STB FD 33388 7-29-98 J 190298

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Ohio Rail Development Commission

50 West Broad Street, Suite 1510 • Columbus, Ohio 43215 • (614) 644-0306 phone • (614) 728-4520 fax

July 20, 1998

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

Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern corporation and Norfolk Southern Railway Company – Control and Operating Leases/Agreements – Conrail, Inc. and Consolidated Rail Corporation

Dear Mr. Williams:

As one of the Ohio agencies that has participated in the Conrail merger proceeding, the Ohio Rail Development Commission (ORDC) is aware that the Board has determined to extend to short line carriers the single-line to joint-line relief as set forth in the NIT League Agreement. Since ORDC is entrusted with public interest responsibilities in the areas of economic development and rail service related issues, that action by the Board is very much of interest to the Commission and to the Ohio constituents we serve.

ORDC is pleased that the Board recognized the reasons for extending single-line to joint-line relief in the NIT League Agreement to short lines. However, those same reasons apply in 1 to 2 situations which will be faced by regional rail carriers and the shippers they serve. We understand that the Board's forthcoming written decision will provide clarification as to the nature and extent of public interest conditions that will be applicable in connection with the grant of authority sought by Applicants. In the interest of economic stability and development in the Ohio Region, ORDC urges clarification that regional rail carriers and the shippers they serve are included within the single-line to joint-line relief adopted by the Board.

Respectfully,

Thomas M. O'Leary

Thomas M. O'Leary
Executive Director
Ohio Rail Development Commission

cc: All Parties of Record

TMO:baw

Building Markets, Linking Cities and Securing Ohio's Future

Ohio Rail Development Commission

50 West Broad Street, Suite 1510 • Columbus, Ohio 43215 • (614) 644-0306 phone • (614) 728-4520 fax

FACSIMILE TRANSMISSION

DATE: JULY 20, 1998

TO: **SECRETARY VERNON WILLIAMS**

ORGANIZATION: **SURFACE TRANSPORTATION BOARD**

FAX NUMBER: **202-565-9003**

PHONE NUMBER:

 # OF PAGES, INCLUDING THIS COVER SHEET: **2**

FROM: **BETH WILSON**

PHONE: **614-728-9497**

MESSAGE:

Attached for consideration as appropriate in connection with clarification of the Board's written decision in F.D. 33388 are the views of ORDC concerning inclusion of regional rail carriers in regard to the single line to joint line relief adopted by the Board.

Copies are being provided to the Applicants by fax. All other parties of record will be served by regular U.S. Mail.

The original hard copy of this letter will be sent to you via regular U.S. Mail.

If you have any questions, please do not hesitate to call either Executive Director Thomas M. O'Leary at 614-644-0313, or Beth Wilson at 614-728-9497.

Thank you for your prompt attention and kind assistance in this matter.

Ohio Rail Development Commission

50 West Broad Street, Suite 1510 • Columbus, Ohio 43215 • (614) 644-0306 phone • (614) 728-4520 fax

July 20, 1998

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

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Respectfully,

Thomas M. O'Leary
Executive Director
Ohio Rail Development Commission

cc: All Parties of Record

TMO:baw

STB FD 33388 7-20-98 J BUSINESS

Ohio Rail Development Commission

50 West Broad Street, Suite 1510 • Columbus, Ohio 43215 • (614) 644-0306 phone • (614) 728-4520 fax

FACSIMILE TRANSMISSION

DATE: JULY 20, 1998

TO: SECRETARY VERNON WILLIAMS

ORGANIZATION: SURFACE TRANSPORTATION BOARD

FAX NUMBER: 202-565-9003

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PHONE: 614-728-9497

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The original hard copy of this letter will be sent to you via regular U.S. Mail.

If you have any questions, please do not hesitate to call either Executive Director Thomas M. O'Leary at 614-644-0313, or Beth Wilson at 614-728-9497.

Thank you for your prompt attention and kind assistance in this matter.

Ohio Rail Development Commission

50 West Broad Street, Suite 1510 • Columbus, Ohio 43215 • (614) 644-0306 phone • (614) 728-4520 fax

July 20, 1998

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

Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern corporation and Norfolk Southern Railway Company - Control and Operating Leases/Agreements – Conrail, Inc. and Consolidated Rail Corporation

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Respectfully,

Thomas M. O'Leary

Thomas M. O'Leary
Executive Director
Ohio Rail Development Commission

cc: All Parties of Record

TMO:baw

STB FD-33388 7-17-98 J ID-189913

189913

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(216) 621-8400

July 15, 1998

(ASHT-17)

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

Re: STB Finance Docket No 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail, Inc. and Consolidated Rail Corporation

Dear Secretary Williams:

This letter is to request clarification of the Merger Team's Final Recommendations with respect to ASHTA Chemicals Inc. At Recommendation 28, the Team recommends "that the Board require applicants to adhere to their representations to consult with ASHTA concerning the routing of its hazardous materials shipments." When was it contemplated that the Applicants would consult with ASHTA on these issues? As noted at oral argument, over the last year several requests were made of the Applicants to meet to discuss hazmat transport in Ashtabula and switching opportunities at the West Yard. Those requests were ignored. ASHTA interpreted Recommendation 28 to mean that discussions or "consultations" between ASHTA and the Applicants would take place immediately after the June 8, 1998 Voting Conference and, in any event, well before the July 23, 1998 final written decision.

Given the concerns raised throughout the record and at oral argument, the reasonableness of ASHTA's request to re-establish existing switching facilities at two locations in Ashtabula and ASHTA's stated wi'lingness to pay a reasonable switching fee, we were certain that the Team's Recommendation 28 would prompt the Applicants to take the initiative to contact ASHTA regarding a meeting. To date, no consultations or discussions have occurred.

Congressman Steve LaTourette contacted Chairman Snow and Chairman Goode on ASHTA's behalf by letter dated June 29, 1998 and July 1, 1998 in an effort to facilitate a meeting. Copies of his correspondence are attached. I routed letters via telefax to counsel for CSX and Norfolk Southern on July 10, 1998 requesting that a meeting be convened as soon as possible. It is clear that the urgency we feel about these critical issues impacting Ashtabula is not shared by the Applicants. We hope that it is shared by the Surface Transportation Board.

At this point we would ask this Board to clarify its Recommendation 28 and to give clear and unequivocal direction and definition as to what is to be expected of the Applicants with respect to the routing of hazmat in and through Ashtabula. In view of the lack of response from the Applicants to the simple scheduling of a meeting, we are not at all confident that appropriate action will occur timely that produces an acceptable solution for ASHTA or for Ashtabula, Ohio. Therefore, we would respectfully request that this Board impose a reciprocal switching arrangement as a condition to approval of the transaction or grant an appropriate extension of time prior to issuing "Final Recommendations" on Item 28 concerning AHSTA so that discussions leading to a reasonable and mutually-agreeable solution can be held.

Thank you for your thoughtful consideration of the foregoing request.

Very truly yours,

Inajo Davis Chappell
One of the Attorneys
for ASHTA Chemicals Inc.

enclosures
cc: Chairman Linda Morgan
Vice Chairman Gus A. Owen
All Counsel of Record
ASHTA Chemicals, Inc.
Congressman Steven C. LaTourette
I:\114\795055.D1\19931-32

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

COMMITTEE ON BANKING AND FINANCIAL SERVICES

REFORM AND OVERSIGHT

Steven C. LaTourette
Congress of the United States
19th District, Ohio

July 1, 1998

Mr. David Goode
Chairman
Norfolk & Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191

Dear Mr. Goode:

I want to take this opportunity to ask for your assistance with ASHTA Chemical Inc., a company located in Ashtabula, Ohio within my congressional district. As you may know, ASHTA Chemical made arguments before, and was included in the final recommendations made by the Surface Transportation Board in June.

To this date, neither ASHTA Chemical nor my office have been contacted by anyone from Norfolk Southern in order to discuss this issue. Therefore, I respectfully ask you to follow the STB's recommendations by having someone from your company contact either my office or ASHTA Chemical to immediately begin these consultations.

If you have any questions, please do not hesitate to contact me. As always, thank you your assistance and I look forward to hearing from you soon.

Very truly yours,

STEVEN C. LaTOURETTE
MEMBER OF CONGRESS

Cc: Chairman John W. Snow

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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE ON BANKING AND FINANCIAL SERVICES

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Steven C. LaTourette
Congress of the United States
19th District, Ohio

July 1, 1998

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

Dear Mr. Snow:

Firstly, let me apologize for sending you a letter last week filled with errors. The errors occurred when the letters were printed out and our proofing process failed to catch the mistakes.

The purpose for my letter is to ask for your assistance with ASHTA Chemical Inc., a company located in Ashtabula, Ohio within my congressional district. As you may know, ASHTA Chemical made arguments before, and was included in the final recommendations made by the Surface Transportation Board in June.

To this date, neither ASHTA Chemical nor my office have been contacted by anyone from CSX in order to discuss this issue. Therefore, I respectfully ask you to follow the STB's recommendations by having someone from your company contact either my office or ASHTA Chemical to immediately begin these consultations.

If you have any questions, please do not hesitate to contact me. As always, thank you for your assistance and I look forward to hearing from you soon.

Very truly yours,

STEVEN C. LaTOURETTE
MEMBER OF CONGRESS

Cc: Chairman David Goode

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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE ON BANKING AND FINANCIAL SERVICES

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Steven C. LaTourette
Congress of the United States
10th District, Ohio

June 29, 1998

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

Dear Mr. Snow:

I want to take this opportunity to ask for your assistance with ASHTA Chemical, a company located in Ashtabula, Ohio within my congressional district. As you may know, ASHTA Chemical made arguments before, and was included in the final recommendations made by the Surface Transportation Board in June.

To this date, neither ASHTA Chemical nor my office have been contacted by anyone from Norfolk Southern in order to discuss this issue. Therefore, I respectfully ask you to follow the STB's recommendations by having someone from your company contact either my office or ASHTA Chemical to immediately begin these consultations.

If you have any questions, please do not hesitate to contact me. As always, thank you for your assistance and I look forward to hearing from you soon.

Very truly yours,

STEVEN C. LaTOURETTE
MEMBER OF CONGRESS

enc.

Cc: Chairman David Goode
Chairman John W. Snow

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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
COMMITTEE ON BANKING AND FINANCIAL SERVICES

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Steven C. LaTourette
Congress of the United States
19th District, Ohio

June 29, 1998

Mr. David Goode
Chairman
Norfolk & Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191

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Very truly yours,

STEVEN C. LaTOURETTE
MEMBER OF CONGRESS

enc.

Cc: Chairman David Goode
Chairman John W. Snow

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July 10, 1998

VIA FACSIMILE #202-342-0683

Richard A. Allen, Esq.
Zuckert, Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, N.W.
Washington, D.C. 20006-3939

Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfok Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/ Agreements -- Conrail Inc. and Consolidated Rail Corporation

Dear Mr. Allen:

It has been a month since the since the Merger Team's final recommendation that the applicants consult with ASHTA Chemicals Inc. regarding the routing of hazardous materials shipments. Representatives of ASHTA Chemicals Inc. have been waiting for an opportunity to meet with your client to discuss reciprocal switching and other issues related to hazmat transport in and through Ashtabula.

We are aware that the Honorable Steven C. LaTourette sent correspondence to both CSX and Norfolk Southern on ASHTA's behalf, requesting that his office be contacted so that dialogue about these issues could begin immediately. To date, no contact has been made with Congressman LaTourette's office or with ASHTA directly by either CSX or Norfolk Southern.

By this date we had hoped to have met with CSX and Norfolk Southern, agreed on a solution to transportation concerns in the Ashtabula area, and communicated resolution of the same to the STB. Because the July 23, 1998 deadline for written decision is fast approaching, we would appreciate your client scheduling a meeting with ASHTA through Congressman LaTourette's office as soon as possible. Your client should also feel free to contact ASHTA representative Angelo Gianni directly at 440-997-6859 so that a meeting can be convened quickly.

Please do not hesitate to call me if there is any problem with responding timely to the foregoing request. Thank you in advance for your cooperation.

Very truly yours,

Inajo Davis Chappell

I:\114\jd\794185.D1

cc: The Honorable Steven LaTourette
ASHTA Chemicals Inc.

ULMER & BERNE LLP
ATTORNEYS AT LAW

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E-mail Address
ichappell@ulmer.com

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Telephone (614) 228-8400

INAJO DAVIS CHAPPELL
Direct Dial (216) 902-8930

July 10, 1998

VIA FACSIMILE #202-942-5999

Dennis G. Lyons, Esq.
Arnold & Porter
555 Twelfth Street, N.W.
Washington, D.C. 20004-1206

Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfok Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/ Agreements -- Conrail Inc. and Consolidated Rail Corporation

Dear Mr. Lyons.

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Very truly yours,

Inajo Davis Chappell

I:\114\jd\794016.D1

cc: The Honorable Steven LaTourette
ASHTA Chemicals Inc.

KRUGLIAK, WILKINS, GRIFFITHS & DOUGHERTY CO., L.P.A.

ATTORNEYS AT LAW

SDB-14

July 14, 1998

SAMUEL KRUGLIAK
F. STUART WILKINS
RAYMOND E. GRIFFITHS
RONALD W. DOUGHERTY
DAVID L. SIMIELE
FRED J. HAUPT
DANIEL A. PRAMUK
JOHN BOGNIARD
MICHAEL A. THOMPSON
RICHARD E. DAVIS
RANDALL C. HUNT
SAM O. SIMMERMAN
TERRY A. MOORE
KAREN SOEHNLEN MCQUEEN
JACQUELINE BOLLAS CALDWELL
DAVID E. BUTZ
LESLIE IAMS KUNTZ
CHARLES E. RINGER
THOMAS W. WINKHART
SUSAN CARSON RODGERS
EDWARD D. MURRAY
JAMES F. CONTINI II
ROBERT P. HARBERT II
JOHN M. TUCKER
LISA N. SEVERTIS
KEITH R. KOST
W. THOMAS NEWELL
SCOTT R. MILLER

Via Overnight Delivery

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

RE: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc. ("CSX"), Norfolk Southern Corporation and Norfolk Southern Railway Company ("NS")-Control and Operating Leases/Agreements-Conrail, Inc. and Consolidated Rail Corporation

Dear Mr. Williams:

I received a message today from a representative of your office that in addition to the original SDB-14 filing sent to you under cover letter dated July 10, 1998, you would need an additional twenty-five (25) copies. Pursuant to that request, enclosed please find twenty-five (25) additional copies for your files.

In all of our previous filings, we listed Finance Docket No. 33388, Sub-No. 79. Your representative indicated that there was no such subfile number. We have been submitting our filings under this subfile number from the inception of this case so I am a bit confused as to his message.

Should you need anything further or have any questions regarding the enclosed, please feel free to contact me directly at (330) 497-0700. Thank you for your assistance.

Yours very truly,

KRUGLIAK, WILKINS, GRIFFITHS
& DOUGHERTY CO., L.P.A.

Randall C. Hunt/jau
Randall C. Hunt

RCH/jau

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960 W. STATE STREET • KEYBANK BUILDING • ALLIANCE, OHIO 44601-4685 • 330-823-9262 • FAX 330-821-2447
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409 EAST SECOND STREET • SALEM, OHIO 44460 • 330-337-6799
MASSILLON, OHIO • 330-832-3331

P:\WPDOCS\JAU\8698526.LE/jau

STB FD . 33388 7-13-98 J . BUSINESS

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

Office of the Chairman

July 13, 1998

Mr. Dennis H. Terry
Chairman
Hammond Development Corporation
7034 Indianapolis Blvd.
Hammond, IN 46324

Dear Mr. Terry:

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. In your letter, you ask that the Alternative Route be considered for your community. The proceeding remains pending before the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently conducted an extensive oral argument on the proposed transaction, hearing from more than 70 witnesses over the course of the 2-day argument held on June 3 and 4, 1998. Following oral argument, the Board held an open voting conference on June 8, 1998, at which we voted to approve the proposed transaction, subject to a number of conditions. The Board currently is preparing a final written decision that implements the vote at the voting conference, which is scheduled for issuance on July 23, 1998.

In voting for approval, the Board found that the transaction, as augmented by numerous settlement agreements among the parties and as further conditioned, would inject competition into the eastern United States in an unprecedented manner. The conditions adopted by the Board, while significant, recognize the operational and competitive integrity of the overall proposal and the importance of promoting and preserving privately-negotiated agreements. In particular, the Board's conditions include 5 years of oversight, along with substantial operational monitoring and reporting to ensure that the transaction is successfully implemented; mitigation of potential adverse impacts on the environment and on safety; recognition of employee interests, including a reaffirmation of the negotiation and arbitration process as the proper way to resolve important issues relating to employee rights; and several conditions that address the vital role of smaller railroads and regional concerns about competition. With regard to your specific concerns, while not ordering implementation of the Alternative Route proposal, as a condition of approval, the Board has voted to require CSX to implement several operational improvements and safety measures in the Four City Consortium area of Indiana to mitigate the environmental impacts resulting from the proposed transaction. These include installing constant time warning devices, rerouting severe trains off the Pine Junction to Barr Yard rail line segment, and upgrading the track structure and signal systems to allow increased train speeds on the Pine Junction to Barr Yard rail line.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

Hammond Development Corporation

7034 Indianapolis Blvd.
Hammond, IN 46324
(219) 853-6399
(219) 845-9548 Fax

June 16, 1998

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

Dear Ms. Morgan:

As Chairman of the board of the Hammond Development Corporation (HDC), I am writing to request that the Surface Transportation Board adopt the Alternative Route offered by the Four Cities Consortium in northwestern Indiana. The HDC is a community based public-private sector economic development group that focuses on restoring economic vitality in the city of Hammond.

