and Southern Railroads these companies be required to implement alternative routing plans that mitigate the impact of their trains on the people living along their rights of way. I further recommend that the costs associated with mitigation, whether attributable to the use of alternative routes or such measures as the elimination of grade crossings, be shouldered by the railroads whose operations are responsible for creating the hazards referred to above. The alternative, to use tax monies, would represent corporate welfare on an egregious and unacceptable scale, and would be unfair to most other businesses which cannot call upon such government largess.

In closing, I wish to say that I am not opposed to the merger under consideration. What I am opposed to is the manner in which the parties in question wish to go about accomplishing this objective. The plans they have put forth clearly suggest that corporate convenience and bottom lines are the railroads one and only consideration.

Very truly yours,



Richard L. Ehrlich
Executive Director

cc: The Honorable Gus Owen
The Honorable Rodney Slater
The Honorable Louis Stokes
The Honorable Dennis J. Kucinich
The Honorable Steven Latourette
The Honorable Mike DeWine
The Honorable Michael R. White

STB

FD-33388

4-29-98

J

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OPPENHEIMER WOLFF & DONNELLY LLP

1020 Nineteenth Street N.W.
Suite 400
Washington, D.C. 20036-6105

(202) 293-6300
FAX (202) 293-6200

Direct Dial: 202-496-4906
Email: ksheys@owdlaw.com

April 29, 1998

VIA HAND DELIVERY

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

**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 -- Transfer of Railroad Line by Norfolk Southern Railway
Company to CSX Transportation, Inc.**

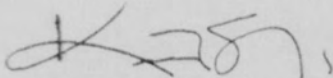
Dear Secretary Williams:

Please amend the service list in this proceeding to reflect the following change of address:

Kevin M. Sheys
Oppenheimer Wolff Donnelly & Bayh LLP
1350 Eye Street, N.W.
Suite 200
Washington, D.C. 20005

If you have any questions, please contact me. Thank you.

Respectfully submitted,



Kevin M. Sheys

cc: All Parties of Record



Firm/Affiliate Offices

Brussels

Chicago

Geneva

Irvine

Los Angeles

Minneapolis

New York

Paris

Saint Paul

San Jose

Washington, D.C.

APR 30 1998

ADD TO SERVICE LIST ONLY

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FD-33388

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J

ID-MO~~ES~~⁶

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STEVEN J. CORTESE, STAFF DIRECTOR
JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, DC 20510-6025

FILE IN DOCKET

JD-33388

April 16, 1998

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

Dear Secretary Williams:

I am hopeful that you will take into account the comments and concerns addressed in Consol Incorporated's leave to intervene relating to the Conrail acquisition which is pending before the Surface Transportation Board, STB Finance Docket No. 33388, CSX Corp., et al.--Control and Operating Leases/Agreements--Conrail, Inc., et al.

It has been brought to my attention that certain assurances made by CSX and Conrail during previous proceedings have become less representative of the original spirit of the control and operating leases/agreements.

With kind regards, I am

Sincerely yours,

Robert C. Byrd
Robert C. Byrd

RCB:lem

RECEIVED
SURFACE TRANSPORTATION BOARD
APR 20 3 14 PM '98
CHAIRMAN MORGAN

STB

FD-33388

4-27-98

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ID-MO

~~H~~

DENNIS J. KUCINICH

10TH DISTRICT, OHIO

1730 LONGWORTH OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-5871

14400 DETROIT AVENUE
LAKEWOOD, OHIO 44107
(216) 228-8850



Congress of the United States
House of Representatives

Committees:
Government Oversight
Education
and the
Workforce

FILE IN DOCKET

April 23, 1998

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 K St. NW #820
Washington, D.C. 20423

Dear Ms. Morgan:

Re: Finance Docket No. 33388

I am writing to inform the Surface Transportation Board that negotiations between the Conrail Acquisition Applicants and the Cleveland-area communities in the 10th Congressional District are still underway.

The negotiations have so far proven to be productive, and I expect them to continue in a positive direction. I would like the Surface Transportation Board to take these ongoing negotiations into account before deciding to impose mitigation.

The previous deadline to reach an agreement by April 15, 1998 had been extended until today. However, despite progress, an agreement has not yet been reached.

I appreciate your consideration of this important matter.

Sincerely,

Dennis J. Kucinich
Member of Congress

DJK:ec

CHAIRMAN MORGAN

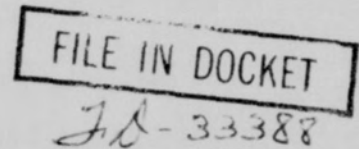
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RECEIVED
SURFACE TRANSPORTATION
BOARD



Office of the Chairman

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



May 5, 1998

The Honorable Dennis Kucinich
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Kucinich:

Thank you for your letters regarding the status of negotiations between representatives of the applicant railroads and the Greater Cleveland area concerning the impact of the proposed Conrail acquisition. I appreciate your keeping me informed of the negotiations.

I am having your letters and my response included in the formal docket for this proceeding. I hope that a mutually acceptable resolution can be reached expeditiously in this matter.

Sincerely,

Linda J. Morgan
Linda J. Morgan

STB

FD-33388

4-27-98

J

ID-MOEH

FRANK MASCARA

20th DISTRICT, PENNSYLVANIA

314 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4665

TRANSPORTATION AND
INFRASTRUCTURE COMMITTEE

VETERANS' AFFAIRS COMMITTEE

Congress of the United States

House of Representatives

Washington, DC 20515-3820

April 23, 1998

FILE IN DOCKET

FN-33388

CHAIRMAN MORAN
APR 21 5 16 PM '98
U.S. HOUSE OF REPRESENTATIVES

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW - 7th Floor
Washington, D.C. 20423

RE: Petition of Consol, Inc.
STB Finance Docket NO. 33388
CSX/NS Bid to Acquire Conrail

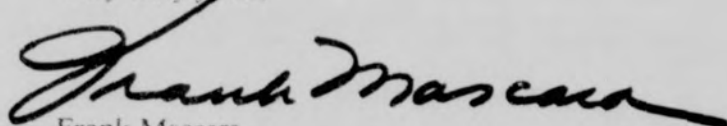
Dear Secretary Williams:

It is my understanding that CONSOL, Inc., which is Pennsylvania's largest shipper on Conrail was given strong representations by both CSX and NS that it would have joint access to CSX and NS to ship their coal on the old Monongahela Railway Company (MGA). For this reason, Consol, Inc. did not seek to intervene in the acquisition at the appropriate time.

The old Monongahela Railway Company, now owned by Conrail, serves several mines in Greene County, Pennsylvania, representing hundreds of good paying jobs to my constituents. I obviously have a great interest in knowing that operations on those lines will be rendered safely and efficiently by the two railroads proposing to take them over. If, as Consol says, the two railroads have not yet been able to arrive at a complementary operating agreement for the Monongahela lines, that could be troublesome. To assure CONSOL equal commercial access to the coal producing mines served by the Monongahela lines, there needs to be sufficient lead time for an orderly transition from the services now provided by Conrail.

This letter should not be construed as my position on the merits of the CONSOL filings. It would seem however, they have a legitimate reason to be heard. I would be appreciative if you were to circulate this letter to the Chairman and Vice Chairman and if you would be kind enough to keep me apprised of further developments in this proceeding.

Very truly yours,



Frank Mascara
Member of Congress

FM:bc

DISTRICT OFFICES

(800) 213-5570

Greene Co. Ofc. Bldg
93 E. High St. Rm. 303
Waynesburg, PA 15370
(724) 852-2182

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(724) 228-4326

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416 South Main Street
Greensburg, PA 15601
(724) 834-6441

STB FD-33388 4-24-98 J ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Gordon C. Miller
Chairman of the Board
Star Transportation Services, Inc.
611 North Route 83
Suite 205
Bensenville, IL 60106

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Miller:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

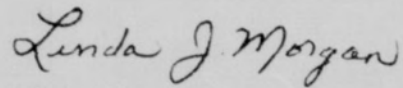
The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) is conducting an environmental review of the potential environmental impacts associated with the proposed Conrail Acquisition. As part of its environmental review, SEA issued a Draft Environmental Impact Statement (EIS) on December 12, 1997, which addressed various environmental impact areas, including safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, environmental justice, and cultural and historic resources. Chapter 5 of the Draft EIS focused on the concerns relating to increased rail traffic in Ohio, especially the northeast Ohio and Cleveland areas. SEA recommended numerous mitigation measures to address the potential environmental impacts in that area, including railroad consultations with affected communities to discuss their concerns and possible solutions.

SEA is fully aware that these issues are of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA has attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA has also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA plans to issue in late May 1998 a Final EIS for consideration by the Board. In its final decision, the Board will consider the entire environmental record, including all public comments, the Draft EIS, and the Final EIS. The Board will issue its final written decision in July 1998.

If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,

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

Linda J. Morgan



FILE IN DOCKET

March 23, 1998

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

Dear Honorable Morgan:

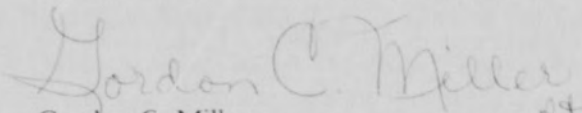
As a transcontinental shipper of freight via the railroads of our country, our business finds itself moving through the state of Ohio destined to and from New England and the east coast.

We all know of the service problems the shipping has experienced in the southwest and west with the UP-SP merger. Lets not create another potential stranglehold on the main line business through Cleveland with the proposed plan to "flip" the CSX and the Norfolk Southern lines.

Cleveland is a focal point on East-West service requirements, let not make it another Houston. Please support the operating plan as submitted by CSX.

Very truly,

STAR TRANSPORTATION SERVICES, INC.


Gordon C. Miller
Chairman of the Board

GCM:t

CC: The Honorable Rodney Slater
The Honorable Jolene Molitoris
The Honorable George Voinovich
Mr. John Q. Anderson - CSX



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. James J. LeGates
Land Transportation Manager
IKEA Wholesale, Inc.
Plymouth Commons
496 W. Germantown Pike
Plymouth Meeting, PA 19462

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. LeGates:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

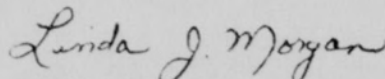
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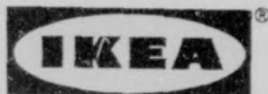
SEA is fully aware that these issues are of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA has attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA has also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA plans to issue in late May 1998 a Final EIS for consideration by the Board. In its final decision, the Board will consider the entire environmental record, including all public comments, the Draft EIS, and the Final EIS. The Board will issue its final written decision in July 1998.

If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,


Linda J. Morgan



IKEA NORTH AMERICA SERVICES, INC.
IKEA HOLDING US, INC.
IKEA WHOLESALE, INC.
IKEA PROPERTY, INC.
IKEA U.S., INC.

March 17, 1998

FILE IN DOCKET

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Suite 820
Washington, DC 20423

CHAIRMAN MORGAN

MAR 25 5 30 PM 1998

SURFACE TRANSPORTATION BOARD

Dear Chairman Morgan,

I am writing to express serious concerns regarding recent actions by the city of Cleveland that would have severe adverse effects on the many benefits that could accrue to shippers by the acquisition of Conrail by CSX and the Norfolk Southern.

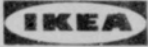
The substantial benefits projected for east/west shippers by the CSX/Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the city of Cleveland has made to the Surface Transportation Board (STB). The threat of another operational debacle, such as the one experienced recently 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.

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 railroad's 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 is 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 and train queuing east, west, north and south -





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 muting 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.

Sincerely,

James J. LeGates
IKEA Wholesale, Inc.
Land Transportation Manager

cc:

The Hon. Rodney Slater
Secretary
Department of Transportation

The Hon. George Voinovich
Governor
The State of Ohio

The Hon. Jolene Molitoris
Administrator
Federal Railroad Administration

Mr. John Q. Anderson
Chief Commercial Officer
CSX Transportation





Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Michael Lamendola
Manager, Transportation
Bestfoods Grocery
700 Sylvan Avenue
International Plaza
Englewood Cliffs, NJ 07632-9976

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Lamendola:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

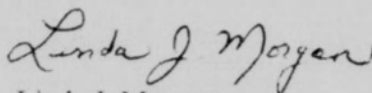
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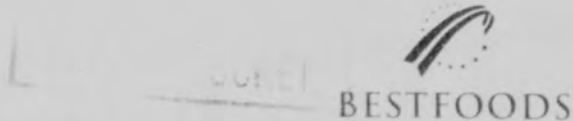
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If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,


Linda J. Morgan



March 18, 1998

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Suite 820
Washington, DC 20423

Dear Chairman Morgan:

I am writing to express serious concerns regarding recent actions by the City of Cleveland that would severely and 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/Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the City of Cleveland has made to the Surface Transportation Board (STB). 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.

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 railroad's 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 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 will run in conflict with the other railroad, and the inherent conflict it creates will result in a degradation of the service improvements promised by the transaction. Conrail east/west rail customers will most likely see transit times increase compared to what's experienced today.

The Honorable Linda Morgan

Page 2

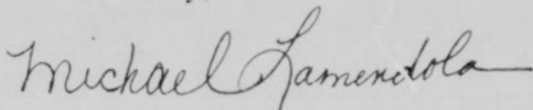
March 19, 1998

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.

Sincerely,

A handwritten signature in cursive script, reading "Michael Lamendola". The signature is fluid and extends to the right with a long horizontal stroke.

Michael Lamendola
Manager, Transportation

cc: The Honorable Rodney Slater
The Honorable Jolene Molitoris
The Honorable George Voinovich
Mr. John Q. Anderson



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Jeff M. Jensen
Vice President
Sales and Marketing
Intermodal Sales Corporation
5051 Canyon Crest Drive, Suite 104
Riverside, CA 92507

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Jensen:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

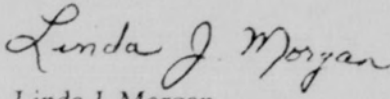
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If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,


Linda J. Morgan

**INTERMODAL
ISc SALES
CORPORATION**

FILE IN DOCKET

March 24, 1998

The Hon. Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Suite 820
Washington, D.C. 20423
Fax: (202) 565-9015

Dear Hon. Linda Morgan:

I am writing to express serious concerns regarding recent actions by the city of Cleveland 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/Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the city of Cleveland has made to the Surface Transportation Board (STB). 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.

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 railroad's 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 and train queuing east, west, north and south -- 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.

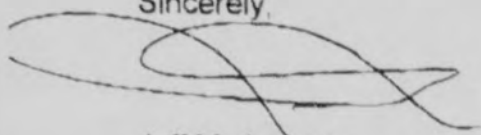
Should the "flip" be adopted and service quality affected, neither railroad will be able to compete as effectively with trucks, resulting in lost opportunity to relieve traffic congestion and make important environmental gains. CSX estimates alone identify more than eight-million truck miles to be diverted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

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Thank you for your assistance.

Sincerely,



Jeff M. Jensen
Vice President
Sales and Marketing

cc: The Hon. Rodney Slater
cc: The Hon. Jolene Molitoris Administrator
cc: The Hon. George Voinovich Governor
cc: Mr. John Q. Anderson



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Ronald W. Hitter
Director, Logistics
Mazda North American Operations
7755 Irvine Center Drive
P.O. Box 19734
Irvine, CA 92623-9734

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Hitter:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

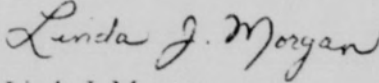
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Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

Mazda North American Operations



March 16, 1998

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

Dear Ms. Morgan:

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Ms. Linda Morgan

Page 2

March 16, 1998

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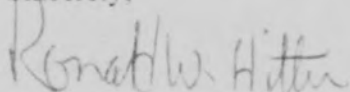
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Thank you for your assistance.

