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Office of the Chairman

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

FILE IN DOCKET

78-33388

March 14, 2000

Mr. Clinton J. Miller, III  
General Counsel  
Mr. Daniel R. Elliott, III  
Assistant General Counsel  
United Transportation Union  
14600 Detroit Avenue  
Cleveland, OH 44107

Dear Messrs. Miller and Elliott:

In the UTU-8 petition filed March 26, 1999, United Transportation Union (UTU) sought intensified oversight, by the Surface Transportation Board (Board) in conjunction with the Federal Railroad Administration (FRA), of the implementation of the Safety Integration Plans (SIPs) filed by applicants in the Conrail Acquisition proceeding (STB Finance Docket No. 33388).

By letter dated April 7, 1999, I advised you that, because FRA was the appropriate agency to address initially the concerns raised in the UTU-8 petition, I had referred that petition to FRA and had asked FRA to advise the Board, pursuant to the SIP process, of any action taken by FRA and of any action that needed to be taken by the Board to assure the safe implementation of the Conrail Acquisition transaction.

By letter dated February 18, 2000 (which indicates that a copy was sent to Mr. Charles L. Little, UTU's International President), FRA advised that, as far as FRA has been able to determine, the pre-"Split Date" incidents referenced in the UTU-8 petition had no direct relationship to the Conrail Acquisition transaction and/or to the SIPs developed by CSX and NS to address the integration of operations. FRA did not in that letter advise the Board, nor has FRA in any other manner advised the Board, that any action needs to be taken by the Board to assure the safe implementation of the Conrail Acquisition transaction. Thus, the Board at this time contemplates no further action in response to the UTU-8 petition.

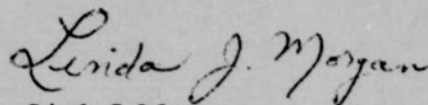
We will, of course, remain alert to safety issues as CSX and NS continue to implement the Conrail Acquisition transaction and as we conduct our general oversight proceeding. We also expect that you and other concerned persons will call attention to safety matters that need to be addressed.



We look forward to the continued joint efforts of rail employees, the railroads, FRA, and the Board to foster a safe working environment for railroad employees. The Conrail Acquisition proceeding has laid the groundwork for the cooperative elements necessary to ensuring safe working conditions.

I hope that this information is useful to you. Please do not hesitate to contact me if we can be helpful in the future. A copy of this letter has been placed in the docket of STB Finance Docket No. 33388.

Sincerely,

  
Linda J. Morgan

cc: Dennis G. Lyons, Esq.  
Richard A. Allen, Esq.  
Administrator Molitoris



U.S. Department  
of Transportation

**Federal Railroad  
Administration**

Administrator

1120 Vermont Ave., NW.  
Washington, DC 20590

FEB 18 2000

FILE IN DOCKET

CHAIRMAN MORGAN

FEB 24 12 20 PM '00

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

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

Dear Chairman Morgan:

Thank you for your letter in which you forwarded a petition from the United Transportation Union (UTU) seeking intensified oversight of the implementation of the Safety Integration Plans (SIPs) filed by the applicants in the Consolidated Rail Corporation (Conrail) Acquisition proceeding, STB Docket No. 33388. UTU's concerns addressed incidents which occurred in January and February 1999 prior to the actual split up of Conrail by CSX Transportation, Incorporated (CSXT) and Norfolk Southern Corporation (NS) on June 1, 1999 (split date). Please accept my apologies for the delay in responding to your letter.

As described in UTU's letter addressed to me on January 25, 1999, on this same matter (enclosed with the copy of the petition that you forwarded), two Conrail crew members died in Ohio; one in New Jersey, and one in New York between January 14-22, 1999, in unrelated incidents. Also highlighted was the most publicized incident which occurred on January 17, 1999, near Toledo, Ohio, when three Conrail trains collided killing a conductor who was a legislative representative and secretary/treasurer of UTU Local 227 in Huntington, Indiana, and a locomotive engineer represented by the Brotherhood of Locomotive Engineers (BLE), Division 457 in Toledo.

While each of the above noted fatalities were extremely serious and tragic incidents unto themselves, none of them occurred following the Split Date. Through a very intensive safety oversight process which was set in motion in the fall of 1998 by the Federal Railroad Administration (FRA), a 43-member SIPs/Safety Surveillance Team has closely monitored the operating practices and safety of both pre-split and post-split Conrail. This extraordinary safety oversight was provided by FRA in a proactive role in addition to the normal complement of inspectors (Motive Power and Equipment, Operating Practices, Hazardous Materials, Signal and Train Control, and Track disciplines) which provided a safety review of Conrail on an ongoing basis prior to Split Date. FRA's intensive safety oversight was described in detail to the Surface Transportation Board (STB) in FRA's first biannual

report which was forwarded to STB on May 4, 1999, in accordance with our *Memorandum of Understanding (MOU)*.<sup>1 2</sup> Copies of both of these documents are being forwarded with a copy of this letter to the UTU and BLE Presidents for further information (Enclosures 1 and 2).

As STB is aware, SIPs in the Conrail acquisition proceeding were designed for the railroads to coordinate with FRA regarding safety requirements and the individual railroad commitments to ensure that the transaction was safely implemented. During the period prior to the Split Date, both NS and CSXT directed the existing Conrail management to operate as it had in the past with no major changes in front-line personnel and/or infrastructure. Thus, the incidents which occurred prior to the Split Date occurred under existing Conrail operating practices and oversight by existing Conrail managers. The aforementioned incidents which occurred prior to the "Split Date" as far as FRA has been able to determine had no direct relationship to the acquisition and/or the SIPs developed by the railroads to address the integration of operations. Therefore, FRA could not advise of any further Board action required at the time of your April 7, 1999 letter to address acquisition related matters for these incidents. You may be assured, however, as the railroads and labor representatives were during this time period, that FRA continued to faithfully execute its full measure of safety enforcement and delegated safety authority toward any safety issues which arose within Conrail and the acquiring railroads.

This response has been delayed as FRA field personnel and headquarters staff have performed the required field data collection and analysis of a "Conrail Operational Review" that was conducted throughout the former Conrail divisions and acquired properties during this same period of time. A copy of the results of that study<sup>3</sup> is also being forwarded under separate cover to the UTU and BLE Presidents to address their concerns over work/rest (fatigue) issues raised in UTU's petition that you forwarded in your letter of April 7, 1999.

As an additional update, FRA further intensified its oversight of the acquisition during the three-week period immediately preceding and following the Split Date (May 17 thru July 1, 1999) by adding ten (10) inspectors to the Conrail Merger Surveillance Team (43 members total). In addition to the NS, CSXT and Conrail Shared Assets safety monitoring teams, a "Chicago Gateway" team led by Deputy Regional Administrator David Blackmore was added for oversight of traffic flows through that important gateway from East to West (Enclosure 3). The details of this surveillance and the findings of the acquisition integration for the period April 16, 1999, through December 31, 1999, will be forwarded to STB with our MOU specified bi-annual report of December 1999.

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<sup>1</sup> Memorandum of Understanding Between the Surface Transportation Board and the Federal Railroad Administration; CSX and NS Acquisition of Conrail, Finance Docket No. 33388 Implementation of Safety Integration Plans; May 19, 1999.

<sup>2</sup> First Briefing Report Covering Period of July 23, 1998-April 15, 1999; *Conrail Merger Surveillance: NS, CSX, and CSAO SIP/Safety Update*; May 4, 1999.

<sup>3</sup> *Conrail Operational Review*; FRA's Office of Safety Assurance and Compliance - Operating Practices Division, November 1999.

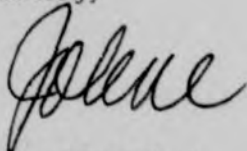
FRA reportable injuries for employees working in former Conrail territory over the same period last year. As of August 20, NS (for its Northern region-three divisions) identified 36 FRA reportable injuries compared with 63 FRA reportable injuries for that same time period last year at Conrail. As of July, CSXT had identified a 17 percent improvement for FRA reportable injuries in comparison with former Conrail territory. Throughout CSXT's system, including the Conrail acquired territories, there has been a 23 percent decline from a year ago in reportable personal injuries; Conrail Shared Assets as of July reported only 20 injuries since the Split Date (all of them minor in nature). Preliminary reports indicate that the train accident and highway grade crossing incident rates will be at comparable levels to the rates of the previous year at Conrail. Although there has been significant line and yard congestion, as well as extended dwell times identified for equipment in yards (service performance issues) at the CSXT and NS acquired properties and Shared Assets since the Split Date, the safety record at all three companies has been admirable to date.

All of the above noted documents covering Conrail acquisition safety surveillance have been made available for public review on FRA's Internet accessible web page since mid-year 1999 at <http://www.fra.dot.gov/site/index.htm>. The Office of Safety has been working closely with Mr. Mel Clemens of your staff to ensure that our Conrail acquisition integration safety assessments are frequently updated and shared between the two agencies.

I must regretfully inform you that it has been brought to my attention that the post-split Conrail acquired territories had its first train service fatality as recorded on November 4, 1999. A NS machinist was killed while preparing locomotives for service near Cleveland, Ohio, in the early morning hours as he moved from an adjacent track into the path of NS Train TVLA traveling at 60 mph. This incident is being thoroughly investigated by NS and FRA to ascertain the "root cause" of the incident and ascertain if there were any merger integration implications. The preliminary review has not identified any merger related safety issues.

I wish to thank you and your staff for the very close working relationship that has been established with FRA on merger safety related matters. Both the Conrail and Canadian National/Illinois Central mergers have directly benefitted from this close working relationship by assuring for the highest levels of intensive safety oversight in the history of such mega-mergers. Please give me a call if there are any additional questions or needs in this regard. The next bi-annual report on FRA's safety assessment of the Conrail merger is in the state of review and should arrive at STB during the First Quarter of 2000.

Sincerely,



Jolene M. Molitoris  
Administrator

Enclosures (3)

cc: Mr. Charles L. Little, UTU  
Mr. Edward Dubroski, BLE  
Mr. Melvin F. Clemens, STB



FILE IN DOCKET

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE SURFACE TRANSPORTATION BOARD  
AND THE FEDERAL RAILROAD ADMINISTRATION**

**CSX AND NS ACQUISITION OF CONRAIL, FINANCE DOCKET NO. 33388  
IMPLEMENTATION OF SAFETY INTEGRATION PLANS**

WHEREAS, the United States Department of Transportation (DOT) filed comments with the Surface Transportation Board (Board) reflecting the concern of the Federal Railroad Administration (FRA), the agency within DOT responsible for enforcement of railroad safety regulations, about the effect that the proposed acquisition of Conrail by CSX and NS (Conrail Acquisition) might have on rail safety, and FRA's recommendation that the Board require CSX and NS to develop plans detailing the procedures each would follow to integrate the part of Conrail it is acquiring into its operations in a manner that will maintain safety at every step of the process in the event that the acquisition is approved by the Board; and

WHEREAS, the Board, in its Decision No. 52 issued on November 3, 1997, directed Applicants CSX and NS, and Conrail to the extent it will be responsible for operation in the Shared Assets Areas, to prepare and submit to the Board detailed Safety Integration Plans (SIPS) explaining the process by which they intended to integrate Conrail into their operations, in the event the Board approved the proposed Conrail Acquisition; and

WHEREAS, working closely with FRA, the carriers developed the SIPS and submitted them to the Board on December 3, 1997. The Board's Section of Environmental Analysis (SEA) included the SIPS in the Draft EIS for the proposed Conrail Acquisition to provide an opportunity for

review and comment by FRA and the public and SEA has carefully reviewed the plans and comments; and

WHEREAS, DOT's comments on the Draft EIS state that FRA is satisfied that the SIPs address and satisfactorily mitigate every safety concern raised in the environmental review portion of the pending Conrail Acquisition proceeding and that no other mitigation on this subject is necessary or appropriate. In addition, DOT's comments state that FRA is satisfied with the Applicants' commitments made to date and that, in the event the Board approves the Conrail Acquisition, FRA will continue to work as appropriate with the Applicants to address integration issues that arise; and

WHEREAS, the FRA and the Board wish to enter into a memorandum of understanding (MOU) to clarify the actions each will take to assure the successful implementation of the SIPs.

NOW, THEREFORE, in the event the Board approves the Conrail Acquisition, in consideration of the premises and the mutual undertakings hereafter set forth, the FRA and the Board do hereby agree as follows:

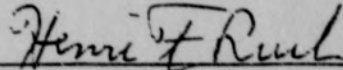
1. Both FRA and the Board recognize that safety integration is an ongoing process that involves both agencies. Accordingly, FRA will exercise its authority over rail safety matters to monitor, evaluate and review the Applicants' progress in implementing their SIPs.

2. FRA will keep the Board informed of the Applicants' progress. If deemed necessary by FRA, FRA may request the Board to exercise its oversight authority over the Applicants and take action to correct identified deficiencies and address safety problems arising out of the approved transaction. FRA will be responsive to the requirements of public safety and the safe implementation of post-acquisition rail operations by the Applicants.