Hammond is currently in the midst of a rebirth as its economy diversifies from a manufacturing base to a service base. While we support the use of rail transportation in the northwestern Indiana region and its potential economic benefit, we oppose the operating plan as presented by CSX and NS because of the negative impact on commerce, safety, and the quality of life in the area. We believe that the Alternative Route can be a feasible option if the railroads would work cooperatively with Hammond and other members of the Four Cities Consortium.

Hammond already suffers a negative image because of the long-standing history of the impact of trains in the community. The Hammond Development Corporation supports the use of the Alternative Route as a means to route increased train traffic that will result from the merger transaction because it will minimize the number of trains that use street-level crossings.

We believe that the Alternative Route offers the best way to address the many commerce, safety, and quality of life issues that will be impacted by an increase in train traffic in Hammond and the area.

Sincerely,

Dennis H. Terry
Chairman

DHT:mkk

cc: Congressman Peter Visclosky

STB FD-33388 7-13-98 J ID-PUBLIC

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

Office of the Chairman

July 13, 1998

Ms. Helen J. Fielden
7109 Jackson Ave.
Hammond, IN 46324-1933

Dear Ms. Fielden:

Thank you for your let er 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 indicate in your letter that you oppose the transaction, which could cause increased train traffic in your community. The proceeding remains pending before the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently conducted an extensive oral argument on the proposed transaction, hearing from more than 70 witnesses over the course of the 2-day argument held on June 3 and 4, 1998. Following oral argument, the Board held an open voting conference on June 8, 1998, at which we voted to approve the proposed transaction, subject to a number of conditions. The Board currently is preparing a final written decision that implements the vote at the voting conference, which is scheduled for issuance on July 23, 1998.

In voting for approval, the Board found that the transaction, as augmented by numerous settlement agreements among the parties and as further conditioned, would inject competition into the eastern United States in an unprecedented manner. The conditions adopted by the Board, while significant, recognize the operational and competitive integrity of the overall proposal and the importance of promoting and preserving privately-negotiated agreements. In particular, the Board's conditions include 5 years of oversight, along with substantial operational monitoring and reporting to ensure that the transaction is successfully implemented; mitigation of potential adverse impacts on the environment and on safety; recognition of employee interests, including a reaffirmation of the negotiation and arbitration process as the proper way to resolve important issues relating to employee rights; and several conditions that address the vital role of smaller railroads and regional concerns about competition. With regard to your specific concerns, as a condition of approval, the Board has voted to require CSX to implement several operational improvements and safety measures in the Four City Consortium area of Indiana to mitigate the environmental impacts resulting from the proposed transaction. These include installing constant time warning devices, rerouting several trains off the Pine Junction to Barr Yard rail line segment, and upgrading the track structure and signal systems to allow increased train speeds on the Pine Junction to Barr Yard rail line.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

RECEIVED
JUN 17 1988
MANAGEMENT
SIB

Susan Morgan
Surface Trans Board
1925 K St. N.W
Wash. D.C. 20423

Dear Linda,

Please do not go with the R.R. Plan stick to the alternate route. Ivan's boss driver in Hammond Ind. we get treats up enough. Sincerely

Helen Fielden

FILE IN DOCKET

Helen J. Fielden
7109 Jackson Ave.
Hammond IN 46324-1933

STB FD 33388 7-13-98 J PUBLIC

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

Office of the Chairman

July 13, 1998

Mr. Charles R. Shackford, Jr.
128 Sumac Street
West Haven, CT 06516

Dear Mr. Shackford:

Thank you for your letter requesting a copy of the decision issued by the Surface Transportation Board in STB Finance Docket No. 33388, the Conrail acquisition proceeding. The Board's final written decision in this matter will be issued on July 23, 1998. The decision will be available after that date on the Board's website at www.stb.dot.gov. If you would like a copy of the decision, you may contact the Board's Office of Public Services, at 202-565-1592, regarding copying costs and other information related to that request.

I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan

Linda J. Morgan

FILE IN DOCKET

128 Sumac Street
West Haven, CT 06516

Ms. Linda Morgan, Chairperson
Surface Transportation Board
Washington, DC 20500

Dear Madam:

I would like to have a copy of the STB decision on the splitup of ConRail between CSXT and Norfolk Southern, published in today's WALL STREET JOURNAL in announcement of the decision giving a "Yea" to the merger(s).

Of particular interest is the role the Canadian National will play. WSJ said something about the Canadian Pacific getting traffic rights from Selkirk to Queens, and I suspect that that is a misprint, as CP had no interest in this splitup save trackage rights over the Southern Tier, awarded to D&H in the formation of ConRail back in 1976. CN definitely wanted that trackage down the east bank of the Hudson, actually from Syracuse to Queens for use by its subsidiary, the New York & Atlantic, presently running freight on the Long Island RR. They had also wanted to buy the Montreal Secondary, the old NYC line from Syracuse to Montreal, to connect with the ConRail line to Selkirk.

Please send it to my home address, shown above. Thanking you, I am

Very truly yours,

Charles R. Shackford, Jr.

Charles R. Shackford, Jr.

P.S. I work for Metro North Railroad, in the Payroll Dept. as a Timekeeper.

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

Office of the Chairman

July 13, 1998

Mr. Michael Totleben
1621 119th St.
Whiting, IN 46394

Dear Mr. Totleben:

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 indicate in your letter concerns that the transaction could cause increased train traffic in your community. The proceeding remains pending before the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently conducted an extensive oral argument on the proposed transaction, hearing from more than 70 witnesses over the course of the 2-day argument held on June 3 and 4, 1998. Following oral argument, the Board held an open voting conference on June 8, 1998, at which we voted to approve the proposed transaction, subject to a number of conditions. The Board currently is preparing a final written decision that implements the vote at the voting conference, which is scheduled for issuance on July 23, 1998.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

6-10-98

FILE IN DOCKET

Dear Linda Morgan,

I am from Whiting, Ind. I just want to comment on the train issue in the whiting, Hammond Ind. area. I just want to say my brother sold a lovely house in Hammond woodmar area solely because of getting caught by trains everyday after a hard days work. How would you like to get stuck everyday for at least 20 minutes by trains. Please don't increase the train traffic.

Thank you
michael

MICHAEL TOTLEBEN
1621 119th St.
WHITING, IND. 46394
ph.# (219)473-0639

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

Office of the Chairman

July 13, 1998

Ms. Marcy Moldrawski
4545 Henry Avenue
Hammond, IN 46327

Dear Ms. Moldrawski:

Thank you for your letter forwarding petitions and other material 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 indicate in your letter that you oppose the transaction, which could cause increased train traffic in your community. The proceeding remains pending before the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently conducted an extensive oral argument on the proposed transaction, hearing from more than 70 witnesses over the course of the 2-day argument held on June 3 and 4, 1998. Following oral argument, the Board held an open voting conference on June 8, 1998, at which we voted to approve the proposed transaction, subject to a number of conditions. The Board currently is preparing a final written decision that implements the vote at the voting conference, which is scheduled for issuance on July 23, 1998.

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I appreciate your interest in this matter, and will have your letter, with the attached material, and my response made a part of the public docket in this proceeding. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan

Linda J. Morgan

4545 Henry Avenue
Hammond Indiana 46327

FILE IN DOCKET

June 30, 1998

Linda Morgan
Chairman
Surface Transportation Board
Washington, D.C.

Dear Chairman Morgan:

Please accept these petitions in opposition to the sale of Conrail and the running of more trains in Northwest Indiana outside of the existing railroad corridor that is already in place. It is our hope that you will rule against this plan. Thank you for your consideration.

Sincerely,

Marcy Moldrawski

NAME	ADDRESS	NAME	ADDRESS
1 Catherine M. Penfield 7051 Schneider Hammond, Ind. 46323		10 [illegible] 227 173RD St. Hammond	
2 Harry F. Penfield 7051 Schneider Ave Hammond, In 46323.		11 James F. [illegible] 7132 Vickee Hammond	
3 Hazel [illegible] 7045 Patricia Ln Ham 46323		12 Richard [illegible] 264 - 174th St Hammond	
4 [illegible] J. Drzal 3843 Sheffield Ave 46327		13 [illegible] 813 TYLER DYE	
5. 6. Mr + Mrs. Derrick Gray		14 Delores Rainey 6520 Jackson Ham Ind 60409	
7 CURTIS P VOSTI 324 [illegible] Hammond		15 Norma Mc Carty 7605 S EASTER Hammond 46327	
8 Jim Darnak 227 173RD St Hammond.		16 Mary Kalman 1013 173 ST	
9 Margie Fowler 6856 Carolina Hammond		17 [illegible] 105 Hadley Ct. Il 60411	
		18 RALPH WALLACE 5601 SHEFFIELD HAMMOND	
		19 TESS BIDESE 1 SWALLOW LA. BEECHER, IL 60401	
		20 DOLORES STIMAC 3352 BERNICE RD. LANSING, IL	

	NAME	ADDRESS		NAME	ADDRESS
21	Mary Lou Meyland	6713 Kenwood Ave.	31	Genevieve Harvey	510 Penn CC
22	Larry Meyland	6713 Kenwood Ave.			
23	Edie Zbryeyk			James R Fowler	
24	Jesse Sandoval	1527 Happy Valley Rd. Crown Point	32	Frank Pete	16906 S. Freemont, Dr. Hol.
25	Ray Grimm	6411 New Hampshire	33	Cinjie Pete	16906 S. Freemont, Dr. Hol.
26	Gerry Grimm		34	Dorothy Leber 14337 Bensley Burnham Il	
27	Lillian DelSanto		35	Harry Leber 14337 S BENSLEY BURNHAM IL	
28	Dave Tassini		36	Ray Kapture 4345 Hohman Hammond In	
29	Dan Petalo	1314-172nd Pl. Hammond			
30	James R Fowler	6856 Carolina Ave Hammond In.			

	NAME	ADDRESS	NAME	ADDRESS
37	Frank Lozzari		128 Birch ST Cal Pa.	
38	Louis Bidese		1-Swallow Ln. Berwick	
39	Willa Mae Webb		535 Hafer Dr. AP 502	
40	Doretha Campbell		2000 Cleveland St. Hgpda 46404	
41	Marie L. Cada		245 White oak Whiting 463	
42	Jean Berendt			
43	Ruth White		4235 Johnson ave	
44 45	Helen + Mike Branch		9428 California ave	
46	Mary Baluchi			
47	Lucy Bounds		5111 Sohl Hond	
48	Helen Thrat		35-165th PLACE C.C.	
49	John R Zack			

	NAME	ADDRESS	NAME	ADDRESS
50	Jean Boggs			
51	[illegible]			
52	[illegible]			
53	Catherine [illegible]		6343 New Hampshire	
54	Orlando L Benetti		1222 E 170 St So Holland IL 60473	
55	Loretta Jordy		2180 Timbridge Ln Highland	46322
56	Merle O. [illegible]		2180 TIMBERIDGE LN.	HIGHLAND IN. 46322
57	Robert Ostrowski		12927 Saginaw Chicago	
58	Ed Wlodyka		432 Wren St Cal City IL.	
59	CHESTER [illegible]		4242 TOWLE AVE HAMM	
60	KEN McCABE		822 WOODSIDE	

	NAME	ADDRESS	NAME	ADDRESS
61	Tony Laguardia		8139 Vandeven Munster IN 4632	
62	Helen Carrico		492 HIRSCH ST. CAL. CITY IL	
63	Dorothy Sims		6529 Marshall	A. Ham
64	Herb Stowell		3610 Vine St Ap	2C Ham
65	Effie Smith		7138 Madison	Hamd.
66	Jesus Saucedo		1504 John	Ill Whiting
67	Maria Cardiel		5436 Molesberger	Hammond
68	Beatriz Toledo		4719 Elm Ave -	Hmnd.
69	B. Tapper		348 E 14th St	
70	Rachel Ullrich		553 Highland St.	
71	Florence Thomas		P.O.Box 1757	GARY

	NAME ADDRESS	NAME ADDRESS
72	[illegible signature]	1622-175th St.
73	Crystal O'Connor	7317 Magoun Ave.
74-	Derek L. Shaw	6923 Walnut Av.
75	Ray Kend[illegible]	1542 Myrtle Ave
76		
77		
78		
79		
80-		

R.E. Heath	Lansing IL.
J. Gillard	Dyer IN.
Eugene E Courtney	7719 Catalpa Hammond IN
Bill Rozak	Cal City
Fred Goodman	Riverdale
Geneva Krammin	Hammond
[illegible]	Munster
[illegible]	Munster
[illegible] Vrbancic	Hammond
[illegible]	6916 Hohman Hammond IN.
[illegible]	6648 Monroe Ave
[illegible]	6037 W 29th Pl, Gary
[illegible]	134 Burnham Lowell, [illegible]
Norma Ford	134 Burnham Lowell, Ind.
Bob Cumberlin	8239 Madison, Munster, IN.
Joanne Tippy	2108 Washington Ct Munster
John [illegible]	724 May St. Calumet City
John Gallegos	3141 163rd Pl. Hammond, Ind
[illegible]	529 N. Indiana Griffith In
Carmen [illegible]	Hammond, Ind. 46327
[illegible]	
Georgia B. [illegible]	63 Kenwood St. Hammond
Tom [illegible]	1727 A Sheridan Whiting
[illegible]	P.O. Box 487 Ham 46325
Jim Sutphin	P.O. Box 487 HAM 46325
Ben Dorton	605 Forsythe Calumet City IL. 60409
[illegible]	6530 Delaware Hamd
Leonard Dora	9115 Woodward Highland
Walter Dora	4818 Forestdale Hammond
Martha [illegible]	1626 Brown Whiting
Rosalia [illegible]	9945 Kennedy Ave Highland
John O. White	4735 Johnson Ave Hammond

ADDRESS

Jane A Elias 1532 Roberts Ave Whiting
Vincent Elias 1532 Roberts Ave Whiting
Antoinette Ramirez 2006 [illegible] Ave Whiting P.O
Brenda Farley 4542 Henry Hammond, In
Richard Farley 4542 Henry Hammond, In
Raymond Koch 1542 Myrtle Whiting, IN
Fred E. Miles 1750 Lincoln Ave, Whiting, IN
Al Emond 2721 Cleveland St. Hammond
Jackie Dykstra 2412 Trimbridge Ln Highland, IN
Frank [illegible] 873 Campbell Cal City, Ill.
Atwood Smith 7405 Monroe Hammond In. 46324
George Maschewich 1505 174th Pl Hmd in 46324
Lorraine Thomas 7317 Baring Hmd 46324
Glynn Thomas 7317 Baring Hmd 46324
[illegible] 4909 Rose 46327
Jean [illegible] 4126 Towle 46327
Ed Koren 4126 Towle 46327
Roger Thompson 6343 New Hampshire
Sherry Wilson 1104 N. Jay St. Griffith
Eleanor [illegible] 970 Sherwood Lake Schererville
Mary Ann Spitale 1314-171 Place
[illegible] 1531 Myrtle
[illegible] 6749 Illinois
Bobbie Emond 2721 Cleveland Hmd.
Barbara & Joe Garcia 7116 Madison Hmd
Kay Gray 528 Riga Pl. E Chgo Ind
Ursula Kandich 4834 Beech Ave Hammond
Helen Cykyla 2707 Birch Ave Whiting, In.
Dolores Rumps 6627 Jackson Hammond, In
Paulyne Smith 6740 Columbia
Jerry Hotfield 3360 Glenwood Dyer Rd Lynwood
[illegible] Hotfield " " "
Doris McHugh 8213 Euclid St Munster

MARKED

Mary Logan 8153 Merrick Munster
Catherine Floyd 2009 Wright St Gary
Phyllis Bonner 1026 Mulberry Hammond
ALBIRDIA JEAN LYNN 84 MORRIS ☺
Dina Sloan 514 Michigan St #201 Hammond
[illegible] 7317 Magoun Ave Ham'd IN 46324
[illegible] 6830 MAGOUN AVE HAMMOND 46324
Dee Zeman 1645 Stanton Ave Whiting In 46394
JEROME J. SVITKO 3252 OLDE HIGHLAND, IND. 46322
[illegible] 5946 HOHMAN AVE, #415, HAMMOND, IN 46320
[illegible] 809 115th ST. HAMMOND, IN 46324
[illegible] 2109 Calumet Hammond, IN 46394
Jack Vales 7206 South Euclid Hammond In 46324
Nellie Becerril 848-114th St. Whiting In. 46394
Barbara Hooper 7106 Grand Ave Hammond 46323
Mary Wadyewski 4545 Henry Ave. Hammond 46327
Hall Wadyewski 4545 HENRY HAMMOND 46327

new five 5x tracks

EDITORIALS Thursday June 11, 1998

More congestion, headaches

The issue: Sale of Conrail, which would mean increased train traffic in Northwest Indiana
Our opinion: The bureaucrats in Washington need to pay attention to the concerns of the everyday people would be directly affected by the decision.