Sincerely,



Ronald W. Hitter
Director, Logistics

RWH:jd

cc: The Hon. Rodney Slater
Secretary
Department of Transportation

The Hon. Jolene Molitoris
Administrator
Federal Railroad Administration

The Hon. George Voinovich
Governor
State of Ohio

Mr. John Q. Anderson
Chief Commercial Officer
CSX Transportation - J120



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

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

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Heisler:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

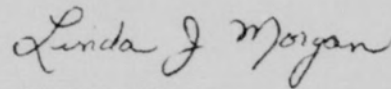
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If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,

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

Linda J. Morgan



FILE IN DOCKET

Sun Company, Inc.
Ten Penn Center
1801 Market Street
Philadelphia PA 19103-1699

March 19, 1998

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, NW, Suite 280
Washington, DC 20423

Dear Ms. Morgan,

I am writing to express concern with the Cleveland, Ohio filing to modify the original Norfolk Southern and CSXT acquisition and breakup of ConRail. Sun Company strongly supports the transaction as originally proposed and feels that the service benefits projected will be seriously jeopardized unless the plan is allowed to proceed.

Sun Company is the parent of Sunoco Chemicals, lubricants, gasoline and fuel products. We manufacture our products at 6 refineries and distribute through 3900 gas stations, 62 terminals and transfer sites to our customers located primarily the eastern half of the United States. Over 17,000 shipments of our chemicals and lubricants were shipped in 1997 via 2100 rail tank cars to markets and customers that are located primarily on ConRail, CSXT and Norfolk Southern destinations.

To efficiently compete, Sun requires reliable and efficient rail delivery. The Conrail breakup as proposed is expected to improve rail transit service and increase modal competition with trucks. Cleveland is a key east/west intersection in delivering Sun's products:

- * From our Toledo refinery's chemicals to northeast and middle atlantic customers.
- * From our Philadelphia & Marcus Hook, PA refineries to midwestern destinations
- * We receive and distribute several hundred tank car loads of oils each year at our Cleveland, OH terminal. This product originates in Tulsa, OK and Marcus Hook, PA.

Service to and through the Cleveland area must be as streamlined as possible to continue and grow the rail transportation network efficiencies and viability, and the breakup plan as proposed provides for this.

Cleveland's strategic location could create a critical service disruption point for eastern rail carriers if massive construction and operating restrictions are placed on the acquiring carriers.

CHAIRMAN, MORGAN

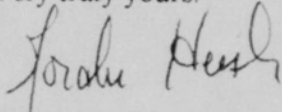
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RECEIVED
SURFACE TRANSPORTATION

Sun Company strongly encourages the Surface Transportation Board to approve the transaction as proposed, and allow local Ohio issues to be resolved between the property owners at a local level.

Thank you for your consideration.

Very truly yours.

A handwritten signature in cursive script, appearing to read "Gordon R. Heisler".

Gordon R. Heisler
Manager Transportation Operations

cc; J. Peters
J. Fidler
B. Fischer - Toledo
J. Andersen - Akron



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Steve Deming
Transportation and Logistics Manager
Raynor Express Corp.
1101 East River Road
P.O. Box 448
Dixon, IL 61021-0448

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Deming:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

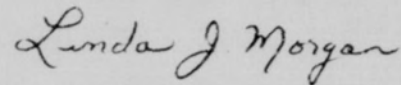
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If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

RAYNOR
EXPRESS CORP.

FILE IN DOCKET

March 13, 1998

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

Re: Proposed Acquisition of Conrail by CSX and NS

To Whom It May Concern:

The purpose of this letter is to express considerable concern regarding the City of Cleveland's opposition to the original proposal by CSX and NS. To "flip" the rail lines between CSX and NS would impose a negative impact on Raynor Garage Doors and other businesses in our community using the rail lines as a major transportation exchange.

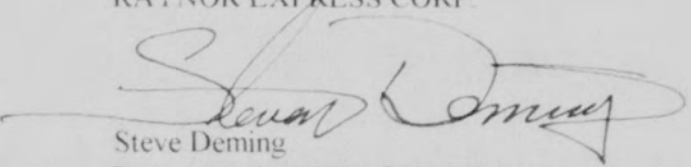
Raynor Garage Doors has experienced a comfortable working relationship with CSX in the past regarding our rail movements. Their movements are swift and without complications with requests for any special situations easily attainable.

Norfolk Southern, on the other hand is not quite as cooperative. Their response to any requests is slow and more frequently unattainable. We have found Norfolk Southern to be unreliable with transit information.

Raynor Garage Doors' support resides with CSX. Please contact my office when there is additional information regarding this rail change. Further, be advised of our support when it is obvious that Raynor may be of assistance in obtaining final endorsement of the original proposal presented by CSX and NS.

Sincerely,

RAYNOR EXPRESS CORP.



Steve Deming

Transportation & Logistics Manager

SD:tem

The Honorable Rodney Slater
Secretary
Department of Transportation
400 - 7th Street, SW
Room 10200
Washington, DC 20590

The Honorable Joeline Molitoris
Administrator
Federal Railroad Administration
1120 Vermont Avenue, NW
7th Floor
Washington, DC 20005

The Honorable George Voinovich
Governor
State of Ohio
77 South High Street
30th Floor
Columbus, OH 43266

Mr. John Q. Anderson
Chief Commercial Officer
CSX Transportation - J120
500 Water Street
Jacksonville, FL 32202



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Thomas C. Cook
President
Piggyback Plus
The Cook Building
1070 NW Murray Rd., Ste. C
Portland, OR 97229

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Cook:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

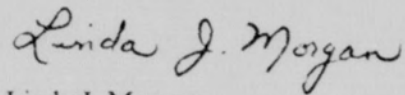
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Linda J. Morgan

PIGGYBACK PLUS

THE COOK BUILDING
1070 NW MURRAY RD., STE. C
PORTLAND, OR 97229

503-643-2300 LOCAL
800-327-4449 USA
503-644-3116 FAX
pig@piggy.com E-MAIL

March 13, 1998

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

Dear Ms. Morgan:

I am writing to express serious concerns regarding recent actions by the City of Cleveland 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 / Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the City of Cleveland has made to the Surface Transportation Board (STB). 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.

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 railroad's 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 were available, the two-year construction period for the "fly-over" -- 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.



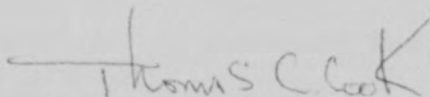
Should the "flip" be adopted and service quality affected, neither railroad will be able to compete as effectively with trucks, resulting in lost opportunity to relieve traffic congestion and make important environmental gains. A minimum CSX estimates alone identify more than eight-million truck miles 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.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas C. Cook". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Thomas C. Cook
President

cc: The Hon. Rodney Slater
The Hon. Jolene Molitoris
The Hon. George Voinovich
Mr. John Q. Anderson



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Charles R. Callahan
Director of Transportation
Mulch Manufacturing, Inc.
6747 Taylor Road, S.W.
Reynoldsburg, OH 43068-9649

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Callahan:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) is conducting an environmental review of the potential environmental impacts associated with the proposed Conrail Acquisition. As part of its environmental review, SEA issued a Draft Environmental Impact Statement (EIS) on December 12, 1997, which addressed various environmental impact areas, including safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, environmental justice, and cultural and historic resources. Chapter 5 of the Draft EIS focused on the concerns relating to increased rail traffic in Ohio, especially the northeast Ohio and Cleveland areas. SEA recommended numerous mitigation measures to address the potential environmental impacts in that area, including railroad consultations with affected communities to discuss their concerns and possible solutions.

SEA is fully aware that these issues are of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA has attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA has also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA plans to issue in late May 1998 a Final EIS for consideration by the Board. In its final decision, the Board will consider the entire environmental record, including all public comments, the Draft EIS, and the Final EIS. The Board will issue its final written decision in July 1998.

If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,

Linda J Morgan

Linda J. Morgan



Mulch Manufacturing, Inc.

6747 Taylor Road S.W.
Reynoldsburg, Ohio 43068-9649
(614) 864-4004

March 23, 1998

FILE IN DOCKET

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

Dear Chairman Morgan,

I am writing to express our concern about a proposal by the City of Cleveland which could severely impact our ability to move product into and through the Cleveland area.

As a strong supporter of the joint acquisition of Conrail by CSX and Norfolk Southern we anticipated utilizing rail to a much larger degree once this plan was approved. Now we must face another hurdle as non-transportation people try to micro-manage this process. Let these two railroads develop the most efficient system possible to benefit the shipping public. The proposed "flip" of rail lines between CSX and NS can only have a negative impact on the the future of rail traffic in Cleveland.

We are convinced that CSX and NS have studied the debacle that occurred recently in Houston, after rail operations were changed there. They are attempting to prevent a similiar situation in Cleveland.

Let the current plans proposed by CSX and NS for the Cleveland rail system remain as is. Don't let these proposed changes jeopardize the future of rail traffic through Cleveland.

Sincerely,

Charles R. Callahan
Director of Transportation

CC: The Hon. Rodney Slater
The Hon. Jolene Molitoris
The Hon. George Voinovich
Mr. John Q. Anderson



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

The Honorable Bob Clement
U.S. House of Representatives
Washington, D.C. 20515-4205

Dear Congressman Clement:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. Specifically, you express concern over the effect that approval of the proposed transaction may have on the rights of American President Lines (APL) under an existing, long-term transportation contract with Conrail.

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

In deciding whether a control transaction such as the one being proposed here is in the public interest and should be approved, the Board must consider various factors required by law, and resolve the material issues raised by the parties to the proceeding. In this regard, let me assure you that the Board will give full consideration to the matter 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

BOB CLEMENT
5TH DISTRICT, TENNESSEE

COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE
RANKING MEMBER, SUBCOMMITTEE
ON COAST GUARD AND
MARITIME TRANSPORTATION
SUBCOMMITTEE ON RAILROADS

COMMITTEE ON INTERNATIONAL RELATIONS
SUBCOMMITTEE ON INTERNATIONAL
ECONOMIC POLICY AND TRADE

e-mail: bob.clement@mail.house.gov



Congress of the United States
House of Representatives
Washington, DC 20515-4205

April 13, 1998

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

Dear Chairman Morgan:

It has come to my attention that APL Limited is requesting that the non-assignment clause of its long-term transportation contract with Conrail not be overridden, and that APL be permitted the opportunity to decide the specific service to be provided under the contract by CSX and NS.

The U.S. Department of Transportation, in its brief to the Surface Transportation Board regarding the CSX Corporation and Norfolk Southern Corporation takeover of Conrail, supports APL's position when it states:

"DOT believes that a solution allowing shippers the right to choose between two acquiring carriers in circumstances where either railroad could perform the services previously provided by a third seems a fair compromise between the needs of railroads and those of shippers."

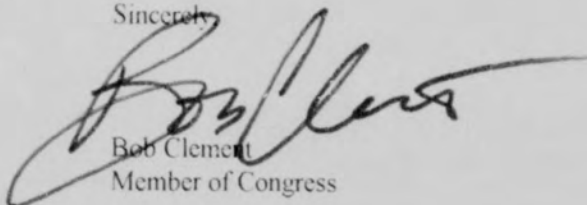
I would suggest that APL has demonstrated that it warrants this type of relief. That party has expressed concern that if its non-assignment clause is voided it will find itself bound to a partnership for some years with a competitor with whom it might well have refused to deal with in the first instance.

I hope that the STB will give favorable consideration to APL's request to be allowed to renegotiate its Conrail contract because the NS and CSX route structures and facilities, following their dismemberment of Conrail, will be markedly different from those for which APL bargained with Conrail.

In a free market, APL would be able to negotiate separately with CSX and NS unfettered by section 2.2 (c). This is especially true in light of the non-assignment clause APL negotiated with Conrail.

Thanking you in advance for your consideration.

Sincerely,


Bob Clement
Member of Congress

FILE IN DOCKET

DISTRICT OFFICES:
338 U.S. COURTHOUSE
NASHVILLE, TN 37203
615-736-5295

101 5TH AVENUE WEST
SUITE 201
SPRINGFIELD, TN 37172
615-384-6600

2701 JEFFERSON STREET
SUITE 103
NASHVILLE, TN 37208
615-320-1363

WASHINGTON OFFICE:
ROOM 2229
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-4205
202-225-4311

CHAIRMAN MORGAN

APR 21 5 41 PM '98

SURFACE TRANSPORTATION BOARD



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Leroy Stafford
President
WECO
2700 East 79th Street
Cleveland, OH 44104

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Stafford:

Thank you for your letter expressing your concerns about the potential negative impacts on the Cleveland community from the proposal by Norfolk Southern and CSX to acquire Conrail.

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) is conducting an environmental review of the potential environmental impacts associated with the proposed Conrail acquisition and will prepare an Environmental Impact Statement (EIS). As part of its environmental review, SEA will address several environmental impact areas, including safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, environmental justice, and cultural and historic resources. In analyzing potential safety impacts, SEA will consider accident risk and vehicular delay at grade crossings.

The EIS also will present an analysis of the increased probability of derailments and releases of hazardous materials due to increased train traffic. Further, SEA will examine local truck traffic increases attributable to increased intermodal activities, and safety issues associated with the integration of differing rail operating systems and procedures. In addition, SEA will address potential impacts on emergency response capability because of vehicular delays at rail grade crossings due to increases in rail-related operations as a result of the proposed Conrail acquisition. SEA is fully aware that these and other issues are of major concern to the residents of the entire Cleveland area.

Under the current procedural schedule adopted by the Board, SEA issued the Draft EIS on December 12, 1997, the public review and comment period ended on February 2, and the staff is currently evaluating those comments. After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate

agencies, and fully considering all public comments, SEA plans to issue in May 1998 a Final EIS for consideration by the Board. In its final decision, the Board will consider the entire environmental record, including all public comments, the Draft EIS, and the Final EIS. The Board will issue its final written decision in July 1998.

I am having your letter and my response placed in the public docket for this proceeding. If you have additional questions concerning the environmental review process, please contact Mike Dalton, SEA Project Manager for the Conrail Acquisition EIS, at (202) 565-1530.

Sincerely,

Linda J. Morgan
Linda J. Morgan

WECO



Working for Empowerment through Community Organizing

2700 East 79th Street
Cleveland, Ohio 44104
Tel: (216) 881-9650

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

3/10/98

Dear Ms. Morgan,

WECO (Working for Empowerment Through Community Organizing) is a twenty-six year old eastside Cleveland community economic development organization whose dues paying membership represents companies, church and community development credit unions, social service agencies and organizations engaged in economic development. Our community has been severely impacted by out migration of employers and property owners resulting in a loss of over 30,000 jobs during the past thirty years and a high degree of vacant and abandoned properties.

WECO represents approximately 15,000 employees, employers, residents, institution and community organization members. Daily we strive to revitalize our area through economic development strategies that retain, attract and re-circulate capital.

WECO has received national recognition for creating Community Development Credit Unions in areas abandoned by banks. Most recently we directly assisted one of our members, Faith Community United Credit Union, in receiving a grant from the US Treasury Community Development Financial Institution Fund.

This letter is sent to indicate our concern about the CSX and Norfolk & Southern rail merger due to the proposed routing and volume increase of trains through our community. Particularly, the CSX line from Ashtabula will increase traffic from 7 trains a day to 44 at a grade crossing on Bessemer Ave. This is a major industrial area where WECO is working with the City to create a model urban industrial park with an on site job training center. The ambition is to redevelop a large brownfield and clear abandoned properties for a 35-acre park. We will target growing companies and have an on site job training center to provide opportunities for local residents while meeting the need for new skilled employees. The increase in train traffic and subsequent delays at this at grade crossing will make our redevelopment plans virtually impossible. Access to the community will be impeded for truck traffic, the primary mode of transportation for area companies, and a clear obstacle to our work with government agencies for a connector

road to the highway system. This access strategy is the linchpin to the entire area revitalization. Presently trucks move through a residential area unable to successfully redevelop without this connector road.