3. In those circumstances where FRA informs the Board of a concern that may require Board action, FRA will provide sufficient information to the Board to identify the safety deficiency, describe the implications of the deficiency, and provide recommendations for correcting the deficiency.

4. FRA agrees to report significant safety integration issues to the Board if and when they occur. FRA also will report to the Board from time to time, as FRA deems appropriate, but not less than biannually, regarding safety integration of the Conrail Acquisition. FRA's reporting will continue until safety integration implementation has been completed to the satisfaction of FRA, and FRA affirms to the Board in writing that the proposed integration has been completed satisfactorily.

IN WITNESS HEREOF, the parties hereto have executed this MOU on this 19 day of May, 1998.

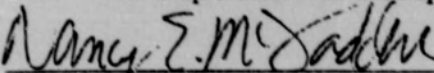


Henri F. Rush  
General Counsel  
Surface Transportation Board



S. Mark Lindsey  
Chief Counsel  
Federal Railroad Administration

The Department of Transportation concurs in this memorandum of understanding.



Nancy E. McFadden  
General Counsel  
U.S. Department of Transportation





U.S. Department  
of Transportation

Federal Railroad  
Administration

FILE IN DOCKET

**First Briefing Report**  
**Covering Period of July 23, 1998 - April 15, 1999**

**Conrail Merger Surveillance: NS, CSX, and CSAO**  
**SIP/Safety Update**

For: Surface Transportation Board  
c/o The Honorable Linda J. Morgan  
Chairman

(In compliance with MOU of May 19, 1998)

Submitted by: Federal Railroad Administration  
Office of Safety Assurance and Compliance  
Washington, D.C.

May 4, 1999



U.S. Department  
of Transportation  
**Federal Railroad  
Administration**

Office of the Administrator

400 Seventh St., S.W.  
Washington, D.C. 20590

**MAY - 4 1999**

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

Dear Chairman Morgan:

Pursuant to the *Memorandum of Understanding Between the Surface Transportation Board (STB) and the Federal Railroad Administration (FRA)* dated May 19, 1998, FRA is forwarding its first biannual status report to the STB covering the safety integration of the Conrail merger (enclosed).

This report is dated May 4, 1999, and covers the period of FRA's surveillance of safety integration from July 23, 1998, (merger approval) through April 15, 1999. During this period the two acquirers of Conrail properties, Norfolk Southern Corporation (NS) and CSX Transportation, Incorporated (CSX) have been carrying out planned preparatory safety actions, but as yet have not taken major merger actions. NS and CSX moved the split date forward to June 1, 1999, I believe, based in part upon their commitment to addressing the complex issues involved in their Safety Integration Plans (SIPs). In addition to addressing the requirements of their SIPs, the two acquiring railroads and the Conrail Shared Assets Operations (CSAO) have been concentrating upon organizational structure, employee training and resource allocation, completing labor agreements and ensuring that the computer systems of all three entities and the acquired properties are compatible and operating effectively for the split date.

As stated in the report, "at this time there are no performance/safety conditions identified or foreseen by FRA on the NS, CSX, or CSAO acquired territories which the Agency believes warrant STB oversight actions to correct deficiencies and/or address safety problems arising out of approval of the merger and its ongoing integration." FRA will, however, continue its close and focused scrutiny of potential safety issues arising from the merger.

FRA identified early the safety issues inherent in a merger of this magnitude in proposing that SIPs be completed. As expressed by FRA in its October 21, 1997 filing, with the STB, *Safety Assessment of CSX/NS Proposed Acquisition of Conrail*, the safety issues and concerns that must be addressed by the acquirers of Conrail during the course of merger integration are highly complex and, heretofore, were not well defined. The FRA is committed fully to assuring the appropriate resolution of the many safety related facets of the merger: corporate culture, dispatching practices, compatibility of computer systems, retention of institutional knowledge and highly competent employees, training and certification of employees, compliance with operating rules, sufficient allocation of personnel, and employee rest and quality of life issues.

In addition to the formal SIP/Safety Merger Surveillance Program being carried out by FRA as identified in the report, I am personally making visits to Conrail sites to ascertain from municipalities, railroad front-line management and the railroad employees, first hand, how the merger is proceeding and their local concerns. On April 6, 1999, I convened a meeting of the senior operating officers of Conrail, CSX, NS, the major Western carriers (Burlington Northern Santa Fe, Union Pacific, Illinois Central and Wisconsin Central), as well as the major switching lines of the Chicago and St. Louis shipping gateways at FRA's Washington headquarters to review split date plans and assure the continued smooth flow of traffic through these vital shipping lanes.

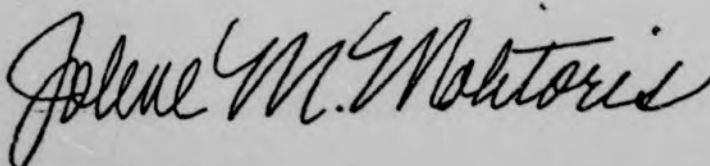
A major split date operations strategy planning session was set by NS and CSX with the Western carriers and the Chicago and St. Louis belt line and switching carriers at Chicago on April 21-23, 1999. This is to ensure that shippers are receiving appropriate advance split date shipment handling instructions, computer information systems are functioning effectively and that new or modified operations are well defined so that service disruptions do not occur.

Since March, and to be continued throughout the split date period, FRA has initiated special "safety blitzes" incorporating up to 30-40 Operating Practices inspectors at a time and other safety officers to ascertain safety conditions and formulate mitigating measures for any safety issues that arise. Additionally, we plan to have a significant number of SIP Team and other safety officers stationed strategically at operating headquarters, dispatch centers, and customer service centers throughout CSX, NS and the Conrail acquired territories well in advance of and during the split date period.

The FRA will continue its close surveillance of the safety integration of the Conrail merger and will apprise STB of the status with its next regular biannual report and/or at any time that suspect deficiencies of major consequence arise.

The cooperation of the STB's staff with that of FRA has been welcomed for both the joint Safety Integration Plan (SIP) rulemaking and this very critical monitoring of the ongoing merger integration. With the merger split date fast approaching (June 1), I am confident that the deeply-rooted and long planned SIP safety actions of NS, CSX and the CSAO, as well as FRA's close surveillance and that of our joint regulatory efforts, will contribute significantly to a safe integration.

Sincerely,

A handwritten signature in cursive script that reads "Jolene M. Molitoris". The signature is written in dark ink and is positioned above the printed name and title.

Jolene M. Molitoris  
Administrator

Enclosure

## Conrail Merger Surveillance: NS, CSX, and CSAO SIP/Safety Update

### **I. Background**

**Mega-Railroads and the Challenges of Safety and Service:** While mergers have long been a part of the railroad industry, FRA became concerned that recent mergers involving Class I railroads have resulted in the creation of mega-railroads, which pose new and unique challenges to railroad safety and service. With tens of thousands of employees spanning as much as two-thirds of the United States, the distance between the decision-makers in the corporate board rooms and rank-and-file rail workers at the ballast line becomes immense. The vast size and complexity of the rail operations on these mega-carriers pose significant obstacles to effective communications and coordination elements that are critical to both railroad safety and service.

FRA also found that the careful integration of corporate cultures can be as important to the success of a railroad mega-merger as the integration of route structure, traffic flows, and operating practices. Differences in traditions, values, and expectations among managers, supervisors, and front-line employees must be acknowledged and collective efforts undertaken to unify these cultures, drawing upon the best practices of each, so that the various elements of the newly merged railroad may operate as a single, seamless entity.

On June 23, 1997, CSX Transportation Inc. (CSX) and Norfolk Southern Railway (NS) filed an application with STB to acquire control of Consolidated Rail Corporation and Conrail, Inc., (Conrail or CR) and to divide the assets, including 10,500 miles of track, equipment, and facilities, between them. Under the proposed acquisition plan, NS would acquire 58 percent of Conrail's assets, while CSX would acquire the remaining 42 percent. Certain Conrail assets would be contained in three areas of joint operations known as the Conrail Shared Assets Operations (CSAO) in Detroit, northern New Jersey, and southern New Jersey/Philadelphia. CSX and NS will provide service to shippers in the CSAOs via their own trains, crews, and equipment, with maintenance and dispatching being provided by a jointly owned successor to Conrail. FRA recognized that the complex nature of this merger/acquisition warranted a special effort to address these unique challenges of coordination, communications, and culture.

**Safety Integration Plans:** FRA responded to the challenge by conducting a formal safety assessment of recent mega-mergers involving the Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) railroads to examine issues and concerns associated with railroad mergers of such a large magnitude. FRA then conducted a thorough safety assessment of the proposed Conrail acquisition, including a review of the applicant's Operating Plans and a risk assessment of 61 Conrail line segments. The Department of Transportation (DOT) filing with STB on October 21, 1997, provided STB with findings and recommendations from the safety assessment.



One of the most significant recommendations in the DOT filing was a request that STB require the acquiring railroads to develop, for the first time ever, **Safety Integration Plans (SIPs)** as a condition of the merger to help ensure the safe integration of Conrail properties into their systems. Subsequently, on November 3, 1997, STB issued an order requiring NS and CSX to prepare their respective SIPs within 30 days.

To aid in the development of the SIPs, FRA established first-ever **SIP Guidelines** (see Appendix Item I) that outlined 13 safety-critical areas that each applicant's SIP would be required to address. NS and CSX each worked collaboratively with FRA to develop their SIPs and met STB's filing deadline (December 3, 1997). FRA acknowledged in its final brief with STB that the applicants had developed sufficient SIPs addressing all of the significant safety issues, and that they provided rational approaches for merger integration.

On May 19, 1998, FRA and STB executed a Memorandum of Understanding (MOU) providing that, if the Conrail merger were approved, FRA would:

- ▶ monitor the impact that the integration of operations has on safety, keep STB informed of progress in implementing CSX/NS/CSAO SIPs and of any deficiencies or problems; thereby enabling STB an opportunity to exercise oversight authority and take corrective actions to identified deficiencies and address safety problems arising out of the transaction; and
- ▶ provide periodic reports to the Board on the SIP implementation process (at least biannually), including a final report when the proposed integration has been satisfactorily completed.

Formal approval of the merger was granted by STB on July 23, 1998, with 83 consequential conditions, some of which included:

- ▶ Applicants to submit SIPs;
- ▶ 5-year oversight;
- ▶ Environmental conditions (some 50 listed actions, many safety orientated);
- ▶ Comply with the National Industrial Transportation League (NITL) agreement to include measurable standards for quarterly performance reporting;
- ▶ Adhere to agreements with Amtrak, the City of Cleveland, railroad labor organizations, and others (many containing important safety elements); and
- ▶ Meet with labor to form task forces to dialogue on implementation/safety issues.

As a result of the merger, CSX will operate approximately 4,000 miles of Conrail routes, and increase its system to 22,300 miles serving 23 States east of the Mississippi, the District of Columbia, and small portions of Quebec and Ontario; NS will operate about 7,200 miles of Conrail routes, and will increase its system to 21,600 miles serving 22 States in the East, plus the District of Columbia and the province of Ontario.

## II. FRA's Merger Surveillance Team

On September 4, 1998, FRA's Office of Safety initiated its long-term safety surveillance program for the merger; *FRA's Conrail Merger Safety Assessment and Surveillance Plan* (see Appendix Item II) was unveiled in an orientation session held at FRA headquarters for CSX, NS, and CSAO operations and planning officers. Fifteen senior-level officers attended representing all three organizations. Key attendees included:

- ▶ CSX - Mr. Frank Pursley - Vice President of Operations Support/Safety Integration;
- ▶ NS - Mr. Chuck Wehrmeister - Vice President of Safety and Environmental; and
- ▶ CSAO - Mr. Ronald Batory - Vice President of Operations.

The items contained in FRA's merger surveillance program include:

- ▶ The SIPs and accountability worksheets filed by CSX, NS, and CSAO with FRA, which detail the applicants', allocation of funds, personnel, training commitments, facilities, and other resources;
- ▶ Current operating safety conditions at CSX, NS, and CSAO and their acquired properties; safety audits and surveys; FRA's required statistical reporting; and inspections/violations identified by FRA inspectors;
- ▶ Review of past and ongoing FRA Safety Assurance and Compliance Program (SACP) efforts conducted at each railroad;
- ▶ Close review of progress made on safety conditions set by STB.

Staff members from FRA's Office of Safety have been designated to contact planning officers from NS, CSX, and CSAO at regular intervals to obtain updates of their SIPs, identify new safety commitments (SIPs are "living" documents), and assess the status of safety issues and concerns.

FRA designated 3 Regional Safety Assessment and Surveillance managers and 30 geographically placed merger inspectors/monitors to provide very close surveillance of CSX, NS, and CSAO field integration of the merger; regular, periodic Region reviews are to be conducted and formal biannual written reports identifying safety integration progress are to be provided by FRA to STB.

On August 20, 1998, FRA's Surveillance Management Team, consisting of an Office of Safety headquarters representative and the 3 regional managers from the Team, visited the former Conrail headquarters "Blue Room" operations center, observed the morning planning meeting, and reviewed SIP/safety actions ongoing at former Conrail; other announced and "unannounced" visits and SIP/safety reviews will be accomplished by the management team and individual surveillance monitors as the merger progresses.