The federal government's plan to allow the sale of the Conrail railroad could mean worse headaches to thousands of Northwest Indiana motorists who already spend far too much time stuck at crossings.

The Surface Transportation Board should reconsider its preliminary approval and pay closer attention to an idea submitted by the mayors of Gary, Hammond, Whiting and East Chicago that would prevent a predicted significant increase in rail traffic through the region.

The board on Monday approved the $11 billion acquisition of Conrail by the CSX and Norfolk Southern corporations, despite the protests of the mayors, who have banded together to form the Four Cities Consortium in an effort to lessen the sale's impact on this area.

Officials of the two railroads say they have plans to significantly increase rail traffic in Northwest Indiana as part of a marketing strategy to take freight off highways east of the Mississippi River.

Lawyers for the consortium presented an alternative plan that would allow the railroads to expand their businesses – but with a smaller impact on rail traffic – by routing it to tracks that have fewer street-level crossings.

That makes a great deal of sense.

The companies argued there would be less of an impact on the region than consortium members were figuring, because of planned rail system upgrades and increased train speeds.

Although the feds apparently felt those promises were good enough, they said that as part of the approval they would monitor the progress of the railroads' plans to make sure terms of the deal were followed.

Consortium lawyers say that while they were pleased with safety-related conditions imposed as part of the agreement, the board did not go far enough.

They hope to convince the agency to revise its conditions – to make them more agreeable to wishes of the areas that will be most affected – before a final, written ruling on the agreement is issued July 23.

The board should listen carefully to the wishes of the representatives of the common folks in this region – those who would have to deal with the everyday problems increased rail traffic could bring.

It's easy for the bureaucrats in Washington to say the railroads' plan is acceptable – they don't have to worry about even worse traffic delays, or the higher risks of accidents caused by people going around gates, or the ambulances that are prevented from getting to hospitals by blocked crossings.

Northwest Indiana's representatives in Congress should take up the region's cause and make sure its voice is heard loud and clear before the ink dries on the board's decision.

[ON

To contact us:

- Mail to The Times, 601 W. 45th Ave., Munster, IN 46321.
- Fax to (219) 933-3249.
- Via Internet e-mail at letters@howpubs.com or letters@calunet.com

TUESDAY, JUNE 16, 1998

STB FD 33388 7-10-98 J BUSINESS

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

Office of the Chairman

July 10, 1998

Mr. Joe Obemma
National Accounts Executive
The Freight Connection
California National Accounts Office
1915 Orangewood Avenue, Suite 200
Orange, CA 92868

Dear Mr. Obemma:

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

As you may know, as part of the Surface Transportation Board's (Board) review of the proposal by CSX and NS to acquire Conrail, the Board's Section of Environmental Analysis (SEA) conducted an environmental review of the potential environmental impacts associated with the proposed Conrail acquisition. SEA was fully aware that these issues were of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA issued a Final Environmental Impact Statement (EIS) on May 22, 1998, for consideration by the Board, which included a discussion of various routing alternatives and recommended mitigation to address environmental impacts. In its final decision, the Board would have taken into consideration the entire environmental record, including all public comments and the Final EIS. However, on June 4, 1998, at the second day of the Board's oral argument in the Conrail acquisition proceeding, Mayor of Cleveland Michael White and Mr. John Snow, Chairman, President and Chief Executive Officer of CSX, announced that they had reached agreement regarding mitigation of adverse effects that are specific to the City of Cleveland from the Conrail acquisition. At its June 8 open voting conference on the Conrail acquisition proposal, the Board approved the application with certain conditions. In accordance with the request of the parties, the Board will incorporate the agreement between Mayor White and Mr. Snow into its final written decision to be issued on July 23, 1998.

I will have your letter and my response made a part of the public record for this proceeding. I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan

Linda J. Morgan

FILE IN DOCKET

California National Accounts Office
1915 Orangewood Avenue, Suite 200
Orange, California 92868
(714) 939-5556 Fax (714) 939-5557

May 7, 1998

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

Dear: Hon. Linda Morgan:

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

The substantial benefits projected for east/west shippers by the CSX/Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the city of Cleveland has made to the Surface Transportation Board (STB). The threat of another operational debacle, such as the one experienced recently in the Houston area as the result of the Union Pacific merger with the Southern Pacific, exists if the STB adopts the proposals put forth in the Cleveland filing.

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

The City of Cleveland has now proposed a "flip" of the allocated lines in Cleveland, essentially proposing that the STB assign to CSX the lines previously assigned to NS and vice versa. This "flip" guarantees that <u>every</u> east/west train operated by either CSX or NS, should the proposed transaction be approved, will run in conflict with the other railroad. This "flip," and the inherent conflict it creates, will result in a degradation of the service improvements promised by the transaction. In fact, should the "flip" be adopted,

current Conrail east/west rail customers will see transit times increase compared to what's experienced today.

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

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

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

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

Thank you for your assistance.

Sincerely,

Joe Obemma
National Accounts Executive

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

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

Office of the Chairman

July 10, 1998

Mr. John M. Pellade
General Manager - Pricing
Compass Consolidators Inc.
47 Stephen Street
Lemont, IL 60439

Dear Mr. Pellade:

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

As you may know, as part of the Surface Transportation Board's (Board) review of the proposal by CSX and NS to acquire Conrail, the Board's Section of Environmental Analysis (SEA) conducted an environmental review of the potential environmental impacts associated with the proposed Conrail acquisition. SEA was fully aware that these issues were of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

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I will have your letter and my response made a part of the public record for this proceeding. I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan

Linda J. Morgan

COMPASS CONSOLIDATORS INC.

47 Stephen Street
Lemont, IL 60439
Phone: (630) 243-0200
Fax: (630) 243-0250

March 17, 1998

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

Dear Chairman,

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

The substantial benefits projected for east/west shippers by the CSX/Norfolk Southern (NS) acquisition of Conrail are put at serious risk by a filing the city of Cleveland has made to the Surface Transportation Board (STB). The threat of another operational debacle, such as the one experienced recently in the Houston area as the result of the Union Pacific merger with the Southern Pacific, exists if the STB adopts the proposals put forth in the Cleveland filing.

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

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

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

Should the "flip" be adopted and service quality affected, neither railroad will be able to compete as effectively with trucks, resulting in lost opportunity to relieve traffic congestion and make

important environmental gains. CSX estimates alone identify more than eight-million truck miles to be diverted from the highways to the rails on an annual basis in the greater-Cleveland area.

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

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

Thank you for your assistance.

Sincerely,

John M. Pollack

General Manager - Pricing

cc: Hon.Rodney Slater, DOT, Washington D.C.
Hon.Jolene Molitoris, FRA, Washington, D.C.
Hon.George Voinovich, Governor, Columbus, OH
Mr. John Q. Anderson, CCO, CSXT, Jacksonville, FL

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

Office of the Chairman

July 10, 1998

Mr. Richard K. Rudie
President
Interdom Partners, LTD.
11800 S. 75th Ave., Suite 2N
Palos Heights, IL 60463

Dear Mr. Rudie:

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

As you may know, as part of the Surface Transportation Board's (Board) review of the proposal by CSX and NS to acquire Conrail, the Board's Section of Environmental Analysis (SEA) conducted an environmental review of the potential environmental impacts associated with the proposed Conrail acquisition. SEA was fully aware that these issues were of major concern to the residents and businesses of Cleveland and northeast Ohio. SEA attended several public meetings in the area in order to hear those concerns first hand and discussed the issues with numerous local officials. SEA also formed special Ohio and Cleveland study teams to focus its review and analysis of the unique environmental impacts and concerns in this area, including the advantages and disadvantages of various routing alternatives through the Cleveland area.

After conducting an independent environmental analysis, reviewing all environmental information available to date, consulting with appropriate agencies, and fully considering all public comments, SEA issued a Final Environmental Impact Statement (EIS) on May 22, 1998, for consideration by the Board, which included a discussion of various routing alternatives and recommended mitigation to address environmental impacts. In its final decision, the Board would have taken into consideration the entire environmental record, including all public comments and the Final EIS. However, on June 4, 1998, at the second day of the Board's oral argument in the Conrail acquisition proceeding, Mayor of Cleveland Michael White and Mr. John Snow, Chairman, President and Chief Executive Officer of CSX, announced that they had reached agreement regarding mitigation of adverse effects that are specific to the City of Cleveland from the Conrail acquisition. At its June 8 open voting conference on the Conrail acquisition proposal, the Board approved the application with certain conditions. In accordance with the request of the parties, the Board will incorporate the agreement between Mayor White and Mr. Snow into its final written decision to be issued on July 23, 1998.

I will have your letter and my response made a part of the public record for this proceeding. I appreciate your interest in this matter.

Sincerely,

Linda J. Morgan

Linda J. Morgan

INTERDOM PARTNERS, LTD.

"The Independent Stack Train Service"

11800 S. 75th Ave. • Suite 2N • Palos Heights, IL 60463 • (800) 935-0851 • Fax (800) 935-5385

March 20, 1998

FILE IN DOCKET

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

Dear Ms. Morgan,

I have been made aware of the recent filing by the City of Cleveland to The Surface Transportation Board. If I understand it correctly the city has proposed a "flip" of the lines in Cleveland, switching those assigned to the CSX Railroad to Norfolk Southern Railroad and vice versa. To overcome resulting operational conflicts the city is proposing a two mile overhead bridge. This would appear to be inordinately expensive, time-consuming, and wasteful. Moreover, from what I am being told, these "solutions" will be devastating to efficient rail operations.

As usual this whole issue appears to represent government meddling into affairs that are best left to market forces. I am extremely confident that both the CSX and Norfolk Southern railroads have thoroughly studied the pertinent issues concerning operations in and around Cleveland. I am equally confident they have identified the most practical and efficient means to conduct said operations. Please allow them to make the critical decisions as they see fit.

Sincerely,

Richard K. Rudie (ls)
Richard K. Rudie
President
Interdom Partners

cc: Patrick McManamon - CSX Intermodal
Dennis Johnson - CSX Intermodal

STB FD-33388 7-7-98 J ID-189285

LAW OFFICES

ZUCKERT, SCOUTT & RASENBERGER, L.L.P.

888 SEVENTEENTH STREET, N.W.
WASHINGTON, D.C. 20006-3939
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(202) 342-1316

189285

J

RICHARD A. ALLEN

DIRECT DIAL
(202) 973-7902

July 7, 1998

Via Hand Delivery

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

Re: CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation -- Finance Docket No. 33388

Dear Secretary Williams:

On June 19, 1998, Norfolk Southern and CSX (collectively "the Carriers") received a copy of a June 6, 1998 letter to Vice Chairman Owen from Mr. Floyd E. Mason, Vice President of the Brotherhood of Railroad Signalmen ("BRS") concerning the Conrail transaction. Mr Mason's letter largely repeats arguments that BRS has previously made to the Board in the Conrail proceedings and which the Carriers have already answered. Mr. Mason's letter also appears to be procedurally out of order. Nevertheless, it is important to correct Mr. Mason's many misstatements about the discussions to date between BRS and the Carriers and the Carriers' views of the process. This letter responds briefly to Mr. Mason's letters on behalf of Norfolk Southern, and I request that it be placed in the public file of this proceeding.

As Mr. Mason states in his letter, BRS has indeed worked very hard to represent the interests of its members. BRS, however, has devoted much of its efforts toward a legal strategy that ignores the processes of the Interstate Commerce Act in favor of those under the Railway Labor Act and the Washington Job Protection Agreement -- an approach that runs counter to decades of experience and legal precedent regarding railroad consolidations. In fact, BRS' favored approach would significantly delay or prevent the Conrail transaction from being consummated. BRS' efforts to negotiate under the Railway Labor Act in an attempt to gain leverage through possible resort to strikes, led to litigation by both the Carriers and BRS. That litigation has resulted in a decision by the United States District Court for the Western District of Virginia endorsing the Carriers' position and upholding the exclusive jurisdiction of

the Board and its New York Dock arbitrators to resolve the issues relating to the implementation of railroad consolidations. That decision has been appealed by BRS.

Mr. Mason's assertion that the Carriers do not wish to reach implementing agreements is untrue and belied by the facts. NS, CSX and Conrail have already reached implementing agreements or binding commitments on a process to reach implementing agreements with six labor organizations representing nearly 50 percent of the agreement workforce on Conrail. We anticipate negotiating implementing agreements with other unions in due course. In this same spirit, the Carriers have met with BRS on 13 occasions since November 1997 and have made significant progress in reaching a voluntary implementing agreement. The fact that no agreement has been reached reflects that there are areas of disagreement between the parties that remain to be resolved. It is our desire, and in our economic interest, to reach timely voluntary agreements whenever possible. All of the efforts of the Carriers' respective labor relations staffs have been focused on these goals.

We remain optimistic that the Carriers can reach agreements with BRS. But, if not, New York Dock provides a mechanism for arriving at an arbitrated implementing agreement, and the Carriers are prepared to use it. The established New York Dock process has served all parties and the nation's rail transportation network well in leading to voluntary agreements, and where necessary, arbitrated agreements. Those arbitrations are necessarily fact intensive and are handled by experts in the rail labor field who are in the best position initially to test the parties' arguments and assure timely resolution of any disputes in order to effectuate the Board's decision. The scope of New York Dock arbitration has been established by the ICC, the Board, and the courts, and is well known. An arbitrator's exercise of his jurisdiction is ultimately subject to review by the Board. Mr. Mason's attack on these established procedures is unsound and inappropriate.

Very truly yours,

Richard A. Allen

Counsel for Norfolk Southern
Corporation and Norfolk
Southern Railway Company

cc: Floyd E. Mason
K. R. Pfeifer
All Parties of Record

STB FD-33388 7-7-98 J J ID-PUBLIC

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

Office of the Chairman

FILE IN DOCKET

July 7, 1998

Mr. H. William Lucking, Jr.
13772 Sprucevale Rd.
E. Liverpool, OH 43920

Re: STB Finance Docket No. 33388

Dear Mr. Lucking:

This is in response to your letter asking that I do all within my power to prevent CSX and Norfolk Southern (NS) from abrogating Conrail employees' collective bargaining rights, and the courts from taking away employees' rights to strike. Included with your letter were a press release referring to an injunction entered by the U.S. District Court for the Western District of Virginia and a Guest Opinion Editorial from the Journal of Commerce. While it would not be appropriate for me to comment on the court injunction, which is not within the Board's jurisdiction, I would be pleased to discuss the Board's approach to the matters within its jurisdiction that you raise.

The Board, and the Interstate Commerce Commission (ICC) before it, has favored negotiated agreements between management and labor to implement approved railroad consolidations with resort to arbitration only where negotiation fails, and appeal from decisions of arbitrators to the ICC or Board as a last resort in cases of significance and only to correct egregious error. During our deliberations at the Board's June 8, 1998 voting conference on the acquisition of control of Consolidated Rail Corporation by CSX and NS (STB Finance Docket No. 33388), we reaffirmed the view that the negotiation and arbitration process is the proper way to resolve important issues relating to employee rights. To ensure this result, we made clear that the Board's approval of this proposed merger did not indicate approval or disapproval of any of the involved collective bargaining agreement overrides that the applicants had included within their proposed operating plans accompanying their merger application. Our decision urges labor and management to reach voluntary implementing agreements to the maximum extent possible.

I hope that this information is helpful to you. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Linda J. Morgan

Linda Morgan

980611

FILE IN DOCKET

May 15, 1998

Linda J. Morgan, Chairman
Surface Transportation Board
Washington, DC 20423-0001

Madam Chairman:

Regarding the impending aquisition of Conrail by the Norfolk Southern and CSXT railroads:

It seems that a district judge has granted the Norfolk Southern Railroad's bidding, and ruled that the Surface Transportation Board can arbitrarily change the collective bargaining agreements of the rail unions.

As if that isn't bad enough, the judge also issued an injunction to prevent the effected unions from using their right to strike for 12 months.

Why would the Norfolk Southern and the CSXT ask for this injunction, unless they know in advance that the unions are about to get shafted ??

Wouldn't it be ironic if the Surface Transportation Board approved an implementing agreement that was favorable from the unions' point of view ? What would NS and CSXT do then, buy a federal judge to change the rules in their favor ?

Please do all in your power to prevent the railroads and the STB from trampling our collective bargaining agreements and then taking away our right to strike.

Sincerely,

Bill

H. William Lucking, Jr.
13772 Sprucevale Rd.
E. Liverpool, Oh. 43920

Attachments from Conrail's Electronic Mail System

Dow Jones Newswires -- May 14, 1998

U.S. Judge Rules On Potential Strikes In Conrail Merger

Dow Jones Newswires

ROANOKE, Va. (AP)--A federal judge has restricted the ability of railroad unions to go on strike if federal regulators approve the proposed Conrail merger and the workers dislike the terms.

The Surface Transportation Board is expected to rule June 8 on the $10 billion plan by Norfolk Southern and CSX Corp. to buy and carve up Conrail.

The railroads asked U.S. District James Turk to declare that the STB has exclusive jurisdiction over the transaction terms, including changes in labor agreements, and to bar the unions from striking to thwart the merger.