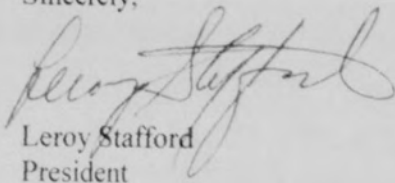
This comprehensive development effort affecting both industry and residents is very difficult and expensive. It has taken WECO three years of intensive work to lay the base for this exciting opportunity. The increase in rail traffic has the potential to destroy this community ambition.

Our concern also is for the adjacent residential neighborhood, upper Bessemer Ave. Homeowners who already have limited opportunities of selling their properties because of blight and decay will now be faced with another obstacle, 44 plus roaring trains a day. This increase in train traffic will make upward economic mobility impossible for these people who we imagine will be coming through the job center, entering manufacturing jobs, and earning anywhere from \$8.00 - \$14.00 an hour.

We ask that you support the routing options proposed by the City of Cleveland. Take this once in a lifetime regulatory opportunity to have rail traffic be a benefit to the industry, local corporations and the residents of the City.

We would be pleased to respond to any questions you may have about this matter. Thank you for the opportunity to participate in this situation that will long impact WECO's economic development activities.

Sincerely,



Leroy Stafford
President

cc: Mayor Michael R. White
Candice Amos



Office of the Chairman

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

FILE IN DOCKET

April 24, 1998

Mr. Gregory J. Nugent
Corporate Intermodal Manager
United Parcel Service
55 Glenlake Parkway, NE
Atlanta, GA 30328

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail

Dear Mr. Nugent:

Thank you for your recent letter expressing your support for the proposed acquisition of Conrail by Norfolk Southern and CSX and your concerns about the potential adverse effect on public safety and customer service resulting from the proposed City of Cleveland alternative to "flip" the lines between CSX and NS.

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) is conducting an environmental review of the potential environmental impacts associated with the proposed Conrail Acquisition. As part of its environmental review, SEA issued a Draft Environmental Impact Statement (EIS) on December 12, 1997, which addressed various environmental impact areas, including safety, transportation systems, land use, energy, air quality, noise, biological resources, water resources, environmental justice, and cultural and historic resources. Chapter 5 of the Draft EIS focused on the concerns relating to increased rail traffic in Ohio, especially the northeast Ohio and Cleveland areas. SEA recommended numerous mitigation measures to address the potential environmental impacts in that area, including railroad consultations with affected communities to discuss their concerns and possible solutions.

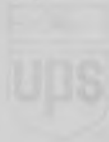
SEA is fully aware that these issues are of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA has attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA has also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA plans to issue in late May 1998 a Final EIS for consideration by the Board. In its final decision, the Board will consider the entire environmental record, including all public comments, the Draft EIS, and the Final EIS. The Board will issue its final written decision in July 1998.

If you have additional questions concerning the environmental review process, please call me, or contact Elaine K. Kaiser, SEA's Environmental Project Director, or Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely,

Linda J. Morgan
Linda J. Morgan



United Parcel Service 38 Glenlake Parkway, NE
Atlanta, GA 30328
(404) 828-6000

March 13, 1998

FILE 1

CHAIRMAN MORGAN

MAR 20 4 07 PM '98

STAFF/ADMINISTRATION

The Hon. Linda Morgan
Chairman
Surface Transportation Board
1925 K Street, NW
Suite 820
Washington, DC 20423

Dear Ms. Morgan:

I am writing to express serious concerns regarding recent actions by the city of Cleveland 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/Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the city of Cleveland has made to the Surface Transportation Board (STB). 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.

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 railroad's 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.

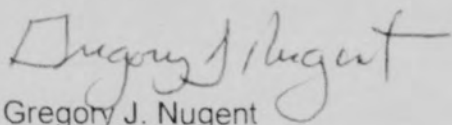
To resolve this inherent conflict, Cleveland has proposed a 2-mile long "fly-over", or overhead bridge, that would cost in excess of \$150 million and take a minimum of four years to design and build. Assuming the "flip" were necessary, which we do not believe, and that the money were available, the two-year construction period for the "fly-over" with unavoidable traffic curfews and train queuing east, west, north and south – 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.

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 Corrail acquisition are realized and that shipping nightmares like those that have occurred in Houston are avoided.

Thank you for your assistance.

Sincerely,




Gregory J. Nugent
Corporate Intermodal Manager
United Parcel Service

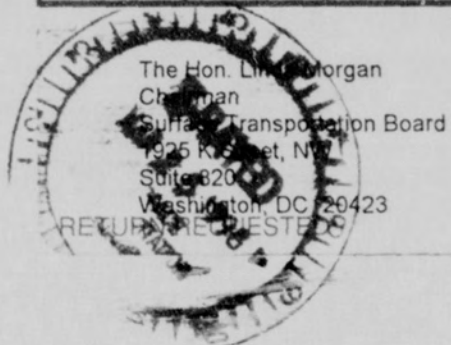
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|-----|-----------------------|---|
| cc: | Hon. Rodney Slater | Secretary Dept. of Transportation |
| | Hon. George Voinovich | Governor State of Ohio |
| | Hon. Jolene Molitoris | Administrator Federal Railroad Administration |
| | Hon. John Q. Anderson | Chief Commercial Officer CSX |
| | Tony Santoro | Vice President |

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ARLEN SPECTER
PENNSYLVANIA

COMMITTEES
JUDICIARY
APPROPRIATIONS
VETERANS' AFFAIRS
GOVERNMENTAL AFFAIRS

711 HART SENATE BUILDING
WASHINGTON, DC 20510-3802
202-224-4254

United States Senate

WASHINGTON, DC 20510-3802

April 14, 1998

Mr. Richard Fitzsimmons
Director, Office of Congressional
and External Affairs
Surface Transportation Board
1925 K Street, Room 842
Washington, DC 20423-0001

FILE IN DOCKET

Dear Mr. Fitzsimmons:

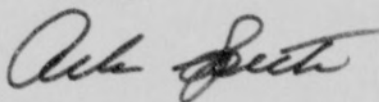
My office has been contacted by Ms. Kathleen Conti concerning her problem with the CSX and Norfolk Southern Corporations attempt to acquire Conrail. I am forwarding to you a copy of the correspondence that I have received.

Your findings and views, along with the return of the enclosure, will be greatly appreciated. Please direct your reply to my assistant, Stan Caldwell, at the following address:

Suite 2031 Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222
(412) 644-3400

Thank you for your assistance with the aforementioned matter.

Sincerely,



Arlen Specter

AS/sc
Enclosures

STATE OFFICES

- ☐ 600 ARCH STREET, SUITE 9400
PHILADELPHIA, PA 19106
215-597-7200
- ☐ SUITE 2031, FEDERAL BUILDING
PITTSBURGH, PA 15222
412-644-3400
- ☐ ROOM 107, FEDERAL BUILDING
ERIE, PA 16501
814-453-3010
- ☐ ROOM 1159, FEDERAL BUILDING
HARRISBURG, PA 17101
717-782-3951
- ☐ ROOM 102, POST OFFICE BUILDING
ALLENTOWN, PA 18101
610-434-1444
- ☐ 310 SPRUCE STREET, SUITE 201
SCRANTON, PA 18503
717-346-2006
- ☐ ROOM 306, 116 S. MAIN STREET
WILKES-BARRE, PA 18701
717-826-6265

CHAIRMAN MORGAN

APR 11 6 07 PM '98

RECEIVED
SUBSTANTIVE INFORMATION

RECEIVED MAR 26 1998

Kathaleen Conti
61 Moon Run Road
Robinson Twp., PA
15136

March 25, 1998

The Honorable Arlen Specter
United States Senate
Suite 2031 Federal Building
Pittsburgh, PA 15222

Dear Senator Specter:

I received your letter in October, 1997 regarding your personal efforts to determine the massive implications by CSX and Norfolk Southern Corporations attempts to acquire Conrail. As you eloquently stated in your October letter to me, "Conrail has a significant presence in Pennsylvania, both upon Conrail employees and Pennsylvania businesses."

You and I have been communicating since April, 1997 about my fiance, Tom Swish's personal on-going battle against Conrail. Tom's dilemma with Conrail was supposedly going to be brought to arbitration by the B.L.O.F.E.

Tom has been employed by the P.C.T. & Y Railroad for twenty-seven (27) years when the now defunct I.C.C. mandated (see enclosed document) that Conrail merge and consolidate the P.C.T. & Y Railroad and all of its employees into the Conrail system and work roster.

No one was ever aware of the above I.C.C. order until after Conrail sold the P.C.T. & Y Railroad to a non-union entity, the Pittsburgh Industrial Railroad.

I was spring cleaning and found the enclosed documents that my fiance Tom Swish had received from Conrail (via the now extinct P.C.T. & Y. Railroad) on December 2, 1994. The effective date that the division notice was to be January 1, 1995.

If Conrail never took over the P.C.T. & Y. Railroad, why were its employees given this Notice? Of course, there was never an implementation of this division order and the answer to why really befuddles me.

Further, Conrail sent representatives down to offer severances to the P.C. T. & Y. employees (the conductors, engineers, etc.) in a starting amount of \$5,000.00, but it was declined. The matter regarding the engineers was supposed to be sent to arbitration before the Surface Transportation Board.

Hon. Arlen Specter
March 25, 1998
Page Two

A personal friend, Attorney Al Zangrilli, has attempted to break down the bureaucratic impasse by corresponding with the B.L. of E. Legal Counsel, Mr. Harold Ross. I have enclosed copies of the most recent correspondence. As you can read, according to Mr. Ross' February 20, 1998 letter to Mr. Zangrilli, Conrail had agreed to submit the arbitration agreement to its legal department.

I spoke to Mr. Bill Thompson, the local B.L. of E. Conrail Chairperson on March 16, 1998. He told me that Conrail refuses to arbitrate because it does not accept the former P.C.T. & Y. as Conrail.

I never contacted you after receiving your letter in October because I really believed that the issue would be arbitrated. Further, I have had personal health problems and honestly just had to take a break from this never-ending nightmare.

As I told you in the beginning of my correspondence with you regarding this entire matter, you have been the only elected official who has at least tried to help us. Also, you were not afraid to take a stand against the ominous power-monger, Conrail.

After fourteen (14) years of personal involvement with local politics, I know how Conrail Company representatives get their way. they have a lot of money and power and can make individuals and bureaucratic entities bend to their wishes.

Believe me, your ears should be ringing considering the number of people I have told (mostly Democrats) how Republican Senator Arlen Specter not only answered my letters but took action to try to find out how to help.

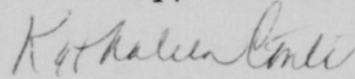
If the New York Dock was really written to help railworkers like Tom, who have been wronged by despotic Conrail and because of semantics regarding should or would, then how will all the railworkers be affected by the impending merger between CSX and Norfolk Southern?

Again, I would appreciate your assistance in just making sense of the massive runaround and rudeness I have encountered since I started this legal kattle because it was the right thing to do.

Hon. Arlen Specter
March 25, 1998
Page Three

If you need to reach me, you can contact me at (412)787-3664.

Yours truly,

A handwritten signature in cursive script, appearing to read "Kathaleen Conti".

Kathaleen Conti

KC/jo



Working safely requires continuous improvement.

DENNIS A. AROUCA
VICE PRESIDENT
LABOR RELATIONS

September 1, 1995

Mrs. Kathaleen A. Swish
61 Moon Run Road
Robinson Twp.
McKees Rocks, PA 15136

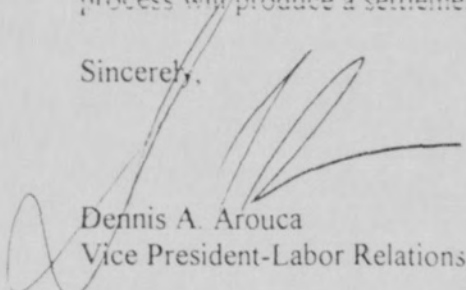
Dear Mrs. Swish:

This refers to your letters dated August 16, 1995 to Conrail President David LeVan, Assistant Vice President W. M. McCain, Senior Director-Labor Relations J. F. Glass and me, concerning the sale of the PC&Y Railroad.

While I appreciate your and employees' concerns about the possible sale of the PC&Y, I can assure you that the decision to offer it for sale was made only after thorough consideration. Unfortunately, the PC&Y's customer base is declining and the revenue the railroad generates is not sufficient to maintain and upgrade the physical plant.

Insofar as the PC&Y's collective bargaining agreements are concerned, the Organizations representing the PC&Y's employees and the carriers have exchanged bargaining proposals pursuant to the Railway Labor Act. Negotiations are underway and I am hopeful that the process will produce a settlement that is fair and acceptable to all concerned.

Sincerely,



Dennis A. Arouca
Vice President-Labor Relations

cc: D. M. LeVan, President

INTERSTATE COMMERCE COMMISSION

SERVICE DATE

DECISION

JAN 9 1995

Finance Docket No. 32419

CONSOLIDATED RAIL CORPORATION--ACQUISITION OF CONTROL AND
MERGERS--PITTSBURGH, CHARTIERS & YOUGHIOGHENY RAILWAY COMPANY

Decided: December 21, 1994

By petition filed April 13, 1994, Consolidated Rail Corporation (Conrail) seeks an exemption under 49 U.S.C. 10505 from the prior approval requirements of 49 U.S.C. 11343, et seq., to acquire control of the Pittsburgh, Chartiers, & Youghiogheny Railway Company (PC&Y) and to merge PC&Y into Conrail. The Railway Labor Executives' Association (RLEA) and the United Transportation Union filed comments. We are granting the exemption, subject to standard labor protective conditions.

BACKGROUND

Conrail is a class-I rail carrier, wholly owned by Conrail Inc. (CRI). Conrail holds interests in 22 entities, including 11 common carriers that are terminal railroads. Conrail is the successor to the rail properties of six bankrupt carriers including the Penn. Central Transportation Company (Penn Central), the Erie & Delaware Railroad, the Lehigh & Hudson River Railway, the Erie & Ohio Valley Railroad, the Central Railroad of New Jersey, and the Reading Company. The rail properties were conveyed to Conrail in 1976 pursuant to the Regional Rail Reorganization Act.

PC&Y is a class III rail carrier, operates near Pittsburgh, Pa., over approximately 12.5 miles of main track--8.73 miles from Carnegie, PA, to a point just beyond North McKees Rocks, PA, and 3.73 miles on Neville Island. The two segments are connected by 4600 feet of trackage belonging to the Three Rivers Railway Company (TRRY), on which PC&Y has trackage rights. In 1993, PC&Y handled a total of 5,178 cars, serving 7 shippers directly, three indirectly via Pittsburgh, Allegheny & McKees Rocks Co. (PAM) and two via Pittsburgh & Ohio Valley Railway Co. (P&OV). Both PAM and P&OV connect with TRRY as well as PC&Y.

CRI is a noncarrier holding company that also owns CRR Industries, Inc. (CRR). CRR holds 27 subsidiaries, all of which are noncarriers, and wholly owns TCV Ind. (TCVI). TCVI is a general partner, along with an indirect subsidiary of Norfolk Southern Corporation, in a joint venture--Triple Crown Services Company, which provides exempt intermodal service, in addition to holding common and contract motor carrier authority, and is a transportation broker.

49 U.S.C. 701-79 (m), 87 Stat. 985 (1973).

PC&Y also operates 1.61 miles of sidetrack and 5.69 miles of yard track in three yards at McKees Rocks, North McKees Rocks, and Neville Island.

Ships Gateway Terminal, AMC Resources, Specialty Mining, Inc., J. Allan Steel, Bruce Plastic, Neville Chemical, and Gordon Terminals.