### III. SIP/Safety Progress Reports

#### General

**Split Date:** Although permitted by STB to proceed with merger implementation any time after September 1998, CSX and NS have both elected to proceed toward the split date in a planned, gradual approach to ensure the safe and seamless integration of Conrail's operations into their own railroad systems. STB's requirement that implementing agreements with labor organizations and computer systems integration be in place prior to the split date has postponed the split date to June 1, 1999.

**Merger Integration Planning Teams:** CSX merger-integration planning is headed by Executive Vice President of Coal and Merger Planning, Michael J. Ward, with three principal teams: Headquarters, Technology, and "Day One." Consultants are assisting in the planning efforts using CPM (Critical Path Method)-type computer tools with over 50,000 project management tasks identified. NS Vice President Nancy Fleischman heads a five-member integration team with full-time responsibilities for NS merger-integration planning. NS has also enlisted consultant services and has established transition implementation teams for specific functions such as train dispatching, crew management, training, operating rules, commuter and passenger train issues, etc.

**Transition of Dispatching and Operations:** The relocation of current Conrail train dispatching desks is underway and scheduled to be completed in June 1999. Desks at the current Conrail dispatching facilities are being reallocated as follows: Albany to Harrisburg (2 desks), Mt. Laurel to Harrisburg (5 desks); Mt. Laurel to Albany (2 desks), Dearborn to Indianapolis (2 desks), and Indianapolis to Dearborn (2 desks).

Conrail's current operations center in Philadelphia, commonly referred to as the "Blue Room," has already been divided between CSX and NS employees. After the "Split Date," NS will relocate its portion of the operations center to Atlanta, while CSX will retain the Philadelphia center.

**Rolling Stock Allocation:** CSX and NS have split the existing Conrail locomotive fleet of over 1,900 units by a ratio of 42 percent and 58 percent, respectively. CSX will have more than 800 units, and NS will have 1,128 Conrail units. These units will be conveyed or leased to entities identified as NYC and PRR, which will then lease or sublease the units to CSX and NS, respectively. Prior to the split date, units allocated to CSX will be marked "NYC," and units allocated to NS will retain their Conrail markings but will be renumbered with NS sequence numbers.

CSX and NS have also divided Conrail's current freight car fleet of over 45,000 cars according to the same 42 percent to 58 percent ratio. These cars will be conveyed or leased to NYC and

PRR, which will then lease or sublease the cars to CSX and NS, respectively. Cars allocated to CSX will be marked "NYC," and cars allocated to NS will retain their Conrail markings.

**Information Technology and Y2K:** Information technology (IT) systems work planned at CSX and NS is nearing completion, and testing of some key cut-over systems is ongoing. For example:

- ▶ The shipment inventory system known as "TRIMS" is being tested and is expected to be ready for cut-over on June 1, 1999.
- ▶ The Train Dispatching System is tested and ready for implementation.
- ▶ CSX and NS are both addressing Y2K compliance of Conrail's IT systems. Certain Conrail operations systems are being made Year 2000 compliant because field rollout of NS and CSX systems on Conrail-allocated territory will not be completed until after the Year 2000. Also, certain Conrail IT systems will continue to operate on CSAO after the merger integration is completed.

**Concerns Over Operating Rules Training for Foreign Carriers:** The FRA Surveillance Team recently became concerned about NS and CSX provisions for providing operating rules training for employees of Amtrak and other railroads, including shortlines and commuter carriers, that will operate on the NS and CSX acquired after "Split Date." FRA's Surveillance Team has raised this issue directly with NS, CSX, and CSAO and will continue to monitor efforts to ensure that timely rules training is provided to employees of all the railroads that will operate over Conrail territories acquired by CSX and NS.

**Track Protection at Buffalo, New York:** FRA's Surveillance Team identified a safety concern involving a location in Buffalo, New York. Between Conrail's CP Draw and CP 437, there are four adjoining tracks. After "Split Date," two of the tracks will be controlled by NS and two by CSX. Procedures to coordinate track-maintenance fouling time and provisions for dispatchers' protection should be developed. FRA has addressed this concern directly with Conrail, CSX, and NS and will monitor the resolution.

**Labor Concerns Over Staffing Needs in Buffalo:** Rail labor has expressed concerns over CSX and NS-projected needs for Train and Engine Service personnel in the Buffalo, New York, area. Initially, labor believed that CSX projected a need for 195 engineer positions, while NS projected a need for 40 engineer positions. However, these projections were eventually reduced. CSX now projects jobs for 144 engineers, while NS would require 44 positions. Rail labor has expressed strong reservations over such a significant change in job requirements and questions whether the carriers will be sufficiently staffed to handle the traffic in a safe and efficient manner. FRA will continue to closely monitor rail operations in the Buffalo area.



### Interim Conrail Operations

**New Conrail Board of Directors:** On August 22, 1998, CSX and NS terminated the voting trust that held shares of Conrail common stock and elected a new Conrail Board of Directors:

#### CSX

John Snow, Chairman/CEO  
Pete Carpenter, President, CSX  
Mark Arin, EVP, Law and PA  
Paul Goodwin, EVP, Finance/CFO

#### NS

David Goode, Chairman/CEO  
James Bishop Jr., EVP Law  
Stephen Tobias, Vice Chairman/COO  
Henry Wolf, Vice Chairman and CFO

Former Conrail officers and employees are continuing to manage the railroad until split date, thereby retaining institutional knowledge for a smooth transition. Messrs. Tim O'Toole, recently appointed President and CEO of Conrail, and Doug Greer, General Manager of Train Operations, and the entire team of Division operating officers and transportation employees beneath them are operating Conrail day-to-day much as it operated in the past. Messrs. Tony Ingram, NS senior management liaison, and Jim Fallon, CSX senior management liaison, are providing daily oversight and advice at the operations center at Conrail headquarters in Philadelphia.

**Safety Reviews of Conrail's Operations Center:** Representatives from FRA's Merger Surveillance Team have conducted three safety reviews at Conrail's headquarters in Philadelphia, these reviews took place on November 20, 1998, January 29, 1999 and March 25, 1999. At each of these sessions, the FRA Surveillance Team observed Conrail's early-morning planning meeting with its five divisions and then conducted intensive SIP review/update sessions with CSX, NS, and CSAO representatives. FRA observed that the railroad appeared to be running smoothly, and the overall operation was improving from automobile strikes, harsh winter weather conditions, and recent train accidents. It was noted that critical trains were generally running at or slightly ahead of schedule. Yard congestion appeared to be under control, and Conrail had an adequate supply of train crews to move the freight. No reports were heard of trains being held for power.

At the January 29 meeting, it was reported that Conway Yard had a computer failure; however, the computer problem occurred during a program upgrade that did not appear to be merger-related. The fact that the railroad was able to handle the bulk of the traffic out of Conway, despite the loss of the computer, was an indication that local management had a backup plan and was able to adapt the facility to the emergency without affecting the entire railroad.

Furthermore, FRA observed that the current CSX, NS, and Conrail management team in charge of Conrail operations appears to be sound. Units worked together cohesively and relied upon each other's strengths to address issues. The division personnel were encouraged to raise safety and performance issues during their morning briefings. Conrail field and headquarters managers addressed the daily issues with what can be described as a "can do" attitude.

Indications of the ability of the "interim" Conrail operations team to handle difficult and unforeseen contingencies can be seen in that Conrail has maintained reliable service despite being faced with the following adverse conditions:

- ▶ On June 21, 1998, Conrail's train PIEL-1B derailed 21 cars on the Harvard connection in the city of Cleveland leading to substantial equipment damage and significant train delays.
- ▶ The General Motors strike that ended in July negatively affected carloadings at Conrail; 26 of the auto maker's 29 assembly plants in North America were shut down for several weeks.
- ▶ On August 14, 1998, the Brotherhood of Maintenance of Way Employees initiated a strike against Conrail over scope issues related to the construction of track in Marysville, Ohio.
- ▶ On January 2, 1999, the blizzard of '99 virtually buried the Midwest with the worst snow storm in over 30 years for the Chicago area. The snow storm drastically affected the operations of all freight carriers, commuter lines, and Amtrak. Several days of sub-zero weather, high winds, and drifting snow caused frozen switches, frozen locomotives, train air brake problems, stranded crews, and signal problems; Conrail had Level-3 weather alerts on the Albany, Dearborn, and Indianapolis divisions, and the lasting effects to operating performance were felt for several weeks.

**Performance Measures:** Conrail's performance statistics for the first 10 months of 1998 were favorable. Performance measures include Traffic Levels and Assets, Intermodal On-Time Performance, Automotive On-Time Performance, Core Merchandise, and Unit Coal Train Performance. (See Appendix Item III);

**Overall Safety Performance:** Overall, Conrail's safety performance in 1998 was positive. A noteworthy achievement is the fact that Conrail reported no employee on-duty fatalities in 1998 the first time the railroad has reached the goal of zero employee deaths. In 1998, Conrail achieved record levels of safety with the lowest employee injury rate, the lowest number of highway-rail grade crossing accidents, and the lowest overall accident/incident rate in the railroad's history. (See Appendix Items IV-A and IV-B)

FRA did note an increasing trend in low speed train accidents and derailments occurring in yards. After further analysis, FRA identified three major yards in Elkhart, Indiana; Conway, Pennsylvania; and Selkirk, New York, where most of the increases occurred. FRA is currently working directly with the carrier and its employees to develop action plans at each location to address this concern.

**Fatal Rail Accidents and Incidents:** While statistics are useful tools in assessing the level of safety of a railroad, FRA recognizes that safety means much more than the sum total of data and statistics. Safety in the railroad industry is a matter of life and death. The loss of even a single life in a railroad-related accident is an unacceptable tragedy. Preventing serious rail accidents must be a top priority, not only for FRA but for the highest levels of railroad leadership. When Conrail experienced three significant train accidents and two switching accidents that resulted in four fatalities during the first quarter of 1999, FRA dispatched a senior-level safety team to meet with top Conrail management to thoroughly analyze these tragic events and devise corrective action plans. The incidents that prompted this investigation included: 1) Port Newark, New Jersey - a switching accident that resulted in a conductor fatality; 2) Stryker, Ohio - a rear end collision in heavy fog that resulted in a conductor and engineer fatality; 3) Ft. Plain, New York - a train derailment that resulted in a major hazmat spill; 4) Alexander, New York - a switching accident that resulted in a conductor fatality when a car turned over while shoveling over a crossing with ice and snow in the flange way; and 5) Momence, Illinois - a Conrail freight train failed to stop at an at-grade rail crossing and collided with a Union Pacific freight train resulting in injuries to three crew members.

Under the direction of FRA's Acting Deputy Associate Administrator for Safety Assurance, FRA's Merger Surveillance Team conducted a special safety review of the four train incidents with senior Conrail management at the railroad's operations center. Together, the senior level Conrail and FRA team conducted a detailed review and analysis of investigative reports concerning each incident. Subsequently, Conrail was directed to develop action plans to prevent a recurrence of similar incidents. Conrail did develop action plans to address each incident and submitted copies of the plans to FRA's Office of Safety. Several of these plans deal with accidents that are still under investigation by the National Transportation Safety Board and formal findings of cause have yet to be issued. In these cases, Conrail's action plans must be regarded as interim measures. The Merger Surveillance Team identified no direct causal relationship between these incidents and the ongoing merger integration.

**FRA Operating Practices Assessment:** FRA also undertook an extensive, two-week system wide review of operating practices on Conrail with a 35-member Federal and State inspection team consisting of operating practices inspectors from FRA Regions 1, 2, 3, 4, and 6. The purpose of this review was to assess the overall level of operating safety and to ensure that Conrail managers, front-line supervisors, and rank-and-file employees remained focused on safety during this interim period. During a merger, it is not unusual for railroad personnel to experience anxiety over workplace changes associated with the merger. FRA believes an extra effort is often necessary to maintain a strong focus on safety during such times.

From March 29 through April 9, the inspection team conducted focused inspection activities, including 382 train rides involving 7,817 miles in both local and over-the-road service. The team also conducted operating-practices efficiency testing and performed records inspections. At many locations throughout the Conrail system, inspections were conducted on an around-the-clock basis.

Inspectors also conducted listening sessions with several hundred Conrail managers and employees to learn their views about the state of safety on Conrail during this interim period. The inspection team saw no evidence of deterioration in Conrail's supervisory oversight. Furthermore, the team found the level of commitment and attention to safety was very high among Conrail workers, supervisors, and managers in the operating department.

Thus far, FRA believes the current Conrail leadership team, which has been overseeing the railroad's operation during the interim period between the approval of the merger and "split date," appears to be carrying out its responsibilities and decisions in a reasonable and prudent manner.