In a ruling released Wednesday, Turk said the unions were enjoined for 12 months from striking in an attempt to block the Conrail merger or to force changes in the transaction.

The unions involved are the: Brotherhood of Railroad Signalmen, American Train Dispatchers, Brotherhood of Locomotive Engineers, International Brotherhood of Electrical Workers, National Conference on Firemen and Oilers and Sheet Metal Workers International.

Spokesmen for Norfolk Southern and several of the labor unions declined to comment on the ruling until their attorneys could review the 37-page order.

Two major unions, the Brotherhood of Locomotive Engineers and the United Transportation Union, already have lifted their opposition to the proposal to carve up Conrail routes and eliminate 2,000 jobs nationwide.

Edward Wytkind, executive director for the AFL-CIO's Transportation Trades Department, says the labor federation remained opposed tc the merger.

Friday, February 27, 1998

Guest Opinion, Journal of Commerce

Why railroads really merge

BY FRANK N. WILNER

Since 1980, mergers have reduced the number of major railroads from several dozen to fewer than 10. Railroads assert that mergers improve service, but clearly the reverse occurred after Southern Pacific was merged into Union Pacific in 1996.

In fact, most anticipated merger-related service improvements can be achieved through cooperation rather than paying multibillion dollar premiums to acquire another carrier.

Almost 70 years ago, when Baltimore & Ohio, New York Central and the Pennsylvania railroads each offered single-line service between East Coast cities and the Midwest, six smaller railroads -- Central of New Jersey, the Reading, the Western Maryland, the Pittsburgh & West Virginia, the Wheeling & Lake Erie and the Nickel Plate -- collaborated to deliver unrivaled seamless service between those same points. This famed Alphabet Route -- so named because of the myriad of initials identifying the railroads in the routing -- boasted the split-second timing of an Olympic relay team.

Doug Midkiff, retired Eastman Chemicals traffic manager, recalls using a variation of the Alphabet Route to ship freight cars from Kingsport, Tenn., to Boston in four days. He says Conrail hasn't been able to provide such service and he doubts shippers will get even fifth-morning service into Boston after the Conrail carve-up.

In fact, railroads merge for two reasons they don't care to discuss -- the ability to abrogate labor agreements and to eliminate any likelihood that origin or destination rail competition will push freight rates lower. Elsewhere contracts are sacred. But the Surface Transportation Board possesses congressional authority to insulate rail mergers from antitrust laws and all other federal, state and municipal statutes including the Railway Labor Act. The act otherwise requires mutual agreement before changes in labor contracts may be made.

The result is that merged railroads are permitted to invalidate existing labor contracts merely by showing it is necessary to further a merger's cost-cutting intent.

Mergers also permit railroads to act more like monopolists. By expanding their service areas, railroads achieve vertical foreclosure -- the

ability to prevent a competitor from participating in a freight movement. Since rail deregulation in 1980, carriers have aggressively canceled joint routes and rates -- effectively blunting competition while encouraging still more mergers as other railroads seek similar results. The few remaining major railroads -- each tens of thousands of miles long and facing little competition from each other -- exert a substantial impact upon economic policy. They specify -- through preferable or less preferable rates and service -- where new plants might be located, where grain is to be loaded into hopper cars and which coal mines might serve electricity generating plants.

As merged railroads are insulated from antitrust laws, an aggrieved shipper's only recourse is to the Surface Transportation Board. Yet as affirmed by STB in 1996 in its so-called "bottleneck" decision, a railroad whose tracks serve both origin and destination points need not share a portion of that haul with another railroad -- even if that other railroad offers better service or a lower rate.

Thus a coal mine served by two railroads -- but with only one of them reaching the coal-fired electricity generating plant -- is forced to deal with the sole railroad serving both origin and destination.

In an attempt to mitigate the anti-competitive harm of recent rail combinations, STB has required merging railroads to permit a competitor compensated access to some of the merged railroads' track. The UP-SP merger was conditioned on Burlington Northern & Santa Fe gaining trackage rights over some 4,000 miles of the 36,000-mile Union Pacific.

But BNSF recently told STB that UP has been frustrating the landlord-tenant relationship -- and shippers agree. Just two weeks ago UP -- to avoid a reopening by regulators of the UP-SP merger -- voluntarily coughed up a portion of its SP acquisition, granting BNSF half ownership and greater control over a crucial 347-mile line linking Houston with New Orleans. This is why the respective chairmen of the Senate Commerce Committee and its Surface Transportation Subcommittee -- John McCain, R-Ariz., and Kay Bailey Hutchison, R-Texas -- have asked the STB to investigate a panoply of competitive access strategies such as separation of track ownership from train operation.

A shipper coalition, the Alliance for Rail Competition, is investigating numerous means of reversing the ill and unintended effects of rail mergers. And Consumers United for Rail Equity has convinced Senators Conrad Burns, R-Mont., Byron Dorgan, D-N.D., and Jay Rockefeller, D-W.Va., to introduce legislation protecting captive shippers.

It is too late to reverse public policy that has led to the virtual elimination of rail-to-rail competition, but Congress is not without tools to replicate market forces where mergers have obliterated them.

Frank N. Wilner is author of "Railroad Mergers: History, Analysis, Insight."

END OF PRT. Bill.Lucking_Jr *END OF PRT*

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

Office of the Chairman

January 5, 1998

H.W. Lucking, Jr.
13772 Sprucevale Rd.
East Liverpool, OH 43920

Dear Mr. Lucking:

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

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

STB FD . 33388 7-6-98 J . GOV

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

Office of the Chairman

July 6, 1998

Mr. Curtis A. Wiley
Commissioner
Indiana Department of Transportation
100 North Senate Avenue, Room N755
Indianapolis, IN 46204-0238

Dear Commissioner Wiley:

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. The proceeding remains pending before the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently conducted an extensive oral argument on the proposed transaction, hearing from more than 70 witnesses over the course of the 2-day argument held on June 3 and 4, 1998. Following oral argument, the Board held an open voting conference on June 8, 1998, at which we voted to approve the proposed transaction, subject to a number of conditions. The Board currently is preparing a final written decision that implements the vote at the voting conference, which is scheduled for issuance on July 23, 1998.

In voting for approval, the Board found that the transaction, as augmented by numerous settlement agreements among the parties and as further conditioned, would inject competition into the eastern United States in an unprecedented manner. The conditions adopted by the Board, while significant, recognize the operational and competitive integrity of the overall proposal and the importance of promoting and preserving privately-negotiated agreements. In particular, the Board's conditions include 5 years of oversight, along with substantial operational monitoring and reporting to ensure that the transaction is successfully implemented; mitigation of potential adverse impacts on the environment and on safety; recognition of employee interests, including a reaffirmation of the negotiation and arbitration process as the proper way to resolve important issues relating to employee rights; and several conditions that address the vital role of smaller railroads and regional concerns about competition. With regard to your specific concerns, as a condition of approval, the Board has voted to require CSX to implement several operational improvements and safety measures in the Four Cities Consortium area of Indiana to mitigate the environmental impacts resulting from the proposed transaction. These include installing constant time warning devices, rerouting several trains off the Pine Junction to Barr Yard rail line segment, and upgrading the track structure and signal systems to allow increased train speeds on the Pine Junction to Barr Yard rail line.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

INDIANA DEPARTMENT OF TRANSPORTATION
100 North Senate Avenue
Room N755
Indianapolis, Indiana 46204-2249
(317) 232-5533 *FAX: (317) 232-0238*

FRANK O'BANNON, Governor
CURTIS A. WILEY, Commissioner

Writer's Direct Line
317-232-1478

May 21, 1998

FILE IN DOCKET

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

Re: Finance Docket No. 33388, CSX and Norfolk Southern – Control and Operating Agreements – Conrail
Response to May 12, 1998 Letter from CSX

Dear Chairman Morgan:

We received a copy of CSX Transportation's May 12, 1998, letter which it sent to Elaine Kaiser of the Surface Transportation Board. Its letter responded to the May 7, 1998, letter, from the Four Cities Consortium. The purpose of this letter is to assure the Surface Transportation Board, contrary to CSX's May 12, 1998, letter, that the Indiana Department of Transportation (INDOT) supports the Four Cities Consortium's proposal.

INDOT has carefully studied this proposal and it has concluded that it is both feasible and presents a sound alternative for maximizing the use of corridors with fewer at-grade crossings and for keeping trains off of routes with many crossings. The State of Indiana is very concerned about increasing train traffic on corridors that include numerous at-grade crossings. United States Senators Richard Lugar and Dan Coats also support the Four Cities Consortium's proposal, as do Congressman Viscloskey and Indiana State Senators Antich, Meeks, Randolph, and Rogers. Northwest Indiana already has one of the highest highway-railroad intersection accident and fatality rates of any region in the country. We believe it is imperative to reduce these at-grade conflict points to reduce accidents and loss of life. Also, in INDOT's opinion, the consortium plan mitigates the negative impacts of the acquisition on Northwest Indiana by reducing vehicular congestion at at-grade crossings and its resulting adverse impact on air quality.

Further, when INDOT last met with CSX officials about this topic, it urged them to continue their negotiations with the Four Cities Consortium. I understand that these discussions between CSX and the consortium have not been fruitful toward resolving this important issue to Northwest Indiana. INDOT still hopes they will be able to work together to resolve these safety and congestion mitigation issues. The failure of CSX and the Four Cities Consortium to agree on these issues may ultimately involve you in the resolution.

We believe INDOT's actions have consistently shown its support for the Four Cities Consortium's proposal and it will continue to support efforts to promote rail safety in this region. Thank you for your consideration of this letter of clarification.

Sincerely,

Curtis A. Wiley
Commissioner

cc: Honorable Robert Pastrick, Mayor, City of East Chicago
Honorable Scott King, Mayor, City of Gary
Honorable Duane Dedelow, Mayor, City of Hammond
Honorable Robert Bercik, Mayor, City of Whiting
C. Michael Loftus, Esq.
Randall Evans, CSX Transportation
Robert Garner, CSX Transportation
Pamela Savage, CSX Transportation
Elaine Kaiser, Surface Transportation Board, Section of Environmental Analysis
Cristine Klika, INDOT Deputy Commissioner
Larry Goode, INDOT Intermodal Division Chief
Ron Thomas, INDOT Rail Section Manager

STB FD 33388 7-6-98 J PUBLIC

S.T.B. FOR YOUR REVIEW

WHAT LEADERS THINK ABOUT IT

Comments about the Surface Transportation Board's approval of the breakup of Conrail:

Shuster

U.S. Rep. Bud Shuster, R-9th District

■ "In one blow, the STB has made it possible to reduce the Northeast's dependence on a single major rail carrier — Conrail — and to bring into the region two strong rail competitors, each having the capital resources so essential for maintaining and improving rail infrastructure in the region."

■ "This (deal) assures a continued productive and prosperous future for the workers and their families who have stuck with the rail industry since the dark days of the Penn Central collapse in the 1970s, and up to the revival of a self-supporting private-sector Conrail in the 1980s."

Some workers and their families have stuck with the rail industry since the dark days of the "P.R.R." and are not having a chance to share in any portion of the 400 million dollar excess pension fund which will be split between "NS" and "CSX." Management has benefited from this fund by early retirement and buy out programs over the last few years. Why are labor employees that hired in the early 1960's continuing to be denied a major financial goal of living comfortable throughout their retirement.

Charles E. Noble
CHARLES E. NOBLE
1306 HAMILTON AVE
TYRONE PA 16686
PHONE 814-684-0259

37 YEARS RAILROAD SERVICE - NOW THE 4TH CORP.
(PRR-P.C. CONRAIL & NS) AND STILL RIDING
IN THE BACK OF THE PENSION BUS

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

January 20, 1998

NO ANSWER AS OF JUNE 28 1998

Mr. Charles Noble
1306 Hamilton Ave.
Tyrone, Pennsylvania 16686

Dear Mr. Noble:

Thank you very much for taking the time to contact me about Conrail's Supplemental Pension Plan. Please be assured that I welcome the opportunity to be of help to you whenever possible.

I appreciate your bringing this to my attention, and hope that I can help. Therefore, I wanted you to know that I have contacted the appropriate people and have requested that they look into the matter and report back to me. When I receive any news, I will let you know.

In the meantime, please do not hesitate to call on me if I may be of assistance to you in any other way.

With kind regards, I remain

Sincerely yours,

Bud

Bud Shuster
Member of Congress

DID YOU HAVE AN OPPORTUNITY TO VIEW THE VIDEO?

EGS:tgm

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 211
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
129 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1211 OLDTOWN ROAD, SUITE #1
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

"PENSION REFORM NEEDED"

There currently are a relatively small number of Conrail agreement employees who participate in the Conrail Supplemental Pension Plan on a grandfathered basis because they had participated as agreement employees in the Supplemental Pension Plan of predecessor railroads.

As a result of non-agreement contributions and other monies and wise investments by fund manager these assets have continued to grow and exceed pension commitments by **$434 million dollars**.

The Conrail Plan does not provide for periodic increases of the monthly pensions being received by persons who are retired. The only ad hoc increase ever made in the past was authorized by Conrail's Board of Directors in 1977 to be effective in January of 1992.

Norfolk Southern in there battle to derail the Conrails & CSX merger made the following statement in a notice sent to the employee shareholders: "Norfolk and Conrail both can boast fully funded healthy persons funds, ensuring piece of mind for both employees and retirees. CSX, on the other hand, had been listed, as one of the "Top 50 companies with the Largest Underfunded Pension Liability." Why let CSX reap the benefit of the protective surplus your hard work has built up?

This last sentence seem to imply that Norfolk Southern would use these protective surplus's for the benefit of plan members. In a letter to Mr. Goode I wrote the following:

> *These members have helped Norfolk Southern to say "NO" to the CSX/Conrail Merger. Norfolk Southern made the offer and the Conrail employees responded favorably. The language used in the working world is "pay back is a bitch" and are you ready to "put your money where your mouth is".*
>
> *I hope Norfolk Southern is sincere and committed to using this pension surplus for the employee's that have worked hard to create this surplus over the part 30 some years.*

Norfolk Southern acknowledged receipt of my letter with the following:

> *We now have only publicly available information on the status of any plan or surplus, but we will certainly have your most articulate communication in mind as we go forward with implementation of the transaction.*

"LEGISLATORS WANT WRITTEN GUARANTEE WITH MERGER" made the front page on Friday, October 24, 1997 with Rep. Geist stating -

Pennsylvania deserves a written guarantee from Norfolk Southern that our workers, communities, and other businesses will benefit after the breakup of Conrail and Rep. Olasz stated - enduring that Norfolk Southern lives up to its commitment becomes particularly important if the economy weakens and things do not turn out as rosy as they predict in their proposal.

I wish our state and federal legislators luck in getting a solid written guarantee from "Norfolk Southern". The same article stated that according to documents within the joint applications filed by the two Virginia-Based Railroads, Norfolk Southern is planning to invest more than 235 million in the state over the next three years, including $67 million to update and modernize the Juniata and Hollidaysburg shops.

In a letter date June 30, 1997 I asked Mr. Goode of " Norfolk Southern the following questions; Has "Norfolk Southern" made any commitment to using these protective surplus's for agreement (pre-Penn Central) Supplemental Pension Plan Members in the application filed with The Surface Transportation Board? The following text is from a letter received from "Norfolk Southern" executive Vice President Henry C. Wolf.

The part of the filing Norfolk Southern, CSX and Conrail made with the Surface Transportation Board ("STB") relating to excess pension plan assets provides as follows:

> CSX, NSC and CRC agree to take any actions permitted by law that are necessary or appropriate to determine the amount of excess assets in CRC benefit plans and to allow allocation to CSX and NSC or their respective Affiliates in proportion to their respective Percentage; provided that no such transfer shall reduce the assets remaining in any CRC defined benefit plans to a level that is less than 100% of the Liabilities for benefits on a termination basis as reasonably calculated by Price Waterhouse employing usual and customary methodology and assumptions...CSX, NSC and CRC shall reach as agreement as to the transfer of accrued benefits and related assets with respect to employees that are transferred.

The filing does not discuss allocation of excess assets in the Conrail Pension Plan to provide additional benefits to any group of employees, including former Penn Central Plan participants. Conrail supplemental Pension Plan Administrator states - as of January 1, 1997 the asset value of the Conrail Plan Trust was $1,190 million. That is $434 million more than is needed to meet pension commitments based upon estimated accrued benefits through that reporting date.

With "Norfolk Southern" getting 58% of Conrail and thus 58% of the 434 million of the excess pension funds that amounts to 351.7 million and "CSX" getting 42% for 182.2 million.

"NS" can use these excess pension funds to finance buy outs, early retirement and retiree health claims for management. "NS" is receiving $351.7 million in excess pension money for **THE BIG BOYS** and plan to invest only 235 million in the State of Pennsylvania over the next three years -- Not a bad deal for "NS".

The only one's loosing on this deal is the current working plan members and current supplemental pension plan retiree's receiving benefits.

