

STB

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4-7-97

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STATES



HOUSE OF REPRESENTATIVES

88TH DISTRICT
PATRICIA L. BIRKHOLZ

March 27, 1997



Vernon A. Williams, Secretary
Surface Transportation Board
12th & Constitution Avenue, N.W.
Washington, DC 20423

Re: CSX/Conrail Merger

STB Finance Docket No. ~~33220~~

33385

Dear Secretary Williams:

I am writing to express my support for the planned merger of Conrail and CSX Corporation as proposed in the above referenced docket. Michigan industrial, business and agricultural interests need the best possible rail transportation. I believe this merger will provide our key industries with transportation options providing increased market reach at potentially lower costs.

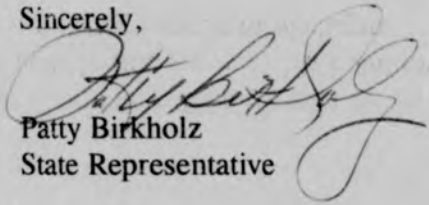
Many of these interests will be able to access key Eastern, Mid-western, Southern and even international customers and suppliers with single line service. This will make rail service faster, more reliable and more efficient. This is a major benefit to Michigan.

Conrail/CSX also offers residents of Michigan opportunities for new business and industrial growth with the resultant new jobs. This is crucial for our ability to compete in the global economy. The Conrail/CSX combination will also increase the number of East Coast ports to which our state's companies will have efficient and cost effective access. This will create new possibilities for exporting Michigan's manufactured goods and agricultural commodities.

Without question, Conrail and CSX would link two of America's premier rail transportation companies. This is an advantage for shippers in terms of both services and efficiency. CSX's global access via its SeaLand subsidiary; its domestic barge line and international logistics company, will generate many new commercial and employment opportunities for the people of Michigan.

The merger of Conrail and CSX is a positive for Michigan and the United States. I urge the Surface Transportation Board to approve the merger as proposed.

Sincerely,


Patty Birkholz
State Representative

STB

FD

33388

4-7-97

J

MOCWV

BOB WISE
2d DISTRICT, WEST VIRGINIA

COMMITTEES:
COMMITTEE ON TRANSPORTATION
& INFRASTRUCTURE
COMMITTEE ON GOVERNMENT REFORM
& OVERSIGHT
web address: <http://www.house.gov/wise/>
e mail address: bobwise@mail.house.gov

File in Socket
JD-33388
Congress of the United States

House of Representatives

Washington, DC 20515

March 26, 1997

WASHINGTON OFFICE
2367 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2711
FAX: (202) 225-7858

DISTRICT OFFICES
4710 CHIMNEY DRIVE
CHARLESTON, WV 25302
(304) 965-0865
FAX: (304) 965-0872
222 W. JOHN STREET
N. MARTINSBURG, WV 25401
(304) 264-8810
FAX: (304) 264-8815

Mr. John Snow
CEO & President
CSX Corporation
1 James Center
901 E Cary St
Richmond, Virginia 23219-4057

Dear Chairman Snow:

I am writing to express my concerns about the proposed acquisition of Conrail by CSX Transportation (CSX) and Norfolk Southern (NS).

I am encouraged that CSX and NS were able to work together to come up with a tentative plan which will allow both railroads to continue to be competitive in the East. This cooperation will clearly provide more competition than if Conrail as a whole went to one railroad or the other.

It is my hope that both CSX and NS can continue to work together, but also work with the local communities, state transportation interests, shippers and short lines. I believe that there is much that can be accomplished before the final plan is filed with the Surface Transportation Board several months from now. Since this merger will have a great impact on business and industry in West Virginia, it is critical for all parties to take an active role in working together on this plan.

One issue that I am specifically concerned about is competition in West Virginia. It has been brought to my attention that there are several lines in the proposed post-Conrail system that will become joint or shared lines by CSX and NS. I would encourage both railroads to pursue this effort on other lines.

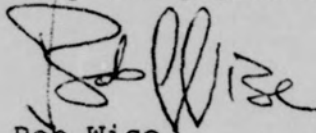
One line that would be ripe for joint ownership is the 131 mile Conrail line which runs from Pt. Pleasant in Mason County, through the state capital in Charleston and ends in Nicholas County. Present maps indicate that NS will have sole ownership of this line. This area of the state is highly export oriented, with industries shipping large quantities of timber, coal and chemicals via railroad. If this Conrail line were served by both railroads, significant economic improvements would be likely along the line and throughout the region.

Mr. John Snow -- Page 2

These joint lines would provide greater benefit to all involved. Both CSX and NS would have the opportunity to transport West Virginia's raw and finished materials, shippers would have greater flexibility and the marketplace would be enhanced through increased service by the two railroads. It is clear that both CSX and NS are committed to working together to make this acquisition happen, however it is even more important for all other parties affected by the merger to participate in the decision-making process.

Thank you for your attention to this matter. I look forward to working with you and interested parties in the state to see that this merger means better service and increased competition on the rails in West Virginia.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Bob Wise', with a stylized, cursive script.

Bob Wise
Member of Congress

BW:dah

cc: David Goode, Chairman, Norfolk Southern
Linda Morgan, Chairman, Surface Transportation Board

BOB WISE
2d DISTRICT, WEST VIRGINIA

COMMITTEES:
COMMITTEE ON TRANSPORTATION
& INFRASTRUCTURE
COMMITTEE ON GOVERNMENT REFORM
& OVERSIGHT

web address: <http://www.house.gov/wise/>
e mail address: bobwise@mail.house.gov

Congress of the United States

House of Representatives

Washington, DC 20515

March 26, 1997

WASHINGTON OFFICE:
2367 RAYBURN HOUSE OFFICE BUILDING
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(202) 225-2711
FAX: (202) 225-7856

DISTRICT OFFICES:
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(304) 965-0865
FAX: (304) 965-0872
222 W. JOHN STREET
MARTINSBURG, WV 25401
(304) 264-8810
FAX: (304) 264-8815

Mr. David Goode
Chairman
Norfolk Southern
3 Commercial Place
Norfolk, Virginia 23510

Dear Chairman Goode:

I am writing to express my concerns about the proposed acquisition of Conrail by CSX Transportation (CSX) and Norfolk Southern (NS).

I am encouraged that CSX and NS were able to work together to come up with a tentative plan which will allow both railroads to continue to be competitive in the East. This cooperation will clearly provide more competition than if Conrail as a whole went to one railroad or the other.

It is my hope that both CSX and NS can continue to work together, but also work with the local communities, state transportation interests, shippers and short lines. I believe that there is much that can be accomplished before the final plan is filed with the Surface Transportation Board several months from now. Since this merger will have a great impact on business and industry in West Virginia, it is critical for all parties to take an active role in working together on this plan.

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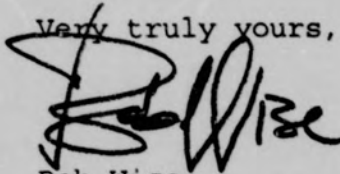
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Mr. David Goode -- Page 2

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Thank you for your attention to this matter. I look forward to working with you and interested parties in the state to see that this merger means better service and increased competition on the rails in West Virginia.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Bob Wise", with a stylized, cursive script.

Bob Wise
Member of Congress

BW:dah

cc: John Snow, Chairman, CSXT

Linda Morgan, Chairman, Surface Transportation Board

STB

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33388

4-3-97

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CT/ES



City of Westlake

27216 HILLIARD BOULEVARD • WESTLAKE, OHIO 44145 • (216) 871-3300

Dennis M. Clough, Mayor

March 27, 1997



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
12th St. and Constitution Ave., N.W., Room 2215
Washington, D.C. 20423

33388

Re: Finance Docket No. ~~33286~~, Norfolk Southern
Corporation and Norfolk Southern Railway
Company-Control-Conrail Inc. and Consolidated
Rail Corporation

Dear Mr. Williams:

My name is Dennis M. Clough. As Mayor of the City of Westlake, I have been authorized to state the following position with respect to the acquisition of Conrail [by NS] now before your Board:

1. We support any plan which promotes balanced rail competition in the territory served by Conrail. We want our industries to have viable competitive rail service alternatives to and from markets which have heretofore been unavailable to them because of the absence of another railroad.
2. We support a plan which will result in a relatively even balance of strength between two major railroads. A single dominant railroad in the Northeast is unacceptable.
3. It is our position that competitive access through ownership of rail lines is preferable to trackage rights or some other track use arrangement. Tenants invariable come second when their priorities conflict with those of landlord.

By my execution hereof, I declare under penalty of perjury that I am familiar with the foregoing statement and that it is true and correct. Further, I certify that I am qualified and authorized to make this statement.

By

Dennis M. Clough
Mayor

SHIPPER GOING FROM 2 TO 1 UNDER CSX/CONRAIL

BALTIMORE FREEPORT CENTRE
2500A Broening Hwy. STE 203
Baltimore, MD 21224

33388
FINANCE DOCKET NO. ~~32206~~



NORFOLK SOUTHERN CORPORATION
AND NORFOLK SOUTHERN RAILWAY COMPANY -
CONTROL AND MERGER -
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

VERIFIED STATEMENT OF
BALTIMORE FREEPORT CENTRE

My name is Gene Burgee. I am the Vice President and General Manager for Baltimore Freeport Centre. My business address is 2500A Broening Hwy., Baltimore, MD 21224. As Vice President and General Manager, my responsibilities include planning for rail service, negotiation of rail contracts, rail property equipment leases, and arranging for carload and container on flat car shipments. I have worked in the transportation field for 17 years.

Baltimore Freeport Centre operates three facilities at the following locations: Broening Hwy., Highland Ave, and Patapsco Ave. We warehouse general commodities at each of these locations. In 1995, we shipped 300,00 tons of this product by rail. We ship to numerous points in the U.S.