Gordon Terminal Services, Bulkmatic, and Burstein.

Atlantic Chemical and Shenando Steel.

WAS SUPPOSE TO

BE A

TAKE OVER

MCKEES

The transactions are of a limited scope. They involve the acquisition of control of a small short line carrier, operating 12.51 miles of track, 1.6 miles of sidetrack, and three yards in a single metropolitan area, within a single state, and the merger of that shortline into Conrail. Regulation is not necessary to protect shippers from the abuse of market power because the 12 shippers currently served by PCSY will continue to receive the same service they now receive, but from Conrail. Non-rail transportation alternatives also are available to these shippers. The merger will not cause a competitive change to occur, and will eliminate duplicative and unnecessary facilities. Nevertheless, to ensure that these shippers are informed of our action we will require Conrail to serve a copy of this decision on each of the shippers within 5 days of the service date of the decision and inform us that it has done so.

Under 49 U.S.C. 10505(g)(3), we may not use our exemption authority to relieve carriers, or persons in control of carriers, of their obligation under 49 U.S.C. 11347 to protect the interests of employees adversely affected by the transaction. We will impose the conditions established in New York Dock Ry. -- Control--Brooklyn Eastern Dist., 360 I.C.C. 60 (1979), which are applicable to control transactions.

The Commission's Section of Environmental Analysis (SEA) examined the record in this proceeding. Based upon SEA's recommendation, we conclude that the proposal will not have an effect on historic properties, is exempt from the environmental reporting requirements under 49 CFR 1105.6(c)(2)(i) and the historic reporting requirements under 49 CFR 1105.8(b)(3), and will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. 10505, we exempt from the prior approval requirements of 49 U.S.C. 11343, et seq., the acquisition of control by Conrail of PCSY and PCSY's merger into Conrail, subject to the employee protective conditions established in New York Dock Ry. -- Control--Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

2. Conrail must serve a copy of this decision on the shippers currently served by PCSY within 5 days of the service date of this decision and certify to us that it has done so.

3. Notice will be published in the Federal Register on January 9, 1995.

4. This exemption will be effective on February 8, 1995.

5. Petitions to stay must be filed by January 24, 1995, and petitions to reopen must be filed by February 3, 1995.

By the Commission, Chairman McDonald, Vice Chairman Morgan, and Commissioners Simmons and Owen.

Vernon A. Williams
Secretary

(SEAL)

The transactions are of a limited scope. They involve the merger in control of a small short line carrier, operating 12.51 miles of track, 1.6 miles of sidetrack, and three yards in a single metropolitan area, within a single state, and the merger of that shortline into Conrail. Regulation is not necessary to protect shippers from the abuse of market power because the 12 shippers currently served by PC&V will continue to receive the same service they now receive, but from Conrail. Non-rail transportation alternatives also are available to these shippers. The merger will not cause a competitive change to occur, and will eliminate duplicative and unnecessary facilities. Nevertheless, to ensure that these shippers are informed of our action we will require Conrail to serve a copy of this decision on each of the shippers within 5 days of the service date of the decision and inform us that it has done so.

Under 49 U.S.C. 10505(g)(3), we may not use our exemption authority to relieve carriers, or persons in control of carriers, of their obligation under 49 U.S.C. 11347 to protect the interests of employees adversely affected by the transaction. We will impose the conditions established in New York Dock Ry -- Control -- Brooklyn Eastern Dist., 360 I.C.C. 60 (1979), which are applicable to control transactions.

The Commission's Section of Environmental Analysis (SEA) examined the record in this proceeding. Based upon SEA's recommendation, we conclude that the proposal will not have an effect on historic properties, is exempt from the environmental reporting requirements under 49 CFR 1105.6(c)(2)(1) and the historic reporting requirements under 49 CFR 1105.9(b)(3), and will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. 10505, we exempt from the prior approval requirements of 49 U.S.C. 11143, et seq., the acquisition of control by Conrail of PC&V and PC&V's merger into Conrail, subject to the employee protective conditions established in New York Dock Ry -- Control -- Brooklyn Eastern Dist., 360 I.C.C. 60 (1979).

2. Conrail must serve a copy of this decision on the shippers currently served by PC&V within 5 days of the service date of this decision and certify to us that it has done so.

3. Notice will be published in the Federal Register on January 9, 1995.

4. This exemption will be effective on February 8, 1995.

5. Petitions to stay must be filed by January 24, 1995, and petitions to reopen must be filed by February 3, 1995.

By the Commission, Chairman McDonald, Vice Chairman Morgan, and Commissioners Simmons and Owen.

(SEAL)

Vernon A. Williams
Secretary

PITTSBURGH, CHARTIERS & YOUGHIOGHENY RAILWAY
COMPANY

SUPERINTENDENT'S NOTICE

**SUBJECT : Abolishment of all positions and assignments of the
PC & Y.**

Effective at the end of the tour of duty on December 6, 1996 and unless notified otherwise, all Train, Engine, Maintenance of Way, Clerical, and Yardmaster positions and assignments of the PC & Y will be abolished.

R.F. Butter
Superintendent

cc: M.G. Peterson
J.F. Glass
All posting locations

12/5/96

ARLEN SPECTER *
PENNSYLVANIA

COMMITTEES
JUDICIARY
APPROPRIATIONS
VETERANS' AFFAIRS
GOVERNMENTAL AFFAIRS

711 HART SENATE BUILDING
WASHINGTON, DC 20510-3802
202-224-4254

United States Senate

WASHINGTON, DC 20510-3802

STATE OFFICES

- ☐ 600 ARCH STREET, SUITE 9400
PHILADELPHIA, PA 19106
215-597-7200
- ☐ SUITE 2031, FEDERAL BUILDING
PITTSBURGH, PA 15222
412-644-3400
- ☐ ROOM 107, FEDERAL BUILDING
ERIE, PA 16501
814-453-3010
- ☐ ROOM 1159, FEDERAL BUILDING
HARRISBURG, PA 17101
717-782-3951
- ☐ ROOM 102, POST OFFICE BUILDING
ALLENTOWN, PA 18101
610-434-1444
- ☐ 310 SPRUCE STREET, SUITE 201
SCRANTON, PA 18503
717-346-2006
- ☐ ROOM 306, 116 S. MAIN STREET
WILKES-BARRE, PA 18701
717-826-6265

April 20, 1997

Ms. Kathaleen Conti
61 Moon Run Road
Robinson Township, PA 15136

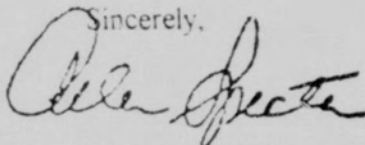
Dear Ms. Conti:

Enclosed please find the reply from the Surface Transportation Board in response to my inquiry on your behalf. This is in addition to the information that I had already forwarded to you from the Department of Labor.

I appreciated having the opportunity to be of assistance to you and hope that the information contained in this report is helpful. Please feel free to contact me again if I can be of any further assistance.

With best wishes.

Sincerely,



Arlen Specter

AS/sdc
Enclosures



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

RECEIVED

1997

Office of the Chairman

April 15, 1997

The Honorable Arlen Specter
United States Senate
Suite 2031, Federal Building
1000 Liberty Avenue
Pittsburgh, PA 15222

Dear Senator Specter:

This responds to your recent letter forwarding correspondence from Kathaleen Conti. In March the U.S. Department of Labor referred your letter to the Surface Transportation Board (Board) for a response. Ms. Conti is concerned about her fiancé, Tom Swish, who has been involuntarily separated from his former position with the Pittsburgh, Chartiers and Youghiogheny Railway Company (PC&Y) after the merger of PC&Y and Consolidated Rail Corporation (Conrail). This merger was approved by the Interstate Commerce Commission (ICC) in Finance Docket No. 32419. The ICC imposed on the transaction the labor protective conditions of New York Dock Ry.--Control--Brooklyn Eastern Dist., 360 I.C.C. 60 (1979) (New York Dock) (copy enclosed).

The New York Dock labor protective conditions are designed to mitigate adverse effects on labor, including involuntary separations, that are a direct result of the merger of two or more railroad companies. Article I of the New York Dock conditions provides, under Section 5, for displacement allowances; under Section 6, for dismissal allowances; and under Section 11, for referring to arbitration any dispute respecting such allowances, in the event the railroad and its employees or their authorized representatives cannot settle such dispute on their own. If Mr. Swish's termination is the result of any change in operations resulting directly from the PC&Y/Conrail merger, he would appear to be eligible for these protections.

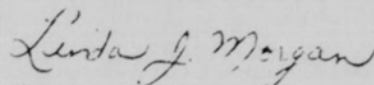
The New York Dock conditions places the responsibility for obtaining these protections on the adversely affected employees, who may either pursue their claims through their union, or if there is no union, through an attorney. Section 11(e) of Article I of the New York Dock conditions provides as follows:

In the event of any dispute as to whether or not a particular employee was affected by a transaction, it shall be his obligation to identify the transaction and specify the pertinent facts of that transaction relied upon. It shall then be the railroad's burden to prove that factors other than a transaction affected the employee.

The procedure for handling disputed New York Dock benefits claims involves negotiation by the parties (generally, by railroad officials and union officials). If negotiations fail, the matter must be resolved in arbitration. Subsequently, if either side is not satisfied with the arbitral award, that side can ask the Board to review the award, although the grounds for review are quite narrow. If Mr. Swish's claims have not been submitted to the railroad, that should be done. If the claims have been submitted to the railroad and the railroad has refused those claims, the matter should be submitted to arbitration.

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

Sincerely,


Linda J. Morgan

Attachment: New York Dock conditions



General Committee of Adjustment

Brotherhood of Locomotive Engineers

Consolidated Rail Corporation

810 Abbott Road, Suite 200, Buffalo, New York 14220

R. W. GODWIN, General Chairman
THOMAS B. VASSIE, Secretary-Treasurer
Telephone: (716) 827-2653
FAX: (716) 827-2655

June 23, 1997

Mr. L. J. Finnegan, Senior Director
Conrail - Labor Relations
2001 Market Street
Philadelphia, PA 19101-1415

Dear Sir:

I am writing to inform you that the B.ofL.E.-Conrail-G.C.ofA. cannot accept the June 6, 1997 denial from J. F. Glass, Senior Director - Labor Relations on New York Dock Benefits for Locomotive Engineers on the PC&Y Railroad.

I.C.C. Finance Docket No. 32419 imposed on the Conrail - PC&Y merger, imposed labor protective conditions on New York Dock Ry - Central - Brooklyn Eastern District 360 I.C.C. 60 (1979). It is now known that we cannot negotiate this issue and now request that we take this case to Arbitration.

Requesting a written reply, I remain

Sincerely yours,

R. W. Godwin
General Chairman

RWG:rm

c: C. V. Monin, President
E. Dubroski, 1st Vice President
E. W. Rodziewicz, Vice President
P. T. Sorrow, Vice President
L. W. Sykes, District Chairman
W. A. Thompson, District Chairman
T. B. Vassie, Secretary/Treasurer
Harold Ross, B.ofL.E. Attorney
Dennis Arouca, Vice President
William McCain, Asst. Vice President
James Glass, Senior Director
Thomas Swish, Locomotive Engineer

STB

FD-33388

4-13-98

J

ID-MO~~SH~~^SH

DENNIS J. KUCINICH

10TH DISTRICT, OHIO

1730 LONGWORTH OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5871

14400 DETROIT AVENUE
LAKEWOOD, OHIO 44107
(216) 228-8850
(216) 228-6465 FAX

5983 W. 54TH
PARMA, OHIO 44129
(216) 845-2707



Committees:
Government Oversight
Education and Labor

Congress of the United States

House of Representatives

April 13, 1998

FILE IN DOCKET

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
1925 K St. NW #820
Washington, D.C. 20423

Dear Ms. Morgan:

Re: Finance Docket No. 33388

Decision No. 71 requests that parties involved in the Conrail merger notify the Section on Environmental Analysis (SEA) by April 15, 1998, to advise the SEA of progress toward reaching mutually acceptable agreements.

As the April 15 date approaches, I would like to let you know that the communities of the 10th Congressional District are in negotiations over environmental mitigation with applicant railroads Norfolk Southern and CSX. I am cautiously optimistic that the parties will reach an agreement. I will notify you by the end of this week as to whether or not it is advisable for the SEA to begin work toward a Board directive at that time.

Thank you for the close attention you are giving to the Greater Cleveland area in this matter.

Sincerely,

Dennis J. Kucinich
Member of Congress

DJK:mg



STB

FD

33388

4-9-98

J

CITY



Office of the Chairman

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

FILE IN DOCKET

FD-33388

May 6, 1998

The Honorable Michael R. White
Mayor
City of Cleveland
Cleveland City Hall
601 Lakeside Avenue
Cleveland, OH 44114

Dear Mayor White:

Thank you for your recent letters regarding the status of the negotiations between your office and CSX in the proposed Conrail acquisition. As I have indicated previously, I appreciate your continuing efforts to keep me informed during this period.

I am having all 5 of the letters you sent to me, and my response, included in the formal docket for this proceeding.

Sincerely,

Linda J. Morgan
Linda J. Morgan



City of Cleveland
Michael R. White, Mayor

Cleveland City Hall
601 Lakeside Avenue
Cleveland, Ohio 44114
216/664-2220

FILE IN DOCKET

VIA FACSIMILE (804) 782-6734
AND REGULAR U.S. MAIL

April 30, 1998

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 4 3 41 PM '98
OFFICE OF
CHAIRMAN MORGAN

Mr. John W. Snow
Chairman, President and
Chief Executive Officer
CSX Corporation
One James Center
Richmond, Virginia 23219

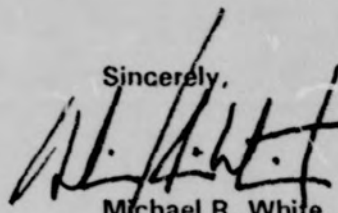
Dear Mr. Snow:

I am in receipt of your letter dated April 30th and I also fully understand the import of Mr. Ruehling's phone call to Sharon Sobol-Jordan on this day. I strongly recommend that we both stop burning up our fax machines and get on with the business of a real and productive exchange.

If you are truly serious about resolving this matter, then you will direct the appropriate person within the CSX organization to contact Ms. Sharon Sobol-Jordan at 216-265-6164 in order to arrange a staff level meeting.

TIMES AWASTING!

Sincerely,



Michael R. White
Mayor

MRW:as

cc: Secretary Rodney Slater, U.S. Department of Transportation
Congressman Louis Stokes
Congressman Dennis Kucinich
Chairman Linda Morgan, Surface Transportation Board
Vice-Chairman Gus A. Owen, Surface Transportation Board



City of Cleveland
Michael R. White, Mayor

Cleveland City Hall
601 Lakeside Avenue
Cleveland, Ohio 44114
216/664-2220

April 9, 1998

VIA FACSIMILE (202) 565-9015
AND REGULAR U.S. MAIL

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1325 K Street, N.W.
Washington, D.C. 20423-0001

Dear Chairman Morgan:

Last week, I sent to you a copy of my April 3rd letter to Mr. John Snow, Chairman of CSX Corporation. This letter was sent to Mr. Snow as part of our ongoing efforts to persuade CSX to fairly and effectively address the serious concerns of this community. You will recall that, in my April 3rd letter, I provided Mr. Snow with clear and specific direction on our needs and expectations for dealing with train frequencies, and mitigating the devastating neighborhood impacts of the Conrail transaction as proposed by CSX and Norfolk Southern. Yesterday, Mr. Snow sent to you a copy of his response to me.