Congress had continued to allow this to happen by not making changes to the "Employee Retirement Income Security Act" (ERISA). Our representatives in Washington need to be more responsive to its retired and future retiree's for their financial independence in the coming year. **IT'S YOUR MONEY.**

Charles E. Noble
1306 Hamilton Avenue
Tyrone, PA 166896

PHONE 814-684-0259

STB FD-333388 7-6-98 J ID-BUSINESS

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

Office of the Chairman

July 6, 1998

Mr. Eugene H. Beer, III
President
Intercontinental Chemical Services, Inc.
1020 Christina Avenue
Wilmington, DE 19801-5804

Dear Mr. Beer

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. The proceeding remains pending before the Surface Transportation Board (Board) as STB Finance Docket No. 33388.

The Board recently conducted an extensive oral argument on the proposed transaction, hearing from more than 70 witnesses over the course of the 2-day argument held on June 3 and 4, 1998. Following oral argument, the Board held an open voting conference on June 8, 1998, at which we voted to approve the proposed transaction, subject to a number of conditions. The Board currently is preparing a final written decision that implements the vote at the voting conference, which is scheduled for issuance on July 23, 1998.

In voting for approval, the Board found that the transaction, as augmented by numerous settlement agreements among the parties and as further conditioned, would inject competition into the eastern United States in an unprecedented manner. The conditions adopted by the Board, while significant, recognize the operational and competitive integrity of the overall proposal and the importance of promoting and preserving privately-negotiated agreements. In particular, the Board's conditions include 5 years of oversight, along with substantial operational monitoring and reporting to ensure that the transaction is successfully implemented; mitigation of potential adverse impacts on the environment and on safety; recognition of employee interests, including a reaffirmation of the negotiation and arbitration process as the proper way to resolve important issues relating to employee rights; and several conditions that address the vital role of smaller railroads and regional concerns about competition. With regard to your specific concerns, the Board has voted to direct the applicants to discuss with the Port of Wilmington any problems concerning switching service and charges, and report back to the Board within 60 days after the issuance of the final written decision.

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

Sincerely,

Linda J. Morgan

Linda J. Morgan

FILE IN DOCKET

INTERCONTINENTAL CHEMICAL SERVICES, INC.

1020 CHRISTINA AVENUE
WILMINGTON, DE 19801-5804
(302) 654-1217 - FAX (302) 654-1327

May 19, 1998

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

Dear Ms. Morgan:

We were somewhat dismayed to learn that the Port of Wilmington is to become a Non Shared Asset Zone as compared to a Shared Asset Zone for rail service. This action definitely takes away any competitive edge that the Port of Wilmington Delaware, had in relation to the Ports of Philadelphia, NY/NJ, and Baltimore. The fact is we might lose business. As of the present, we are in a damage control mode. Our clients are calling to confirm the fact that it could cost them $300.00 more per railcar to do business with us. As a small business, we must continually look forward to growth to survive. If the Surface Transportation Board approves the current rail plan, Intercontinental Services and the Port of Wilmington will have their growth plans seriously jeopardized.

We desperately need your help to convince the Surface Transportation Board to make the Port of Wilmington area a Shared Asset Zone.

Very truly yours,

Eugene H. Beer, III
President

EHBIII/das

CC: The Honorable William V. Roth, Jr.
The Honorable Joseph R. Biden, Jr.
The Honorable Michael N. Castle
The Honorable Thomas R. Carper

STB FD-33388 7-6-98 J ID-CITY

Geneva Area City Schools
David O. Freese, Superintendent
Geneva, Ohio 44041
AN EQUAL OPPORTUNITY EMPLOYER

Board of Education
135 South Eagle Street
(440) 466-4831

Geneva Secondary Complex
839 Sherman Street
(440) 466-4831

Austinburg Elementary
3030 Route 307 - Austinburg
(440) 275-5392

Cork Elementary
341 State Route 534
(440) 466-0715

Geneva Elementary
119 South Eagle Street
(440) 466-0824

Spencer Elementary
4641 North Ridge East
(440) 466-0592

June 30, 1998

Office of the Secretary
Case Control Unit - Finance Docket No. 33388
Surface Transportation Board
1925 K. Street, N.W.
Washington, D.C. 20423-0001

Greetings,

The acquisition of Conrail, Inc. by CSX Corporation and Norfolk Southern Corporation has already impacted our school district. Our community is trisected by the two existing railroad lines, CSX and Norfolk Southern. Your DEIS shows that we can anticipate an increase of train traffic by 2 to 3 times the current levels. I am very concerned about the ability of our school buses to transport approximately 2,500 students in a safe and timely manner.

I have recently met with our city manager, Mr. Craig Zims, to discuss possible remedies to our traffic problems created by this acquisition. It appears to me that our city and school district will need to construct an overpass at the CSX crossing as well as improve the existing underpass at the Norfolk Southern crossing. These are absolute necessities for our city and school community.

Unfortunately, our city does not have the funds available to even begin designing these improvements. An overpass will cost an estimated $3.5 million. Design costs would amount to about 10% or $350,000. At best we would be looking at a 5 year plan in order to accumulate the funds for such a project. This places our school district in a very difficult position.

I am requesting that funds be made available for the City of Geneva to begin construction of an overpass at the CSX crossing on Austin Road. I am available to discuss this further if necessary.

Sincerely,

Ronald J. Donatone

Ronald J. Donatone, Superintendent
Geneva Area City Schools

RJD:plp
cc: Senator Robert A. Gardner
Rep. Ross Boggs, Jr.
Rep. Steven LaTourette

STB FD-33388 7-2-98 J ID-BUSINESS

CSX CORPORATION

One James Center
Richmond, Virginia 23219
(804) 782-1444

Michael J. Ruehling
Vice President
State Relations

June 30, 1998

The Honorable John M. Coyne
Mayor, City of Brooklyn, Ohio
7619 Memphis Avenue
Brooklyn, Ohio 44144

Dear Mayor Coyne:

As the individual at CSX responsible for coordinating state and local government agreements related to the Conrail transaction, I am responding to your June 17, 1998 letter to Stephen L. Watson.

The Surface Transportation Board voted on June 8, 1998 to approve the CSX/Norfolk Southern acquisition of Conrail. Numerous conditions were imposed in the STB's oral decision addressing various competitive and environmental impacts the agency determined would result from the transaction.

Prior to the June 8 vote, we engaged in extensive consultations with state and local government officials in those areas identified by the STB as potentially experiencing adverse impacts on lines that CSX would acquire as a result of the Conrail transaction. Our efforts focused on negotiating voluntary agreements, when and where possible, with these states and communities to resolve the concerns raised by the STB and preclude the need for imposed conditions.

We were successful in reaching numerous negotiated agreements prior to the June 8 STB voting conference. The STB accepted these agreements as alternatives to mandated conditions and at the June 8 Voting Conference advised that the negotiated agreements would be imposed as conditions.

In those cases where CSX was unable to reach negotiated settlements prior to the Voting Conference, the STB imposed conditions requiring a variety of mitigation measures. These conditions were summarized in the STB's oral decision and included recommendations for certain locations in the Greater Cleveland area. The conditions range from enhanced train defect detection to hazardous materials emergency response coordination and training to noise mitigation. Some of these conditions may be applicable in the case of your community.

• Post Office Box 85629, Richmond, Virginia 23285-5629 •
• FAX (804) 783-1380 •

We are now awaiting the STB's issuance of its written decision in the case in order to finalize plans to move forward with implementation of the mitigation measures that are imposed as conditions. You can be assured that we intend to comply fully with the terms of any and all conditions imposed by the STB that may involve the City of Brooklyn. As soon as our plans are complete, we will be in contact with you. In the meantime, if you have any questions, please let me know.

Sincerely,

Michael J. Doehling

trt

cc: Elaine K. Kaiser, Esquire, Surface Transportation Board
The Honorable Linda Morgan, Chairman, Surface Transportation Board
Mr. Stephen L. Watson, CSX Transportation

TRI-STATE TRANSPORTATION CAMPAIGN

Mobilizing the Region

June 25, 1998 FD33388

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

Dear Mr. Williams:

We appreciate the Surface Transportation Board's imposition of a condition requiring that CSX and Norfolk Southern monitor origins, destinations, and routings for truck traffic at their northern New Jersey intermodal terminals. Growth in intermodal operations will shift some amount of cargo from trucks to combined rail/truck trips, which will lead to an increase in truck traffic volumes at certain Hudson River crossings. According to information contained in Appendix H of the final environmental impact statement (FEIS), at least 1,280 additional truck trips per day will occur as a result of increased activity at the intermodal facilities. It should be noted that this figure underestimates the number of trips, as out of eight affected intermodal terminals, the analysis counts only the four which would see an increase of at least 50 truck trips per day or an increase of 10% in average daily traffic on nearby roadways.

Monitoring truck traffic trips is essential to determining the environmental impact of the approved acquisition and for continuing to make investments that improve rail's position in the freight market. Truck traffic monitoring will provide data which was not available for analysis in the FEIS. We urge the Board to assemble a comprehensive monitoring system. Outlined below are the components of an effective and complete monitoring process.

Collection of Truck Trip Data

For the monitoring to be useful, it is crucial to know the distance traveled on each truck trip, the route taken, and whether the trip is being made during a peak period. This will allow an analyis of the impact added trips are having on affected areas. Data on the truck portion of each intermodal trip is available to the railroads through "way bill" information and consultation with fleet operators. Compilation of this data should involve little added paperwork, as either the railroad or the trucking firm will have the information. Methods of gathering any data not immediately available should be put in place as soon as possible. Quarterly filings to the Board should include the following:

- Number of initial and return truck trips for each intermodal facility

240 West 35th Street, Suite 801
New York, New York 10001

Phone (212) 268-7474
Fax (212) 268-7333

E-Mail tstc@tstc.org
Web http://www.tstc.org

- Origin and destination of each truck trip
- Route taken
- Time of the trip
- Truck size and weight
- Route from which the trip was diverted
- Origin and destination of the rail portion of each trip

Collection of such data should begin immediately—well before the September 1 operations start date—in order to gain baseline figures. Any previously collected data from Conrail operation of the intermodal facilities should be incorporated into analysis of the figures. The data, along with subsequent analysis by the Board, should be made available to the public.

These trips should be translated traffic volume changes on affected facilities. The Port Authority collects data on truck traffic at its Hudson River and Arthur Kill crossings, and the New Jersey Turnpike and New York State Thruway Authority count truck volumes at certain toll booths. This data should be used by the Board in its analysis to the extent needed.

The Board should consider requiring the railroads to offset truck traffic increases resulting from growth in intermodal activity with matching traffic reductions *in the same locality*. For example, additional truck trips across the George Washington Bridge, which would adversely affect such neighborhoods as Washington Heights, could be offset through initiation of direct intermodal service from Chicago to the Harlem River Yards in the Bronx or roadrailer service along the Northeast Corridor from Washington to Boston.

Sincerely,

Janine Bauer

Janine Bauer
Executive Director

STB FD-33388 6-30-98 J ID-UNION

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

Office of the Chairman

FILE IN DOCKET
FD-33388

June 30, 1998

Mr. George J. Francisco, Jr.
President
National Conference of Firemen & Oilers
1100 Circle 75 Parkway
Suite 1585
Atlanta, GA 30339

Dear Mr. Francisco:

Thank you for your letter advising that the National Conference of Firemen & Oilers has reached a voluntary Implementing Agreement with the applicants in the Conrail control proceeding, docketed at the Surface Transportation Board (Board) as STB Finance Docket No. 33388. I understand that, as a result of the agreement, your membership now support approval of the proposed control transaction.

As you probably know by now, on June 8, 1998, in an open voting conference, the Board voted to approve the proposed Conrail transaction with various conditions, including certain ones supported by rail labor representatives. The Board will issue a written decision implementing its approval on July 23, 1998.

As you also are aware, Board policy is to encourage privately negotiated agreements as solutions in matters pending before the Board. I congratulate you on your efforts and assure you that the Board will continue to give full consideration to the interest of affected rail carrier employees in cases that come before it.

I am having your letter made a part of the public docket in the Conrail control 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

GEORGE J. FRANCISCO, JR.
PRESIDENT

DANIEL S. ANDERSON, JR.
SECRETARY-TREASURER

FILE IN DOCKET

NATIONAL CONFERENCE OF FIREMEN & OILERS

SEIU, AFL-CIO, CLC

1100 CIRCLE 75 PARKWAY • SUITE 1585 • ATLANTA, GA 30339 • (770) 933-9104 • FAX: (770) 933-0361

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

Dear Chairman Morgan:

This is to advise that the National Conference of Firemen and Oilers and the Applicants for Finance Docket No. 33388 have reached a voluntary Implementing Agreement. Therefore, NCF&O withdraws its opposition to the Applicants' Operating Plan and is no longer opposed to the approval of Finance Docket No. 33388.

Very truly yours,

George J. Francisco, Jr.

STB FD-33388 6-29-98 J ID-CITY

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

Office of the Chairman

June 29, 1998

The Honorable John M. Coyne
Mayor
City of Brooklyn
7619 Memphis Ave
Brooklyn, OH 44144-2197

Dear Mayor Coyne:

I have received your letter, and attachment, regarding an agreement in principle with CSX. I understand that the agreement is not final, and that negotiations are continuing. I look forward to hearing of your final agreement in the near future. I will have your letter and attachment made a part of the public docket for the Conrail acquisition 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

City of Brooklyn, Ohio

JOHN M. COYNE
MAYOR

June 17, 1998

Ms. Linda Morgan, Chair
U. S. Surface Transportation Board (STB)
1925 K Street NW
Washington, D. C. 20423-0001

Dear Ms. Morgan:

Enclosed please find correspondence I have sent to Stephen Watson of CSX which represents an agreement in principle between the City of Brooklyn, Ohio and CSX Transportation. Be advised, that this is **not** a FINAL document. It is subject to further review and revision between the two parties. We are still in the process of working toward a settlement.

If you have any questions, please contact Peter Sackett in the city's law department.

Best regards,

CITY OF BROOKLYN, OHIO

John M Coyne

John M. Coyne
MAYOR

John M. Coyne
Mayor

CITY OF
BROOKLYN OHIO

7619 Memphis Avenue, Brooklyn, Ohio 44144-2197 • (216) 351-2133
"Home of the Seatbelt Law"

June 17, 1998

FILE IN DOCKET
FD-33388

Mr. Stephen L. Watson
Vice President
CSX Transportation
143 W. Market Street, Suite 700
Indianapolis, IN 46204

RE: Mitigation of Environmental & Safety impacts resulting from acquisition of Conrail by CSX & Norfolk Southern

Dear Mr. Watson:

Please be advised that the City of Brooklyn has recently conducted an analysis of the existing noise levels on the Short Line route. A copy of the conclusions and recommendations of the engineering firm of Parsons Brinckerhoff is attached hereto for your review.

Further, my Advisory Committee has recently met to review the report and a public hearing has been held in conjunction with our most-recent council meeting.

I believe our City has met the criteria developed by the STB for **immediate** mitigation on behalf of the affected residents.

I have enclosed herein an Agreement in Principle for your review. Upon endorsement, I will forward correspondence to Ms. Elaine Kaiser at the STB in Washington, D.C. therein acknowledging our acquiescence and approval of the Conrail merger transaction.

I look forward to receiving your thoughts on the various issues raised herein.

If you have any further questions regarding the matters noted herein, please feel free to contact Mr. Peter Sackett in our law department.

I remain,

Sincerely yours,

John M. Coyne, Mayor
City of Brooklyn, Ohio

Encls.

cc: Elaine Kaiser, Chief, Environmental Analysis, STB
Linda Morgan, Chair, STB

AGREEMENT IN PRINCIPLE

CXS TRANSPORTATION

and the

CITY OF BROOKLYN, OHIO

Accepted and Agreed to:

_____	_____
John M. Coyne	**Stephen L. Watson**
Mayor	**Reg. Vice-Pres. - State Relations**
City of Brooklyn, Ohio	***CSX Transportation***
_____	_____
Date	Date

1. **Hazardous Materials Safety.**

CSX will organize and sponsor a program concerning hazardous materials transportation safety. The City will participate in the program which will include the following:

(A) **Training for City Emergency Response personnel,** as well as other HAZMAT personnel from any of the County's 4 regions which could, depending on the degree of the incident, be called to respond to a HAZMAT incident.

1. CSX will pay for all training courses, materials, cost of instructors, and instructor's travel/transportation costs.

2. The City of Brooklyn will be reimbursed for all overtime incurred by its emergency response personnel participating in these training sessions. Unless other arrangements are made by CSX, other HAZMAT communities invited and interested in participating in these training sessions are responsible for their own personnel costs, inclusive of overtime costs and travel/ transportation costs.

(B) **Partnership with City in development of plans for responding to hazardous materials incidents.**

(C) A **full access road** from Tiedeman to Ridge Road on the north side of the tracks for Police, Fire, and Emergency Services vehicles along the Short Line right-of-way in the City of Brooklyn, to be constructed and financed by CSX.

(D) Furnish the City with a **"RESPOND" PC** program at no cost to the City.

1. This program will enable City safety personnel to identify contents and instructions for any rail car.

2. CSX to provide a tutorial program for the Police and Fire Departments.

3. CSX to provide a lap top computer for use at an incident scene by the Brooklyn Fire Department.

(E) Furnish the City with an **"Automatic Emergency Residence Notification System" (AERNS).**

1. The City believes the AERNS must be installed in all homes in the City and would expect CSX will pay for this community service.