We are concerned that a merger of CSX and Conrail would reduce competition for service to our facilities. Baltimore Freeport Centre has the opportunity for competitive rail service at Broening Hwy. and Highland Ave from either CSX and Conrail.

If NS were to acquire Conrail, then we would continue to enjoy competitive rail service at these locations. We have utilized NS in the past for shipments to certain locations and received excellent service from them.

Competitive rail service is important for Baltimore Freeport Centre. There is a distinct need for balanced rail competition in the East. If CSX were to acquire Conrail then there would be monopoly rail service to many locations where we now have the option of competitive service. In our business of warehousing food stuffs and general commodities we face competition from many sources. Because of this competition, we are continuously striving to improve our product and our services as well as keep our costs down. This same competitive motivation applies in the rail industry. If we, as a shipper, are faced with a rail monopoly

situation over most of the Northeast, then we can expect to see declining service and increased prices. The incentive to provide quality service at low rates will be gone.

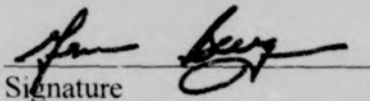
Currently, we have available competitive service to numerous destinations including Chicago IL, Detroit MI, Grand Rapids MI, FT. Wayne IN, and ST. Louis MO. With a CSX/Conrail merger, this would be lost. However, with a NS/Conrail combination under NS's plan to preserve competitive balance, we would continue to have competitive rail service to these points. The simple fact is that a CSX/Conrail merger would produce one railroad that would completely dominate the Northeast while a NS/Conrail combination as proposed by NS would preserve a competitive rail system in that region.

Baltimore Freeport Centre must compete on a global basis. Both our domestic and international competitors look for costs savings whenever possible. Because transportation expenses are a major product cost item for Baltimore Freeport Centre, we need to have multiple rail providers available in order to provide a competitive force to keep rail rates in check. A monopoly rail situation would surely result in higher rates than under a balanced competitive rail situation, and would make it more difficult for us to compete at the product level both domestically and internationally. Motor carrier service is not a economically viable alternative for shipping our product.

We ask that the Surface Transportation Board approve NS's application to acquire Conrail, and deny CSX's application.

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

Executed on MARCH 5, 1997


Signature

Subscribed and sworn before me on _____, _____, _____.

STB

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33388

4-1-97

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Office of the Chairman

4-1-97
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 20, 1997

The Honorable Margaret A. Wuerstle
Mayor
Randy J. Woodbury
DPW Director
City of Dunkirk
City Hall
Dunkirk, NY 14048

Dear Mayor Wuerstle and Director Woodbury:

Thank you for your kind words about my testimony before the U.S. Senate 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. Your letter also expresses concern that, due to the proposed transaction, Conrail has ceased negotiating over the use of the local train station in the City of Dunkirk, New York, for Amtrak passenger service.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Surface Transportation Board (Board) on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

While you have the right to participate formally in the control proceeding before the Board, you may be interested in a more timely resolution to your problem. I am therefore referring this correspondence to the Board's Office of Compliance and Enforcement to look into this matter further.

I also am having your letter made a part of the public docket in this proceeding. I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan
Linda J. Morgan



CITY OF DUNKIRK
DEPARTMENT OF PUBLIC WORKS
CITY HALL, DUNKIRK, N. Y. 14048

MARGARET A. WUERSTLE
MAYOR
(716) 363-0452
FAX (716) 366-2049

RANDY J. WOODBURY
DIRECTOR OF PUBLIC WORKS
(716) 366-9832
FAX (716) 366-2049

DAVID J. MANZELLA
SENIOR ENGINEERING TECHNICIAN
(716) 366-9832
FAX (716) 366-2049

March 25, 1997

Chairman Linda Morgan
Surface Transportation Board
1925 K Street NW
Washington DC 20423-0001 phone: 202-565-1592 fax: 202-565-9015

Dear Chairman Morgan:

CSPAN brought us coverage of your impressive Senate testimony on the pending Conrail mergers with CSX and NS. We especially noted your offer on behalf of the STB to assist municipalities along present Conrail routes that are concerned about their Amtrak service.

The City of Dunkirk is midway along the shore of Lake Erie between Erie, Pennsylvania, and Buffalo, New York. The City successfully negotiated with Amtrak for a stop on its Lake Shore Limited route, but this has been frustrated for more than a year because Conrail has been difficult to deal with on passenger use of the local train station and station platform. The City has architectural plans and the wherewithal to modify the train station as needed for an Amtrak stop, but Conrail has been immovable relative to rest rooms and other issues that should be trivial to work out.

With the pending mergers, Conrail now refuses to meet to work out final details. Conrail canceled a meeting with the City on March 19 and has indicated it will not resume consideration of the train station until CSX is in control. The City would like its Amtrak stop by June of this year. The City of Dunkirk hereby requests the Surface Transportation Board's assistance and advice.

Thank you for your consideration.

Sincerely,

Margaret A. Wuerstle
Mayor, City of Dunkirk

Randy J. Woodbury
DPW Director, City of Dunkirk

copies to: Senators Moynihan and D'Amato, Congressman Houghton

RECEIVED
SURFACE TRANSPORTATION
BOARD
APR 1 4 43 PM '97
OFFICE OF
CHAIRMAN MORGAN

HISTORIC HARBOR DEVELOPMENTS, INC.

332 Central Avenue Dunkirk, New York 14048 Telephone 716 366 5312 Fax 716 366 5321

March 27, 1997

Federal Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423-0001

Re: Conrail - Norfolk Southern - CSX Merger

S I R S :

We are a local development company hoping for better times in our community.

The City of Dunkirk has experienced destruction of its local economy through a series of tragedies that need not have happened. The City's principal residential and commercial areas were separated from Lake Erie when New York Central built its elevated barrier along Third Street through the City years ago. Thereafter, Urban Renewal destroyed most historic commercial buildings and left major unproductive areas and other areas with deteriorated developments.

The Conrail merger may offer the greatest opportunity we have seen in decades for bringing the downtown economy of this City back to life.

Removal of the New York Central elevated right-of-way is a key to providing Dunkirk with an historic future. It would restore the Lake to the community.

Norfolk-Southern has another right-of-way through the City which we understand is adequate to carry all traffic. Increased traffic on that right-of-way would probably require two new highway underpasses. Passenger service can be restored there with an historic passenger



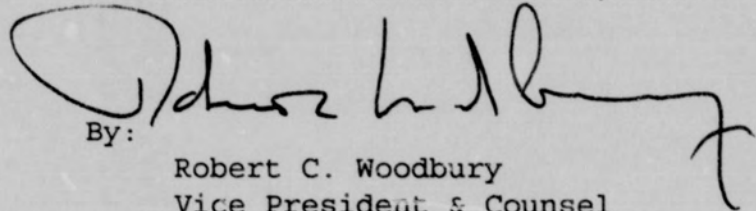
Surface Transportation Board
March 27, 1997
page two

station and work contributed by our highly skilled local
Preservation Society.

The City has its future at stake and your
favorable consideration is earnestly solicited.

Thank you.

Respectfully submitted,
HISTORIC HARBOR DEVELOPMENTS, INC.

By: 
Robert C. Woodbury
Vice President & Counsel

RCW:wel



Cahokia MARINE
SERVICE

1441 Hampton Avenue • P.O. Box 39904 • St. Louis, MO 63139



March 19, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
12th & Construction Avenue, N. W.
Washington, D.C. 20423

RE: Acquisition of Conrail by CSX and NS

Dear Secretary Williams:

My name is John C. Brereton, Vice President - Marketing, Cahokia Marine Service in St. Louis, Missouri. My office address is 1441 Hampton Avenue, St. Louis, Missouri 63139. In my position, I am responsible for coordinating the transportation strategy for commodities such as: coal, coke, fertilizers, chemicals, petroleum, etc., moving through our bulk terminal located in Sauget, Illinois. I have been in my current position since 1987, and have worked in the logistics field for 39 years. I am writing to offer my company's strong support for the acquisition of Conrail by CSX and NS and to urge the Board approve it promptly.

Cahokia Marine Service is a Multi-Modal Distribution Terminal located at milepoint 178.2L on the Upper Mississippi River, that handles the movement and transfer of products such as coal, coke, fertilizers, chemicals, petroleum and various liquids between rail and barge and tank storage. In 1996, Cahokia Marine Service moved in excess of 1,000 carloads of coal via CSXT from Solar Sources, Wheatland, Indiana through our bulk terminal destined to Union Electric, Meramec, MO and Illinois Power, Wood River, IL [Transfer - Rail Direct to Barge]. We anticipate handling approximately one-half million [500,000] tons of coal for these facilities during 1997. This market is still in the developmental stages and we anticipate ever increasing tonnage in the years ahead.

Cahokia Marine Service believes that the proposed acquisition of Conrail by CSX and NS would be in our best interests, as well as in the interest of our customers. This merger will provide Cahokia Marine Service with a broader market reach with enhanced single line service and billing, and a greater equipment pool from which to draw. My experience has been that single line service is faster, more reliable, and allows for better shipment tracking and other customer service functions than joint carrier moves can provide. Each of these benefits will accrue not only to Cahokia Marine Service, but to the shipping public in general.

CSX.DOC

Phone: St. Louis, Missouri 314-647-7529 • Sauget, Illinois 618-274-2405

Mr. Vernon A. Williams

March 19, 1997

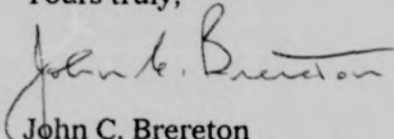
Page 2

Cahokia Marine Service is well aware that motor carriers haul most of the nation's freight, and that trucks dominate the freight markets especially in the East. Through the acquisition of Conrail by CSX and NS, we will be able to achieve greater efficiency, it will return more freight traffic to the rails promoting more long term capital investment and ensuring that rail service will grow into the future. These developments are, and should be, important to all rail shippers.