We are conducting a complete evaluation of the proposal of CSX. Although it appears that CSX has not adequately addressed our concerns, we will provide Mr. Snow with a comprehensive response in the next few days. As you know, the railroads have presented us with a complex, multi-faceted problem that will impact this community for years to come. I believe that, with careful deliberation and thoughtful planning, we should be able to find a way to preserve the quality of life in our neighborhoods, protect the safety and well-being of our families, and permit the railroads to operate efficiently and profitably through our City. We remain committed to working with the railroads to resolve our differences.

Sincerely,

A handwritten signature in black ink, appearing to read "M. R. White", is written over the word "Sincerely,".

Michael R. White
Mayor



City of Cleveland
Michael R. White, Mayor

Cleveland City Hall
601 Lakeside Avenue
Cleveland, Ohio 44114
216/664-2220

April 27, 1998

VIA FACSIMILE (804) 782-6734
AND REGULAR U.S. MAIL

Mr. John W. Snow
Chairman, President
and Chief Executive Officer
CSX Corporation
One James Center
Richmond, Virginia 23219

Dear Mr. Snow:

To say the least, I am extremely disappointed in your out-of-hand rejection of our latest effort to amicably resolve our differences.

On Thursday, April 23, 1998, I wrote to you to suggest that we use the short time remaining in a constructive manner by directing our respective senior staff members and the appropriate representatives from Congressman Stokes' office to meet immediately for as long as it takes to bring this matter to a successful conclusion. In an effort to put aside the disappointments of the past month and refocus our communications on resolution, I also sent to you a current written analysis of the City's position on each disputed issue and my understanding of CSX's responses.

On Friday, April 24, 1998, I received your letter, which restates some of CSX's previous responses to the City's concerns. Your letter generally appears to confirm that the City's written analysis is an accurate summary of our respective positions on the issues. I understand that you believe certain statistics used by the City are not correct, but we have taken these facts from CSX's own filings with the STB and I believe we are entitled to rely upon their accuracy.

With regard to the core issue of train frequencies in our neighborhoods, your letter confirms that the maximum reduction CSX is willing to consider is 4 trains per day for a two year period.

While I disagree with the assertion in your letter that the City has not offered a safe, workable alternative, I must remind you that the City has always recognized CSX's superior experience and expertise in rail operations.

RECEIVED
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OFFICE OF
CHAIRMAN MORGAN

Mr. John W. Snow
Page 2

April 27, 1998

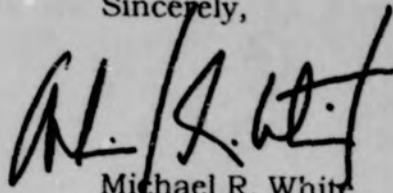
I submit that it is CSX that has not offered any alternatives at all, despite the significant efforts of the City to educate ourselves about your operations and constraints, and to engage CSX in a meaningful discussion of potential alternatives. Your letter confirms that CSX has not changed its approach to this concern.

With regard to mitigation measures, your letter does not offer any specific modifications to your current proposal in order to bring us closer to resolution. You have instead chosen to challenge the City to provide CSX with any changes to your current mitigation proposal; however, I believe the City's written analysis, which I sent to you last week, provides you with a clear and constructive view of our desired changes to your plan.

Based upon your various letters, it is apparent to me that CSX and the City of Cleveland are at an impasse. This is extremely disappointing to me, because I remain convinced that we all are best served by a negotiated settlement of our differences. I must tell you that I do not understand your continuing resistance to my repeated offers to direct our respective key staff members to enter into immediate, intense negotiations to try to resolve this matter. At best, this process could yield a mutually acceptable settlement of the disputed issues between CSX and the City of Cleveland. At worst, we would remain at an impasse.

If you decide to reconsider your rejection of my offer, don't hesitate to contact me so that we may immediately begin this process.

Sincerely,



Michael R. White
Mayor

April 27, 1998

cc: Secretary Rodney E. Slater, US Department of Transportation
Administrator Jolene M. Molitoris, US Department of Transportation
Chairman Linda J. Morgan, STB
Vice Chairman Gus Owen, STB
Congressman Louis Stokes
Congressman Dennis Kucinich
Congressman Ralph Regula
Congressman Thomas C. Sawyer
Congressman Steven C. LaTourette
Congressman Bud Shuster
Congressman Sherrod Brown
Governor George V. Voinovich
Chairman James E. Betts, ORDC
Executive Director Thomas M. O'Leary, ORDC
Senator Scott W. Oelslager
Cleveland City Council Members
Board Members of the CSX Corporation
Arnold R. Pinkey



City of Cleveland
Michael R. White, Mayor

Cleveland City Hall
601 Lakeside Avenue
Cleveland, Ohio 44114
216/664-2220

VIA FACSIMILE (804) 782-6794
AND REGULAR MAIL

April 23, 1998

Mr. John W. Snow
Chairman, President
and Chief Executive Officer
CSX Corporation
One James Center
Richmond, Virginia 23219

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAY 1 4 16 PM '98
OFFICE OF
CHAIRMAN MORGAN

Dear Mr. Snow:

My administration has endeavored all these months to come to an amicable resolution of our differences. While your plan as originally proposed may further the business interests of your railroad, the City of Cleveland has strenuously and consistently protested CSX's failure to make the necessary adjustments to your plan in order to minimize the devastating neighborhood impacts of the proposed increased train frequencies in our neighborhoods. Your continuing refusal to directly deal with our concerns about train frequencies and the other damaging affects on the safety and quality of life in our neighborhoods has been, and continues to be, the primary reason that we have not been able to settle our dispute. Additionally, contrasts between your verbal assertions, while you are in the presence of Congressman Stokes and later what you commit to in writing does nothing to create a feeling of trust.

Thirty days ago, out of respect for the Surface Transportation Board's directive and as a last-ditch effort to find a way to protect the people of my community, I personally entered into good faith negotiations with you on your terms. Even though I believed our staffs should have engaged each other in order to narrow the issues, I still consented to proceed based on your request. During the past month, both at our meeting with Congressman Stokes in Washington D.C. and in my subsequent letter, I have presented to you clear and what I felt were reasonable requests that have been directly related to the protection of Cleveland's neighborhoods today and in the future as your business grows in our community.

April 23, 1998

In return, I have received two very cordial letters from you and two binders of supplemental information. Even though we have requested time and time again, we have not received from you:

- a plan for meaningful reduction in train frequencies through our neighborhoods
- an effective noise mitigation program
- a specific commitment to provide our local emergency responders with appropriate routing information, equipment and training on an ongoing basis to be prepared to deal with a hazardous materials incident
- a specific plan for the improvement and ongoing maintenance of all CSX bridges, properties, right-of-way and grade crossings in Cleveland
- a specific commitment to minimize train operations at night through our neighborhoods
- a specific commitment to establish a maintenance endowment fund to ensure the long-term maintenance of all mitigation measures funded or built by CSX in Cleveland.

I also have been disturbed by the letters you have sent to me, which have been copied to key public officials at all levels of government, including the Chairman and Vice chairman of the Surface Transportation Board, the Secretary of the U.S. Department of Transportation, Ohio's Governor and all 21 members of the Cleveland City Council. Simply put, I do not believe your letters accurately reflect our respective positions. In fact, I have delayed my response to you, because I have had some difficulty reconciling your verbal assertions at our meeting with Congressman Stokes with your written characterizations of CSX's position.

April 23, 1998

Rather than participate in a letter writing campaign that does nothing to protect the safety and well-being of the people of Cleveland, I thought it would be more constructive to take some time to analyze where we are on the primary issues in dispute in order to determine where we go from here. Given the changing nature of your pronouncements and to avoid any misunderstandings, I have taken the liberty of enclosing a current written analysis, which clearly and accurately sets forth my understanding of the status of our discussions. I hope you will carefully review this analysis, because it reveals substantial areas of concern to the City that CSX has failed to directly address. If we are to finally resolve our differences, CSX must provide us with responsive, substantive proposals that deal directly with the legitimate concerns of the families living in the neighborhoods adjacent to your rail line.

Let me state very clearly that the City of Cleveland remains willing to engage in further discussions with CSX to attempt to seek a settlement of this matter. If we are to reach resolution, however, I believe we must first rethink the process. You have insisted, since the time that the STB Decision No. 71 was issued, that all meetings and written communications must occur only between you, me and Congressman Stokes. This process has not worked. Over the same time period, Norfolk Southern Chairman David Goode and I agreed to direct our respective key staff members to engage in intense negotiations, and to keep us closely informed of their progress. That decision by Chairman Goode has resulted in extremely productive meetings, and we remain hopeful of reaching a mutually acceptable resolution.

I believe it is extremely important that we put aside the disappointments of the past month, and move forward to find a way to use the short time remaining in a constructive manner. If you are agreeable, I am prepared to immediately direct my senior staff members to meet with your top executives anytime, anywhere, for as long as it takes to bring this matter to a successful conclusion. Additionally, I would request that appropriate representatives from Congressman Stokes' office join us.

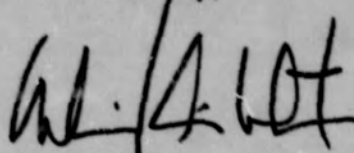
Mr. John W. Snow
Page 4

April 23, 1998

As I have stated to you in the past, your letters have been both amicable and polite. But the cordiality of your letters runs counter to the facts of our discussions. The facts are that you and CSX have failed to address directly issues that the City of Cleveland has raised, you have changed the nature of your commitments from their initial verbal assertions to the point where they were placed in written form, and your company has steadfastly refused to confront the devastating problems associated with increased Short Line train frequencies in our neighborhoods ranging from 544% to 1188%.

Mr. Snow, amicability, politeness and cordiality are all good things to have in meaningful negotiations and in life, but they are no substitute for directness, veracity and cooperation. If we are to succeed, CSX will need to display more of the latter and less of the former.

Sincerely,

A handwritten signature in black ink, appearing to read "M. R. White", with a stylized flourish at the end.

Michael R. White
Mayor

MRW:jj
Enclosure

Mr. John W. Snow
Page 5

April 23, 1998

cc: Secretary Rodney E. Slater, US Department of Transportation
Administrator Jolene M. Molitoris, US Department of Transportation
Chairman Linda J. Morgan, STB
Vice Chairman Gus Owen, STB
Congressman Louis Stokes
Congressman Dennis Kucinich
Congressman Ralph Regula
Congressman Thomas C. Sawyer
Congressman Steven C. LaTourette
Congressman Bud Shuster
Congressman Sherrod Brown
Governor George V. Voinovich
Chairman James E. Betts, ORDC
Executive Director Thomas M. O'Leary, ORDC
Senator Scott W. Oelslager
Cleveland City Council Members
Board Members of the CSX Corporation
Arnold R. Pinkney



City of Cleveland

Michael R. White, Mayor

Cleveland City Hall
601 Lakeside Avenue
Cleveland, Ohio 44114
216/664-2220

April 22, 1998

The Honorable Linda J. Morgan
Chairman
Surface Transportation Board
1925 K Street, N.W.
Suite 715
Washington, D.C. 20423-0001

Dear Chairman Morgan:

You have received copies of numerous letters that have passed between CSX Chairman John Snow and me about the ongoing negotiations of the City of Cleveland and CSX Corporation. Given your keen interest in the outcome of these discussions, I wanted you to have the facts on our attempts to reach agreement with CSX in order to provide adequate safeguards for the people and neighborhoods of the City of Cleveland.

Sincerely,

Michael R. White
Mayor

MRW/SSJ:aod

Enclosure

OFFICE OF
CHAIRMAN MORGAN

APR 27 5 15 PM '98

RECEIVED
SURFACE TRANSPORTATION
BOARD

PROTECTING CLEVELAND'S NEIGHBORHOODS:

**The Facts about Cleveland's Efforts to
Safeguard Our Neighborhoods**

Much has been said about the ongoing negotiations between the City of Cleveland and CSX. The attached document was prepared to provide you with the facts on the continuing efforts of the City of Cleveland to convince CSX to deal forthrightly with our legitimate concerns regarding the devastating impacts of CSX's proposed increases in train frequencies on our citizens and our neighborhoods.

April 22, 1998

1. NEIGHBORHOOD CONCERN: TRAIN FREQUENCIES

Cleveland's Position: Train frequencies through our neighborhoods is the central issue to be resolved between CSX and the City of Cleveland. CSX intends to increase train frequencies on the Short Line from 7 to 44 freight trains per day. The City of Cleveland has repeatedly requested that CSX make a serious commitment to reduce the projected number of trains on the Short Line in Forest Hills, Little Italy, Fairfax and University Circle.

CSX's Response: On March 30, 1998 at a meeting with Congressman Louis Stokes and Mayor Michael R. White, CSX Chairman John Snow indicated that CSX was prepared to take 8 to 10 trains off the Short Line and put them on the Lakefront Line. This would reduce the projected number of trains on the Short Line from 44 to 34-36. No written back-up material was provided by CSX at this meeting. On April 3, 1998, Mayor White responded in writing to Mr. Snow's previous verbal assertions, and stated:

"Your current position [8 to 10 trains off the Short Line] would still result in a much higher than acceptable level of traffic on the Shortline through our neighborhoods and University Circle. We believe that at least 25-30 CSX trains could be diverted, bringing the projected Shortline traffic below 30 trains per day. We need to know why CSX still adamantly refuses to limit its Shortline operations to between 25 and 29 trains per day."

On April 8, 1998, Mr. Snow responded in a letter to Mayor White that CSX can only reduce the number of daily trains on the Short Line by a maximum of 4, and only for a period of two years while mitigation is constructed. Not only is this a smaller reduction than was initially offered in the meeting with Congressman Stokes, but it was the first mention of a two-year time limitation on any such reduction in train frequencies. CSX cited "physical limitations at Berea" as the basis for its position, but has not provided the City with any documentation, analysis or studies to support its conclusion. Accordingly, CSX's current proposal would send 40 trains through the neighborhoods along the Short Line for a period of two years, and then the train frequency would increase to the level originally proposed by CSX -- at least 44 freight trains per day.

2. NEIGHBORHOOD CONCERN: NOISE MITIGATION

Cleveland's Position: Whether the daily train frequency on the Short Line is 25 or 44, the noise impacts in our neighborhoods will be substantial. The City of Cleveland's own noise consultants have concluded that the Noise Mitigation and Landscaping Program offered by CSX is not sufficient. The City of Cleveland also has repeatedly asked CSX -- most recently in Mayor White's April 3rd letter to Mr. Snow -- to provide the City with an effective noise mitigation plan, which includes a detailed description of all noise mitigation techniques to be applied to Cleveland neighborhoods and institutional districts, and the criteria to be used to determine the appropriate treatment measures for each noise-impacted property along the affected rail line. The City of Cleveland asked CSX to present a clear and specific plan that includes: (1) noise suppression walls of premium quality and sufficient height to

adequately protect our neighborhoods and institutional districts; (2) landscaping, including berms, reforestation and beautification measures to mitigate the visual impact of the noise walls; (3) residential sound insulation; and (4) residential acquisition and relocation. The advice of our noise consultants and our experience at Cleveland Hopkins International Airport with residential sound insulation indicate that the average height of the noise walls in most locations must be about 15 feet tall, and the average cost of the necessary sound insulation measures should be in the range of \$18,000 to \$20,000 per home.

CSX's Response: Earlier this year, CSX proposed a Noise Mitigation and Landscaping Program, and later added a sound insulation component to the program. Despite the City's clear objections based upon the inadequacies of this combined program, CSX has failed to make any modifications to the program to address the City's concerns. On April 8, 1998, CSX provided the City with a complete set of conceptual drawings of the berm and landscaping mitigation -- these drawings reflected the very same mitigation program originally proposed by CSX earlier this year. Instead of 15-foot landscaped noise walls, CSX continues to propose 3-foot high sound walls made of railroad ties, berms, trees and landscaping to address the noise impacts of increasing freight train traffic through the neighborhoods along the Short Line. Instead of \$18,000 to \$20,000 per home, CSX continues to propose \$4,000 per residence for insulation, sound proofing and other noise abatement home improvements for 125 residential buildings along the Short Line. Instead of a residential acquisition and relocation plan, CSX has proposed to establish and administer for three years a Home Value Guarantee Program for owners of the 125 noise-impacted residences along the Short Line. Under this program, if any of the residential buildings are sold within the three-year period for a price less than the fair market value, as determined by an independent appraiser as of the closing date of the Conrail transaction, CSX will pay the owner the difference. CSX has proposed no mitigation plan targeted to protect the University Circle district.