2. The City is prepared to enter into a contract with an off-site vendor, preferably Community Alert Network, Inc., for this service. The City will agree to pay the first year costs associated with this endeavor. Installation and first year costs are estimated at $5,000. Thereafter, the City expects CSX to pay for and maintain the system.

2. SHORT LINE TRACK

CSX will agree to the following upon approval of the Application:

(A) **Upgrade and rehabilitate the Short Line** to provide for two mainline tracks which meet Federal Railroad Administration Class 5 Operating Standards.

1. The City understands that CSX will "tie and surface" the entire Short Line this summer; this work includes the installation of new ties to replace those that are defective and the "tamping" of the track.

2. The upgrade will ensure that the Short Line meets high standards of safety and efficiency.

3. POLICE

CSX Police and the City of Brooklyn Police will meet, after the approval of the Application, and establish joint working relationships, including training for emergency response. Safety instructions for our citizenry is also expected. CSX will provide the City with a 24-hour toll-free number for emergency notification.

4. NOISE MITIGATION

Based upon our recent study, mitigation is warranted at the present time. The City believes that an annual noise analysis must be completed by an agreed-upon engineering firm, at the sole cost of CSX, to identify additional noise levels to be mitigated beyond those identified at this time.

(A) Per the STB's Final EIS, this mitigation should be comprised of noise barriers or sound insulation that would reduce wayside noise by 10 dBA. The City believes the affected homeowners deserve optimal noise mitigation so as to protect and preserve both indoor and outdoor environments.

1. Based on the City's recent study, noise barriers should extend 8 feet to 10 feet above the level of the tracks to be effective. It appears that the base of these barriers could be located on the level terraced areas parallel to the tracks, about 25 to 30 feet from the north track centerline. This appears to be in the railroad right-of-way. The wall length is estimated to be about 4,100 feet. Any noise barrier would have to be properly designed to allow access to tracks by railroad and public safety personnel.

2. The noise barrier wall must be visually appealing to the affected residents; therefore, the City should be included in the design and development process in order to protect neighborhood aesthetics.

3. The noise barrier must have "knock-out" panels installed for use by the Police and Fire Departments.

4. Sound insulation should be provided as well to each of the affected residences, with a maximum allotment of $16,000 to be used for various noise reduction measures, including but not limited to, window treatments and insulation, air conditioning, doors, etc.

5. In addition to the above, the City expects CSX to provide landscaping and earth berms in order to enhance the backyard habitats of affected homeowners.

6. Finally, the City expects CSX to maintain a maximum speed of 40 mph for all train traffic.

(B) **Home Value Guarantee Program (HVGP)**

The City of Brooklyn has consistently provided its residents with a level of services unmatched in Northeast Ohio. Under the leadership of Mayor John M. Coyne for over 50 years, Brooklyn residents have enjoyed consistent and continued appreciation in the value of their homes. Homes in Brooklyn literally vanish from the public listing services maintained by local real estate agencies.

The increase in train traffic will undoubtedly have a negative impact on the property values of the many homes along the Short Line track. A serious concern for property values was proffered in recent public forums, as well as in letters from residents concerning the proposed acquisition. Brooklyn residents express concern about the anticipated significant devaluation of the value of their homes as a result of the increase in the number of trains projected by CSX.

The City of Brooklyn believes that a HVGP must be negotiated and implemented as part of the overall resolution noted herein. The intent of this program is to protect homeowners against a decline in value of their property arising from this acquisition transaction. This understanding would become effective as of the closing date of the transaction, and would continue in effect for a period of five years.

1. CSX would, at its cost, obtain an acceptable form of independent appraisal establishing the value of each of the 59 homes affected, as of the closing date of this transaction. If the home is sold at any time during the referenced five (5) year period for a gross sales price less than the value concluded by the independent appraisal, CSX shall pay the difference (on a sliding scale basis) to the owner of the house, provided:

   (a) the homeowner has reasonably cared for and attended to the maintenance of the house (interior and exterior);

   (b) the sale reflects an arms-length transaction whereby the buyer is a non-related third party; and

   (c) there is no form of compensation other than that reflected in the sales contract.

2. This agreement would only apply <u>one time</u> to any single home.

3 The agreement between CSX and the owner would also provide CSX with a first right of refusal.

4. The sales would be reviewed by a panel representing CSX and the City. The panel would consist of three (3) representatives from CSX; three (3) representatives from the City; and (1) mutually-agreed upon independent appraiser. The panel would meet as necessary, no less that twice per year, at the Brooklyn City Hall.

5. The homeowner would agree to limit his/her recovery under this program to that which the panel provides; the panel's decision would be binding on the homeowner.

5. AMERICAN ROAD GRADE CROSSING

CSX offered to pay 20 percent of the cost of upgrading the American Road grade crossing into American Greetings Corporation World Headquarters located in Brooklyn, Ohio, so that the crossing is protected by gates as well as current flashing lights. The City accepts CSX's offer and will work with American Greetings and CSX to file proper applications and seek additional funds to in order to implement this initiative.

6. COMMUNITY IMPACT FUND (CIF)

Officials of the City of Brooklyn and CSX have met on several occasions in attempts to develop this Agreement in Principle. Underlying this Agreement is the parties' recognition that efficient rail transportation promotes the development and welfare of the City. The City acknowledges that efficient rail operations serve to promote the quality of life in the Brooklyn community; the City has entered in to the within Agreement as the basis for supporting a responsive and responsible working partnership between the parties.

Dollars contributed by CSX for the above-referenced mitigation measures may be deposited into a Community Impact Fund (CIF) that the City will use at its discretion for the projects designed and noted herein; these programs will serve to address adverse environmental impacts associated with increased rail traffic including construction of noise barriers, installation of fencing and landscaping, soundproofing homes, providing a Home Value Guarantee Program (HVGP), hazardous material training and equipment, pedestrian safety projects, maintenance endowment fund, and other projects and activities that City and CSX deem appropriate.

The parties agree to meet as soon as hereafter practicable to negotiate the specific terms of the agreement and attach dollar values to items aforementioned items listed in the Agreement in Principle.

City of Brooklyn, Ohio
Noise Impacts Relating to the Conrail Acquisition
Analysis and Recommendations
June 8, 1998

Background Information

In general, operational noise from a rail system is a function of distance from the noise receptor to the tracks. The type of intervening terrain; whether or not there are natural or constructed noise barriers; and noise from existing local sources is also important. Other factors include vehicle speed, type of track support structure (e.g., aerial structure), and the number of trains operating on the system. Noise exposure from operations depends on noise levels resulting from individual events (trains) and the number of trains occurring in any given period of time (usually considered within 1 hour or within 24 hours).

Two railroads, Norfolk Southern (NS) and CSX, have applied to the Surface Transportation Board (STB) for the approval to acquire and split up Conrail between them. The STB has mandated that the railroads evaluate environmental impacts on adjacent communities as a result of this transaction, and mitigate the impacts. One of the most serious impacts is noise.

The CSX/NS proposal identifies the Short Line route, which runs south of Idlewood Drive in Brooklyn, as being transferred to CSX. According to the proposal, following the acquisition, the projected level of rail traffic is to increase from about 16.4 trains to about 45.8 trains daily. As a result of revisions to the plan based on negotiations with other communities, and other changes in assumptions, this future level of traffic may be closer to 44 trains.

At the request of the City of Brooklyn, PB was asked to identify existing noise levels, project future noise levels based on the CSX/NS proposal, and recommend mitigation measures if applicable for the Idlewood Drive area.

Field Measurements

A 24-hour, continuous noise monitoring was performed on June 2/3, 1998 in the rear yard of a residential property (residence no. 9603 on Idlewood Drive) adjacent to the rail corridor. The purpose was to document the existing noise levels at the backyard of a residential site, which is representative of a cluster of residences in the same row with similar acoustical characteristics. The monitored existing noise levels will be used to assess the estimated noise impacts from additional train traffic from the proposed Conrail acquisition, which will result in increases in wayside train noise from both locomotive engines and wheel/rail noise. Because no grade crossings are located nearby, train horn

noise was not expected to be a factor. Noise impacts will be assessed by applying the criteria specified in STB and Federal Transit Authority (FTA) standards.

The noise measurements were performed using a calibrated set of Bruel & Kjaer (B&K) equipment, which consisted of a B&K Type 4426 Noise Analyzer a B&K Type 4165 microphone. The microphone and its windshield was mounted on a tripod, at ear level (at a height of approximately 5 feet), and was placed on the backyard property line, in clear line-of-sight to the tracks. A long extension cable was used to connect the outside microphone to the Noise Analyzer, which was located inside the residence. The train tracks are built on an embankment at a height of approximately 13 feet relative to the residences. The distance from the near track to the microphone was on the order of 80 feet.

The monitoring site is relatively flat except for the elevated track embankment and is landscaped. The ground surface is acoustically soft, with a well-maintained lawn. Most of the other residences in Idlewood Drive, whose backyards face the train tracks, are somewhat visually shielded from the train tracks with at least one row of trees between the track and the residences. These trees are not expected to provide any train noise reduction.

STB Requirements for Analysis

The Surface Transportation Board's Final Environmental Impact Statement, released in May 1998, specifies noise analysis methods for use in considering noise impacts. The Board rules specify that noise analysis should be performed on all rail line segments where traffic would, as a result of the proposed Conrail acquisition, increase by at least 8 trains per day or at least 100 percent as measured in annual gross ton-miles. This criteria is satisfied in Brooklyn.

The STB also specifies two types of "noise level criteria" for analysis. Although meeting this criteria does not necessarily require mitigation, it does require that the analysis be performed in cases involving:

- an increase in noise level to 65 dBA L_{dn} or greater (regardless of the incremental increases) and
- an incremental increase in noise levels of 3 dBA L_{dn} or greater.

These criteria are both met for residences on Idlewood Drive in Brooklyn.

City of Brooklyn

Results of 24-hour Noise Monitoring (9063 Idlewood Dr. - June 2-3, 1998)

Percentile Noise Levels (L-levels) and Equivalent Continuous Noise Levels (Leq-dBA)							
Time	L 1	L 5	L 10	L 50	L 90	L 95	L eq
13.00-13.30	77.8	72.3	63.3	51.3	49.3	49.00	64.1(T)
13:30-14.00	56.3	54.3	53.5	51.3	49.5	49.3	51.6
14:00-14.30	82.3	75.0	71.3	51.8	49.3	48.8	69.1(T)
14:30-15:00	58.8	55.5	54.0	50.8	48.5	48.0	51.9
15:00-15:30	56.3	53.5	52.5	50.3	48.8	48.3	50.8
15:30-16 00	59.5	57.5	56.5	50.8	48.5	48.0	52.9
16:00-16:30	78.3	69.8	65.8	53 0	50.8	50.3	65.4(T)
16:30-17:00	57.5	56.0	55.3	53.0	50.8	50.3	53.3
17:00-17:30	72.3	66.5	56.3	53.3	51.0	50.5	59.3
17:30-18:00	61.8	59.8	59.0	56.8	54.8	54.0	58.8
18:00-18:30	70.3	66.0	63.8	57.8	55.3	54.8	62.5
18:30-19:00	62.3	60.0	59.3	57.3	55.5	55.0	57.5
19:00-19.30	77.3	60.0	59.0	56.3	54.5	54.0	65.7(T)
19.30-20.00	59.8	58.0	57.3	54.8	53 0	52.5	55.1
20-00-20.30	58.5	57.0	56.3	54.5	52.8	52.5	54.6
20.30-21.00	59.3	57.5	56.8	54.5	52.8	52.5	54.9
21.00-21.30	59.5	57.8	57.0	55.0	53.3	52.8	55.3
21.30-22.00	61.3	57.0	55.5	52.8	51.0	50.5	53.8
22.00-22.30	76.3	57.8	54.0	51.3	49.5	49.0	62.9
22.30-23.00	78.3	73.0	70.0	51.8	49.8	49.3	65.7(T)
23.00-23.30	74.3	62.5	57.8	51.0	48.3	47.8	62.5
23.30-00.00	78.3	65.3	53.8	49.3	47.5	47.0	65.1(T)
00.00-00:30	53.3	51.5	50.8	48.3	46.3	46.3	48,7
00:30-01:00	72.3	56.5	50.0	47.3	46.3	46.3	57.8
01.00-01.30	62.3	50.8	49.3	46.3	46.3	46.3	57.2
01.30-02.00	77.8	71.8	66.5	46.3	46.3	46.3	64.7(T)
02.00-02.30	78.3	69.0	65.5	46.5	46.3	46.3	65.1(T)
02.30-03.00	71.3	51.8	48.5	46.3	46.3	46.3	56.1
03.00-03.30	48.8	47.3	46.5	46.3	46.3	46.3	46.2
03.30-04.00	48.3	46.5	46.3	46.3	46.3	46.3	46.1
04.00-04.30	79.3	50.5	46.5	46.3	46.3	46.3	64.4
04.30-05.00	54.8	52.3	50.5	46.3	46.3	46.3	47.8
05.00-05.30	62.3	57.3	54.8	47.0	46.3	46.3	51.9
05.30-06.00	72.8	67.8	61.3	46.3	46.3	46.3	62.2
06.00-06.30	77.3	73.3	70.8	46.3	46.3	46.3	67.1(T)
06.30-07.00	70.3	58.5	52.5	46.3	46.3	46.3	56.7
07.00-07.30	80.3	72.8	66.3	48.8	46.3	46.3	66.3(T)
07.30-08.00	71.8	67.3	63.8	46.3	46.3	46.3	59.5
08.00-08.30	70.3	62.3	55.5	46.5	46.3	46.3	57.7
08.30-09.00	78.3	67.3	60.8	46.3	46.3	46.3	67.0(T)
09.00-09.30	84.3	69.0	54.5	46.3	46.3	46.3	70.4(T)
09.30-10.00	80.3	68.5	52.5	47.0	46.3	46.3	66.0(T)
10.00-10.30	60.3	52.5	49.8	46.3	46.3	46.3	50.7
10.30-11.00	57.3	50.5	48.8	46.3	46.3	46.3	48.3
11.00-11.30	54.0	51.5	50.0	46.3	46.3	46.3	47.6
11.30-12.00	78.3	69.5	67.5	49.8	47.0	46.5	65.0(2T)
12.00-12.30	71.8	66.8	60.0	50.0	46.8	46.3	59.2(T)
12.30-13.00	82.3	70.5	59.5	51.3	49.8	49.3	72.5(T)
L dn							69

- 12 trains during the daytime (7:00 hours to 22:00 hours) and 5 trains during the nighttime (22 :00 hours to 07:00 hours) contributed to the L dn noise levels. These are shown as (T), under the last column, during the time periods they occurred.
- L dn is the day-night average noise level, which is the receptor's cumulative noise exposure from all noise events over a full 24 hours, adjusted to account for the perception that a noise at night is more bothersome than the same noise during the day.

Field Measurement Results

Results of the field measurements are shown on the previous page. The key figure is shown in the lower right hand corner, indicating that for this 24 hour period, the day-night average noise level L_{dn} is equivalent to 69 dBA. This is calculated from the L_{eq} levels identified for each half-hour period, giving added weight to the night levels. The L_{eq} levels represent average noise energy levels for each period. During this period, 17 trains passed the site, almost exactly the same number as the railroads suggest.

We project that, based on several very reasonable assumptions, the future noise levels following acquisition will be an L_{dn} of 74 to 75, which is an increase in L_{dn} of 5 to 6 over the existing L_{dn} of 69. This assumes that 44 trains are operated per 24-hour period (which could actually be higher), and that the trains travel at the same speed. CSX has indicated that speeds will in fact be similar. Lastly, it is assumed that 40 to 50 percent of the train operations will occur during the nighttime. This is the same distribution as occurred on the day of the field test. If a greater number of trains operate at night, the noise levels as measured in L_{dn} will be even higher.

Conclusion

STB considers the impacts of wayside noise to warrant mitigation if the noise level at sensitive receptor sites (homes, schools, etc.) would increase by at least 5 dBA L_{dn} and reach 70 dBA L_{dn} as a result of the proposed Conrail acquisition.

The STB analysis procedures and mitigation criteria were followed while performing noise analysis for residences on Idlewood Drive, City of Brooklyn. Our conclusion is that, based on the STB noise mitigation criteria, mitigation will be warranted for the row of houses on Idlewood Drive facing the tracks because:

- the future noise levels with Conrail acquisition would be higher than 70 dBA L_{dn}, and
- the future noise level increases would be at least 5 dBA L_{dn}, depending on the distribution of trains at night.

In addition, the STB has been criticized for using criteria that are too 'loose'; that leave many actual impacts unmitigated. For example, the most recent noise criteria, considered by many to be most applicable to rail noise, was developed by the FTA. This criteria limits an increase in L_{dn} in an area with an ambient L_{dn} of 69 (such as Idlewood) to a value of 1. This is far less than the proposed increase of 5 to 6 dB L_{dn} over the existing noise level. Therefore, mitigation is also warranted by this approach.

No mitigation is required for the second row of homes, on the north side of Idlewood Drive, because these homes are already shielded by the first row of homes and garages. Projected noise levels at these homes is not expected to reach the STB threshold.