In conclusion, Cahokia Marine Service supports the acquisition of Conrail by CSX and NS and requests that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote the growth of rail traffic in the East.

I, John C. Brereton, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement. Executed this 19th day of March, 1997.

Yours truly,



John C. Brereton
Vice President - Marketing

cc: Mr. Dan J. Marquitz
American Commercial Barge Line Company
P.O. Box 610
Jeffersonville, IN 47130

Mr. John Q. Anderson
CSX Corporation
500 Water Street
Jacksonville, FL 32202

Mr. Anthony Q. McIntosh
CSX Corporation
2021 Spring Road - Suite 475
Oakbrook, IL 60521



March 26, 1997

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
1201 Constitution Avenue, N.W.
Room 2215
Washington, D.C. 20423

Dear Mr. Secretary:

Appalachian Timber Services, Inc. supports the acquisition of Conrail by CSX and Norfolk Southern. We believe this proposed merger is positive, and if approved will offer better and expanded service opportunities. This would permit our company to keep transportation costs down while receiving faster service.

We hope this matter will receive early consideration by the Surface Transportation Board and that Congress will not act to block or delay deliberation of this matter.

Thank you for your consideration.

Sincerely,

David Lane
Vice President

sh

STB

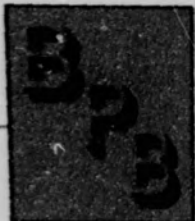
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33388

3-31-97

J

BUSINESS



The BURKE-PARSONS-BOWLBY Corporation

3210 PARKERSBURG RD. • REEDY, WEST VIRGINIA 25270-9723 • PHONE (304) 927-1250
FAX (304) 927-0220

PRESSURE TREATED
WOOD PRODUCTS

March 26, 1997



Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1201 Constitution Avenue, NW
Room 2215
Washington, DC 20423

Dear Mr. Secretary:

The Burke-Parsons-Bowlby Corporation, Spencer Division, supports the acquisition of Conrail by CSX and Norfolk Southern. We believe this proposed merger is positive, and if approved will offer better and expanded service opportunities. This would permit our company to keep transportation costs down while receiving faster service.

We hope this matter will receive early consideration by the Surface Transportation Board and that Congress will not act to block or delay deliberation of this matter.

Thank you for your consideration.

Sincerely,

W. G. Downey, Jr.
Division Manager
Spencer Division

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Equal Opportunity Employer



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MILTON, WV 25541
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MARCH 27, 1997

MR. VERNON A. WILLIAMS, SECRETARY
SURFACE TRANSPORTATION BOARD
1201 CONSTITUTION AVE., NW
ROOM 2215
WASHINGTON, D.C. 20423

DEAR MR. SECRETARY:

ENGINES, INC., RAIL CAR DIVISION, SUPPORTS THE AQUISITION OF CONRAIL BY CSX AND NORFOLK SOUTHERN. WE BELIEVE THIS PROPOSED MERGER IS POSITIVE, AND IF APPROVED WILL OFFER POTENTIAL GROWTH OPPORTUNITIES FOR MY COMPANY.

WE HOPE THIS MATTER WILL RECEIVE EARLY CONSIDERATION BY THE SURFACE TRANSPORTATION BOARD AND THAT CONGRESS WILL NOT ACT TO BLOCK OR DELAY DELIBERATION OF THIS MATTER.

THANK YOU FOR YOU CONSIDERATION.

SINCERELY,

A handwritten signature in cursive script that reads 'Carl C. Grover'.

CARL C. GROVER
PRESIDENT
ENGINES, INC., RAIL CAR DIVISION

STB

FD

33388

3-28-97

J

BUSINESS



Office of the Chairman

3-28-97 File in
Surface Transportation Board
Washington, D.C. 20423-0001
Docket
FD-33388

May 22, 1997

Mr. David L. Calhoun
President and Chief Executive Officer
General Electric Company
2901 East Lake Road
Erie, PA 16531

Dear Mr. Calhoun:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

Applicants also have requested an expedited procedural schedule. Consistent with established precedent, the Board has sought comments from the public on applicants' proposed schedule. The comment period ended on May 1, 1997, and the Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this 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



GE Transportation
Systems

David L. Calhoun
President & Chief Executive Officer

General Electric Company
2901 East Lake Road, Erie, PA 16531
814 875-3339 Fax: 814 875-6487

March 24, 1997

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue, N. W.
Washington, D. C. 20423

Dear Ms. Morgan:

I am writing to you to request that the Surface Transportation Board give expedited review and approval of the merger application that will soon be submitted by CSX Corporation.

As the President and CEO of GE Transportation Systems, I have followed the recent negotiations among the Eastern railroads with great interest. I believe that the proposed acquisition of Conrail by CSX and Norfolk Southern will create tremendous benefits for both customers and the rail industry as a whole.

As you know, since the creation of Conrail in the late 1970's, much of the Northeast has been served by only one major railroad. When the CSX-Norfolk Southern acquisition is complete, the region will be served by two strong railroads offering customers single-line service throughout the East. This arrangement will bring what has long been needed throughout the Northeast: balanced, competitive and efficient freight rail service. Shippers will have access to more direct routes. The reduction in interchanges and handling will reduce transit time and improve administration for customers, many of whom are relatively small businesses.

Most importantly, from my Company's perspective, the proposed merger and acquisition plan will create two financially stable and vigorous railroad companies that will be better positioned to invest in infrastructure, equipment (e.g. locomotives) and safety technology. An enhanced railroad industry will be better able to compete directly with trucking, especially along the North-South corridors. Overall, I believe that the plan will create a superior transportation system for consumers.

We look forward to seeing the rail companies begin implementation of this plan. We believe it is an historic opportunity in the transportation industry and urge you to complete your review process as quickly as possible.

Sincerely,

David L. Calhoun

brk

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SURFACE TRANSPORTATION
BOARD
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OFFICE OF
CHAIRMAN MORGAN

STB

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KY



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

PAUL E. PATTON
GOVERNOR

700 CAPITOL AVENUE
SUITE 100
FRANKFORT, KY 40601
(502) 564-2611
FAX: (502) 564-2517

March 20, 1997

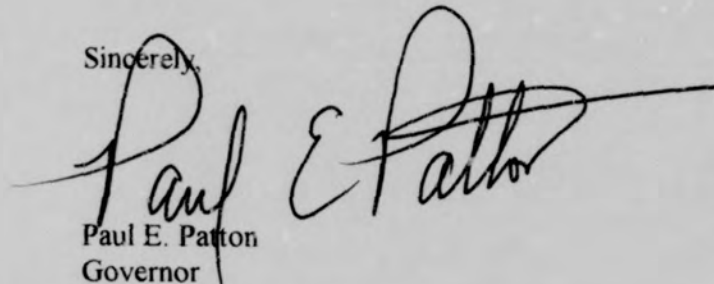
Linda Morgan, Chairperson
Surface Transportation Board
1925 K Street, NW Suite 320
Washington DC 20423

Dear Ms. Morgan:

It is my understanding that in the coming weeks CSX Transportation will be submitting to the Surface Transportation Board an application for approval of merger with Norfolk Southern rail operations. This new rail network should provide tangible benefits in Kentucky and its surrounding states as a result of improved customer service and an increase in competition with other carriers. In addition, we expect the merger to expand the market reach of Kentucky's coal producers and vehicle manufacturers and to serve generally as a critical link to industry in our state through the supply of raw materials and delivery of finished goods to the nation and throughout the world.

For these reasons, and on behalf of the Commonwealth, I would appreciate your Board's prompt consideration and approval of this merger application if it is deemed to be in the best interest of the public as well as the merging parties. If I or any member of my staff or Cabinet can be of assistance to you or the Board in its deliberations please do not hesitate to contact me. Thank you very much.

Sincerely,


Paul E. Patton
Governor

OFFICE OF
CHAIRMAN MORGAN

MAR 21 2 10 PM '97



Office of the Chairman

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

*File in
Docket
JD-33388*

May 22, 1997

The Honorable Paul E. Patton
Governor
Commonwealth of Kentucky
700 Capitol Avenue
Suite 100
Frankfort, KY 40601

Dear Governor Patton:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

Applicants also have requested an expedited procedural schedule. Consistent with established precedent, the Board has sought comments from the public on applicants' proposed schedule. The comment period ended on May 1, 1997, and the Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this case.

I am having your letter made a part of the public docket in this proceeding, and will have your name added to the service list to ensure that you receive all future Board decisions in this case. 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

STB

FD

33388

3-27-97

J



DuPont Sourcing

March 26, 1997



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

~~STB Finance Dockets 33220 and 33286~~

33388

Dear Secretary Williams:

This notice is sent to request that E. I. Du Pont de Nemours and Company be included as a Party of Record to Surface Transportation Board Finance Docket No. 33220, CSX Corporation and CSX Transportation, Inc.—Control and Merger-Conrail Inc. and Consolidated Rail Corporation and Surface Transportation Board Finance Docket No. 33286, Norfolk Southern Corporation and Norfolk Southern Railway Company—Control—Conrail Inc. and Consolidated Rail Corporation.

DuPont is a research and technology-based global chemical and energy company offering high-performance products based on chemicals, polymers, fibers and petroleum. Committed to better things for better living, DuPont serves worldwide markets in the aerospace, agriculture, apparel, automotive, construction, electronics, packaging, refining and transportation industries.