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### CSX SIP/Safety Actions

CSX updated its SIP with FRA on 1/23/98, 7/20/98, 8/31/98, 11/9/98, 1/29/99, and 3/25/99. The present SIP contains some 85 safety action items that identify resource commitments and time lines, including personnel, facilities, and training. All SIP action items as reviewed are on schedule. Furthermore, CSX is on schedule with all work/safety commitments to STB as specified in the conditions of Appendix Q of the merger approval.

CSX's integration efforts over the past several months have emphasized:

- ☐ hiring extra engineers and conductors to protect potential traffic;
- ☐ managing "churn" (minimizing turnover and displacement of personnel) for all groups; and
- ☐ leaving existing organizations in place.

**Retention of Institutional Knowledge:** CSX has made a significant effort over the past several months to retain "institutional knowledge" from Conrail by hiring senior officers and other management employees to join the CSX team; some of the senior management hired by CSX include:

Mr. Ronald Conway - Exec. VP of Operations (former CR Sr. VP Operations);  
Mr. Lester Passa - President CSX Intermodal (former CR VP-Automotive Group);  
Mr. Frank Nichols - Sr. VP- Employee Relations (former CR SR. VP- Org. Per.);  
Mr. Gerry Gates - VP Consolidation & Day 1 Team Ldr. (former VP Cust. Sup.);  
Mr. Gary Spiegel - VP Network Operations (former CR VP Service Delivery);  
Mr. James Kasprzycki - GM Conrail Engr. (former CR Dir. Asset Optimization);  
Mr. Wayne Richards - GM. Servc. Lane Integration (former CR Gen. Mgr.); and  
Mr. Howard Elliott - Dir. Hazardous Materials (former CR Director Hazmat Sys.).

Three former Conrail board members were appointed to the CSX corporation board: H. Furlong Baldwin, former U.S. Secretary of Transportation Claude S. Brinegar, and E. Bradley Jones (30 years of Conrail Board experience).

**Safety Culture:** CSX established a Cultural Enrichment Team in early 1998 consisting of the CSX chief safety officer, a cross section of headquarters and field managers, and a cross section of labor representatives focusing on the following key issues: 1) safe work environment, 2) building trust and teamwork, 3) premiere service, and 4) work atmosphere.

- CSX vice president's "safety blitz" consisting of listening posts were held on all CSX service lanes in late 1998. Vice president "Safety Champions" are being paired as safety advocates for all operating units in the field during 1999.

- On July 1, 1998, CSX announced a new "Individual Development and Personal Accountability Policy" for all United Transportation Union (UTU) and Brotherhood of Locomotive Engineers (BLE) employees, which replaces its former disciplinary policy; the Yardmaster's Union, American Train Dispatchers, Brotherhood of Maintenance of Way Employees (BMWE), and the Mechanical crafts have since joined in the policy. This policy is intended to be implemented on the acquired Conrail properties.

**Labor Agreements:** Labor-implementing agreements were reached by CSX in conjunction with NS on a voluntary basis with all the labor organizations except the BMWE and the BLE. Arbitration pursuant to the protective conditions imposed by STB was conducted with BMWE and a decision was rendered on January 14, 1999, imposing an implementing agreement with both parties. BMWE has now appealed that decision to STB. Also, the voluntary agreement reached with the Transport Workers Union (TWU), representing certain carmen on Conrail, failed ratification. As a consequence, arbitration was required and a decision was rendered on February 27, 1999, which imposes an implementing agreement on the parties. Finally, in the case of the BLE, an agreement settlement was reached through arbitration.

**Training and Instructions:** CSX initiated a number of training and instructional initiatives to ensure that employees on the acquired territories will have sufficient knowledge and understanding of CSX operations and procedures to ensure the safety and efficiency of rail operations immediately upon "Split Date." The following is a brief summary of the more significant training and instructional initiatives.

- ▶ Annual rules certification for CSX train and engine service employees will be provided via multimedia pods in 1999. Conrail employees will retain their two-day classroom certification program for 1999.
- ▶ A unified book of rules for Conrail acquired territories will be developed during the year 2000.
- ▶ Operating rules training is being conducted throughout 1999 on Conrail territory being allocated to CSX. Operating rules training on CSX has nearly been completed using an interactive multimedia computer-based format.
- ▶ In 1998, CSX established two facilities to offer five-week conductor classroom training courses for employees on the Conrail territories, one in Rome, New York, and the other in Philadelphia.
- ▶ The split date rulebook with both Northeast Operating Rules Advisory Committee (NORAC) and CSX rules is ready for distribution. Timetables have been developed and will be available for split date, but are not yet printed.

**Staffing Levels:** CSX has calculated the staffing requirements to handle traffic increases that result from the acquisition and to compensate for attrition. Consequently, the railroad has hired/promoted approximately 2,000 train crew (T&E) members in 1998; 1,298 conductors were promoted in 1998, and an additional 810 are in the pipeline for 1999. CSX has established schools in Atlanta, Cincinnati, Philadelphia and Jacksonville to train new employees. A "Train the Trainer" program has been developed with 25 trainers now on the affected service lanes and 35 new Road Foremen of Equipment (RFE's) have been deployed.

Wave I job offers to Conrail field employees was completed in June 1998 (94 percent acceptance rate); Wave II offers including Headquarters and Commercial personnel were completed at the end of 1998 (75 percent acceptance rate).

**Fatigue Mitigation:** CSX is developing specific Fatigue Countermeasures and Alertness Awareness programs applicable to all employees, including those in the Conrail acquired territory.

**Y2K:** Primary efforts to make CSX's information technology (IT) systems Y2K compliant have been completed and verification testing is currently underway. A plan for the retirement of Conrail's IT systems has been completed. Portions of the Conrail IT system that are intended to support CSAO operations will remain in place. Conrail movements began appearing on CSX data screens in late 1998. A 25-person group will be added to CSX's command center at Jacksonville to teleconference with Conrail's Nation Customer Service Center (Pittsburgh) prior to split date to monitor IT systems integration.

**Infrastructure and Equipment:** CSX has undertaken equipment and infrastructure upgrades and modifications to meet the demands of service resulting from the acquisition and to maintain the safety and reliability of rail operations on the merged carrier. The following is a brief description of the status of some of the more significant infrastructure and equipment issues.

- ▶ Current projections for locomotive acquisitions at CSX for 1999 are 36 CW44AC's, 112 CW60AC's and 39 SD70 MAC's (180 in total); CSX's current fleet is 2,829 locomotives. CSXT will receive 817 locomotives from the Conrail fleet at split date.
- ▶ CSX's newly double-tracked, 270-mile high capacity B&O line is now open to traffic after \$220 million in rehabilitation in 1998.
- ▶ A new coal car inspection operation is being added to CSX's SIP commitments; empty coal hoppers will be routed back to MGA coal fields from Northeastern utilities through New Castle, Pennsylvania facility. The railroad has added carmen and inspection tracks.

- ▶ CSX is currently modifying former RF&P corridor 60 HZ locomotive cab signals to be compatible with Conrail system locomotives (100 HZ); 73 CSXT locomotives also affected and are being fitted with additional software/hardware; testing of modifications was ongoing during February 1999.
- ▶ CSX track connections are being constructed on schedule for B&O Double Track, Greenwich and Marion, Ohio, Cleveland Short Line, Philadelphia - Grays Ferry, Philadelphia - Belmont, and River Line Siding Extensions. Conrail has also completed rehabilitation of the Grays Ferry Branch in South Philadelphia, which links the CSX's former B&O East End Subdivision with Conrail's High Line (near the location of Amtrak's PHIL Interlocking). New signals have been installed to protect the branch at both PHIL Interlocking and CSX's 58th Street Interlocking. Train movements on the Grays Ferry Branch are currently handled by Conrail's Philadelphia Division Dispatcher. Train movements over the Grays Ferry Branch are restricted to 10 mph. CSX plans to divert freight traffic onto the Grays Ferry Branch and Conrail's Harrisburg Line in order to reach intermodal terminals in South Philadelphia.
- ▶ CSX has also indicated plans to operate freight traffic destined for North Jersey via the Grays Ferry Branch, the High Line, the Belmont Connection and onto the Trenton Line (former Reading Main Line to Bound Brook, New Jersey).

**Communications With the OMID:** FRA's Surveillance Team was recently informed by Ontario Midland Railroad (OMID) at Sodus, New York, that, as a result of recent changes in traffic routing by Conrail and computer incompatibility, the OMID is not being notified of cars delivered to it at Newark, New Jersey. Communications with the OMID is important because this shortline carrier does transport hazardous materials. FRA is addressing this concern directly with Conrail and CSX and will continue to monitor this matter to ensure that proper hazardous materials communications protocols between CSX and OMID are established.



## NS SIP/Safety Actions

On July 10, 1998, NS announced the formation of a third operating region, the new Northern Region which will join the Eastern and Western regions; the new Northern Region will consist of three divisions (the Harrisburg, Pittsburgh and Dearborn divisions) which will incorporate Conrail acquired territories; formation of a Northern Region safety Committee is ongoing.

Transition implementation teams were established in late 1997 to address key issues such as train dispatching, train crew management, operating rules, commuter and passenger train operations, personnel and others. At NS 120 teams were established with up to 400 management employees involved. NS has updated their SIP with FRA on 1/26/98, 6/15/98, 10/6/98, 11/19/98, 1/29/99 and 3/25/99. Their present SIP contains some 65 safety action items that identify resource commitments and time lines, including personnel, facilities and training. NS has also added 50 safety related STB condition items for tracking, including grade crossings, hazmat emergency response and training. All SIP action items as reviewed are on schedule. Also, NS is on schedule with all work/safety commitments to the STB as specified in the conditions of Appendix Q of the merger approval.

NS integration over the past several months has emphasized:

- train and Engineer (T&E) hiring and training;
- employee communication; and
- cultural integration

**Retention of Institutional Knowledge:** NS over the past several months has also moved to retain "institutional knowledge" from Conrail by hiring senior officers and other senior management employees to join the NS team; some of the senior management retained include:

Mr. John Samuels - VP Oper. Planning & Budget (former CR VP Oper. Assets);  
Mr. William Barringer - Director Safety (former CR Director safety);  
Mr. Daniel Mazur - Assist. VP Strategic Planning (former CR AVP Asset Mgt.);  
Mr. Joseph Arsenault - Director Systems Dev. (former CR Dir. Sys. Dev.);  
Mr. Richard Davidson - Dir. Selection & Placement (former Dir. Select. & Place.);  
Mr. James Newton - President Triple Crown Svcs. (Former Pres. ConrailDirect);  
Mr. Thomas D. Newhart - Dir. Coal Trans. (former CR GM - Unit Train Svcs.);  
Mr. Gregory Comstock - GM Western Reg. (former CR AVP Svc. Design/Net.);  
Mr. Hugh J. Kiley, Jr. - AVP Trans. Svcs. (former CR VP Svc. Design & Plan.);  
Mr. Robert Huffman - Sr. AVP Intermodal Ops. (former CR GM Interm. Ops.);  
Mr. Ramond Rumsey - Chief Eng. Maint. Svcs. (former CR Ch. Eng. RW. Assets);  
Mr. Francis Weckerle - Nat'l. Acct. Mgr. (Former CR Dir. - Nat'l. Accts/Chrysler);  
Mr. Jeffery Burton - General Solicitor (former CR Sr. Dir. Labor Relations);  
Mr. Anthony Licata - Dir. Labor Relations (former CR Dir. Labor Relations);  
Mr. Gerhard Thelen - AVP Mechanical (former CR AVP - Engineering).

**Safety Culture:** NS instituted the "Six Tenets of Safety" program on the Conrail divisions that will make up its Northern Region. The program is designed to teach employees about the principles, practices and values behind the NS safety culture. Employee training on the NS's Conrail territories is still in progress.

In October, 1997 NS hired safety consultants from DuPont to evaluate three Conrail divisions and the Juanita and Hollidaysburg Shops. The analysis has been completed and their report was recently offered to FRA, where it is currently under review.

**Labor Agreements:** Labor implementing agreements have been reached by Conrail, CSX and NS with all of the labor organizations except the BMW. Arbitration pursuant to the protective conditions imposed by the STB was conducted with BMW and a decision rendered on January 14, 1999, establishing an implementing agreement for the parties. BMW has now appealed that decision to the STB. Also, the agreement reached with the TWU representing certain carmen on Conrail failed ratification. As a consequence, arbitration was required and a decision was rendered on February 27, 1999, which establishes an implementing agreement for the parties.

**Training and Instructions:** NS initiated a number of training and instructional initiatives to ensure that employees on the acquired territories will have sufficient knowledge and understanding of NS operations and procedures to ensure the safety and efficiency of rail operations immediately upon "Split Date." The following is a brief summary of the more significant training and instructional initiatives.

- ▶ NS is using the McDonough, Georgia, simulator for locomotive engineer training and estimates a continuing rate of 500 trainees per year for the combined system. Conrail engineers are still being trained at the Transportation Training Center at Conway Yard until the "Split Date."
- ▶ Dispatcher training is still being conducted at Conrail offices and will continue past the split date until NS's dispatching system is completely installed. NS, like Conrail, relies upon division dispatching (versus centralized). Dispatchers desks at Albany, Mt. Laurel and Harrisburg offices have been realigned and relocations are currently in progress and are expected to be completed in June 1999.
- ▶ NS annual operating rules training (eight-hour training class) is presently ongoing on the NS and soon will begin on NS's Conrail acquired lines. Draft bulletins for modified safety practices and rules will be submitted for management approval 30 days prior to the split date.
- ▶ Training for Accident/Incident reporting will occur during the Second Quarter 1999 involving approximately 550 supervisors.