Mitigation

The following mitigation options are available and/or have been discussed:

1. Landscaping the backyards of affected homes in Idlewood Drive.
2. Constructing a 15 to 20 feet high earth berm to provide noise insulation and shielding for the exposed homes. The top of the berm would be approximately 8 feet above the track level.
3. A combination of berm and landscaping.
4. A 15 to 20 feet tall noise barrier located near the tracks on the railroad right-of-way, about 15 to 20 feet from the track. It is expected that this location will be free of gas pipelines, which are located farther from the track.
5. Home insulation. This consists of window insulation by providing acoustically sealed double-glazed windows on the three exposed walls of the residences, and other treatments as necessary.
6. Three to five foot high earth berm. CSX has proposed this treatment in other locations on the Short Line. However, insufficient space is available to construct this. Additionally, this treatment only reduces wheel noise, and leaves residents exposed to locomotive noise.

Option 1 will provide no substantial noise reduction. Additionally, most of the residences in the area are already landscaped. The only benefit to this option is that, psychologically, the noise is often less obvious if the source of it is not visible.

Option 2, the earth berm, is not practical because of the lack of space to construct a berm with the required, wide base for its stability. The land between the embankment and the existing gas line is not wide enough to accommodate an earth berm. Options 3 and 6 are also not feasible for the same reasons.

The most effective choice is Option #4, the construction of a noise barrier, which would effectively shield the first row of properties from the future rail noise. This wall must rise about 8 feet above the level of the tracks, making the total height likely to be 15 feet to 20 feet. Although the noise barrier could be visually relatively unobtrusive because of the trees already existing behind most of the houses facing the tracks, some residents may not find this appealing regardless. The future train noise levels would be reduced to the presently existing noise levels in the backyards of the affected homes. The cost of this option was calculated (including 4060 feet of noise wall protecting the south

side of Idlewood and the end of the Summer Lane cul-de-sac, 17 feet in height, and 15% for engineering and administration of the program) to be about $2 million.

Option #5, home insulation, would also be an effective measure to reduce the interior noise which could be disruptive especially during the nighttime. However, this form of noise insulation would not reduce outdoor noise levels and therefore, may not be acceptable in situations where use of outdoor space is also an important consideration. Where installed in other locations to mitigate rail noise, this treatment has been found to cost approximately $ 16,000 per home. With 56 homes affected, the total cost would be about $900,000.

Appendix

Noise Prediction Methodology

FTA Formulas for Calculating Hourly Leq Noise Levels from reference source noise levels at 50 feet:

L_{eq} (h) = SEL_{ref}+10 log (N)+20 log(S/50)+10 log(V)-15 log (D/50) - 35.6 where:
SEL ref = 92 dBA for locomotives
SEL ref = 82 dBA for rail cars
N = number of rail cars or locomotives in the measured group;
S = speed of measured vehicle(s), in miles per hour; S = train speed ,in miles per hour
V = average hourly volume of train traffic, in trains per hour.
D = closest distance between measurement position and source, in feet

FTA Standards

FTA standards (Transit Noise and Vibration Impact Assessment, DOT-T-95-16, April 1995) are based on a relative impact criteria whereby project noise impacts are assessed by comparing the increase in future combined total (rail plus all other noise sources) hourly L_{eq} or L_{dn} noise levels against the existing ambient hourly L_{eq} or L_{dn} noise levels. As the existing level of ambient noise increases, the allowable level of transit noise increases, but the total amount by which that community's noise can increase is reduced. This accounts for the unexpected result that a noise level that is less than the ambient noise level can still cause an impact. This is illustrated in an example where the allowed transit noise is shown for different existing ambient noise levels. Any increase greater than shown in the Table will cause an impact. For example, as the existing noise level increases from 50 to 70 dBA, the allowed transit noise level increases from 53 to 64 dBA. However, the allowed increase in community noise level decreases from 1 to 5 dBA.

The FTA criteria are provided for "Category 1, "Category 2", and "Category 3" land uses. Category 1 includes tracts of land where quiet is essential for their intended use, such as outdoor concert arenas and historic sites. Category 2 includes residences and buildings where people sleep. Category 3 includes institutional land uses, involving primarily day and evening activities, such as schools, and churches. Impacts upon Category 1 and category 3 land uses primarily are based upon "peak hour" L_{eq}. L_{dn} (day night noise level) is the descriptor normally used for Category 2 land uses, where there is greater sensitivity to nighttime noise.

EXAMPLES OF NOISE IMPACT CRITERIA FOR TRANSIT PROJECTS

Existing Noise Level	Allowable Study Noise Level	Allowable Combined Total Noise Level	Allowable Noise Level Increase
45	51	52	7
50	53	55	5
55	55	58	3
60	57	62	2
65	60	66	1
70	64	71	1
75	65	75	0

Source: FTA Manual for Transit Noise and Vibration Impact Assessment, FTA, April 1995.

Office of Secretary
Case Control unit
STB Financial Docket 33388
Surface Transportation Board

Yvonne Buckley
2663 Clover St.
N. O., LA. 70122
6/19/98

Dear Sir or madam:

I Am A victim of the Carsil in 1987, it will soon be eleven years and they still don't wanh to pay for the pain and Suffering they have Cause me and thousands of more. I have really suffered because I was only 2½ to 3 blocks away from the scene, I have suffered Coughing blood, intestinal bleeding, I have suffed and many more have too. I think they should pay CSX + Norfolk. That is like getting away with Sleeal Murder.

I would like your help in making CSX + Norfolk pay.

Thank you.

Sincary
Yvonne Buckley

STB FD 33388 6-22-98 J PUBLIC

DENNIS JAMES TOMCZAK
BASEMENT UNIT
616 M STREET N.E.
WASHINGTON D.C. 20002-3426

MY DEAR MOST HONORED CHIEF

I WILL MAKE ABSOLUTELY NO PROFIT AT ALL OFF THIS NOT ONE SINGLE CENT, BUT I HAVE A GENIUS IDEA, AND I NOTICED THIS ARTICLE IN MY HOMETOWN CITY OF ERIE PA NEWSPAPER, NOW IT SAY'S ERIE COUNTY IS DEVELOPEMENTING AN INDUSTRIAL PARK AT I-90 AND ROUTE 98 IN FAIRVIEW PENNA, NOW NOT FAR FROM THIS LOCATION IS THE CONRAIL TRACKS, AND LIKE CSX AND NORFOLK RAILROADS WANT TO ACQUIRE, THE CONRAIL SYSTEM SO, AS A CONDITION TO ALLOWING CSX RAILROAD TO TAKE OVER CONRAIL, YOU COULD SET A CONDITION THAT CSX RAILROAD, WITH STATE AND FEDERAL GRANTS HAS TO BUILD A RAIL SPUR LINE, FROM THE CONRAIL TRACKS SOUTH TO THE I-90 INDUSTRIAL PARK, AND THAT THE RAIL LINE MUST BE BUILT CLOSE TO ROUTE 98, SO THAT INDUSTRY THAT GOES IN ON ROUTE 98 CAN ALSO HAVE ACCESS TO THE RAIL SPUR, NOW ALL YOU NEED TO DO IS GET CSX RAILROAD TO AGREE TO PUT THE RAIL SPUR LINE INTO THE INDUSTRIAL PARK, AND THE ERIE COUNTY INDUSTRIAL PARK AUTHORITY A LOCAL GOVERNMENT BODY CAN GET STATE FEDERAL GRANTS, TO ACQUIRE LAND AND BUILD THE ENTIRE RAIL SPUR, PLEASE TURN THE PAGE SIR

SO I HOPE I AM VERY VERY HELPFUL TO YOU

THANK YOU MOST HUMBLELY

SINCERELY YOURS

Edwin James Taylor

$3.8 million grant to help develop industri

By RICHARD BLOOD
Staff writer

With the defunct Commodore Downs clubhouse as a backdrop, Gov. Tom Ridge announced Wednesday that the Fairview Industrial Park has been awarded a $3.8 million state capital grant to help develop the park's infrastructure.

"The last time I wagered here, I didn't finish first, second or third," Ridge said at the former horse racetrack. "But now Erie County comes in first."

Robert H. Ploehn, the president of the Greater Erie Industrial Development Corp., which owns and manages the park, called the grant the largest in county history. He said it will bring to $10 million the investment in turning 440 acres on both sides of Route 98 north of Interstate 90 into a mecca of employment.

INSIDE NEWS

■ American Turned Products is putting a new facility at the Fairview Industrial park. **11B**

By 2010, more than two dozen companies are expected to employ a total of 3,000 to 4,000 people there, Ridge and Ploehn said. The first, American Turned Products, which is building a plant on the west side of Route 98, is expected create 100 jobs by the time it opens in September.

Jim McBrier, GEIDC vice chairman, said Ridge's announcement was as historic as the establishment Erie County's first industrial park on McClelland Avenue in Erie in 1958.

If the Fairview Industrial Park meets the agency's expectations, it would have nearly as many employees as GEIDC's other five industrial parks combined.

Ridge's announcement also drew praise from Bob Buzzanco, chairman of the Community Coalition and business agent for Local 603 of the Laborers International Union of North America.

The governor, standing in sunshine, said being back in Erie County weather was refreshing after 13 straight days of rain in Harrisburg. He donned a hardhat and climbed into the cab of a power shovel. Coached by Tom Pope, superintendent of Koski Construction Co., he used controls to take a large bite of earth, raised the bucket to the accompaniment of whirling and clicking news cameras, and emptied the bucket.

The governor then strode west and chatted with members of the Fairview Marching Band, which had played the national anthem in advance of the series of short speeches.

State Rep. Tracy Seyfert of Fairview, R-5th Dist., introduced Ridge by crediting him with turning Pennsylvania from 47th to 16th in job creation in the nation.

Ridge said the park is ideally located. To reach the interstate from the park, one need only "step out the door and hang a right," he said. It is also within 500 miles of half the consumer markets in the United States, he said.

The land was purchased for $1.25 million. The majority — 320 acres — is on the east side of Route 98. Water, sewer and other utilities have been extended to the park. The state grant will pay to extend the utilities inside the park, among other things.

The Fairview Industrial Park locate
Township got a boost Wednesday v

STB FD-33388 6-17-98 J ID-CITY

DUANE W. DEDELOW, JR., Mayor

Hammond Transit System

REBECCA J. GUTOWSKY, Director

Dan Rabin Transit Plaza
425 Sibley Street
Hammond, Indiana 46320
Phone (219) 853-6513
Fax (219) 853-6407

June 10, 1998

The Honorable Vernon A. Williams, Secretary
Surface Transportation Board
1925 K. Street NW
Room 711
Washington, DC 20423

Dear Secretary Williams:

I was most disappointed to learn that the Surface Transportation Board has allowed the CSX and Norfolk Southern Railroads to purchase Conrail. As you know, a merger such as this is expected to increase train traffic in northwest Indiana.

Train traffic in northwest Indiana is already a significant problem, particularly for public transportation systems serving northwest Indiana. As the director of the Hammond Transit System, I have found it increasingly difficult to provide dependable service on the Hammond Transit System due to the inordinate number of train delays we are already experiencing.

In examining our daily activity sheets for the period April 6, 1998 through June 6, 1998, which represents 53 operating days, our drivers experienced nearly 400 train delays. This translates to nearly 8 train delays per day. The number of minutes our drivers were delayed varied from 10 to 40 minutes. Drivers also noted that trains frequently travel very slowly or stop altogether for several minutes. Also, on numerous occasions our drivers have complained about crossing gates that were down with no train in sight. Our drivers are prohibited from going around a crossing gate without the assistance of a supervisor or the police department.

As most of Hammond Transit's routes operate hourly, a fifteen minute train delay is difficult to recover from, and a thirty minute delay or multiple delays are impossible to recover from. Thus, there are many times when entire bus runs are missed because of lengthy or multiple delays. This is extremely upsetting to our passengers who are often late for work, school, or for important appointments. This leads to numerous complaints, creates a stressful situation for our drivers who are trying to maintain a time schedule, and severely impedes our ability to maintain and attract new riders.

As the ability to maintain and attract new ridership is based to a great degree on the reliability of the transit service, we cannot be viewed as dependable when we are operating consistently late. As these problems are already inherent in northwest Indiana, I can only imagine how much worse it will get once this acquisition is final. Therefore, I strongly urge you to change your ruling on this matter. If we are unable to reduce these delays, we will have no alternative but to take action to restructure our routes, and eliminate transit service to areas with numerous at-grade crossings. This will negatively impact our riders, many of whom have no alternative to public transit, and will likely create a significant debate.

Your consideration of this most important matter is sincerely appreciated.

Sincerely,

Rebecca J. Gutowsky, Director
Hammond Transit System

STB FD . 33388 6-2-98 J . 188056

188056

LAW OFFICES
FRITZ R. KAHN, P.C.
SUITE 750 WEST
1100 NEW YORK AVENUE, N.W.
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(202) 371-8037
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June 2, 1998

VIA FAX 565-9004

Ms. Bettye J. Uzzle
Office of the Secretary
Surface Transportation Board
Washington, DC 20423

Dear Ms. Uzzle:

This refers to STB Finance Docket No. 33388, CSX Corp., et al.--Control and Operating Leases/Agreements--Conrail, Inc., et al., and the decision of the Board, Secretary Williams, served May 28, 1998, Decision No. 85.

Please be advised that the argument on behalf of Martin Marietta Materials, Inc., scheduled for Thursday, June 4, 1998, will be presented by its counsel, Fritz R. Kahn.

If you have any question concerning the foregoing or if I otherwise can be of assistance, please let me know.

Sincerely yours,

Fritz R. Kahn

STB FD . 33388 6-2-98 J . 188055

188055

TELEPHONE:
(802) 828-2831

FAX:
(802) 828-2817

STATE OF VERMONT
OFFICE OF THE ATTORNEY GENERAL
TRANSPORTATION DIVISION
133 STATE STREET
MONTPELIER, VERMONT 05633-5001

June 2, 1998

Ms. Bettye Uzzle, Information Officer
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: *CSX Corp. and CSX Transportation, Inc., Norfolk Southern Corp. and Norfolk Southern Railway Co. – Control and Operating Leases/Agreements – Conrail, Inc. and Consolidated Rail Corp.*
Finance Docket No. 33388

Dear Ms. Uzzle:

Pursuant to the Board's Decision No. 85 (decided: May 28, 1998), this is to notify you that the State of Vermont's speaker at the oral argument will be Karen E. Songhurst, Transportation Rail Program Administrator for the Vermont Agency of Transportation.

Sincerely,

John K. Dunleavy
Assistant Attorney General

jkd/bem
cc: Karen E. Songhurst, Transportation Rail Program Administrator

g:\wptext\stb-er2.jkd

STB FD 33388 6-2-98 J 188054

188054

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June 2, 1998

VIA TELECOPY #202-565-1650

Surface Transportation Board
Office of the Secretary
1925 K Street, N.W.
Washington, D.C. 20423

Attention: Ms. Bettye Uzzle
Information Officer

Re: Notice of Speaker for ASHTA Chemicals Inc.
June 3, 1998 Oral Argument
STB Finance Docket 33388

Dear Ms. Uzzle:

In accordance with Decision No. 85, please be advised that Ms. Inajo Davis Chappell will be the speaker presenting oral argument on behalf of ASHTA Chemicals Inc. on June 3, 1998. Ms. Chappell will be accompanied by Ms. Elaine Sivy. We also have advised Beverly Lacy that we will have handouts to distribute and we will also make use of the projector system.

Thank you for your cooperation.

Very truly yours,

Inajo Chappell

Inajo Davis Chappell

114/785960.D1

188053

DONELAN, CLEARY, WOOD & MASER, P.C.

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TELECOPIER: (202) 371-0900

2 June 1998

Via Fax: 202/565-9004
Bettye Uzzle
Information Officer to the Secretary
ATTN: STB Finance Docket No. 33388/Oral Argument
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 33388 *CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY—Control and Operating Leases/Agreements—CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION*

Dear Ms. Uzzle:

Pursuant to Decision No. 85 in this proceeding, served May 28, 1998, the following individual will speak on behalf of A.K. Steel Corporation:

Frederic L. Wood
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, D.C. 20005-3934
Tel. 202/371-9500

Respectfully submitted,

Frederic L. Wood
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Tel. 202/371-9500
Fax 202/371-0900
e-mail: f.wood@dcwm.com
Attorney for A.K. Steel Corporation

STB FD . 33388 6-2-98 J . 188052

188052

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DANIEL J. SWEENEY

OF COUNSEL
WILLIAM I. HARKAWAY

June 2, 1998

By Fax

Ms. Bettye Uzzle
Information Officer
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

Re: Oral Argument in STB Finance Docket 33388, Conrail Control Proceeding

Dear Ms. Uzzle:

Please be advised that I will be arguing for Orange and Rockland Utilities, Inc. on June 3, 1998, as part of the Coal Panel.

Sincerely,

John M. Cutler, Jr.
Attorney for
Orange and Rockland Utilities, Inc.

JMC/gb

STB FD . 33388 6-1-98 J . 188050

188050

AMERICAN TRUCKING ASSOCIATIONS

2200 Mill Road • Alexandria, VA 22314-4677

Kenneth E. Siegel
Deputy General Counsel

Tel. (703) 838-1857
Fax (703) 683-3226

June 1, 1998

Bettye Uzzle
Information Officer
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: STB Finance Docket No. 33388 Oral Argument

Dear Ms. Uzzle:

Pursuant to the Board's order in the above proceeding served May 28, 1998, American Trucking Associations ("ATA") will be represented at the oral argument on June 4, 1998 by the undersigned, Kenneth E. Siegel, Deputy General Counsel, American trucking Associations. If you need to get in touch with me, my fax number is (703) 683-3226 and my e-mail address is "Ksiegel@trucking.org".