Sincerely,

Charles N. Beinkampen

Charles N. Beinkampen
Director, Global Distribution
Brandywine 6236A

173594

/ev
0326971



Office of the Chairman

3-27-97 File in
Surface Transportation Board
Washington, D.C. 20423-0001
Docket
FD-33388

May 22, 1997

The Honorable John A. Delaney
Mayor
City of Jacksonville
1400 City Hall
220 East Bay Street
Jacksonville, FL 32202

Dear Mayor Delaney:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

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

Sincerely,

Linda J. Morgan
Linda J. Morgan



OFFICE OF THE MAYOR

JOHN A. DELANEY
MAYOR

March 18, 1997

1400 CITY HALL
220 EAST BAY STREET
JACKSONVILLE, FL 32202

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Morgan:

As the Mayor of the City of Jacksonville, home of CSX Transportation, I am writing you to request that the Surface Transportation Board give expedited review and approval of the proposed acquisition of Conrail by the CSX Corporation and Norfolk Southern.

This merger and the proposed creation of balanced, competitive single-line rail service in the Northeast are vital for the future of the rail industry. That is a subject of great interest to the citizens of Jacksonville. CSX employs almost 5,500 people in our city. Thousands more have jobs that directly or indirectly depend on the operations of the railroad. It is an integral part of the local economy. All of us want to see freight rail continue to thrive and provide good paying jobs into the next century. We believe this merger will help accomplish that.

The proposed acquisition will establish what has long been desired in the rail industry; two balanced, competitive companies providing extended service throughout the East. The superior service that the railroads will be able to offer under this arrangement will continue to fuel the revival of the rail industry. It will also provide considerable economic benefits for Florida shippers who will be able to reach Northeast markets directly, more efficiently, and with more options.

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OFFICE OF
CHAIRMAN MORGAN



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The Honorable Linda Morgan

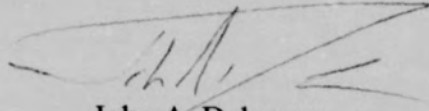
March 18, 1997

Page Two

CSX is an excellent corporate citizen. Their efficient rail service has resulted in new business for the Jacksonville Port Authority and is often the key reason behind new business relocations and expansions. Further, they commit considerable time and financial resources to a wide variety of worthwhile causes throughout our community. I look forward to CSX's continued commitments to our city and to the economic benefits derived from their acquisition of Conrail.

New jobs and economic development are something we work hard for every day. Your expedited review and approval of the CSX-Norfolk Southern proposal will go a long way in assisting us in that effort. That is why I hope the Surface Transportation Board will recognize the immense benefits of this acquisition and will move swiftly to approve it.

Sincerely,

A handwritten signature in dark ink, appearing to read "John A. Delaney", is written over a horizontal line.

John A. Delaney
Mayor

JAD/sm

Associated Industries of Florida

Filed in Docket



516 NORTH ADAMS STREET • P.O. BOX 784 • TALLAHASSEE, FLORIDA 32302-0784
PHONE: (904) 224-7173 • FAX: (904) 224-6532 • E-MAIL: aif@aif.com • INTERNET: http://aif.com

JD-33388 JON L. SHEBEL
PRESIDENT & CEO

March 19, 1997

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 21 2 10 PM '97
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan:

On behalf of Associated Industries of Florida and its 8,000 members, I am writing you to request an expedited review of the proposed acquisition of Conrail by CSX Corporation and Norfolk Southern.

Associated Industries represents a cross section of the Florida business community. Our members employ sixty percent (60%) of Florida's private sector work force. Our organization is eager for the merger to win approval so that our members can begin drafting business plans that will take advantage of expanded single-line rail service.

Our membership is very familiar with the freight rail industry since it is so central to Florida manufacturing. For example, railroads are the most cost-effective way for Florida's paper processors to obtain chemicals and wood fiber. Every year 14 million tons of coal come into our state by rail. Phosphate for fertilizer is shipped by train from Florida to points around the country. And, of course, CSX Transportation is headquartered in Jacksonville and operates over 1,700 miles of track in our state.

The proposed CSX-Norfolk Southern acquisition of Conrail will give Florida manufacturers something they have long wanted: direct, single-line access to the major markets of the Northeast. By reducing interchanges, our members will save at least a day in transit time and considerable costs that occur from damage during multiple handlings.

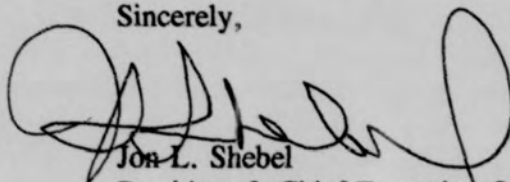


The Honorable Linda Morgan
March 19, 1997
Page Two

Our organization consists of a wide variety of industries located in virtually every part of the state. But despite our diversity we are of one mind on the advantages of single-line rail service that is balanced and pro-competitive. The proposal that CSX will submit to the Surface Transportation Board addresses the concerns of shippers for faster, more direct routes while maintaining customer options and a competitive environment. These steps will help assure the long-term financial health of the rail industry, creating new opportunities for growth and reinvestment.

We want to see the railroads begin implementation of single-line service in the East as soon as possible. The revival of the railroads over the last decade has occurred in large measure because of the role played by deregulation and mergers in increasing efficiency and lowering costs for shippers. We hope the Surface Transportation Board will recognize the large number of businesses that would benefit from the CSX-Norfolk Southern acquisition of Conrail and move quickly to review and approve the proposal.

Sincerely,



Jon L. Shebel
President & Chief Executive Officer

JLS:jlc

*File in
Docket
FD-33388*

FLORIDA CHAMBER
of Commerce®

Frank M. Ryll, Jr.
President

March 21, 1997

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue, NW
Washington, DC 20423

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 27 2 10 PM '97
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan:

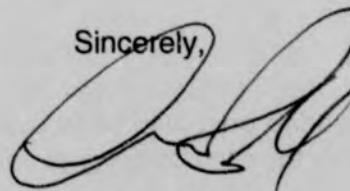
I am writing you to express the full support of the 7,000 members of the Florida Chamber of Commerce for the proposed acquisition of Conrail by CSX Corporation and Norfolk Southern. I hope the Surface Transportation Board will look favorably on the application CSX and Norfolk Southern will submit to you and you will complete your decision making process as quickly as possible. I know that many Florida businesses want to immediately begin taking advantage of a more efficient rail system.

As president of the Florida Chamber of Commerce, I travel across the state all year, speaking to small business owners and managers who depend on the railroad for their livelihood. I know how important freight rail is to our farmers, our manufacturers, our paper mills, our chemical plants, and to thousands of other businesses. The acquisition of Conrail would create two competitive railroads in the East, giving our businesses direct, single-line access. For Florida businesses that means faster, easier, more direct shipping straight to the large markets of the Northeast.

Here in Florida, CSX has been an excellent business partner and a fixture of the local economy. The Florida Chamber of Commerce wants to see CSX grow, prosper and become more efficient because the benefits will be shared by so many communities and businesses. The proposed division of Conrail's routes between CSX and Norfolk Southern will ensure that the railroad remains a vital part of Florida's economy.

The Surface Transportation Board has traditionally recognized the benefits that rail mergers have brought to shippers. I know the shippers in Florida would like to begin taking advantage of the expanding single-line service as soon as possible. I urge you to move forward on reviewing the CSX-Norfolk Southern application and hope that you will give it enthusiastic and expedited approval.

Sincerely,



Frank M. Ryll, Jr.

FMR/jlt



Office of the Chairman

3-27-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

Mr. Ben G. Watts, P.E.
Secretary
Department of Transportation
State of Florida
605 Suwannee Street
Tallahassee, FL 32399-0450

Dear Secretary Watts:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

Applicants also have requested an expedited procedural schedule. Consistent with established precedent, the Board has sought comments from the public on applicants' proposed schedule. The comment period ended on May 1, 1997, and the Board is in the process of analyzing the comments received before adopting a procedural schedule for the proposed transaction. While I cannot discuss the specific merits of the case itself, I can assure you that the Board will adopt a schedule to provide for both a full and fair opportunity for all interested parties to participate in the proceeding and a timely resolution of this 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

FLORIDA

LAWTON CHILES
GOVERNOR



DEPARTMENT OF TRANSPORTATION

605 Suwannee Street, Tallahassee, Florida 32399-0450

BEN G. WATTS
SECRETARY

March 24, 1997

The Honorable Linda Morgan
Chairwoman
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

CHAIRMAN MORGAN

MAR 27 2 03 PM '97

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SURFACE TRANSPORTATION

Dear Ms. Morgan:

The Florida Department of Transportation has been following the potential acquisition of Conrail by CSX Corporation and Norfolk Southern with notable interest. It is my understanding that CSX is currently in negotiations with the Norfolk Southern Railway. The impact of this corporate agreement could have major positive consequences for the State of Florida.

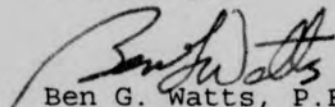
By creating a broader network of single-line freight railroad service, major markets such as Miami and Tampa could have direct access to markets in the Northeast. A reduction in transport time, with possible increased efficiency, and the long-term financial stability of such an operation would be economically beneficial to the tens of thousands of Florida businesses that depend on the movement of goods by rail.

Since deregulation of the industry in 1980, the Surface Transportation Board has wisely recognized the benefits that have accrued from logical railroad consolidations.

As the Board begins its review process, the Florida Department of Transportation is in support of this important work, and is available to provide appropriate assistance. It is respectfully requested that your Board give the highest priority to the review of the application submitted by CSX and Norfolk Southern in order to complete your review of this top priority issue as quickly as possible.

Thank you for your consideration.