- ▶ Training materials have been distributed to operating departments and specific training has started on the Northern Region. Twenty-two Training Teams have been established to address customer billing, payroll, crew management, procurement, police, National Customer Service Center, train dispatching, car and locomotive distribution and interline settlement.
- ▶ Conrail and NS both use P.S. Technology for computerized crew management. Training will be provided for 3,800 Conrail T&E employees within 180 days after the split date.

**Staffing Levels:** One hundred thirty trainees have been hired on Conrail to support staffing needs for the NS's new Northern Region. NS is providing new-hire training for train service personnel at the McDonough, Georgia, Training Center (five months of classroom and OJT learning assignments). NS anticipates training 1,100 new hire trainees per year across its system with approximately 300 on the Northern Region during 1999. Conrail is still using the Academy of Industrial Training outside Philadelphia until split date. NS is presently modifying the Accelerated Conductor's Training program to account for Conrail practices, procedures and facilities.

**Training Time for Engineers:** At a listening sessions held in Buffalo, Syracuse, and Selkirk, New York, in the first quarter of 1999, the primary safety concern expressed by Conrail Train and Engine service employees was "the lack of time that Conrail required for a new employee to be on the job prior to promotion to locomotive engineer" and the relative inexperience of some of the newly promoted locomotive engineers. NS has policies that should adequately address this concern because it requires new hires to complete at least one year of train service before being permitted to operate a locomotive in training. By contrast the current Conrail program has no such requirement and allows employees to be promoted to locomotive engineer once they have successfully completed training, without regard to prior train service experience.

**Operating Rules and Practices:** NS has taken significant steps to harmonize operating rules, practices and procedures on the acquired territory. The following is a brief synopsis of some of the more significant operating practices initiatives:

- ▶ NS has joined NORAC as an associate member and applied for full membership.
- ▶ NS Timetables and Bulletin Orders covering the acquired territories are ready for distribution.
- ▶ NS's random drug and alcohol tester (the TK Group) will be used for all of NS tests, including NS's Conrail acquired lines, after the split date.
- ▶ Contracts needed to cover emergency response contractors at NS's Conrail acquired properties are in place for the split date.

- ▶ NS's concept for spill containment yards has been introduced at Conrail (Conway and Elkhart Yards).

**Y2K:** NS's information technology systems largely have been made Y2K compliant and testing is underway. Completion and final testing will be accomplished in the third quarter of 1999. The retirement plan for Conrail systems was completed in April 1998.

**Equipment and Infrastructure:** NS has undertaken equipment and infrastructure upgrades and modifications to meet the demands of service resulting from the acquisition and to maintain the safety and reliability of rail operations on the merged carrier. The following is a brief description of the status of some of the more significant infrastructure and equipment issues.

- ▶ NS will avoid retiring locomotives in 1998 and 1999 to ensure it has sufficient motive power to meet the demands of service. NS also purchased 116 new locomotives in 1998 and will purchase 150 in 1999. Conrail purchased 24 new cab signal equipped locomotives in 1998 for future assignment to NS. NS will have approximately 1,127 locomotives equipped for operation on Conrail lines and Amtrak's Northeast Corridor.
- ▶ NS is participating in the FRA/Conrail/CSX sponsored Positive Train Control project on the Manassas-Harrisburg test corridor; NS is the Phase II project manager.
- ▶ Conrail's grade crossing inventory has been fully integrated into the Norfolk Southern Grade Crossing Inventory system.
- ▶ NS track connections are being constructed on schedule for Sidney, Illinois, Alexandria, Indiana, Cloggsville Rehabilitation, Pattenburg Tunnel (Phase 1), Greencastle, Pennsylvania, Oak Harbor, Columbus, Bucyrus, and Vermillion, Ohio.
- ▶ NS has committed to many merger related facility/track changes, most notably:
  - Alexandria, Indiana - The new connection to the NS Frankfort District at Alexandria has been established as a remote interlocking, controlled by the NS dispatcher at Fort Wayne. The connection will enable southbound trains on the Conrail Marion Branch to continue east on NS. This would allow Norfolk Southern to move freight traffic between Elkhart, Indiana and Cincinnati, Ohio. Conrail is currently in the process of installing new ties and rail on the Marion Branch.



- ☐ Columbus, Ohio - NS is progressing with the construction of a new connection to link Conrail's Columbus Line with the NS's Bellevue to Portsmouth, Ohio mainline. A connection at CP Colson, linking the NS line with Conrail's Fort Wayne Line is being rebuilt.
  - ☐ Charlotte, North Carolina - NS is investing 13.5 million dollars to expand its Charlotte Roadway Shop. The facility designs, manufactures and rebuilds the railroads fleet of maintenance of way equipment. The 57,000 square foot expansion will include a new machine shop and the enlargement of the existing heavy repair facility. The current Conrail Roadway Shop located in Canton, Ohio, will be closed after the split date.
  - ☐ Bulk Transfer Terminals - NS has opened three new bulk transfer terminals located at Doraville, Georgia (just north of Atlanta), Charlotte, North Carolina, and Chattanooga, Tennessee.
  - ☐ Intermodal Terminal - NS has agreed to a joint partnership with Bethlehem Steel to develop a new intermodal terminal on the site of the former Bethlehem Steel Mill in Bethlehem. This new terminal will be located on the Lehigh main line (former Lehigh Valley) and will provide easy access to western New Jersey, Philadelphia, and Scranton areas.
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### CSAO SIP/Safety Actions

The Conrail corporate identity will survive after split date and will be responsible for managing and operating the CSAO. The CSAO updated its SIP on January 26, 1998; September 4, 1998; November 20, 1998; January 29, 1999 and March 25, 1999. As a living document, the SIP outlines the status of the CSAO's efforts to address 22 safety action items including training requirements, hazardous materials handling issues and IT needs. The SIP also contains the status of 17 safety related matters that stem from conditions imposed by the STB, most of these conditions concern highway/rail grade crossings, hazardous material emergency response and training requirements, each of the 17 items are reported to be progressing on schedule.

After "Split Date," the CSAO will continue to maintain and follow the majority of policies and practices currently in place on Conrail. For example:

- ▶ Current Conrail safety programs will be observed in the CSAO. The Conrail leadership team for the CSAO is committed to continuing efforts to enhance and improve these programs.
- ▶ Designated service delivery for all yards and customer switching within the CSAO territory will be maintained in accordance with current Conrail schedules and commitments. Transitional steps underway ensure that the existing Shared Assets Areas yard and dock service asset are properly preserved and maintained to support this service after "Split Date."

**Conrail Leadership Team:** The CSAO principal officers and many associated staffers have already been appointed and brought on board; the leadership team includes:

- Mr. Tim O'Toole - President and Chief Executive Officer;
- Mr. Don Nelson - Senior Vice President of Operations;
- Mr. Ron Batory - Vice President Operations;
- Mr. Craig Curry - Chief Environmental and Safety Officer; and
- Mr. Neil Ferrone - Director Safety.

The Governance Team includes the Board of Directors, President and Chief Executive Officer, and the Operations Committee (Engineering, Mechanical, NCSC, Blue Room Operations and five Division General Managers).

**Operations and Operating Practices:** Conrail will continue to observe the NORAC Rules for operations in the CSAO; thereby ensuring compatibility among the commuter, inter-city passenger and freight entities that operate over the CSAO territory. Dispatcher ranks will be filled with trained Conrail dispatchers familiar with the assigned CSAO territories. Conrail will dispatch North and South Jersey/Philadelphia from an existing Mt. Laurel, New Jersey location. Dispatching for the Detroit Shared Assets Area will initially be from Dearborn, Michigan.

Relocation of the Detroit desk to Mount Laurel is scheduled for August 15, 1999. The following are the significant operating issues that are being addressed.

- ▶ Conrail will handle within the CSAO territory all hazardous materials functions and will be supported by five (5) qualified emergency response contractors.
- ▶ Conrail is finalizing procedural changes, to be effective June 1, 1999, for post accident toxicological testing, certification and qualification of locomotive engineers, physical characteristics training of train and enginemen, train and accident reporting and operational testing.

**Competition In The CSAO:** Since the first announcements of the Conrail merger acquisition and review of the early SIP filings by NS, CSX and the CSAO, FRA has maintained a keen interest in the planned, joint operation of the CSAO. FRA believes there will be intense competition for business by NS and CSX in the Northern New Jersey/Southern New Jersey shared asset areas. How the CSAO equitably provides services to assemble, dispatch and maintain trains, crews and equipment operated within the shared asset areas will significantly impact the quality and safety of service provided to the northeastern seaboard shippers.

Intermodal facilities may represent a particular challenge for CSAO in managing rail operations in the face of this competition. The North Jersey Operating Shared Assets Area Plan assigns current Conrail intermodal facilities at Croxton, Portside and E-rail to NS. CSXT will operate the intermodal facilities at South Kearney and North Bergen. The facilities of APL, Ltd. and Mahr Terminals commonly referred to as "Express Rail" will be open to both railroads. CSAO officers have pledged neutrality of operations. General assignment guidelines have been formulated and are now being finalized for train routing within the CSAO territories (see Appendix Item V).

Unanticipated congestion or traffic disruptions at these facilities have the potential to migrate well beyond the CSAO area of operations and could impact rail service on CSX, NS or other carriers. FRA's Merger Surveillance Team will carefully monitor rail operations in the Shared Assets Areas and is prepared to act immediately to work with all parties to resolve potential service problems should they arise.

**Equipment and Infrastructure:** Upon "Split Date," CSX and NS will provide a total of 133 locomotives to Conrail for operations in the CSAO territories. FRA-mandated Quarterly Inspections of locomotives for North Jersey and South Jersey will be performed within the CSAO territory. The Detroit Shared Assets Area will receive such inspections outside the CSAO territory from both CSX and NS. The parent companies will perform heavy repairs for all CSAO designated motive power. Since the CSAO will be dependent upon CSX and NS for its motive power needs FRA will continue to monitor the CSAO locomotive fleet to ensure that it is sufficient to handle the traffic needs of this critical area of operations.

The Conrail track budget for the CSAO for 1999 is \$13.5 million. Preliminary budget plans for the CSAO territories have been formulated. An additional \$6.6 million is earmarked for the bridges and tunnels and other asset improvements. The Communications and Signals budget is \$2.5 million.

Currently a number of construction projects are underway in the North Jersey area. These will provide a direct benefit to Conrail, CSX and NS after the split date. A few of these projects are delineated below:

- ☐ Croton Yard - Conrail has initiated improvements at Croton Yard located in Jersey City and Secaucus. This facility will go to the NS on split date. Improvements include construction of a 7 track industrial switching yard, each track will hold 30 cars. Plans call for this yard to be the base of operations for the industrial switching crews that will service the former Erie Lackawanna industrial trackage operated by NS and New Jersey Transit. NS also plans to relocate the bulk transfer terminal now located in the center of Croton Yard and expand the current intermodal facility into this area.
  - ☐ New York Susquehanna and Western - has established a connection linking Conrail's River Line with the NYS&W's Southern Division at Ridgefield Park, New Jersey. The connection will allow Conrail (later CSX) to have direct access to the CSLI Intermodal facility located at the NYS&W's Little Ferry terminal.
  - ☐ Lehigh Line - On the Lehigh Line (former Lehigh Valley) ties are being replaced between CP Brook (Bound Brook) and CP Potter (Edson, New Jersey). The Pattenburg Tunnel is being single tracked in order to accommodate double stack container trains. In advance of this project, the existing passing siding is being reconfigured. The siding is being extended one mile to the west, from the current CP West Portal interlocking. A new interlocking will be constructed at the west portal of the tunnel. The siding will be eliminated through the tunnel, and only the single track main line will remain in the mile long bore. On the east side of the tunnel, a new interlocking is under construction. This will connect the current passing siding with the single track main line.
-



#### IV. Metropolitan SIP/STB Issues

The Conrail acquisition is especially significant for a number of metropolitan areas, primarily in Ohio and the Chicago area, that had been served by the CSX, NS and Conrail. Anticipated changes in freight traffic flows, route structure and operating practices raised uncertainty among many in these communities about the impact of the acquisition on important issues involving potential congestion at highway/rail grade crossings, increased train traffic noise in residential areas, changes in employment levels and job assignments for railroad workers and other issues. A number of the STB conditions and items in the SIP's concern issues in these metropolitan areas.

Thus far NS has provided FRA with complete documents, updated as of February 23, 1999, regarding the status of items mandated by the STB as a condition of the merger. NS reports that the STB mandates, including those projects affecting Cleveland, Lakewood, Bay Village, Rocky Run, the Cloggsville Project, the Vermillion Project and others, are all on schedule.