3. NEIGHBORHOOD CONCERN: HAZARDOUS MATERIALS INCIDENT

Cleveland's Position: CSX has proposed to increase the transportation of hazardous materials from 0 to 44,000 car loads each year on the Short Line. The City has requested a complete pre-emergency response plan that includes HazMat routing, containment, and emergency access points to rail lines.

CSX's Response: On April 2, 1998, CSX provided the City with a draft pre-emergency response plan. CSX's stated goal is to finalize the plan by June 1, 1998, with the assistance of local emergency responders from Cuyahoga County, Cleveland, East Cleveland, Brook Park and Berea. The draft plan does not provide any information in response to the City's concern about HazMat routing, with the sole exception of offering to make available to Cleveland certain computer software known as Operation Respond Emergency Information System (OREIS) that would allow us to access the CSX mainframe computer for specific data on the products carried by each car and the emergency response information of the product. The draft plan does not provide any information on spill containment under existing conditions, and the possibility of creating a spill containment

facility or system along the Short Line. The draft plan identifies 11 possible emergency access points with the goal of developing such access points every ½ mile along the track, and provides a workable basis for the City and CSX to cooperatively address this concern.

4. NEIGHBORHOOD CONCERN: TRAINING AND EQUIPMENT

Cleveland's Position: Local emergency personnel typically are the first responders to any hazardous materials incident. To ensure preparedness, the City has asked for immediate and ongoing emergency response training for our local safety forces and emergency medical service personnel.

CSX's Response: CSX's draft plan includes a commitment to provide local emergency responders with a minimal level of training prior to the implementation of the Short Line operating plan, and on an annual basis thereafter. According to Cleveland Fire Chief Kevin G. Gerrity, our local emergency responders should receive far more extensive training than CSX has offered in its draft plan. Chief Gerrity also noted that the draft plan does not provide for the immediate and ongoing equipment needs of local communities to be prepared to be the first responders to any HazMat incident. The draft plan states that CSX maintains standing contracts with various equipment suppliers to provide the specialized equipment and expertise to handle large spill clean up and railroad wrecking operations; but does not identify who these suppliers are, where they are located, how they are contacted and deployed, and the level of their expertise and experience.

5. NEIGHBORHOOD CONCERN: GRADE CROSSINGS

Cleveland's Position: The City has asked CSX for a specific plan for maintaining and improving all grade crossings. If the Conrail transaction is approved, CSX will inherit four grade crossings on the Lakefront Line at East 38th Street, East 40th Street, East 49th Street and Marquette.

CSX's Response: On April 8, 1998, CSX responded by stating that there are no grade crossings on the Short Line. CSX has not acknowledged or addressed in any respect its responsibilities with regard to the grade crossings on the Lakefront Line.

6. NEIGHBORHOOD CONCERN: BRIDGE AND PROPERTY MAINTENANCE

Cleveland's Position: CSX will inherit several bridges and properties from Conrail, in addition to the property currently owned by CSX in Cleveland. The City has asked CSX for a specific plan for maintaining and improving all bridges and properties, and for establishing a long term maintenance plan and endowment program to insure that all CSX properties are kept in good order. The City also has asked CSX to provide a plan for eliminating billboards on its property, and for redeveloping surplus property in Cleveland.

CSX's Response: CSX has not provided any plans to the City in response to this concern. On April 2, 1998, CSX submitted to the City a list of Conrail bridges in Cleveland, and stated that CSX had initiated immediate inspections of these bridges for "serviceability and appearance." CSX represented that it would have the results of these inspections by April 9, 1998. CSX has not provided any further information to the City.

7. NEIGHBORHOOD CONCERN: TRAIN OPERATIONS AT NIGHT

Cleveland's Position: The City has asked CSX to provide specific plans regarding any operational methods that may be implemented to reduce the adverse neighborhood impacts associated with increased freight train traffic, such as reducing the number of trains running at night through our neighborhoods.

CSX's Response: The operating plan submitted to the Surface Transportation Board by CSX provides that 70% of CSX trains will operate between the hours of 7:00 a.m. and 9:00 p.m. However, CSX specifically refuses to provide a firm commitment to adhere to this restriction.

8. NEIGHBORHOOD CONCERN: TRAIN SPEED LIMITS

Cleveland's Position: Another operational method that the City has asked CSX to consider to reduce the adverse neighborhood impacts associated with increased freight train traffic is reducing the speed of the trains on the Short Line.

CSX's Response: CSX has offered to limit train speeds to 30 miles per hour on the Short Line from Collinwood to University Circle.

9. NEIGHBORHOOD CONCERN: TRAIN LENGTHS

Cleveland's Position: Another operational method that CSX has offered is reducing the length of trains on the Short Line. The City has requested clarification about this proposal, because it is unclear to the City's consultants how a reduction in train lengths, without a reduction in train frequencies, would help to mitigate the adverse neighborhood impacts to any appreciable degree.

CSX's Response: After this proposal was discussed at the March 30th meeting with Congressman Stokes, Mayor White made a written request for a specific plan. CSX has not provided any explanation of the mitigation benefits of this proposal or how it would be implemented. CSX has, however, restricted its offer to the two-year period for sound mitigation. No such restriction was discussed at the meeting with Congressman Stokes.

10. NEIGHBORHOOD CONCERN: LONG-TERM MAINTENANCE FUND

Cleveland's Position: The City has requested a clear commitment from CSX to develop a maintenance endowment fund to insure that CSX will remain a good neighbor in our City. The primary purpose of this fund would be to ensure the long-term maintenance of all mitigation measures funded or built by CSX in Cleveland, particularly noise walls and landscaping. The fund would not replace or otherwise excuse the various contractual and legal obligations of CSX to maintain its bridges, grade crossings, right-of-way and other properties in good condition.

CSX's Response: CSX has not provided any plans to the City in response to this concern.

11. NEIGHBORHOOD CONCERN: COMMUNITY ADVISORY COMMITTEE

Cleveland's Position: The City has expressed a need for CSX to maintain a local presence in Cleveland and to provide a vehicle for ongoing communication with the community.

CSX's Response: CSX has proposed the creation of a Community Advisory Committee that would include a representative of the Mayor's office, Congressman Stokes' office, the offices of the five City Council members whose wards include part of the Short Line, the Terminal Superintendent of CSX's Collinwood Yard, and CSX's vice president for community relations. The Committee would meet regularly in accordance with a schedule to be developed by the parties. Although the proposed composition of the committee should be modified to include representatives of the operational departments of the City that deal on a daily basis with issues of safety, health, maintenance, code enforcement, economic development and property management, this suggestion provides a workable basis for the City and CSX to cooperatively address this concern.

12. NEIGHBORHOOD CONCERN: EMPLOYMENT OPPORTUNITIES

Cleveland's Position: CSX plans to operate an intermodal facility at the Collinwood Yards in Cleveland. The development of the 50-acre Collinwood Yards Industrial Park is partially financed by funds from the City of Cleveland. CSX has committed jobs at this intermodal facility, which is located within Cleveland's borders, to another community that has not provided any financial support to the project. The City of Cleveland has asked CSX to redress this inappropriate action.

CSX's Response: CSX has not made a specific commitment to provide jobs at its local facilities to Cleveland residents. In his April 8, 1998 letter, Mr. Snow states that CSX will work cooperatively with the City to create job opportunities for Cleveland residents, but did not provide any specific details, plans or goals for CSX facilities or related businesses. Further, Mr. Snow stated in the April 8th letter that CSX will make the resources of its Industrial Development Program available to the City to assist in economic development initiatives, but did not provide any specific details about the program or how it might assist the City.

13. NEIGHBORHOOD CONCERN: ADVERSE IMPACTS OF TRAIN OPERATIONS

Cleveland's Position: The City has clearly expressed on numerous occasions that the central issue to be resolved is **TRAIN FREQUENCIES IN OUR NEIGHBORHOODS**. To date, CSX has failed to directly respond to this core concern. Moreover, because our community will feel the effects of this merger for years to come, it is critical that any available funding be applied to current and ongoing mitigation measures to address the direct impacts of the increased train traffic on our neighborhoods.

CSX's Response: Rather than directly resolve the dispute over train frequencies and provide the comprehensive mitigation measures necessary to protect Cleveland's neighborhoods, CSX has offered to address issues that are unrelated to the damaging effects of the proposed Conrail transaction. Specifically, CSX has proposed to contribute \$500,000 toward the construction of a recreation center in Collinwood, \$250,000 annually for 4 years to support unspecified neighborhood projects, and \$500,000 to support the City's efforts to find jobs for Clevelanders. As a condition of receiving these funds, however, the families living in the neighborhoods along the Short Line must accept the proposed increase in train frequencies from 7 to 44 trains per day, without the protection of effective noise mitigation and with the unlimited potential that train frequencies will continue to rise in the future.

14. NEIGHBORHOOD CONCERN: EXPENSES

Cleveland's Position: The City has incurred substantial out-of-pocket expenses in contesting the proposed Conrail transaction to ensure that Cleveland's citizens and neighborhoods are adequately protected from the impacts of significantly increased freight train traffic. The City would not have incurred these expenses if CSX had identified, analyzed and addressed the neighborhood impacts of its transaction before it was submitted to the Surface Transportation Board for approval. No such assessment was made by CSX.

CSX's Response: CSX states that it is customary that each party bears the cost of its own expenses, but it will consider this item if the City provides CSX with details.

STB

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/ ID-BUSINESS

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JOHN W. HOUGHTALING, II

March 27, 1998

33388

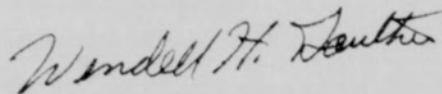
Linda J. Morgan, Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-001

Dear Chairman Morgan:

Enclosed please find a letter giving a synopsis of our lawsuit involving CSX and the rationale behind our request to testify on June 4, 1998. I have also included copies of the jury verdicts in the case, our Motion to Become Party of Record, and my letter of March 19, 1998 expressing our concerns.

I understand that any testimony by us on June 4 should and will be presented by counsel for the plaintiffs. We ask that in addition to supplementing the record by these written submissions, we be allowed to voice our concerns about the merger of CSX and Norfolk Southern with Conrail at the hearing.

Very truly yours,



Wendell H. Gauthier
Attorney for Plaintiffs

*In re: New Orleans Train Car Leakage
Fire Litigation*

Gauthier, Downing, LaBarre, Beiser & Dean

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March 26, 1998

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

RE: "Don't Shoot the Messenger"
New Orleans Tank Car Fire Litigation
Date of Accident: September 9, 1987

Dear Chairman Linda J. Morgan:

This case has gained nationwide notoriety because of the size of the jury verdict for compensatory and punitive awards. It became an instant media sound bite and the poster-child of tort reform, truth be damned! However, not once in the commotion has anyone pointed out that the defendants - as each one did in the courtroom - acknowledged their egregious behavior, apologized to the jurors and to the community, and promised to mend their wrongful ways.

The travesty of this lawsuit is not the jury verdict. There are procedures in place that will permit a careful review of the trial results. The travesty is that the defendants vowed reform to the jury and to the community of Gentilly, but that vow lasted only until the defendants stepped outside the courtroom and to the waiting public spotlight, Wall Street, and the national media.

Today as this letter is being written, there are time bombs of leaking tank cars moving through this city, indeed, all over the country. The twelve jurors in this case are sending a message loud and clear. Don't shoot the messenger, fix the problem. Make certain that justice is done. Here is their story:

On September 9, 1987, at approximately 1:50 in the morning, a tank car leaking butadiene from a hatch underneath the car ignited. The butadiene, an extremely flammable and suspected carcinogen, had been leaking for many hours as the tank car sat, adjacent to a residential neighborhood, unattended and uninspected. The leaking gas permeated the sewer system, ignited and exploded underground, and ignited the leaking butadiene as it poured out of the bottom of the tank car. For 36 hours, the tank car filled with butadiene fueled its own flame, cooking itself.

The underground explosion rocked the Interstate highway six inches off its pilings. Houses were blown off their foundation, and residents bounced from their beds. No deaths occurred with this first explosion, but as residents were hustled from their homes, firemen and other emergency medical personnel worked frantically to prevent a phenomenon - BLEVE - that assuredly would have resulted in enormous devastation and loss of life.

A BLEVE is a boiling liquid expanding vapor explosion. Had a BLEVE occurred, the explosion would have been one of titanic proportion, spewing lethal shrapnel throughout the residential community and over a one to two mile radius. This story was told to the jury by these heroic men and women who were able to finally extinguish the fire without loss of life.

Although lawsuits were filed shortly after the explosion and fire, trial of the class action was successfully delayed for ten years. The trial started on June 30, 1997 and was completed on August 25, 1997. Of the nine companies sued and found liable, five were found by the jury to have "recklessly handled hazardous chemicals in disregard of public safety:" Mitsui, the shipper of the butadiene; GATX Terminals, Inc., the loader of the butadiene; Illinois Central Railroad, Alabama Great Southern Railroad, and CSX Transportation, Inc., the transporters of the butadiene. This finding, under Louisiana law, allowed the jury to consider imposing exemplary damages.

The primary purpose of exemplary damages is to punish a wrongdoer and to create an incentive for the wrongdoer to avoid repeating the very conduct that caused the incident in the first place. The jury in this case specifically intended to and did so send this message to those five defendants.

After the jury found that Mitsui, GATX Terminals, Illinois Central Railroad, Alabama Great Southern Railroad and CSX Transportation should pay exemplary damages, the lawyers for these companies were given an opportunity to argue to the jury as to the amount, if any, that each company

should be required to pay. Three of the attorneys that spoke apologized for their mistakes and promised change in the manner in which they protect innocent people from the dangers of their businesses. Mitsui stated:

On August 25th, you rendered your verdict from phase one. In no uncertain terms your verdict told us you disagreed with our view of the case, that we just didn't get it. That is you speaking for the public and you expected all of us, all of us to have done more to prevent this accident and other accidents like it. Your verdict has been heard loud and clear by every defendant. They have your respect. Your verdict has also decided for the whole class, not just 20 bellwether plaintiffs, but all of the defendants will pay their share of compensatory damages. You have locked that in, decided that for the entire class. The amount of your compensatory damages has also had an impact on all of the defendants. You have told them how you, speaking for this public view the type of damages sustained by the plaintiffs and in doing so, you have set an example of what those damages should be for the rest of the class.

So your verdict has already caused change. It is obvious that you intended it to cause change, because whatever the perception may be of companies, their objectives, their motivations, we all know businesses cannot ignore the type of message that your verdict sent. They know that because from your verdict, you told them what the cost will be, if this type of accident were ever to be their responsibility in the future. They know they can't let that happen. Trial Transcript, page 8102, line 17, page 8103, line 25.

CSX agreed:

We understand the message you have given to us, that the Gentilly interchange yard needs protection, more protection; protection for the people who live near it. We understand that. Trial transcript, page 8173, line 1015

GATX joined in:

[General American Transportation Corporation] understands and accepts its responsibility as the owner of the tank car for the reasonable damages which the plaintiffs are able to prove to you. Attorney for GATC, transcript at page 153, line 17.