Sincerely,

Kenneth E. Siegel

Kenneth E. Siegel
Counsel for American
Trucking Associations, Inc.

STB FD . 33388 6-1-98 J . 188049

188049

EDWARD J. RODRIGUEZ
ATTORNEY AT LAW
67 MAIN STREET
POST OFFICE BOX 298
CENTERBROOK, CONNECTICUT 06409

ADMITTED IN CONNECTICUT
AND MASSACHUSETTS

TEL: (860) 767-9629
FAX: (860) 767-7419

June 1, 1998

Bettye Uzzle
Surface Transportation Board Secretary
Surface Transportation Board
1925 K Street, NW
Room 711
Washington, DC 20423

Via Fax: 202-565-9004

Re: Finance Docket No. 33388
CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and Norfolk Southern Railway Company - Control and Operating Leases/Agreements
Conrail, Inc. and Consolidated Rail Corporation

Dear Ms. Uzzle:

Pursuant to STB Decision No. 85, this is to advise you that I will be the speaker for oral argument representing Housatonic Railroad Company, Inc., on June 3, 1998.

If you require any further information, please do not hesitate to contact me.

Thank you.

Very truly yours,

Edward J. Rodriguez

ENTERED
Office of the Secretary
JUN 4 1998
Part of
Public Record

EJR/swf

STB FD . 33388 6-1-98 J . 188044

LAW OFFICES
EARL L. NEAL & ASSOCIATES, L.L.C.

EARL L. NEAL
MICHAEL D. LEROY
ANNE L. FREDD
RICHARD F FRIEDMAN
TERRANCE L. DIAMOND
LANGDON D. NEA
FRANCINE D. LYNCH
GRADY B. MURDOCK, JR.
JEANETTE SUBLETT
JEROME A. SIEGAN
J.PAULA RODERICK
HEIDEL E. GRAHAM
ELIZABETH GRANADOS
SHARON L. TILLER
ROBERT E. MEZA

OF COUNSEL

GEORGE N. LEIGHTON
EARL J. BARNES

111 W. WASHINGTON STREET
SUITE 1700
CHICAGO, IL 60602
(312) 641-7144
(312) 641-5137 FAX

188044

6/1/1998

Fax Cover Sheet

To: STB Ms. Bettye Uzzle

Total pages (including cover): 1

Company:

Fax No.: 1 202 565-9004

Time Sent: 11:03:00 AM

Sender: Richard F. Friedman

Message: Re decision No. 85, STB Finance Docket No. 33388. The speaker respesenting the Illinois International Port District (Port of Chicago) at oral argument June 3, 1998 will be Richard F. Friedman, Sr. Attorney, Earl L. Neal & Associates, LLC

STB FD 33388 6-1-98 J 188043

18043

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW
SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

1 June 1998

Via Fax: 202/565-9004
Bettye Uzzle
Information Officer to the Secretary
ATTN: STB Finance Docket No. 33388/Oral Argument
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 33388 *CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY—Control and Operating Leases/Agreements—CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION*

Dear Ms. Uzzle:

Pursuant to Decision No. 85 in this proceeding, served May 28. 1998, the following individual will speak on behalf of National Industrial Transportation League:

Nicholas J. DiMichael
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, D.C. 20005-3934
Tel. 202/371-9500

Respectfully submitted,

Nicholas J. DiMichael
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, DC 20005-3934
Tel. 202/371-9500
Fax 202/371-0900
e-mail: n.dimichael@dcwm.com
Attorney for National Industrial Transportation League

STB FD . 33388 6-1-98 J . 188042

18042

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW
SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

1 June 1998

Via Fax: 202/565-9004
Bettye Uzzle
Information Officer to the Secretary
ATTN: STB Finance Docket No. 33388/Oral Argument
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 33388 *CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY—Control and Operating Leases/Agreements—CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION*

Dear Ms. Uzzle:

Pursuant to Decision No. 85 in this proceeding, served May 28, 1998, the following individual will speak on behalf of Joseph Smith & Sons, Inc.:

Jeffrey O. Moreno
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, D.C. 20005-3934
Tel. 202/371-9500

Respectfully submitted,

Jeffrey O. Moreno
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, DC 20005-3934
Tel. 202/371-9500
Fax 202/371-0900
e-mail: j.moreno@dcwm.com
Attorney for Joseph Smith & Sons, Inc.

STB FD 33388 6-1-98 J 188041

188040

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW
SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

1 June 1998

Via Fax: 202/565-9004
Bettye Uzzle
Information Officer to the Secretary
ATTN: STB Finance Docket No. 33388/Oral Argument
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 33388 *CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY—Control and Operating Leases/Agreements—CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION*

Dear Ms. Uzzle:

Pursuant to Decision No. 85 in this proceeding, served May 28, 1998, the following individual will speak on behalf of Erie-Niagara Rail Steering Committee:

John K. Maser III
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, D.C. 20005-3934
Tel. 202/371-9500

Respectfully submitted,

John K. Maser III
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, DC 20005-3934
Tel. 202/371-9500
Fax 202/371-0900
e-mail: j.maser@dcwm.com
Attorney for Erie-Niagara Rail Steering Committee

STB FD . 33388 6-1-98 J . 188039

188039

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW
SUITE 750
1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

1 June 1998

Via Fax: 202/565-9004
Bettye Uzzle
Information Officer to the Secretary
ATTN: STB Finance Docket No. 33388/Oral Argument
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 33388 *CSX CORPORATION AND CSX TRANSPORTATION, INC., NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY—Control and Operating Leases/Agreements—CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION*

Dear Ms. Uzzle:

Pursuant to Decision No. 85 in this proceeding, served May 28, 1998, the following individual will speak on behalf of Niagara Mohawk Power Corporation:

John K. Maser III
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, D.C. 20005-3934
Tel. 202/371-9500

Respectfully submitted,

John K. Maser III
Donelan, Cleary, Wood & Maser, P.C.
Suite 750 West
1100 New York Avenue, NW
Washington, DC 20005-3934
Tel. 202/371-9500
Fax 202/371-0900
e-mail: j.maser@dcwm.com
Attorney for Niagara Mohawk Power Corporation

STB FD . 33388 6-1-98 J . 188033

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FACSIMILE COVER SHEET

BROTHERHOOD OF LOCOMOTIVE ENGINEERS
810 ABBOTT ROAD - SUITE #200
BUFFALO, NY 14220
(716) 827-2653
FAX: (716) 827-2655

TO: Bettye Uzzle

DATE: 6/1/98

FROM: R. W. Godwin

Pages including this cover page: As per request:

COMMENTS: Speaker for Conrail Gen. Committee - Brotherhood of Locomotive Engineers will be Robert W. Godwin - Gen. Chairman BLE

STB FD . 33388 5-29-98 J . 188057

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188057

State of New York

Metro-North Commuter Railroad

347 Madison Avenue
New York, N.Y. 10017
Phone 212-340-3000

VIA FAX: 202-565-9004

May 31, 1998

Ms. Bettye Uzzle, Information Officer
Office of the Secretary
Surface Transportation Board
1925 K St. NW
Washington, DC

RE: Finance Docket #33388 - Oral Argument

Dear Ms. Uzzle:

In accordance with the Board's Decision #85, this is to advise that I will be the speaker for Metro-North Commuter Railroad Company at the oral argument in this case.

If at all possible, I would appreciate being heard after the speaker on behalf of Virginia Railway Express.

Thank you for your courtesy in this matter. In the event of any question, please call me at 212-340-2027.

Respectfully submitted,

WALTER E. ZULLIG JR.,
Special Counsel

STB FD-33388 5-12-98 J ID-PUBLIC

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

Office of the Chairman

FILE IN DOCKET
FD-33388

May 12, 1998

William Taft Maness
529 Rapids St.
Roanoke Rapids, N.C. 27870

Dear Mr. Maness:

This responds to your letter regarding the termination of your employment as a manager for CSX Transportation Company. According to the letter of your attorney, dated February 13, 1998, he is of the opinion that you may be protected from discharge under either Orange Book or New York Dock Ry.--Control--Brooklyn Dist., 360 I.C.C. 60, 84-90 (1979) (New York Dock).

The Orange Book is a 1936 collective bargaining agreement that was entered into following the former Interstate Commerce Commission's (ICC) 1963 approval of the formation of the Seaboard Coast Line Railroad Company. Any disputes arising from the Orange Book's protections are subject to that agreement's dispute resolution procedures.

Regarding the labor protective conditions of New York Dock, these conditions apply only to non-management employees, as distinguished from supervisors or managers. Accordingly, these conditions would not seem to apply to you if you were in a managerial position. You may have recourse to other legal remedies, but it does not appear that any previous labor protective conditions imposed by either the ICC or the Surface Transportation Board on former railroad consolidations apply to your situation.

Because you have expressed opposition to the proposed acquisition of Consolidated Rail Corporation by CSX Transportation, Inc., and Norfolk Southern Railway Company, I am having a copy of your letter placed in the public docket of the Board's proceeding considering that transaction, STB Finance Docket No. 33388.

Sincerely,

Linda J. Morgan

Linda J. Morgan

FILE IN DOCKET

Roanoke Rapids, N. C.
March 21, 1998

RECEIVED
SURFACE TRANSPORTATION BOARD
MAR 30 5 53 PM '98
OFFICE OF CHAIRMAN MORGAN

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

Re: Orange Book agreement, protection of Supervisor employees effective August 1, 1966, that applies to former Seaboard Air Line and Atlantic Coast Line Railroad Companies.

Dear Ms. Morgan:

I would like to register a formal complaint before this board, in regards to the manner CSX Transportation terminated my employment as a manager on February 6, 1998, letters attached.

The trumped up charges (i.e.. Trainmen's Crew Consist agreement) CSXT used to remove me from this position, was never investigated with train crews involved, and without a fair and impartial hearing. These alleged violations was used to over ride the intent of the Orange Book agreement, in addition on several occasions my work load increased with out monetary consideration, I was told retirement would be the best thing for me!

I would like for these facts to be addressed before another merger is allowed. CSXT failed in my case and in several others to my knowledge, to have the interest of their employees in mind, when they decided to make a change, or reduce forces.

I would appreciate any insight you have into this matter and if I can be of any futher service please do not hesitate to call at (252)537-3492.

Sincerely,

William Taft Maness
529 Rapids St.
Roanoke Rapids, N.C. 27870

WENDELL C. MOSELEY
BRADLEY A. ELLIOTT
TERRY M. SHOLAR

LAW OFFICES

TELEPHONE (919) 537-3534
FACSIMILE (919) 535-3063

MOSELEY, ELLIOTT & SHOLAR, L.L.P.
ATTORNEYS AT LAW
928 ROANOKE AVENUE
POST OFFICE DRAWER M
ROANOKE RAPIDS, NORTH CAROLINA 27870

February 13, 1998

Mr. Michael L. Holsteen
General Manager
CSX Transportation
100 Oakland Avenue
Florence, SC 29506

Re: William T. Maness
529 Rapids Street
Roanoke Rapids, NC 27870

Dear Mr. Holsteen:

Please be advised that Mr. William Maness has retained our firm to represent him in regard to a purported termination of employment. Mr. Maness advises that his total creditable service to CSX is 46 years, 3 months and his service to CSXT as a Non Contract employee is 32 years, 4 months. Further, he is protected from discharge pursuant to "Orange Book", and "New York Dock" protection agreements that apply to former Seaboard Airline Railroad Company Non Contract Employees.

Mr. Maness has no desire to quit work at this time. Consequently, this is to advise that he is ready, willing, and able to continue working with CSXT and this letter will serve as your notice of the same.

I trust that the Company will honor their agreements and provide Mr. Maness with the protection the aforesaid contracts have afforded him through the years.

Very Sincerely,

MOSELEY, ELLIOTT & SHOLAR, L.L.P.

Wendell C. Moseley

WCM\be

cc: Mr. William T. Maness

CSX TRANSPORTATION

Law Department
500 Water Street
Speed Code J-150
Jacksonville, FL 32202
Fax (904) 359-1248
Telephone (904) 359-3100
Writer's direct telephone line

SARAH E. HALL
COUNSEL

(904) 359-1228

February 24, 1998

Wendell C. Moseley, Esq.
Moseley, Elliott & Scholar, L.L.P.
928 Roanoke Avenue
P. O. Drawer M
Roanoke Rapids, North Carolina 27870

Re: W. T. Maness

Dear Mr. Moseley:

Your February 13, 1998 letter to Michael Holsteen concerning W. T. Maness has been referred to me.

Contrary to your letter, neither Orange Book nor the New York Dock protections apply to Mr. Maness in this situation. First, New York Dock does not apply to non-contract employees, but even if it did, its provisions are not applicable to employees such as Mr. Maness who are dismissed for cause. Moreover, to the extent Mr. Maness might otherwise be covered by the Orange Book or the management equivalent of Orange Book, neither provides any protection to employees who are dismissed for cause.

As Mr. Holsteen's February 6, 1998 letter to Mr. Maness indicated, if Mr. Maness wishes to exercise any seniority he may hold, he must do so within the terms of the applicable labor agreement.

Please feel free to call me if you have any questions.

Very truly yours,

Sarah E. Hall

Sarah E. Hall
Counsel

SEH/lws

cc: Michael L. Holsteen

STB FD . 33388 3-18-97 . J GOVFL

LAWTON CHILES
GOVERNOR

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

March 11, 1997

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

Dear Ms. Morgan:

I understand that CSX Transportation, Inc., is now in negotiations with the Norfolk Southern Railway regarding a division of Conrail's railroad operations. Since the impact of this corporate agreement could have major positive consequences for the State of Florida, I am requesting that you expedite your review of the proposal so that a favorable restructuring can be completed without delay.

By creating a broader network of single line freight railroad service, major markets such as Miami and Tampa will have direct access to markets in the Northeast. The reduction in transit time, the increased efficiency in operations, and the long-term financial stability of the railroad industry are essential 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 railroad consolidations. By granting swift approval of the CSX/Conrail/Norfolk Southern restructuring, you will be permitting the customers and communities served by rail to realize additional transportation efficiencies and benefits. This concept and proposal has my full support and I eagerly await the board's decision.

With kind regards, I am

Sincerely,

Lawton Chiles

LAWTON CHILES

CSX
TRANSPORTATION
Alvin R. "Pete" Carpenter
President and Chief Executive Officer

500 Water Street
Jacksonville, FL 32202
(904) 359-7699

March 10, 1997

The Honorable Lawton Chiles
Governor
State of Florida
The Capitol
Tallahassee, FL 32399-0001

Dear Governor Chiles:

As you may know, CSX has modified its merger agreement with Conrail and is now in negotiations with Norfolk Southern regarding a division of Conrail's rail operations. These negotiations will provide the basis for resolution of competitive issues that have plagued railroading in the Northeast since Conrail was established more than 20 years ago. In the next several weeks, we will submit an application for approval of this pro-competitive rail network to the Surface Transportation Board, and I am writing to enlist your support.

For several months, CSX has worked diligently to ensure that this merger creates a better, faster, and more reliable service for all our customers. We have held extensive discussions with all the various stakeholders, including public officials, customers, and others who share our strong interest in achieving a balanced solution in the East. This type of division is a direct result of what many of these constituencies have been requesting. There is now a broad consensus that this merger should go forward. We are confident that we will submit a compelling and winning package to the Surface Transportation Board, and we expect it to be approved enthusiastically.

This new rail network will provide tangible benefits in Florida for our customers, our shareholders, our employees, the communities we serve, and the public at large. CSX Transportation's headquarters will remain in Jacksonville. Under this proposal, we will create a more complete network of transportation stretching from Florida, through the South and Midwest, and into the large commercial centers of the Northeast. Single-line service will increase door-to-door shipment control and reduce delays at interchanges. The tens of thousands of businesses that depend on freight rail will see a stronger, more competitive railroad system that gives them

better customer service. The merger will also position our company to compete directly with trucking, thereby diverting traffic from the heavily used interstates, creating a positive impact on the environment and increasing safety on our highways.

Under its normal procedures, the Surface Transportation Board could take as long as a year to review a merger application. Because CSX has invested considerable time and resources in preparing for this merger, we hope that the Board will reach a decision sooner.

That is where I need your help. We will be contacting you in the next few weeks to ask that you consider writing to Linda Morgan, the Chair of the Surface Transportation Board, urging expedited consideration of our merger application. When considering a merger application, the Board welcomes input from constituents and it would place great value on a letter from you.

CSX stands ready to provide you or your staff any additional information about the pending merger. I know we can count on your support and look forward to working with you to make this merger a reality.

Sincerely,

Pete

Alvin R. "Pete" Carpenter

Filed in Docket
FD-33388

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

Office of the Chairman

May 22, 1997

The Honorable Lawton Chiles
Governor
State of Florida
The Capitol
Tallahassee, FL 32399-0001

Dear Governor Chiles:

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 your 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