Sincerely,


Ben G. Watts, P.E.
Secretary

BGW/rgb



Office of the Chairman

3-27-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

The Honorable James T. Hargett
Chairman
Committee on Transportation
The Florida Senate
30 Senate Office Building
Tallahassee, FL 32399-1100

Dear Chairman Hargett:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

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

Sincerely,

Linda J. Morgan
Linda J. Morgan



THE FLORIDA SENATE
COMMITTEE ON TRANSPORTATION

30 Senate Office Building
Tallahassee, Florida 32399-1100
(904) 487-5223

James "Jim" Hargrett, *Chairman*
Tom Lee, *Vice Chairman*

Dorothy Johnson, *Staff Director*

March 20, 1997

The Honorable Lina Morgan
Chair
Surface Transportation Board
1201 Constitution Ave., NW
Washington, DC 20423

Dear Ms. Morgan:

The people of Florida have much to gain from the creation of a balanced, competitive single line rail service in the East. The proposed acquisition of CONRAIL by CSX Corporation and Norfolk Southern will achieve that.

The potential benefits of this merger have been widely reported and discussed, especially here in Florida where freight rail is so important. To complete negotiations, integrate two railroads, and establish new routes in the Northeast is undoubtedly a painstaking and difficult process. Those of use who want the merger to succeed also want to let that process get started.

Today, CSX is doing great things to contribute in Florida to the growth of industry. The efficiencies of rail transportation benefit the phosphate industry in my district, the crushed stone industry in south Florida, and the paper products industry throughout the state. The CSX-Norfolk Southern acquisition of CONRAIL will mean even more economic advantages for our state's industries. The result will be new jobs and enhanced economic growth for Florida.

If approved quickly, CSX and Norfolk Southern can begin changing the face of transportation in the East. This proposal now enjoys broad support and the companies are anxious to begin working with customers to create a better, faster, more efficient service. Any delay in the approval process will be felt by the tens of thousands of people who depend on freight rail every day. For these reasons, I urge you to expedite your review process and issue your decision on the acquisition. If you should approve it swiftly, Floridians will be rewarded by your good judgment.

Sincerely,

James T. "Jim" Hargrett
Chairman

TONI JENNINGS
President

ROBERTO CASAS
President Pro Tempore

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CHAIRMAN MORGAN

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Office of the Chairman

3-27-97
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 22, 1997

The Honorable James B. Fuller
Chairman
Transportation Committee
Florida House of Representatives
2602 University Boulevard West
Jacksonville, FL 32217-2113

Dear Chairman Fuller:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for the transaction and request expeditious approval by the Surface Transportation Board (Board).

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. At the applicants' request, the Board has decided to waive its rule in major transactions such as this one requiring applicants to wait at least 3 months following the filing of their notice of intent before filing their actual control application.

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

Sincerely,

Linda J. Morgan
Linda J. Morgan



Florida House of Representatives

James B. Fuller
Representative, District 16

Committees
Transportation, Chair
Agriculture
Corrections

Reply to:

☐ 2602 University Boulevard West
Jacksonville, FL 32217-2113
(904) 448-4770

☐ 418 House Office Building
Tallahassee, FL 32399-1300
(904) 488-4171

March 18, 1997

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Morgan:

As Chairman of the Florida House Transportation Committee, I want to give my full support of the pending CSX acquisition of Conrail. There is broad support between state and local elected officials as well as support within the industry itself. I urge you to give it your review and approval at the soonest possible date.

Although not everyone is aware of the fact, our state economy is highly dependent on freight rail. The proposal put forth by CSX will lead to the creation of two, balanced and vibrant railroads stretching from North to South and throughout 22 states east of the Mississippi. It provides a previously unavailable opportunity to our state's farmers, manufacturers, importers and wholesalers to move goods more swiftly and directly into Northeast markets. It also will provide a new incentive for manufacturers up and down the East Coast to use freight rail to reach our Florida ports for shipping abroad.

The record shows that the histories of mergers and consolidations in the railroad industry over the past decade have increased efficiency and lowered costs for shippers. The careful and prolonged negotiations that CSX has undertaken before submitting its application to your Board show the thoroughness of their plans.

Because the possibility of creating single-line service in the East has been widely discussed for many months, all the relevant constituents who would be affected by this merger have had a chance to evaluate the pros and cons.

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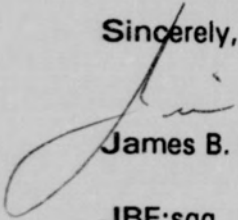
The Honorable Linda Morgan

March 18, 1997

An undue delay in approving the package submitted by CSX would prove a burden on those businesses -- most of them small businesses -- that want to begin their plans to take advantage of single-line rail service.

That is why I believe the STB should complete its review of the CSX-Conrail merger with all deliberate speed. The citizens of the State of Florida are anxious to see the new rail agreement implemented.

Sincerely,



James B. Fuller

JBF:sgg



Office of the Chairman

3-27-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 19, 1997

Mr. Marvin Waldman
Mr. Tom Povlitz
DelRail
23 Parkway Circle, Suite 14
New Castle, DE 19720

Dear Mr. Waldman and Mr. Povlitz:

Thank you for your letter regarding the proposal by CSX and Norfolk Southern (NS) to acquire control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over the impact of the transaction on existing or planned commuter rail operations over affected track.

As you may know, CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Surface Transportation Board (Board) on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board conducts a proceeding in which all interested persons are given a full and fair opportunity to participate. During the proceedings, you may raise all relevant issues regarding the impact of the proposed transaction on commuter rail operations, and you may seek relief in the form of conditions or otherwise as you deem warranted. If you wish further information regarding the formal participation process, please contact the Board's Office of Public Services at (202) 565-1592.

I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan
Linda J. Morgan

DELRAIL

A Private Sector Initiative

23 Parkway Circle, Suite 14
New Castle, DE 19720
Voice 888.724.5335 (Toll Free)
Fax 888.724.5380 (Toll Free)

Ms. Linda Morgan, Chairwoman
SURFACE TRANSPORTATION BOARD
c/o U.S. Department of Transportation
400 7th Street S.W.
Washington, D.C. 20590

March 17, 1997

Dear Chairwoman Morgan,

Our firm, DelRail, LLC, is a developer and operator of private sector initiative commuter rail services. We have begun negotiations with Consolidated Rail Corporation to secure track operating rights over the Conrail Delmarva Branch and New Castle Secondary tracks that are both located in the State of Delaware. For the past several months, we have been observing the various activities associated with the Conrail, CSX and Norfolk Southern merger. It now appears that a proposed merger plan is being prepared for presentation to your agency for review and approval.

We would like to determine what consideration the Surface Transportation Board will give to commuter rail operations (existing or those being planned) that will need to operate over trackage impacted by this merger. Will it be required that the shared use of trackage rights with passenger trains (both intercity service and commuter rail) be addressed by the proposed merger conditions? Freight traffic will be affected in the Northeast by the carrier controlling access over existing Conrail traffic, and many commuter services will face the same issues. Most of these commuter service operations are being conducted by public agencies, but we would like to add the private sector to the formula.

There are critical land use and environmental issues which influence those localities presently being served by Conrail lines. As you will give consideration to these issues with respect to freight service, it is equally important to view these issues with existing and future commuter operations that seek to utilize these valuable rail corridors. Will you seek to have the existing services 'grandfathered' into the merger agreements?

A Better Way To Run A Railroad

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OFFICE OF
CHAIRMAN MORGAN

Ms. Linda Morgan

page two

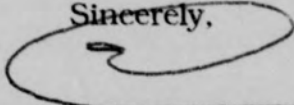
March 17, 1997

What will you do with services that are presently in pre-operational phases, or even those being planned? Has the issue even been raised with the parties to the merger?

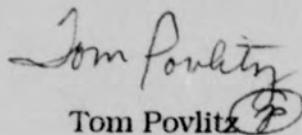
We are all aware that the utilization of freight rail trackage by passenger services is a sensitive issue. The questions of liability, dispatch priorities, cost formulas, station rental fees, etc. are all considerations in passenger trackrights negotiations with freight carriers. It would be very easy to omit this question from the merger agreement which would do a tremendous disservice to existing and future commuter rail users in the Northeast.

We would be more than pleased to participate in any hearings you may schedule to address this question. If we can provide any additional information, please do not hesitate to contact me. Thank you for your concern and interest.

Sincerely,



Marvin Waldman
Finance



Tom Povlitz
Operations

cc: Hon. Arlen Specter
Hon. William Roth
Hon. Joseph Biden
Hon. Mike Castle
Hon. Thomas Carper
Sec. Anne Canby



Office of the Chairman

3-27-97
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
IS-33388

May 22, 1997

The Honorable Stephen Goldsmith
Mayor
City of Indianapolis
Suite 2501, City County Building
200 East Washington Street
Indianapolis, IN 46204-3372

Dear Mayor Goldsmith:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

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



CITY OF INDIANAPOLIS

STEPHEN GOLDSMITH
MAYOR

March 14, 1997

Honorable Linda J. Morgan
Chairwoman
Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

OFFICE OF
CHAIRMAN MORGAN

MAR 27 2 10 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

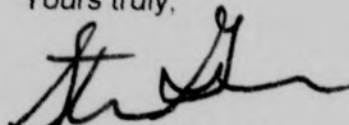
Dear Chairwoman Morgan:

Thank you for your leadership in the review of the merger between Conrail and CSX. The resulting divestiture of track ownership to Norfolk Southern is critical to maintaining a viable rail industry and ensuring competitive rail costs for shippers.

As you review the current merger proposal and the subsequent divestiture of Conrail, I urge the board to strongly consider approving two class one carriers track ownership in Indianapolis. Indianapolis is currently served by two class one carriers; CSX and Conrail. It is essential Indianapolis customers continue to be served by two class one carriers. The City's position as a manufacturing and distribution hub is important to the local, regional and national economy. If we lose our competitive rail environment, the stability and health of our economy will be negatively impacted.

We appreciate your consideration of our request to maintain two class one carriers in Indianapolis. Please keep me informed as progress is made and contact me if I can be of any assistance to your effort. Thank you for your attention to this important matter.