Congressman Dennis Kucinich's office held a Conrail merger progress assessment meeting on March 8, 1999, in Lakewood, Ohio, to discuss acquisition issues that affect the West Shore communities in Ohio. Area Mayors and representatives from NS, CSX, the State of Ohio and the FRA met to discuss the implementation of recently completed agreements involving the parties. Representatives present from NS and CSX indicated that all agreements with their respective companies are on schedule and most will be completed before the June 1 deadline.

**Increased Rail Traffic at Highway/Rail Grade Crossings:** As a precaution to prepare communities and motorists for increases in rail traffic at highway grade crossings, notification letters will be sent to police agencies for each of the public crossings on rail lines identified as having an increase in rail traffic of eight trains or more, within three months of September 1, 1999. NS and CSX are installing temporary notification signs or message boards on railroad property at each crossing clearly advising motorists of the impending increase in traffic and speeds. These signs will be in place no less than 30 days before, and remain for 6 months after the increase in traffic occurs. Signs will be placed at 81 crossings and installation will be completed by September 1999. The crossings will also carry signs with a 24-hours per day, toll-free phone number to report crossing malfunctions. The railroads will provide sufficient funds to start construction of an underpass at Berea, Ohio, to expedite completion of a grade separation project.

**Blocked Highway/Rail Crossings:** The City of Olmstead Falls indicated a problem exists with Conrail train crews using their town as a crew change point which results in blocked highway/rail crossings for long periods of time. NS has committed to stopping this practice.

**Rail Jobs in the Cleveland Area:** There has been considerable uncertainty, particularly among the ranks of Conrail employees, about how the Conrail acquisition would affect rail labor in the greater Cleveland area. As plans for the acquisition began to crystalize it was learned that there

would be an overall increase of seven (7) positions among Agreement personnel; this includes clerks, engineers and trainmen. The impact of rail positions is as follows: a net of 59 job abolishments, 44 job creations, 16 transfers out and 38 transfers in. Even recently, many Conrail employees appear to remain uninformed about the impact the acquisition will have on their positions, especially on territories allocated to the NS. The NS responded by issuing a survey to Agreement employees so they could make their views known about their work preferences.

**Coordination of Rail Operations in the Greater Chicago Area:** Since the early days of railroading, Chicago has been the nation's pre-eminent railroad transportation hub. The greater Chicago area has nearly 100 rail junctions and at-grade rail crossings, which have long posed significant challenges for the coordination of rail traffic. With the anticipated increase in traffic that is likely to result from the acquisition, FRA has been concerned about the potential for rail traffic congestion in the Chicago area. A service interruption on one railroad can quickly impact rail service on a connecting carrier. Furthermore, the Chicago area has a large number of highway-rail grade crossings, many of which are located on busy city streets, major thoroughfares and in residential neighborhoods. Likewise, rail service disruptions can have a serious adverse impact on highway traffic.

During the first week in April 1999, FRA Administrator Jolene Molitoris met with representatives from CSX, NS and the other major rail carriers in the Chicago area, urging them to work together to better coordinate traffic flows in an attempt to minimize the potential for rail congestion and reduce disruption to highway traffic and residential neighborhoods. The railroads have begun meeting and are in the process of developing coordinated operating and maintenance plans to address these concerns. FRA will continue to monitor the progress of efforts to improve rail traffic flows in the greater Chicago area.

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## V. Future of the SIP Process

**Continued FRA Monitoring:** FRA will continue its close surveillance of the Conrail merger integration process in the manner as previously described and will provide biannual reports to the STB about the progress of CSX, NS and CSAO in implementing and updating their SIPs until integration of the Conrail territories into those three entities is successfully completed. In addition to the bi-annual reports, FRA may be called upon by STB to issue special reports relative to the SIP process.

FRA's Merger Surveillance Team will continue to conduct "listening sessions" in the field to obtain direct input from front line employees, rail labor representatives, field supervisors and other parties regarding safety, service and operating concerns as long as the merger integration process continues. Listening sessions in February 1999 between FRA SIP Team Leaders and several rail labor leaders did not reveal any specific safety concerns. However, the labor representatives did express concerns about how the current Conrail employees might be affected by discipline policies and seniority issues on the acquiring railroads.

**Joint STB/FRA Rulemaking:** Based upon collaboration between the FRA and STB, a joint Notice of Proposed Rulemaking (NPRM) was published in the *Federal Register* on December 31, 1998, establishing proposed criteria and conditions under which Safety Integration Plans would be required in as a condition of future railroad mergers and acquisitions. The proposed rule would require that SIPs be developed for significant mergers and acquisitions as defined in the NPRM. Furthermore, the NPRM outlines the respective roles of the STB and FRA in the development, implementation and oversight in the SIP process.

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## **VI. FRA's Summary Comments on the Status of the Conrail Acquisition**

A significant beneficial effect of the SIPs has already been demonstrated in the graduated approach to integration of the acquired Conrail territories used by the acquiring railroads. The retention of many well qualified Conrail managers by CSX, NS and CSAO will allow these carriers to draw upon a high level of institutional knowledge when operating the newly acquired Conrail territories. The staging of implementation actions over the past seven months has lessened the potential for a degradation in safety and performance.

**Need for Continuing Effort:** Safety requires constant attention and effort. Both CSX and NS are operating safety review trains to view the newly acquired territories and introduce high level managers to Conrail personnel. The carriers are also providing extensive safety training prior to the split date. FRA believes that this is a prudent safety measure. These efforts clearly demonstrate CSX and NS each desire to judiciously integrate the former Conrail properties into their new respective railroads.

**Monitoring Competition in the CSAO:** FRA believes that it is very important to monitor the operations and performance in the CSAO areas, specifically, intermodal operations of the Northern New Jersey Shared Assets Area. If not properly managed, competition between CSX and NS in these areas could potentially lead to safety concerns or service disruptions that could migrate to other areas of the rail network. FRA will continue to conduct close surveillance of these operations as the merger progresses. CSAO's detailed planning has continued to progress and has provided assurances for the safety of these operations.

**Interim Conrail Operations:** Based upon FRA's recent observations at Conrail's Operations Center and the seven-month period of feedback from FRA's Surveillance Team Conrail is operating well at the present time. Reports indicate the carrier will have increased loadings and revenue for 1998-1999, and that the physical plant and facilities are poised for successful merger integration.

**Conclusion:** Between the time of this report and "Split Date," CSX, NS and CSAO must have IT systems work complete and tested; necessary labor agreements in place; training completed; team projects completed and operational readiness established. This work appears to be continuing on schedule. During the period covered by this review, no performance or safety conditions have been identified or foreseen on the NS, CSX, or CSAO acquired territories, arising out of approval of the acquisition or its ongoing integration, that FRA believes would necessitate further STB oversight actions at this time.



## APPENDIX

Conrail Merger Surveillance: NS, CSX & CSAO  
SIP/Safety Update

**Appendix Items:**

- I. Federal Railroad Administration (FRA) Office of Safety  
*Safety Integration Plan Guidelines* - Rev. 3 of 11/24/97
- II. *FRA's Conrail Merger Safety Assessment and Surveillance Plan* - 9/3/98
- III. *Conrail Operations* (Performance Measures) - Presentation November 20, 1998
- IV. A. *FRA's Office of Safety Statistics for Conrail*
- IV. B. *Safety Update Presentation to the FRA* - November 20, 1998
- V. *Safety Integration Plan Review Shared Assets Operations* - January 29, 1999

Appendix I.

Rev. 3 of 11/24/97

**Federal Railroad Administration (FRA)  
Office of Safety**

**SAFETY INTEGRATION PLAN GUIDELINES**

**November 7, 1997  
Washington, D.C**

## SAFETY INTEGRATION PLAN GUIDELINES

### Introduction

The Federal Railroad Administration (FRA) has determined from the mergers of the Union Pacific Railroad Company and the Southern Pacific Transportation Company and the Burlington Northern Railroad Company and the Atchison, Topeka and Santa Fe Railway Company that integrating operations of two Class 1 railroads into one railroad presents significant challenges to rail safety. Investigations of recent collisions, derailments, and other serious incidents reveal a correlation between inadequately planned operational integration of independent railroad entities and compromises of rail safety. Railroads merging with or acquiring other railroads must prepare thorough and complete, formal, written safety integration plans to ensure safe operations.

For these reasons, FRA submits the following guidelines that CSX Transportation, Incorporated (CSXT), and Norfolk Southern Corporation (NS) should address in their respective safety integration plans (SIP). The SIPs should focus on the formulation, development, issuance, and implementation of measures that address specific operational elements, as detailed below, necessary to ensure compliance with the Federal railroad safety laws and otherwise provide safe railroad operations. As one example of how a SIP should extend beyond the reach of present Federal railroad safety regulations, an acquiring carrier should assure that personnel in safety-critical positions are not so burdened with tasks unrelated to safety that they cannot adequately perform their safety-critical functions. Principally, CSXT's and NS's SIPs must: show how their practices differ from Conrail's; identify as the end state to be achieved once their respective acquisitions are consummated practices that will minimize or eliminate incidents and injuries, and promote a culture emphasizing rail safety; and demonstrate step-by-step how they will effect the transition from current circumstances to their desired end states while maintaining safety. FRA underscores the need for the acquiring railroads to define the steps or procedures proposed to integrate Consolidated Rail Corporation's (Conrail) operational plans with their own during the transition process (*i.e.*, until the acquisition is complete). FRA concludes that a SIP addressing the subject areas below will strengthen CSXT's and NS's integral operational interests and ensure safe rail transportation.

### Safety Integration Plan

1. **Content of Plan:** Provide the following information for each subject matter listed in number 2:
  - a. Itemized list or index of measures addressing (i) how Conrail differs from the acquiring railroad and best practices identified from either; (ii) description of how the railroad will operate once the acquisition is completed; (iii) step-by-step description of how elements of acquired property, including Conrail Shared Assets Operating Areas, will be integrated with operations of acquiring railroad; and (iv) efforts to comply with Federal regulations;



- b. Allocation of resources (e.g., work effort expressed as person-days per year, capital, facilities, and technology) directed to that subject;
- c. Schedule for implementing plans addressing that subject.

## 2. Subject Matters To Be Addressed In Plan

- a. Corporate Safety Culture
  - i. Management attitudes, directives, priorities, practices, and philosophies, within each operating administration or division, that is directed to employee training, staffing, health, morale and safety practices
  - ii. How organizational priorities will be balanced between (1) enhancing productivity (e.g., employment reduction and elimination of resource duplication) to achieve economic efficiency and (2) minimizing safety risks with no compromise of safety (e.g., narrowed communication forums between labor and management, excess hours, and loss of institutional knowledge)
- b. Training
  - i. Train and engine service personnel
  - ii. Roadway worker and bridge worker personnel
  - iii. Motive Power and Equipment personnel
  - iv. Dispatching and operating personnel
  - v. Signal and Train Control personnel
  - vi. Hazardous materials personnel
- c. Operating Practices
  - i. Operating rules, practices, and instruction
    - (1) Training and qualifying train crews
    - (2) Rulebook(s) to govern
    - (3) Standardizing operational testing programs
  - ii. Accidents/Incidents
    - (1) Reporting procedures for accidents/incidents
    - (2) Procedures available to employees perceiving intimidation and harassment under Railroad Accidents/Incidents regulations
  - iii. Alcohol and Drug
    - (1) Integration of Conrail program with acquiring railroads' programs
    - (2) Implementation of Post Accident Toxicological Testing and Random Drug and Alcohol Testing programs on acquired territories
  - iv. Locomotive Engineer Qualification and Certification
    - (1) Qualifying and certifying engineers on acquired territories
  - v. Hours of Services laws
    - (1) Implementing measures for electronic recordkeeping
    - (2) Centralizing crew management functions
  - vi. Yard/terminal operations
    - (1) Training and instructing employees to ensure familiarity with rules