On September 8, 1997, the jury rendered verdicts totaling three billion, three hundred sixty five million dollars (\$3,365,000,000) in favor of 8,047 claimants. One of the jurors stated afterwards

that "[the jury] just wanted to send them a message that you cannot ignore people. We felt, if we hit them with a good whoop they will do something, they will stop parking those toxic chemical cars in residential areas." Juror, McKinley Day, a 58 year old retired Chief Petty Officer for the U. S. Navy, as quoted in The Black Chronicle, Oklahoma City, Oklahoma, October 2, 1997.

The verdict received world-wide publicity. Conservative commentators cited the award as fodder for their continued attack on the civil justice system in this country.¹ For example, instead of insisting that the companies make good on their promise to pay fair compensation and improve railroad safety, Dan Juneau, spokesman for the Louisiana Business and Industry, said that the jury verdict would make it hard for that area (Orleans Parish) to attract and maintain business." The Baton Rouge Advocate, September 9, 1997, page 12A.

Tuning in to that drum-beat, the defendants quickly forgot their promises and changed their songs. Marty Fiorentino, a spokesman for railroad giant CSX stated that "[CSX] believes that the award will be overturned. But in the unlikely event that it is not overturned, it would certainly raise concerns as to whether or not Louisiana is a good place for us or anyone else to do business." New Orleans' Times-Picayune, September 14, 1997, page B-1.

It has been six months since the verdict was rendered. The residents of Gentilly are now in their eleventh year without compensation. The defendant companies have made **no** changes to protect the residents of Gentilly. In fact, they brag that "the ultimate resolution could take years as the Louisiana courts try the claims of the remaining 8,000 plaintiffs in groups of 10." **Attorney for CSX, National Law Journal**, February 23, 1998 at C18. It is nothing short of an outrage that **the change promised by these companies has totally evaporated.** By focusing on the amount of the award and turning a deaf ear to the jury's message regarding their reckless behavior handling hazardous chemicals, these companies stave off judgment day at the expense of the plaintiffs and at the risk of another tragic accident destroying innocent peoples' lives.

From the jurors' own words, the award was large because the defendants' manner of conducting business was reckless. The defendants' one and only expert, William Cruice, established

¹ A 2.5 billion dollar award against CSX is being called "the great train robbery" by a watchdog group for companies favoring legal system reform. Sherman-Joyce, President of the American Tax Reform Association stated that "[t]his case will become a poster child for the need to make the legal system more equitable." Richmond Times Dispatch, September 11, 1997, page B-8

that fact. William Cruice is a consultant who was hired by the defendants to testify on methods that can be utilized to prevent fire or explosion. Cruice admitted to the jury that businesses have the expertise necessary to prevent a fire and explosion of this nature. Cruice stated that the fire in the Gentilly neighborhood was caused by a misaligned gasket in the bottom manway of the railroad tank car.

Cruice also testified that gaskets of the type used to seal the tank car are usually misaligned and that "not only from my experience, but from the experiences of the world, every seal of this type leaks." He then stated that "it is the responsibility of the shipper [Mitsui].... to [ensure] that the car is suitable [to transport butadiene], and that "the loader, [GATX Terminals] is responsible for seeing to it that the [tank car] would [not leak the material that] was being put into it."

Is it any wonder, that the jury was outraged when they heard that neither Mitsui nor GATX Terminals had ever checked the tank car to see if it was safe to carry hazardous materials, and that they didn't even know it had a bottom manway!!!

The jury also heard evidence of a specific federal regulation that required the transporting railroads, Illinois Central Railroad and Alabama Great Southern Railroad, to inspect each tank car that contained hazardous material to make certain there was no leak. Despite this regulation, these defendants testified that their standard procedures merely call for a 10 second walk-by inspection. Obviously, a 10 second walk-by inspection, if at all made, was and is insufficient to make sure that a tank car is not leaking. However, according to the railroads, real inspections are too expensive. One gets a sense from this of why the award was high.

Finally, the CSX Railroad has publicly denied any liability for the incident because they "did not touch the car." Contrary to CSX's persistent denials, the jury heard evidence that the New Orleans Fire Chief McCrossen, years before this event, told the CSX Railroad that it must "babysit" hazardous railroad cars parked in the French Quarter because of the propensity of tank cars to leak. However, rather than babysitting the cars, CSX simply stopped parking tank cars in the French Quarter and began parking them in the less prestigious, less watched neighborhood of Gentilly.

The jury had more than adequate reason to be outraged. The New Orleans Times Picayune wrote: "Not that the plaintiffs lack a legitimate grievance. Tanks full of chemicals frequently sit for long periods in a switching yard close to the houses, and mishaps occur often enough to make them nervous. A foul smell forced an evacuation earlier this year, four months after a liquid petroleum

leak caused some alarm, through no evacuation." *New Orleans Times Picayune*, September 12, 1997, p. B-7

As this letter is being written, there are leaking tank cars moving through this city. Indeed, all over the country:

Richmond Times Dispatch, October 16, 1997:

"Federal regulators who inspected CSX Transportation Inc., following a series of accidents said they have found over worked employees, track and signal defects, and a management culture that has led some front line messengers to put transportation ahead of safety.

The Wall Street Journal, October 16, 1997:

"A report by the Federal Railroad Administration is expected today to criticize CSX Corporation for failures in safety procedures involving train signaling systems, handling of hazardous materials, and reporting of employee injuries."

The Washington Post, September 8, 1997:

"The relationships between VRE (Virginia Railway Express) and CSX soured this summer when commuter service was disrupted and delayed for weeks while CSX worker repaired damage caused by a July 8th derailment."

The Plain Dealer Cleveland, Ohio, September 9, 1997:

"The Federal Railroad Administration agreed to gauge the impact that tripled rail traffic would have on Cleveland and its suburbs by conducting a September 21st hearing in Lakewood... The safety issue is what everyone is concerned about," said Bay Village Major, Thomas Jilepis

Capital Hill Press, September 11, 1997:

"In response to the recent story of fatal rail accidents and a growing concern over freight and passenger rail safety, Congressman Jim Oberstar, along with Congressman Bob Wise (D-Wy) Senior Democrat on the House Railroads Sub Committee introduced the "Railroad Safety Reform Act of 1997."

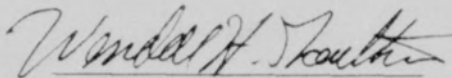
The Atlantic Journal, The Atlanta Constitution, September 15, 1997:

"A federal court blocked a local government's attempt to prevent Norfolk Southern from building a railroad terminal stating that local governments have no authority to block terminal construction."

There is a growing, well-founded concern about railroad safety throughout this country. The infrastructure of the railroad industry is old and the practices and procedures are outdated. The phrase "Don't shoot the Messenger" has particular resonance here. The 12 jurors who spoke in this case are the messenger. Don't shoot them. Make certain that justice is done.

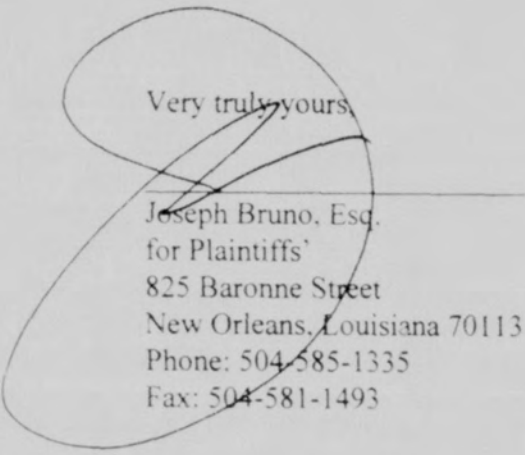
Now CSX and Norfolk are attempting to acquire Conrail, which would then expose many more citizens to these rail companies' reckless conduct. Please allow us to speak to your agency before any decision is made.

With kindest regards, I remain,



Wendell H. Gauthier, Esq.
for Plaintiffs'
3500 North Hullen Street
Metairie, Louisiana 70002
Phone: 504-456-8656
Fax: 504-8624

Very truly yours,



Joseph Bruno, Esq.
for Plaintiffs'
825 Baronne Street
New Orleans, Louisiana 70113
Phone: 504-585-1335
Fax: 504-581-1493

cc: Henry T. Dart, Esq.
Liaison Counsel

Elaine K. Kaiser
SEA's Environmental Project Director

Mike Dalton
SEA's Project Manager for the Conrail Acquisition

Honorable John B. Breau
United States Senate

Honorable Mary L. Landrieu
United States Senate

Honorable William J. Jefferson
United States House of Representatives

WAC copy

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

AD HOC DIVISION

NO. 87-16374

ET AL

IN RE: NEW ORLEANS TRAIN CAR LEAKAGE
FIRE LITIGATION

JURY INTERROGATORIES

1. DO YOU FIND THAT THE PLAINTIFFS' INJURIES WERE CAUSED BY THE
WANTON OR RECKLESS CONDUCT OF ANY OF THE FOLLOWING DEFENDANTS?

| | | |
|------------------------------------|---|-----------------------------|
| A. MITSUI & CO. (U.S.A.), INC. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| B. GATX TRMINALS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| C. ILLINOIS CENTRAL RAILROAD CO. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| D. ALABAMA GREAT SOUTHERN RAILROAD | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| E. CSX TRANSPORTATION, INC. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

2. DO YOU AWARD EXEMPLARY DAMAGES AGAINST ANY OF THE FOLLOWING
DEFENDANTS?

| | | |
|------------------------------------|---|-----------------------------|
| A. MITSUI & CO. (U.S.A.), INC. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| B. GATX TRMINALS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| C. ILLINOIS CENTRAL RAILROAD CO. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| D. ALABAMA GREAT SOUTHERN RAILROAD | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| E. CSX TRANSPORTATION, INC. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

3. WHAT AMOUNT OF MONEY, IF ANY, DO YOU FIND REPRESENTS A FAIR AND REASONABLE AMOUNT OF EXEMPLARY DAMAGES AGAINST THE FOLLOWING DEFENDANTS? IF YOU ELECT NOT TO ASSESS EXEMPLARY DAMAGES AGAINST A DEFENDANT, YOU SHOULD ENTER A ZERO (0) AS THE AMOUNT OF DAMAGES.

| ASK FOR | | GOT: |
|----------|------------------------------------|-----------------------|
| 500 M | A. MITSUI & CO. (U.S.A.), INC. | \$ <u>375,000,000</u> |
| 242 M | B. GATX TRMINALS | \$ <u>190,000,000</u> |
| 300 M | C. ILLINOIS CENTRAL RAILROAD CO. | \$ <u>125,000,000</u> |
| 250 M | D. ALABAMA GREAT SOUTHERN RAILROAD | \$ <u>175,000,000</u> |
| 3,286 M. | E. CSX TRANSPORTATION, INC. | \$ <u>2.5 Billion</u> |

375
 190
 125
 175
 250
 3,286

 3,286

NOTE: WHEN YOU HAVE REACHED YOUR VERDICT BY COMPLETING THIS FORM, THE JURY FOREPERSON SHOULD SIGN AND DATE THE SAME, AND NOTIFY THE BAILIFF THAT YOU HAVE REACHED YPOUR VERDICT.

Robert L. Johnson
 JURY FOREPERSON
3-3-97
 DATE

FOR SUBMIT
ORIGINAL

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

AD VOC DIVISION

NO. 87-16374

ET AL

IN RE: NEW ORLEANS TRAIN CAR LEAKAGE
PIPE LITIGATION

JURY INTERROGATORIES

1. WHICH OF THE FOLLOWING DEFENDANTS, IF ANY, WERE AT FAULT
IN THIS INCIDENT? AND THAT FAULT WAS THE LEGAL CAUSE OF THE
PLAINTIFF'S INJURIES?

| | | |
|--------------------------------|---|-----------------------------|
| AMF-BRD, INC. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| PHILLIPS PETROLEUM COMPANY | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| GATC | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| POLYCAR | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| MITSUBI | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| GATE TERMINALS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| ILLINOIS CENTRAL RAILROAD CO. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| ALABAMA GREAT SOUTHERN RAILWAY | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| CSX TRANSPORTATION, INC. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

(IF YOU ANSWER YES TO ANY OF THE ABOVE DEFENDANTS, GO TO QUESTION
2)

2. WHAT PERCENTAGE OF FAULT DO YOU ASSIGN TO EACH DEFENDANT
FOR WHICH YOU HAVE ANSWERED "YES" IN QUESTION # 1.
(NOTE: THE PERCENTAGES MUST TOTAL 100%. DO NOT ANSWER
FOR ANY DEFENDANT FOR WHICH YOU ANSWERED "NO" IN QUESTION
#1).

| | |
|----------------------------|-----------|
| AMF-BRD, INC. | <u>5</u> |
| PHILLIPS PETROLEUM COMPANY | <u>20</u> |
| GATC | <u>20</u> |

| | |
|--------------------------------|-------------|
| POLYBAR | <u>5</u> |
| MITSUMI | <u>15</u> |
| GATE TERMINALS | <u>10</u> |
| ILLINOIS CENTRAL RAILROAD CO. | <u>5</u> |
| ALABAMA GREAT SOUTHERN RAILWAY | <u>5</u> |
| CSX TRANSPORTATION, INC. | <u>15</u> |
| TOTAL: | <u>100%</u> |

3. WHICH OF THE FOLLOWING PLAINTIFFS, IF ANY, SUFFERED INJURY WHICH WAS CAUSED BY ANY OF THE DEFENDANTS FOR WHICH YOU HAVE ANSWERED "YES" IN QUESTION #1 AND ASSIGNED A PERCENTAGE OF FAULT IN QUESTION #2?

| | | |
|--------------------|---|-----------------------------|
| JIMMIE LEE BROWN | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| JUDITH BELL | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| KATY RAGAS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| KATHLEEN SINGLETON | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| DONALD FRANCIS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| DAVID RAGAS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| RICHARD BELL | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| DEBORAH WILLIAMS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| KATHAN FIELDS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| PRESBOTT SMITH | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| MELLYE NAE GIVENS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| FREDA DAVIS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| THELMA RILEY | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| LOUIS FORD | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| MILTON TAYLOR | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| ARNOLD JOHNSON | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

PAGE 1.

| | | |
|----------------|---|-----------------------------|
| THOMAS GASPARD | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| ALTA BENNETT | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| CHARLES GIVENS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| EVA VIEL | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

4. WHAT AMOUNT OF MONEY, IF ANY, WOULD FAIRLY AND ADEQUATELY COMPENSATE EACH OF THE ABOVE PLAINTIFFS FOR WHICH YOU HAVE ANSWERED "YES" FOR THEIR INJURIES?
(NOTE: DO NOT ANSWER FOR ANY PLAINTIFF FOR WHICH YOU ANSWERED "NO" IN QUESTION #3.)