Yours truly,



Stephen Goldsmith

OFFICE OF THE MAYOR

SUITE 2501, CITY COUNTY BUILDING

200 EAST WASHINGTON STREET • INDIANAPOLIS, INDIANA 46204-3372

(317) 327-3601 • FAX: (317) 327-3980 • TDD FOR HEARING IMPAIRED (317) 327-5186



Filed in Docket
JD-33388

B. R. Brown
Chairman of the Board

CONSOL Inc.
Consol Plaza
1800 Washington Road
Pittsburgh, PA 15241-1421
412-831-4018
FAX: 412-831-4916

March 21, 1997

The Honorable Linda Morgan
Chair
Surface Transportation Board
1201 Constitution Avenue N.W.
Washington, DC 20423

OFFICE OF
CHAIRMAN MORGAN

MAR 21 2 10 PM '97

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SURFACE TRANSPORTATION
BOARD

Dear Ms. Morgan:

I am writing to you to urge the Surface Transportation Board to act as swiftly as possible to approve the pending merger between the CSX Corporation and Conrail.

As the Chairman of a large coal company, I have followed the progress of this merger with great interest. The coal industry depends on low-cost, competitive rail service. The proposed merger will offer us better, faster and more reliable service that increases our market reach and creates more efficient and direct routes. A rail merger that offers more coal service lanes and access to more critical facilities in the East is widely viewed as a very desirable step.

I understand that the Surface Transportation Board can take up to a year to review the proposed merger. I am asking you to put the process on a fast track. In the months since the merger was first announced, I know that CSX and Conrail have had extensive discussions with all the various stakeholders in achieving a balanced solution for rail service in the Northeast. Local government officials, shippers, stockholders and anyone who holds an interest in creating a balanced, competitive rail system have become familiar with the benefits of the proposed merger. It would be a shame if, after so much has been invested in striking the right balance to reach an agreement, this merger should be unnecessarily delayed.

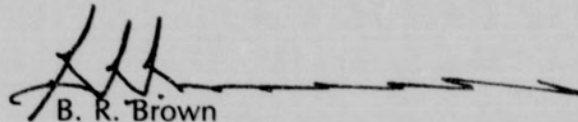
Our support for the CSX/Conrail merger is contingent upon the declared intention of CSX to share access to the MGA lines, serving the Pittsburgh Seam coal mines, with the Norfolk Southern. Achieving this competitive access to our mines is central to our support of the merger, and we will reconsider our position of support if such access is not a part of the final operating plan.

The Honorable Linda Morgan
March 21, 1997
Page 2

My Company and hundreds of others like it are anxious to begin making business plans that can take advantage of superior single-line rail service. But until a final decision is announced by the Surface Transportation Board, our plans remain in limbo. That is why I am asking you to move forward rapidly with your review.

Should you require any additional input from my Company regarding the potential benefits of the merger, I would be happy to provide same to you.

Sincerely,



B. R. Brown

BRB:jg

cc: John Snow, CSX Corporation
David R. Goode, [REDACTED]



RICHMOND POWER & LIGHT

2000 U. S. 27 SOUTH
P. O. BOX 908
RICHMOND, INDIANA 47375-0908
(317) 973-7200 FAX (317) 973-7286

March 3, 1997

Vernon A. Williams
Secretary
Surface Transportation Board
12th & Constitution Ave., N.W.
Washington, D.C. 20423



RE: Proposed Acquisition of Conrail by CSX and Norfolk Southern.

Dear Secretary Williams:

My name is Dale Norris. I am Power Production Manager for Richmond Power and Light, a municipally owned utility in Richmond, Indiana 47374. In my position, I am responsible for recommending and helping to decide transportation strategy for shipment of coal for generation of electricity at our Whitewater Valley Generating station. I have been in my present position since 1990. I am writing to offer my company's support for the proposed acquisition of Conrail by CSX and Norfolk Southern.

Richmond Power and Light receives from 250,000 to 300,000 tons of coal per year. We currently receive all of our coal by truck but we do have the capabilities to receive by rail. We are served by CSX and are holding discussions with them at the present time as to the economics of returning to receiving coal by rail as we did at one time. We believe that the acquisition of Conrail by CSX and Norfolk Southern would offer us single-line service to the coal producers in the states of Ohio, West Virginia, Eastern Kentucky and Pennsylvania. Single line service should greatly increase the dependability of winter time shipment of coal. We in the business of generation of electricity are facing many unknown things at this time. But one thing is certain, transportation cost of fuel will play a very large role in keeping us competitive and helping the industry through the difficult times ahead.

To that end we feel that the acquisition of Conrail by CSX and Norfolk Southern is important to Richmond Power and Light.

The above statements are true and correct to the best of my knowledge.

Yours truly,

Dale A. Norris

Dale A. Norris
Power Production Manager
Richmond Power and Light

STB

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33388

3-10-97

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STATES



Office of the Chairman

3-10-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 19, 1997

The Honorable Loretta Weinberg
Deputy Minority Leader
New Jersey General Assembly
545 Cedar Lane
Teaneck, NJ 07666

Dear Assemblywoman Weinberg:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You seek relief as a condition to approval of the control proposal by the Surface Transportation Board (Board).

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

While your concern appears to involve a private dispute with the Susquehanna Railroad, you certainly may participate in the environmental review process addressing relevant safety issues or formally as a part of the record once a CSX/NS/Conrail control application is filed with the Board. For further information on this participation process, please contact our Office of Public Service at (202) 565-1592. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding. 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
Linda J. Morgan



NEW JERSEY GENERAL ASSEMBLY

DEPUTY MINORITY LEADER
LORETTA WEINBERG
ASSEMBLYWOMAN, 37TH DISTRICT
BERGEN COUNTY
545 CEDAR LANE
TEANECK, NJ 07666
(201) 928-0100
FAX (201) 928-0406

March 4, 1997

Honorable Linda J. Morgan, Chairperson
Surface Transportation Board
United States Department of Transportation
1201 Constitution Avenue NW # 4036
Washington, D.C. 20423

Dear Chairperson Morgan:

As a neighbor and as the representative in the New Jersey State Assembly, for quite some time I have been aware of and concerned about the problems that the Village of Ridgefield Park has had with the location of the Susquehanna Railroad's engine maintenance facility in the Village.

I am writing to you today with the knowledge that with the imminent possibility of the merger, your office may be our last and best hope to exert the pressure necessary to have the impact this facility has had on the quality of life in Ridgefield Park, negated.

As you may know, Susquehanna relocated this facility to Ridgefield Park because it sold its former Ridgefield rail yard/maintenance facility to CSX to allow the latter to develop an intermodal facility. The intrusion of this facility adjacent to a park and residential neighborhoods has destroyed Ridgefield Park's quality of life and raised serious questions about safety and health hazards. To date, all appeals to CSX and Susquehanna have been ignored. The proposed merger of CSX-Conrail provides an opportunity for Ridgefield Park's grievances to be addressed and included as a condition in any approval you might give the merger as a reviewing agency.

I sincerely hope that there is something you can do and I thank you in advance for your efforts.

Sincerely,

Loretta Weinberg
Loretta Weinberg
Assemblywoman District 37

LW:et

COMMITTEES
HEALTH
COMMUNITY SERVICES

COMMISSIONS
N.J. HISTORICAL COMMISSION
N.J. ISRAEL COMMISSION
LEGISLATIVE SERVICES COMMISSION
ASSEMBLY ADVISORY COUNCIL
ON WOMEN

OFFICE OF
CHAIRMAN MORGAN

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BOARD

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2-19-97

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Office of the Chairman

2-19-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

Mr. Frank M. Brown
President
F.M. Brown's Sons, Inc.
P.O. Box 67
Birdsboro, PA 19508-0067

Dear Mr. Brown:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

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

F. M. BROWN'S SONS, INC.

MANUFACTURERS OF



FEEDS

• Flour

• Feed

• Grain

• Seeds

P.O. BOX 67
BIRDSBORO, PA 19508-0067
610-582-2741

P.O. BOX 153
FLEETWOOD, PA 19522-0153
610-944-7654

205 WOODROW AVENUE
P.O. BOX 2116
SINKING SPRING, PA 19608-0116
610-678-4567

P. O. Box 67
Birdsboro, PA 19508

February 10, 1997

The Hon. Linda Morgan, Chairperson
Surface Transportation Board
12th Street & Constitution Avenue NW
Washington, D.C. 20423

Dear Chairperson:

This letter is to inform you that we are against the merger of CSX and Conrail.

Ever since Conrail was formed, the CSX Railroad has been competing with Conrail for the transportation of agricultural feedstuffs into Pennsylvania. This is done by giving lower freight rates to Midwest shippers of soybean meal, and other feed commodities over CSX lines that end in Shippensburg and York, PA. These cheaper freight rates have created a whole new business of rail-to-truck transfer stations to be set up at York, PA on CSX sidings. Trucks now deliver these feedstuffs to mills and farms over the rich farming areas of Southeastern Pennsylvania which includes Lancaster County, one of the most intensive farming areas of the United States. This is good. Otherwise, Conrail would have a complete monopoly of rail freight in this area.

Conrail has been fighting to hold onto this agricultural business during the past several years by offering incentive rebates to receivers like us. Since the first rebates were not very large, the plan must not have worked well. However, beginning May 15, 1996, Conrail began offering a rebate of \$425.00 per hopper car (about 95 tons of Soybean Meal each) on all cars of soybean meal that our company receives at Birdsboro, Berks County, Pennsylvania. This rebate becomes a sizeable figure to our company on an annual basis.

We are sure that if there is a merger of CONRAIL and CSX, these rebates will cease and the livestock industry of Pennsylvania will suffer a severe blow.