## governing yard/terminal operations

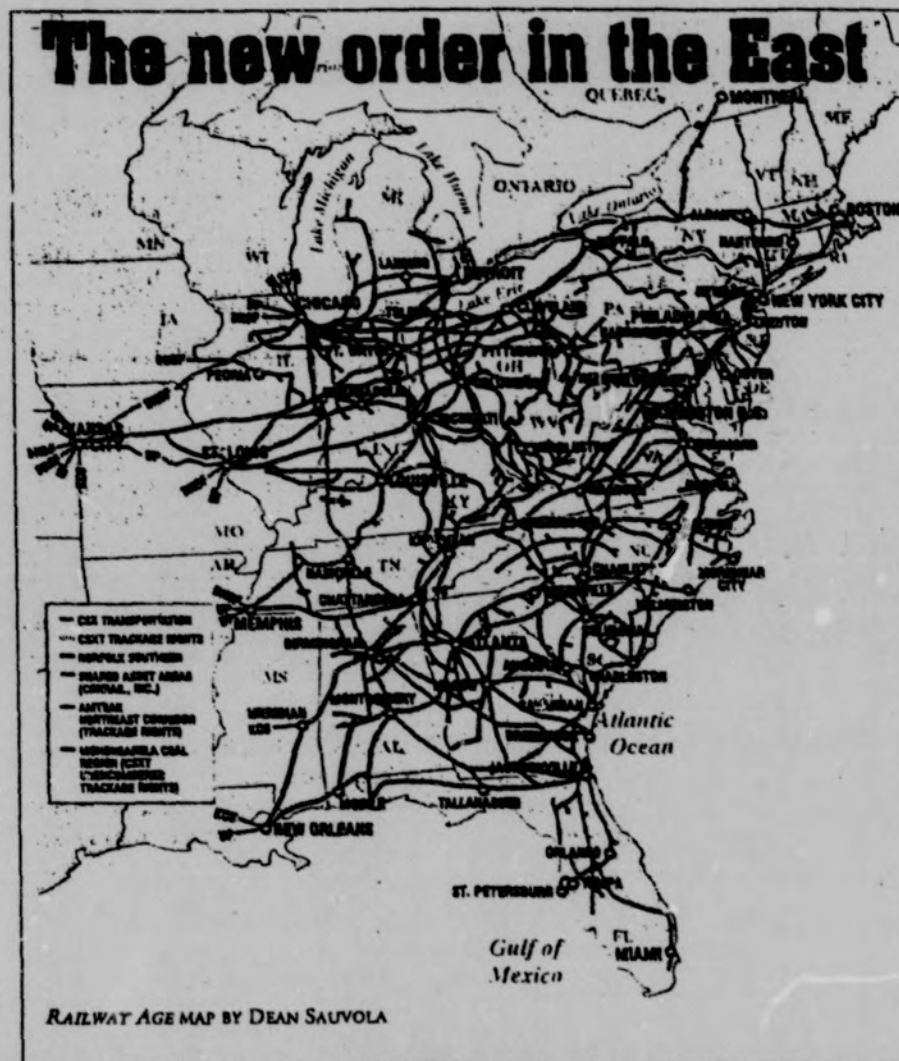
- d. Motive Power and Equipment
  - i. Qualifying employees on inspections and tests of rolling equipment
  - ii. Implementing mechanical department maintenance and equipment service plans
  - iii. Implementing measures to ensure safe freight operations and compliance with the law when "blocking" and "block swapping" trains
  - iv. Ensuring a sufficient fleet service and inventory to carry out field operations
- e. Signal and Train Control
  - i. Operating budgets addressing
    - (1) Training
    - (2) Maintenance
    - (3) Capital improvements
    - (4) Research and development projects and programs
  - ii. Ensuring safety maintenance with integration of, or migration to, properties acquired, specifically, Automatic Cab Signal/Automatic Train Control systems and wayside and cab signal aspects and indications
- f. Track and Structures
  - i. Maintenance, management and rehabilitation of track and bridges
  - ii. Inspection program for track and bridges
  - iii. Sufficient employee (including supervisors) coverage for track and bridge safety
- g. Hazardous Materials
  - i. Programs addressing field operations and internal safety audits
  - ii. Need for comprehensive inspection program addressing:
    - (1) Field inspections
    - (2) Hazardous materials communication standards (e.g., shipping paper, marking, labeling, and placarding requirements)
    - (3) Employment staffing to implement program
    - (4) Emergency response practices and procedures
  - iii. Computer software systems to ensure immediate availability of hazardous materials shipping paper information
  - iv. Customer service centers
    - (1) Sufficient employment staff levels
    - (2) Timely generation and transmission of hazmat information on trains and shipments to customers and Federal officials
- h. Dispatching Operations
  - i. Measures to eliminate or minimize excess service performed and reduce maximum dispatching workloads, including criteria used for determining maximum safe workloads
  - ii. Integrating acquired dispatching system with acquiring railroads' systems

- i. Highway-rail Grade Crossings  
Safety prevention and emergency response program addressing:
  - (1) Increase traffic volume, speeds, and track at crossings
  - (2) Improved warning devices
  - (3) Rail safety education of public
  - (4) Improved crossings with emphasis on closing existing crossings
- j. Allocation and deployment of personnel in following sectors:
  - i. Management of safety programs
  - ii. Roadway maintenance
  - iii. Motive Power and Equipment maintenance
  - iv. Dispatching operations
  - v. Car and Engine service
  - vi. Yard and terminal service
  - vii. Signal and Train Control maintenance
  - viii. Customer service centers
- k. Employee "Quality of Life" issues
  - i. Rest
  - ii. Travel/time away from home
  - iii. Perceptions of harassment or intimidation
  - iv. Health and wellness programs
  - v. Morale
  - vi. Availability and distribution of personal safety equipment (e.g., safety shoes, eye protection, and ear plugs)
- l. Relationship between freight and passenger service. Each plan to address the integration of freight and passenger operations on the following lines:
  - i. MARC
  - ii. SEPTA
  - iii. VRE
  - iv. METRA
  - v. NJTR
  - vi. MNCW
  - vii. MBTA
  - viii. Amtrak
- m. Information Systems Compatibility. Each plan to address information systems to be implemented that will provide for the uninhibited interchange of information between the acquiring railroads in the following areas:
  - i. Train consists
  - ii. Train performance
  - iii. Waybill/car movements
  - iv. Dispatching
  - v. Hazmat

vi	Crew management
vii	Accident/incident reporting and record keeping
viii	Equipment management (locomotives and freight cars)
ix	Emergency shutdowns



**Federal Railroad  
Administration**



# FRA's Conrail Merger Safety Assessment and Surveillance Plan

**FRA's Conrail Merger Safety Assessment**  
**and**  
**Surveillance Plan**

**1.0 Background:**

On June 23, 1997 the acquiring railroads (CSX and NS) filed their application with the Surface Transportation Board (STB) to acquire Conrail. The proposal was to divide Conrail's assets, and create two rail networks that will compete with one another throughout the eastern United States (\$10.2 billion acquisition with 58%/42% division of ownership, respectively, by NS/CSX). Over a ten-month period FRA conducted a formal safety assessment of the proposed mega-merger and participated in a series of STB scheduled filings.

In August 1997 FRA initiated its safety assessment of the NS/CSX proposed acquisition by reviewing both applicant's proposed operating plans, and also performing an analytical safety risk assessment of some 61 affected line segments at CS/NS/CR. It was determined that detailed safety planning was not provided in either railroad's operating plans (not previously required in ICC/STB filings), and that there were at least four major route segments of the planned merger with projected safety risk increases of greater than 50%. During this same time period, FRA also performed parallel safety reviews of the service performance "meltdown" occurring at UP/SP and operations at BNSF, CSX, NS and Conrail. On October 21, 1997 DOT (FRA) filed its findings with STB and recommended that the Applicants be required to develop "first time ever" **Safety Integration Plans (SIPs)**. Within two weeks the STB ordered CSX and NS to develop Safety Integration Plans (SIPs) within 30 days which extended the merger processing schedule by 45 days.

FRA immediately went to work to assist the railroads in effectively structuring their SIPs by developing **Safety Integration Plan Guidelines** (rev. 3 of 11/24/97). These guidelines covering 13 safety-critical areas (including corporate safety culture) were furnished to the applicant railroads in early November 1997. Thereby, the applicant railroads were able to quickly and diligently prepare their planned merger safety actions and filed their completed SIPs with STB on the December 3 deadline.

Although their SIPs were considered complete for STB's purposes, both railroads have continued to work closely with DOT (FRA) to identify additional timing (schedules) and resource allocations (workforce and \$) for all of their SIP specified safety action items. Both railroads provided 30-40 page documents with itemized safety actions (60-70) to be accomplished over the proposed three- five year integration period. These more detailed safety actions have become referred to as **Safety Integration Plan Accountability (SIPA)** worksheets. FRA plans to use these documented commitments (planned safety actions with assigned resources) by both railroads as the primary baseline to monitor progress of their merger implementation (integration). In a written decision issued on July 23, 1998 the STB approved the Conrail merger with certain conditions.

## 2.0 Merger SIP/Safety Integration Surveillance:

2.1 Following approval of the merger by STB, CSX and NS have jointly agreed to proceed from "Control Date" to "Split Date" ("Day One" or "Closing Date") in a planned approach. "Day One" is the date on which applicants will effect the division between CSX and NS of the operation and use of the assets of Conrail. The conditions set forth by the STB in its merger approval for CSX and NS are inherently expected to delay any significant merger related safety action items by either party until the Fourth Quarter of 1998 or until January 1, 1999, or thereafter.

2.2 The items in which DOT(FRA) will concentrate for SIP/safety surveillance and the assessment of progress towards successful merger integration include:

- The SIPs and SIPAs filed by each railroad and the CSAO.
- Present operating safety conditions at each railroad (CSX, NS and Conrail acquired properties and CSAO); safety audits and surveys; statistical reporting of the affected railroads; and examination of inspectors reports/violations.
- Review of past and on-going Safety Assurance and Compliance Program (SACP) efforts at each railroad.
- Close surveillance of progress made by each railroad on the safety related merger conditions set by the STB.
- Liaison review with the STB on evaluation of Operational Monitoring reports tendered by each railroad (15 specific reporting requirements imposed by STB).

2.3 The STB in its approval of the merger imposed a five (5) year oversight condition, as well as the following safety related conditions:

(1) "Applicants should meet with labor representatives and attempt to form task forces for the purpose of promoting labor-management dialogue concerning implementation and safety issues."

(2) "Applicants must comply with the environmental mitigation conditions set forth in Appendix Q." For the purpose of SIP/safety surveillance, FRA will focus upon those conditions which are explicitly safety related: Conditions 1(A), 1(B), 1(C), 1(D), 2, 3, 4(A), 4(B), 4(C), 4(D), 5(A), 5(B), 6, 7, 8(A), 8(B), 9, 10, 19, 20(A), 20(B), 20(C), 21, 22(A), 22(B), 22(C), 23, 24, 25, 26(A), 26(B), 26(C), 26(D), 27(A), 27(B), 27(C), 28, 29(A), 29(B), 29(C), 29(D), 30(A), 30(B), 30(C), 31(A), 31(B), 31(C), 31(D), 31(E), 31(F), 31(G), 32(A), 32(B), 32(C), 33, 34(A), 34(B), 34(C), 34(D), 35, 36(A), 36(B), 37, 38(A), 38(B), 38(C), 39, 40, 41(A), 41(B), 41(C), 42(A), 42(B), 43(A), 43(B), 46, 49(A), 49(B) and 50.



(3) "The Promotion of Safety. Our decision clearly promotes safety. More than half of the environmental conditions involve safety. For the first time ever in a merger, the applicants were required to submit safety integration plans. And, as part of the merger implementation oversight, the implementation of these plans will be carefully monitored through a *Memorandum of Understanding* (MOU) between the Board and the Department of Transportation, which clearly represents a cooperative governmental initiative in the public interest."

### **3.0 Merger SIP/Safety Surveillance Staff:**

FRA's intent is to monitor the progress of the safety integration of each railroad with the least intrusive measures and procedures as feasible to do so. FRA, however, will use headquarters staff, regional officers and local field inspectors and all of its compliance tools, as required, to conduct close surveillance and monitoring of the progress of the merger. Responsibility for overall monitoring oversight will be vested with FRA's Office of Safety Assurance and Compliance (*see Conrail Merger Safety Surveillance organizational chart, page 5*). There will be an FRA assigned Senior Surveillance Officer and Director, Surveillance to assure that monitoring activities and proficient surveillance practices remain on track throughout the required period of merger integration. These officers will be the headquarters contacts for CSX, NS, the CSAO and the STB. Reporting through the Director, Surveillance will be three (3) Regional Surveillance Officers responsible for the oversight of specific safety related actions taken by CSX, NS and the Conrail Shared Assets Operations (Conrail). Each Regional Surveillance Officer will have several strategically located SIP/safety monitors (inspectors) that will report compliance with the SIP action items and other operating safety conditions. The Regional Surveillance Officers will use all of the methods identified in Section 2.1 thru 2.3 to appropriately assess the progress made on SIP safety action items and the progress of merger integration related to local safety conditions in their assigned areas.