JIMMIE LEE BROWN

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>15,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |
| C. PROPERTY DAMAGE | \$ <u>6,000</u> |
| D. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |

JUDITH BELL

| | |
|---|-------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>100,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>75,000</u> |
| C. PROPERTY DAMAGE | \$ <u>24,000</u> |
| D. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| E. PAST LOST WAGES | \$ <u>300</u> |
| F. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |
| G. PERMANENT DISABILITY | \$ <u>0</u> |

KATHY RAGAN

| | |
|---|-------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>125,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>100,000</u> |
| C. PROPERTY DAMAGE | \$ <u>0-</u> |
| D. EVACUATION AND INCONVENIENCE | \$ <u>15,000</u> |
| E. PAST LOST WAGES | \$ <u>0-</u> |
| F. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>10,000</u> |
| G. PERMANENT DISABILITY | \$ <u>0-</u> |

KATHLEEN SINGLETON

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>10,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>200</u> |

DONALD FRANCIS

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>20,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>69,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |

DAVID RAGAN

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>10,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |

| | |
|--|-----------------|
| C. EVACUATION AND INCONVENIENCE | \$ <u>5,000</u> |
| D. PERMANENT DISABILITY | \$ <u>-0</u> |
| E. PROPERTY DAMAGE | \$ <u>4,000</u> |
| F. PAST LOST WAGES | \$ <u>900</u> |
| G. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

RICHARD BELL

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>29,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>12,000</u> |
| D. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

DEBORAH WILLIAMS

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>15,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |

NATHAN FIELDS

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>5,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>5,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |

PRESBOTT SMITH

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>25,000</u> |
|---|------------------|

| | |
|--|------------------|
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. PERMANENT DISABILITY | \$ <u>-0-</u> |
| E. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

WILLIE MAE GIVENS

| | |
|---|-------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>25,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>100,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. PERMANENT DISABILITY | \$ <u>-0-</u> |
| E. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |
| F. PROPERTY DAMAGE | \$ <u>15,000</u> |

FREDA DAVIS

| | |
|--------------------------------------|------------------|
| A. MENTAL ANGUISH PAST AND FUTURE | \$ <u>10,000</u> |
| B. EVACUATION AND INCONVENIENCE | \$ <u>15,000</u> |

THELMA RILEY

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>25,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>50,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. PERMANENT DISABILITY | \$ <u>-0-</u> |
| E. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

| | |
|--------------------|---------------|
| F. PROPERTY DAMAGE | \$ <u>500</u> |
| G. PAST LOST WAGES | \$ <u>0</u> |

LOUIS FORD

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>10,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>10,000</u> |
| C. PERMANENT DISABILITY | \$ <u>0</u> |
| D. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |
| E. PAST LOST WAGES | \$ <u>200</u> |

MILTON TAYLOR

| | |
|---|-------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>75,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>100,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>20,000</u> |
| D. PAST LOST WAGES | \$ <u>100</u> |
| E. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

ARNOLD JOHNSON

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>10,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>15,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. PAST LOST WAGES/BUSINESS PROFITS | \$ <u>500</u> |

THOMAS GASPARD

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>10,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>25,000</u> |

RITA BENNET

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>50,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>75,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. PAST LOST WAGES | \$ <u>0-</u> |
| E. PROPERTY DAMAGE | \$ <u>1420</u> |

CHARLES GIVEN

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>75,000</u> |
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>75,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>10,000</u> |
| D. PAST LOST WAGES | \$ <u>250</u> |
| E. PROPERTY DAMAGE | \$ <u>15,000</u> |
| F. PERMANENT DISABILITY | \$ <u>0-</u> |
| G. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

EVA VIEL

| | |
|---|------------------|
| A. PHYSICAL PAIN AND SUFFERING PAST AND FUTURE | \$ <u>75,000</u> |
|---|------------------|

| | |
|--|------------------|
| B. MENTAL ANGUISH PAST AND FUTURE | \$ <u>50,000</u> |
| C. EVACUATION AND INCONVENIENCE | \$ <u>4,220</u> |
| D. PERMANENT DISABILITY | \$ <u>0-</u> |
| E. MEDICAL EXPENSES PAST AND FUTURE | \$ <u>500</u> |

5. DO YOU FIND THAT ANY OF THE FOLLOWING DEFENDANTS ACTED WITH WANTON OR RECKLESS DISREGARD FOR PUBLIC SAFETY IN THE STORAGE, HANDLING, OR TRANSPORTATION OF HAZARDOUS OR TOXIC SUBSTANCES?

(NOTE: DO NOT ANSWER FOR ANY DEFENDANT FOR WHICH YOU ANSWERED "NO" IN QUESTION #1, OR FOR ANY DEFENDANT YOU DID NOT ASSIGN A PERCENTAGE OF FAULT IN QUESTION # 2).

| | | |
|--------------------------------|---|-----------------------------|
| MITSUBI | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| GATX TERMINALS | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| ILLINOIS CENTRAL RAILROAD CO. | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| ALABAMA GREAT SOUTHERN RAILWAY | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| CSX TRANSPORTATION | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

NOTE: WHEN YOU HAVE REACHED YOUR VERDICT BY COMPLETING THIS FORM, THE JURY FOREPERSON SHOULD SIGN AND DATE THE SAME, AND NOTIFY THE SHERIFF THAT YOU HAVE REACHED YOUR VERDICT.

James E. Gordon
JURY FOREPERSON
August 25, 1997
DATE

March 19, 1998

Surface Transportation Board
Office of Public Services
1925 K Street, N.W. - Room 848
Washington, D.C. 20423-0001

RE: Proposed CSX/Norfolk Southern Merger

Dear Sir/Madame:

As you may recall, I represented a class of over 8,000 persons who were injured as a result of the release of toxic butadiene at the CSX Interchange in New Orleans, Louisiana. The incident occurred more than *ten years ago*, on September 9, 1987. Last summer, a New Orleans jury decided that the release was caused by the *wanton and reckless conduct of CSX*, and the jury ordered CSX alone to pay *\$2.5 billion in punitive damages*. The basis for the jury verdict was trial testimony that CSX had engaged in a pattern of *transporting hazardous cargo through poor, largely-minority, communities* and that CSX had not improved its safety practices in transporting hazardous chemicals.

It has only recently come to our attention that several United States Congressmen, and other community leaders in Ohio, are objecting to the proposed merger of CSX and Norfolk Southern for the same reasons that the New Orleans jury awarded more than *\$2.5 billion in punitive damages*. As the attached news articles demonstrate, *the proposed merger will mostly affect poor and black neighborhoods, and it will greatly increase the transport of hazardous cargo through poor communities*.

In short, we fear that the proposed merger will only increase the long-standing risk of toxic poisoning of our poorest communities by CSX.

I am aware that oral argument on the proposed merger is set for June 4, 1998. I respectfully request, in light of the very serious safety issues involved, that we be

March 19, 1998

Page 2

permitted to submit additional comments to the Board, and to voice our concerns, on behalf of 8,000 residents of New Orleans, about this potentially dangerous merger.

Very truly yours,

Wendell H. Gauthier

WHG/gl
Enclosure

**NEW ORLEANS TRAIN CAR LEAKAGE FIRE LITIGATION
PLAINTIFF MANAGEMENT COMMITTEE**

3748 North Causeway Blvd., Suite 301
Metairie, Louisiana 70002
(504) 838-8383

DAVID P. BARN
JOSEPH M. BRUNO
KAREY F. CANTRELL
FRANK J. D'AMICO, JR.
CALVIN C. FAYARD, JR.
JACK W. BARANO
C. JOSEPH MURRAY
DAVID W. BOBBSON
H. EDWARD SHELMAN
THOMAS L. SMITH
VERNON THOMAS
DARLEEN JACOBS
T. ALLAN USRY
WENDELL GAUFREY

HENRY T. DART
LIAISON COUNSEL

March 24, 1998

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

Re: Before the Surface Transportation Board
Washington, D. C.
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
Finance Docket No. 33388, DOT 3

Dear Mr. Williams:

Enclosed herewith for filing, please find the original and 26 copies of our Motion To Become Party of Record in reference to the above captioned matter.

Please return a date stamped and conformed copy of the Motion to me in the enclosed self-address and postage paid envelope.

With regards, I am

Yours very truly,
PLAINTIFF MANAGEMENT COMMITTEE

Henry T. Dart
HENRY T. DART, Liaison Counsel

HTD/bjt

encl.

cc: All counsel of record
Plaintiffs Management Committee

Before the
Surface Transportation Board
Washington, D. C.

| | | |
|--|---|--------------------------|
| CSX Corporation and CSX Transportation, Inc. |) | |
| Norfolk Southern Corporation and Norfolk |) | |
| Southern Railway Company - Control and |) | |
| Operating Leases/Agreements - Conrail, Inc. |) | Finance Docket No. 33388 |
| <u>and Consolidated Rail Corporation</u> | | |

MOTION TO BECOME PARTY OF RECORD

Come now Richard and Judith Bell and George Rigamer, individually and as representatives of the class of approximately 8,000 plaintiffs in the matter entitled In Re New Orleans Train Car Leakage Fire Litigation, No.: 87-16374 on the docket of the Civil District Court for the Parish of Orleans, State of Louisiana, who move to become parties of record in these proceedings for the purpose of commenting on and fully participating in the above-referenced proceedings for the reasons set forth below.

On September 9, 1997, movers obtained a jury verdict in the amount of two billion five hundred million, (\$2,500,000,000), dollars against CSX Transportation Inc., one of the parties to the proposed merger before this board. Movers believe that if and when this verdict is reduced to final judgment, it may have a severe financial impact on CSXT's operation. Conversely, CSX's proposed merger with Conrail may have a severe financial impact on CSXT's ability to pay any final judgment that may be rendered in mover's case.

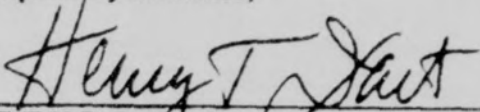
On May 30, 1997 this Board issued a decision that the National Environmental Policy Act, (NEPA), required preparation of an environmental impact statement to assess the likely environmental consequences of the merger, including such issues as safety, air quality and

community impact. The decision also called for the U. S. Department of Transportation, (DOT), to submit preliminary comments on the proposed transaction. On October 21, 1997, DOT submitted its preliminary comments, saying that "the most important issue raised by the pending transaction is its potential effect on safety". Movers submit that they have evidence relative to CSXT's safety policies and procedures, as well as its attitudes and activities in response to a massive chemical spill in a densely populated area of New Orleans, Louisiana, all of which may have a bearing on the desirability of the proposed merger.

For the foregoing reasons, it is requested that movers be entered as parties of record and allowed to participate in these proceedings to the fullest extent allowed by law. Movers specifically request notice of any hearing or oral argument and an opportunity to speak thereat.

Respectfully submitted,

By:


HENRY T. DART (Bar #4557)
Liaison Counsel
3748 N. Causeway Boulevard, Suite 301
Metairie, Louisiana 70002
(504) 838-8383

Plaintiffs Management Counsel:

Mr. David P. Bains, Esq.
Attorney at Law
2900 Ridgelake Drive, Suite 201
Metairie, Louisiana 70002
Phone: 835-5111
Fax: 835-2650

Mr. Joseph Bruno, Esq.
Bruno & Bruno
Attorney at Law
825 Baronne St.
New Orleans, Louisiana 70113
Phone: 525-1335
Fax: 581-1493

Mr. Harry E. Cantrell, Jr.
2900 Energy Centre
1100 Poydras Street
New Orleans, Louisiana 70163-2900
Phone: 585-7347
Fax: 585-7340

Mr. Frank J. D'Amico, Jr., Esq.
629 Barone St.
New Orleans, Louisiana 70130
Phone: 525-9561
Fax: 525-9522

Mr. Calvin C. Fayard, Jr., Esq.
Attorney at Law
519 Florida Boulevard
Denham Springs, Louisiana 70726
Phone: (504) 664-4193
Fax: 664-6925

Mr. Jack W. Harang, Esq.
3748 No. Causeway Blvd.
Suite 303
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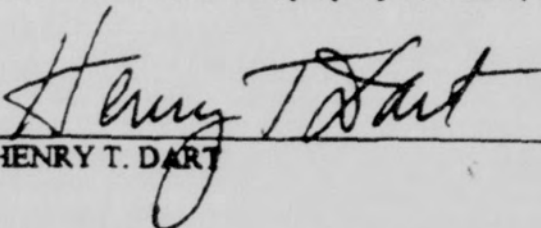
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CERTIFICATE OF SERVICE

I DO HEREBY CERTIFY that I have on this 23 day of March, 1998, served a copy of the foregoing pleading on counsel for all parties to this proceeding, by mailing the same by United States mail, properly addressed, and first class postage prepaid.


HENRY T. DART

STB

FD-33388

3-25-98

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FILE IN DOCKET

Committee on Transportation and Infrastructure

Congress of the United States

House of Representatives

Washington, DC 20515

Bud Shuster
Chairman

James L. Oberstar
Ranking Democratic Member

Jack Schenendorf, Chief of Staff
Michael Strachn, Deputy Chief of Staff

David Heymsfeld, Democratic Chief of Staff

March 10, 1998

The Honorable Linda J. Morgan
Chair
Surface Transportation Board
1925 K St., N.W.
Washington, D.C. 20423-0001

RE: Finance Docket No. 33388

Dear Chairman Morgan:

I have not reached any conclusions as to the overall advisability of the proposed dismemberment of Conrail between CSX and Norfolk Southern (NS) railroads. There is one issue, however, which I would like to bring to your attention immediately.

CSX and Norfolk Southern propose to reserve to themselves, under section 2.2(c) of their agreement, the right to determine, in cases where Conrail holds a transportation contract with a shipper, which successor carrier – CSX or NS – will be assigned responsibility for performing Conrail's responsibilities under the contract. The Department of Transportation has opposed this proposal in its brief, and I find I must align myself with the Department's views in this matter.

The most egregious application of this proposal is in the case of APL Ltd., the successor to American President Lines. APL pioneered double-stack intermodal service in the United States. APL has contracts with western railroads and with Conrail to transport its double-stack cars across the country in "land-bridge" service to New York and Boston. The price that APL pays under this contract is critically dependent upon the precise service characteristics provided by Conrail. While this is a long term contract (expiring on May 31, 2004), Conrail has agreed to periodic adjustments to the contract to accommodate APL's changing needs. The contract has a non-assignment clause that prevents the contract from being assigned to any party other than Conrail.

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CHAIRMAN MORGAN

The Honorable Linda J. Morgan
March 10, 1998
Page 2

If Conrail's performance under this contract were assigned, against APL's will, to CSX, then APL would find itself in the untenable position of having its success in serving its customers dependent upon the performance of a railroad which owns not only its chief domestic steamship line competitor, Sea-Land, but also its chief intermodal services competitor, CSX Intermodal. It would be an outrage for the Surface Transportation Board to use its power to abrogate contracts to force APL Ltd. to be dependent on its chief competitor for the quality of service provided to its customers. I urge and I trust that you will not allow this to happen.

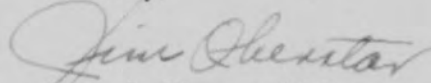
APL should be allowed to renegotiate its contract and to decide what role CSX and NS will play in providing services to it if Conrail is dismembered. This will allow the new contract to take account both of the new relationship between APL and CSX and of the possibly reduced service quality that may result from the division of lines between CSX and NS.

While the case of APL is particularly egregious, I see no reason why the same logic should not apply to any other shipper whose contract contains a non-assignment clause. I understand that Eastman Kodak, Amtrak, NYK Line, and several short line railroads and chemical manufacturers have similar non-assignment clauses in their contracts with Conrail. I see no reason why these contractual agreements should be abrogated. CSX and NS should be required to bargain on an arms-length basis with these shippers to establish their own contracts, not acquire contracts that these shippers never would have signed had they known that the carrier they were dealing with was not Conrail but some unknown combination of CSX and NS service.

I have, as I said, not reached any position on the overall advisability of the Conrail transaction. I may have further thoughts on this matter as you get closer to a decision.

With all best wishes.

Sincerely,



James L. Oberstar, M.C.
Ranking Democratic Member

JLO/jwmm
cc: Gus Owen



Office of the Chairman

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

FILE IN DOCKET

May 4, 1998

JD-33388

The Honorable James L. Oberstar
Ranking Democratic Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Oberstar:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. While you state that you have not yet reached any overall conclusions as to the proposal, you do express concern over the effect that approval of the proposed transaction may have on the rights of APL Ltd. and similarly situated shippers under existing, long-term transportation contracts with Conrail that contain non-assignment clauses.

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

In deciding whether a control transaction such as the one being proposed here is in the public interest and should be approved, the Board must consider various factors required by law, and resolve the material issues raised by the parties to the proceeding. In this regard, let me assure you that the Board will give full consideration to the matter 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