OFFICE OF
CHAIRMAN MORGAN

FEB 19 1 09 PM '97

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SURFACE TRANSPORTATION
BOARD

F. M. Brown's Sons, Inc.

BIRDSBORO, PA 19508-0067
610-582-2741

FLEETWOOD, PA 19522-0153
610-944-7654

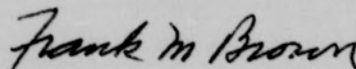
SINKING SPRING, PA 19608-0116
610-678-4567

Please refer to the railroad maps we have enclosed. The recent maps distributed by Conrail do not show that the CSX comes into Shippensburg and York, PA. However, we have enclosed a photocopy of several old maps showing that CSX does indeed come into York and other areas of Pennsylvania on what was formerly the Western Maryland Railway.

If there is to be a merger, we hope it is between Conrail and Norfolk Southern to preserve the competitive situation in southern Pennsylvania.

If I can be of help, you may contact me by calling 610-582-2741 in the AM or 610-582-3734 in the PM.

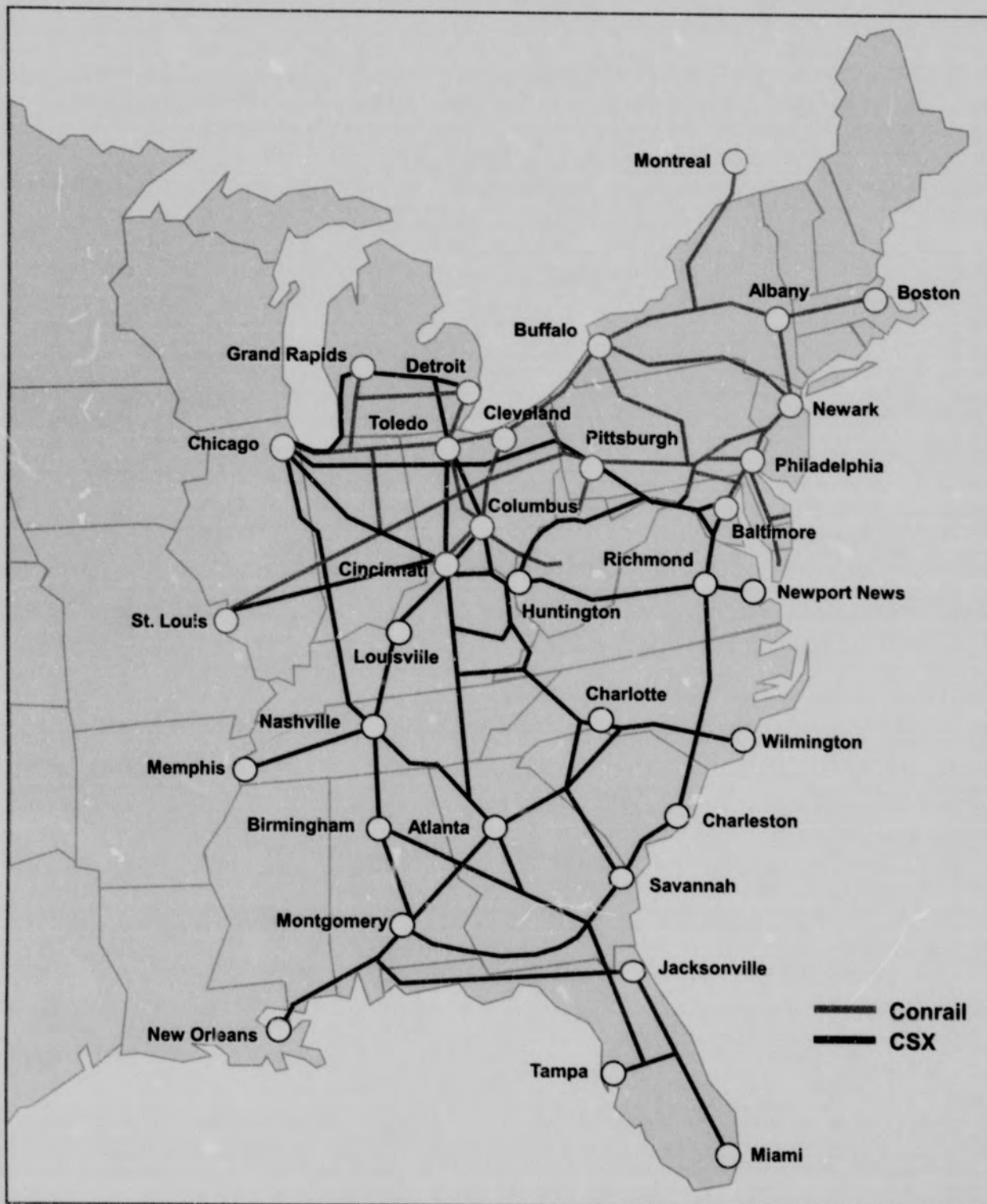
Sincerely yours,



Frank M. Brown, President

FMB/jsn

CSX & Conrail Systems












8
9
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-  Chessie System Railroads
-  Seaboard System Railroad
-  Richmond, Fredericksburg and Potomac R.R.

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33388

2-4-97

J



Office of the Chairman

2-4-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 22, 1997

The Honorable Steven R. Nickol
House of Representatives
Commonwealth of Pennsylvania
House Post Office Box 202020
Harrisburg, PA 17120-2020

Dear Representative Nickol:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

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

STEVEN R. NICKOL, MEMBER
ROOM 150-B EAST WING
HOUSE POST OFFICE BOX 202020
MAIN CAPITOL BUILDING
HARRISBURG, PENNSYLVANIA 17120-2020
PHONE: (717) 783-3875
TOLL-FREE 1-800-251-8798
FAX: (717) 787-0860

HANOVER DISTRICT OFFICE:
141 BROADWAY, SUITE 130
HANOVER, PENNSYLVANIA 17331
PHONE: (717) 633-1721
FAX: (717) 633-9295



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

COMMITTEES

APPROPRIATIONS
INSURANCE
POLICY
STATE GOVERNMENT
FIREFIGHTERS CAUCUS

January 29, 1997

Linda Morgan, Chairwoman
Surface Transportation Board
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Morgan:

I read an article in which you were quoted about the need to preserve competition in the East with any merger involving Conrail.

Your concern for preserving rail competition is greatly appreciated. The impact of a merger could have a significant impact even in rural, small town areas of Central Pennsylvania like I represent in the Pennsylvania General Assembly.

Hanover is the largest community in my district. It is a growing area with a substantial job base. In fact, Hanover is the fifth largest retail trading area in Pennsylvania, and the eighth largest center of manufacturing employment. Our community is presently served by both CSX and the Maryland & Pennsylvania Railroad.

The M&P and Yorkrail, its sister short line railroad, connect with both CSX and Conrail. The dual connections help these short line railroads survive by keeping price competition alive. Of course, the price competition also benefits employers in my area who ship by rail.

I fear a CSX merger with Conrail could eliminate competition which has worked to keep rates lower in my area, helped create jobs and moved truck traffic off our highways.

Thank you for keeping a watchful eye on this situation as it develops.

Sincerely,

A handwritten signature in dark ink, appearing to read "S. R. Nickol".

Steven R. Nickol
Representative

SRN:dp

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BOARD
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OFFICE OF
CHAIRMAN MORGAN



Office of the Chairman

2-4-97
Surface Transportation Board
Washington, D.C. 20423-0001

*File in
Docket
FD-33388*

May 19, 1997

The Honorable Angus S. King, Jr.
Chairman
Coalition of Northeastern Governors
Hall of the States
400 North Capitol Street
Suite 382
Washington, D.C. 20001

Dear Governor King:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express support for a sound, competitive freight rail system in your region and recommend a set of principles for consideration by the Surface Transportation Board (Board) in reviewing the proposed transaction.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts, as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

I am having your letter made a part of the public docket in this proceeding. 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
Linda J. Morgan

CONEG

COALITION OF NORTHEASTERN GOVERNORS

Governor Angus S. King, Jr., Chairman
Anne D. Stubbs, Executive Director

February 4, 1997

Linda J. Morgan
Chairman
Surface Transportation Board
12th & Constitution Avenues, N.W.
Washington, DC 20423

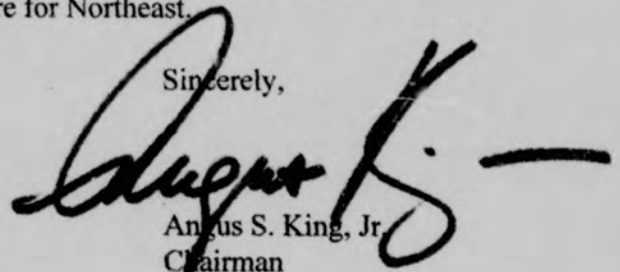
Dear Chairman Morgan:

The Governors of the Northeast have always strongly supported a sound, competitive freight rail system in the region. We believe that rail service must be an integral part of an overall transportation system which enhances safety, improves mobility, and provides access to national and global markets in partnership with other modes.

The Coalition of Northeastern Governors (CONEG) believe that any agreement approved by the Surface Transportation Board regarding the future of Conrail must support state, regional and national transportation, environmental and development goals. Toward that end, the CONEG Governors today unanimously adopted a set a principles that any agreement should adhere to: enhance competitive access, accommodate passenger rail, provide access to markets, enhance capacity, and offer users an effective intermodal system.

We look forward to working with you and the broadest possible range of other interested parties to implement these principles. We appreciate your support of our region. We look forward to working with you to ensuring a bright future for Northeast.

Sincerely,



Angus S. King, Jr.
Chairman

Enclosure



RECEIVED
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OFFICE OF
CHAIRMAN MORGAN



COALITION OF NORTHEASTERN GOVERNORS

THE FUTURE OF RAIL IN THE NORTHEAST COMPETITION, CHOICE AND CAPACITY

The Coalition of Northeastern Governors (CONEG) strongly supports the continuation and improvement of a sound, competitive freight rail system in the Northeastern region. Rail service must be an integral part of an overall transportation system which enhances safety, improves mobility, and provides access to national and global markets in partnership with other modes.

The CONEG Governors recognize that the region's economic well-being is served by an efficient and financial viable rail system. At the same time, the Northeast's increasingly diversified and global economy demands multiple railroad service to promote growth in the rail freight market, and to negotiate service agreements to maximize the contribution of both passenger and rail service within the emerging system.

The CONEG Governors believe that any merger agreement approved by the Surface Transportation Board must support state, regional and national transportation, environmental and development goals. Competition, choice and capacity in the resulting rail system is essential if the Northeast is to have affordable, effective service which advances the long term competitiveness of the region within the national and global economy. Therefore, any merger agreement should adhere to the following principles:

- **Ensure Competitive Access:** Direct competitive rail access for two or more Class I carriers should be assured between major service nodes which support global and domestic commerce, including seaports and major intermodal terminals;
- **Accommodate Passenger Rail:** Co-development of intercity, commuter and freight services should be ensured where shared trackage is necessary;
- **Provide Access to Markets:** Effective, competitive connections to national markets should be available to short line and regional railroads serving the Northeast; and
- **Enhance Capacity:** The rail system must have the capacity to grow and to meet the needs of its users.
- **Intermodal Effectiveness:** The rail system must offer its users efficient intermodal rail service.

Adopted: February 4, 1997



STB

FD

33388

1-28-97

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BUSINESS



Office of the Chairman

1-28
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 22, 1997

Mr. John T. Ream
Rail Industry Analyst
58 E. Railroad Street
Spring Grove, PA 17362

Dear Mr. Ream:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

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I am having your letter made a part of the public docket in this proceeding, and I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan
Linda J. Morgan

1-24-97

Dear Chairwoman Linda Morgan as both a shareholder of both CSX & CONRAIL I would like to offer a very sound solution to break the current stalemate between the 2 suitors C.S.X. & N.S. over the purchase of CONRAIL instead of a major Conrail split. Why not consider voting on making this a 3 way SUPER RAIL-MERGER between CSX + CR + NS? THIS IS THE ONLY SOUND (alternative) in order to break the stalemate which occurred on Friday 1-17-97 at the CR shareholders meeting. Please consider this option. Very seriously! & EN-CLOSING I would like 1 of your business cards for starters. What ever you do DON'T VOTE TO MAKE THIS INTO AN UN-WANTED monopoly for your information!

Thank you & SIGNED SINCERELY J.T. REAM
Rail Industry Analyst R.I.A.

OFFICE OF
CHAIRMAN MORGAN

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BOARD

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BUSINESS

WEINER, BRODSKY, SIDMAN & KIDER

ATTORNEYS AT LAW

PROFESSIONAL CORPORATION

1350 NEW YORK AVENUE, N.W., SUITE 800

WASHINGTON, D.C. 20005-4797

(202) 628-2000

TELECOPIER (202) 628-2000



January 27, 1997

RICHARD J. ANDREANO, JR.
 JAMES A. BRODSKY
 JENNIFER A. COHN
 JO A. DEKORCH
 CYNTHIA L. GILMAN
 DON J. HALPERN
 CHRISTOPHER E. KACZMAREK
 MITCHEL H. KIDER
 SHERRI L. LEDNER
 PAUL C. OAKLEY
 MARK H. SIDMAN
 RUGENIA SILVER
 HARVEY E. WEINER
 ROSE-MICHELE WEINRYB
 JOSEPH F. YENOUSKAS

*NOT ADMITTED IN D.C.

BY FACSIMILE

Ellen R. Keys, Chief
 Section of Publication/Records
 Surface Transportation Board
 12th & Constitution Avenue, N.W.
 Washington, D.C. 20423

FD-33388

Re: Finance Docket No. 33220, CSX Corp. and CSX Transp., Inc. -- Control
 and Merger -- Conrail Inc. and Consolidated Rail Corp.; and

Finance Docket No. 33296, Norfolk Southern Corp. and Norfolk Southern
 Ry. Co. -- Control -- Conrail Inc. and Consolidated Rail Corp.

Dear Ms. Keys:

As we discussed last week, please add the parties listed below to the restricted service list as parties of record in the above-referenced proceedings. Each expects to participate in the proceedings.

Party:

Chicago SouthShore and
 South Bend Railroad Co.
 (CSS)

Representative:

Peter A. Gilbertson
 APCI
 Suite 35
 53 W. Jackson Blvd.
 Chicago, IL 60604

159615

WEINER, BRODSKY, SIDMAN & KIDER, P.C.

Ms. Ellen R. Keys

- 2 -

January 27, 1997

New York & Atlantic
Railway Company
(NYAR)

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

Louisville & Indiana
Railroad Company
(LIRC)

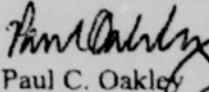
John Secor
LIRC
2500 Old U.S. Hwy 31 East
Jeffersonville, IN 47130

CSS, NYAR and LIRC

Mark H. Sidman
Weiner, Brodsky, Sidman & Kider, P.C.
Suite 800
1350 New York Ave., N.W.
Washington, D.C. 20005

Thank you for your attention to this matter. Should you have any questions, please give me a call.

Very truly yours,


Paul C. Oakley

cc: Peter A. Gilbertson, Chicago SouthShore and South Bend Railroad Co. (by mail)
R. Lawrence McCaffrey, Jr., New York & Atlantic Railway Company (by mail)
John Secor, Louisville & Indiana Railroad Company (by mail)

STB

FD

33388

1-8-97

J

BUSINESS



Stone Container Corporation

Containerboard and Paper Division

910 Industrial Street, P.O. Box 201, Hopewell, Virginia 23860

Hopewell Mill

804.541.9600

January 2, 1997

Ms. Linda J. Morgan
Chairman
Surface Transportation Board
United States Department of Transportation
1201 Constitution Avenue N.W., Room 4126
Washington, D.C. 20423

Dear Ms. Morgan:

This letter is written to you because, quite frankly, I really don't understand how to ensure that competition will be protected in the pending CSXT & Conrail merger. I am not opposed to the merger but I am absolutely convinced that without governmental involvement in structuring this merger that the results will be higher freight rates due to a reduction in rail competition.

Attached is a general position paper for your review. The concept of protecting rail competition by ensuring access to the Conrail markets by both NS & CSXT is my only point. There are many ways to accomplish this if a government and shippers representative is part of the merger agreement process.

If this remains only a railroad company issue, the shipping public will be paying unnecessarily higher freight rates. It is imperative that the government get involved at this point. This will prevent abuse and minimize the need for a future Interstate Commerce Commission type resurrection.

Your consideration of this matter would be greatly appreciated.

Sincerely,

Kenneth David Elliott
Manager Traffic & Materials Coordination

KDE:bbf

Attachment

RECEIVED

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RECEIVED
SURFACE TRANSPORTATION
BOARD



Stone Container Corporation

INTERNAL CORRESPONDENCE

DATE: December 13, 1996

To: Location:
From: K. D. Elliotte Location: Hopewell, Virginia Transportation
CC: Subject: **The Future of Competition in the Northeast**

The announced CSXT & NS merger combination with Conrail will be progressing through the regulatory and judicial systems in the months ahead. It is very important that you get involved to protect the shipping public's ability to continue to operate in a competitive environment.

It is absolutely essential to the well being of many citizens that this combination be devised in a manner to foster "keen" railroad to railroad competition. The CSXT & NS are very capable of protecting their best interest whereas the shipping public will require intervention of the Justice Department and their state and federal elected officials to ensure fair treatment. The perfect way to minimize the need of long term governmental supervision is to now assist in the design of a railroad system that encourages and promotes competition.

The elements of the combination railroad should include:

- A. All existing Conrail stations be open for service by any railroad.
- B. All stations of the existing NS and CSX systems be open to the other railroad.
- C. Eighty-five (85) percent of the existing Conrail stations be made available for service by both NS & CSXT (through direct ownership of trackage & operating yards.)
- D. Switching charges between CSXT & NS be federally regulated to ensure the rate is nominal, fair, does not interfere with access, and does not escalate in an uncontrolled fashion.

Rail and truck competition is not adequate by itself but we must also have rail to rail competition to ensure low cost of transportation. Low cost of transportation directly translates to lower cost for all Americans as they buy their daily needs.

Please get involved and make sure that both CSXT & NS railroads are competitive in the Northeast. We cannot leave it to NS & CSXT to divide the market in a monopolistic fashion.

Your review of this matter is greatly appreciated.

Kenneth David Elliotte

KDE:bbf



A higher level of excellence.



Office of the Chairman

1-8-97
Surface Transportation Board
Washington, D.C. 20423-0001

File in
Docket
FD-33388

May 22, 1997

Mr. Kenneth David Ellotte
Manager Traffic & Materials Coordination
Stone Container Corporation
910 Industrial Street
P.O. Box 201
Hopewell, VA 23860

Dear Mr. Elliotte:

Thank you for your letter regarding the restructuring of rail freight service in the eastern United States. As you may know, CSX and Norfolk Southern (NS) now have proposed to acquire joint control of Conrail and to divide certain assets of Conrail between the two acquiring railroads. You express concern over potential competitive impacts of the transaction, and urge that the Surface Transportation Board (Board) consider these impacts in its review of the proposal.

CSX, NS, and Conrail have filed a notice of intent to file their control transaction with the Board on or before July 10, 1997. The proceeding is docketed at the Board as STB Finance Docket No. 33388. Currently, the Board is analyzing comments from the public on a proposed procedural schedule for handling the case once it is filed.

In deciding whether a control transaction such as the one being proposed here is in the public interest, the Board by statute must consider the competitive impacts of the proposed transaction on both a regional and national basis. Let me assure you that the Board will give full consideration to all relevant competitive impacts as well as the other factors required by statute, in deciding whether to approve the proposed transaction. Because this case is pending before the Board, it would be inappropriate for me to comment further on the specific merits of the matter.

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