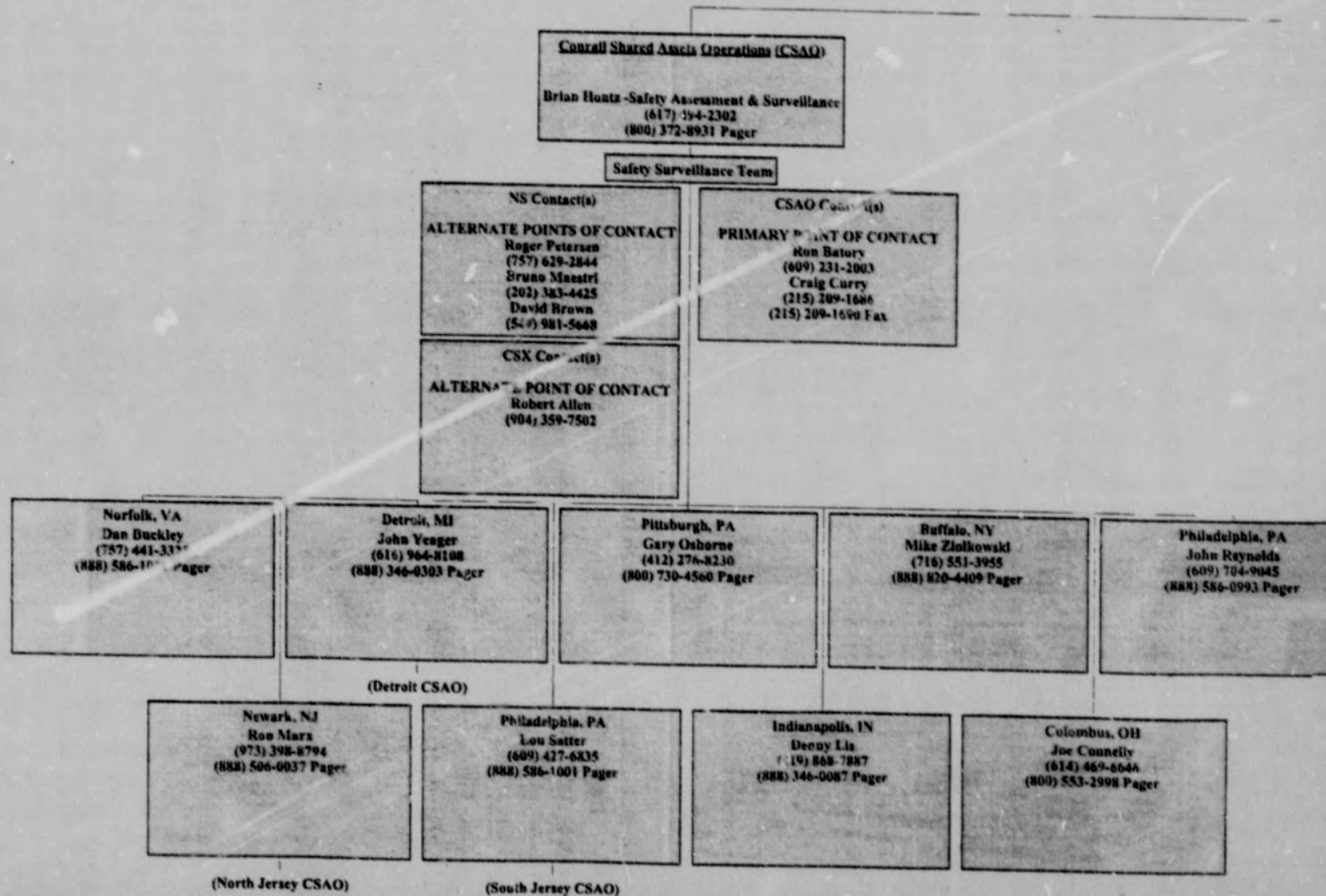
### **4.0 Merger Safety Progress Reviews/Reports:**

**4.1** All items addressed in Section 2.0 are to be considered in the on-going SIP/safety progress reviews. Written monthly SIP/safety assessment progress reports will be developed by the Regional Surveillance Officers and submitted to FRA headquarters (Office of Safety Assurance and Compliance through the Surveillance Director). Copies of these reports are to be furnished to the designated liaison officers from CSX, NS and the CSAO (Conrail) on a current basis.

**4.2** The headquarters Director, Surveillance will provide independent summary progress reports on the merger integration to FRA's senior management as required. Comprehensive written reports on SIP/safety progress will be provided by FRA to the STB on a biannual basis (January and July 1) of each year starting in 1999 as specified in the MOU. FRA will provide copies of these reports to CSX, NS and the CSAO (Conrail) on a current basis. The style and format of these reports will be determined by FRA staff.



# FRA's Conrail Merger Safety Surveillance



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(904) 359-7502

Jacksonville, FL  
Ray Cicchino  
(904) 273-6053  
(800) 541-1424 Pager

Nashville, TN  
Larry Norris  
(615) 781-5749  
(800) 532-3617 Pager

NS/CSX  
Atlanta, GA  
Robert Rader  
(404) 562-3800  
(800) 423-8392 Pager

NS/CSX  
Atlanta, GA  
Horace Franklin  
(770) 323-0092  
(800) 428-1960 Pager

NS/CSX  
Atlanta, GA  
(TBD)  
Operating  
Practices

NS Only  
Knoxville, TN  
Lino Penas  
(423) 947-6023  
(800) 478-1521 Pager

NS Only  
Knoxville, TN  
Sam Noe  
(423) 594-9493  
(800) 701-8532 Pager

NS/CSX  
Louisville, KY  
(TBD)  
Motive Power & Equipment  
(xxx) xxx-xxxx  
(xxx) xxx-xxxx Pager

NS/CSX  
Louisville, KY  
Robert Buckner  
(502) 969-4458  
(800) 353-5201 Pager

NS/CSX  
Memphis, TN  
Terry Nyatt  
(901) 757-1645  
(800) 586-0999 Pager

NS Only  
Linwood, NC  
John Wyker  
(252) 254-7994  
(800) 821-9763 Pager

NS Only  
Linwood, NC  
Howard Foster  
(336) 626-0710  
(888) 346-0355 Pager

Philadelphia, PA  
John Reynolds  
(609) 704-9045  
(888) 586-0993 Pager

03/22/99

Office of Safety Assurance and Compliance

Office of Safety Assurance and Compliance

4.3 FRA's Director, Surveillance and/or the Regional Surveillance Officers will conduct frequent SIP/safety integration reviews separately with NS, CSX and CSAO designated liaison officers (at least quarterly). These reviews will be conducted on a formal basis with meeting minutes and written summary findings to be provided. The progress summaries and meeting minutes will be separately retained on FRA's files for CSX, NS, and the CSAO.

4.4 During the period of time between the "control date" of the STB approved acquisitions and the "split dates" for CSX and NS, FRA staff will establish the surveillance organization referenced on page 5 and will perform interim monthly report monitoring on the same basis as described in Sections 4.1 thru 4.3.



---

# Conrail Operations

D. R. Greer  
General Manager Train Operations  
Philadelphia, PA  
November 20, 1988

STB

FD-33388

3-14-00

J

UNION

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OF

3

# Conrail Operations

Philadelphia

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## Blue Room

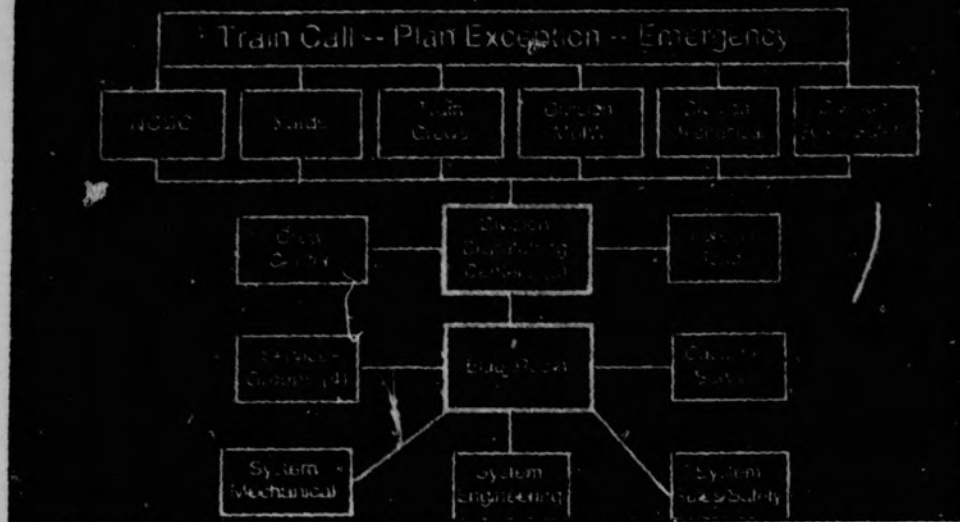
### – System Link to Field Execution

- Protects Customer Service
- Authorizes Operating Plan Exceptions
- Manages Premium Train Networks
- Assigns Locomotive Assets
- Communicates Corporate Policy
- Monitors Performance

A description of how Philadelphia impacts Conrail Operations.

# Conrail Operations

## Primary Communication Flows



A chart of how communication flows on Conrail.

How Conrail works -- From basic "Train Call" -- to exceptions -- to emergencies.

The yards, the NCSC, Crews, ect. talk to each other and their Division offices.

Division Offices talk to the Dearborn Crew Center -- Other Railroads -- and the Blue Room.

The Blue Room authorizes Division Plan exceptions -- protects active shipments with Customer Service and plans future changes to the operating plan with the Service Groups.

Other SYSTEM efforts, such as maintenance of way planning, flow from the Blue Room.



## Traffic Levels and Assets

Year to Date through October 31

### Average Daily:

Carloads



Locomotives



T&E Mancount



A description of traffic levels and asset availability.

Average Daily Carloads so far in 1998 (through October 31) were up 4.2% over last year.

We've increased our locomotive fleet by 2.6% to handle the higher traffic levels.

Note: We didn't need 4.2% more engines because our existing trains absorbed more than 1% some of the additional business.

Our year to date average T&E mancount rose only 0.8% versus last year -- but that count has risen dramatically during the past two months, during our peak volume period -- October's population was up 3.6% over January's.

## Transportation Products

### Service Group Breakdown

---

#### Intermodal

- + Premium
- Domestic
- International

#### Automotive

- Parts
- Finished Vehicles

#### CORE

- General Merchandise
- Trainload: Grain, Metals, Chemical, Waste, Stone

#### Unit Train

- Coal and Iron Ore

A service group description and the products handled by each group.

## Intermodal

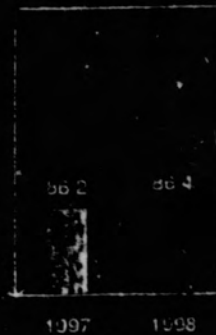
Year to Date through October 31

### On-Time Performance

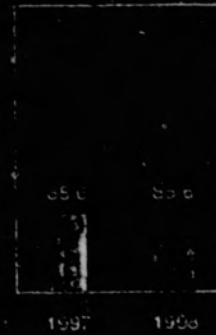
Premium Trains



Premium Shipments



Domestic Shipments



NOTE: 1997 was a great service year for Conrail -- we were cited by several publications and received a number of customer awards as the No. 1 service railroad in the country -- 1997 is our benchmark year.

Intermodal Performance measures so far in 1998:

Premium Trains -- Up 0.5%.

Premium Shipment Availability -- Up 0.2%.

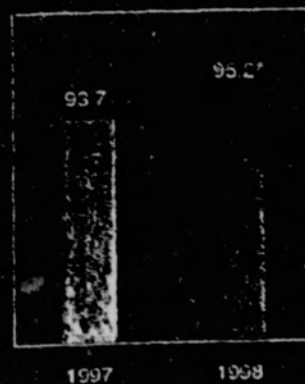
Domestic Shipment Availability -- Unchanged

## Automotive

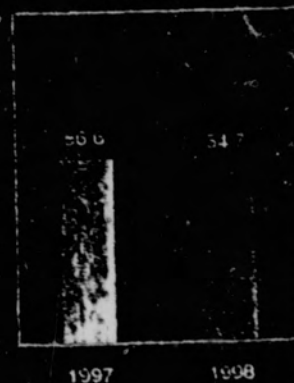
Year to Date through October 31

### On-Time Performance

#### Parts Shipments



#### Finished Vehicle Trains



Our auto parts shipments moved a little better this year -- up 1.5%.

Our multi-level trains were down 1.9%

NOTE: Train congestion due to the Short Line work in Cleveland -- where our Eastbound Multi-Level Fleet is built -- was the single largest factor for the performance decline



## CORE Merchandise

Year to Date Through October 31

Key Operating  
Measures

Yard Departures

Shipment Transit

Train Performance

Yard Connections

The key measures that we use to evaluate our CORE performance are virtually unchanged:

	1997	1998	Difference	
Yard Departures (% On-Time)	88.2	85.7	-0.5	Unfavorable
Train Performance (% On-Time)	82.9	82.6	-0.3	Unfavorable
Yard Connections % Made Connection	75.7	77.9	2.2	Favorable
Shipment Transit (Hours)	70.8	71.9	1.3	Unfavorable

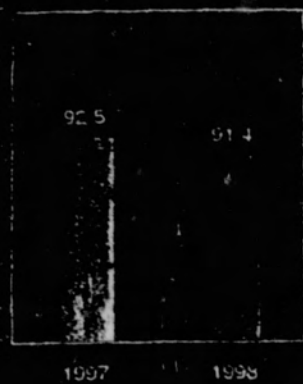
These numbers indicate another good CORE year.

## Unit Train

Year to Date through October 31

### On-Time Performance

#### Loaded Coal Trains



#### Empty Coal Trains



Our coal trains are also in line with last year's performance.

Loaded trains -- down 1.1% -- but above our 90.0% goal

Empty trains -- up 0.8% -- also over our 90.0% goal.

## Unit Train

Year to Date through October 31

### On-Time Performance

Loaded Coal Trains



Empty Coal Trains



Our coal trains are also in line with last year's performance.

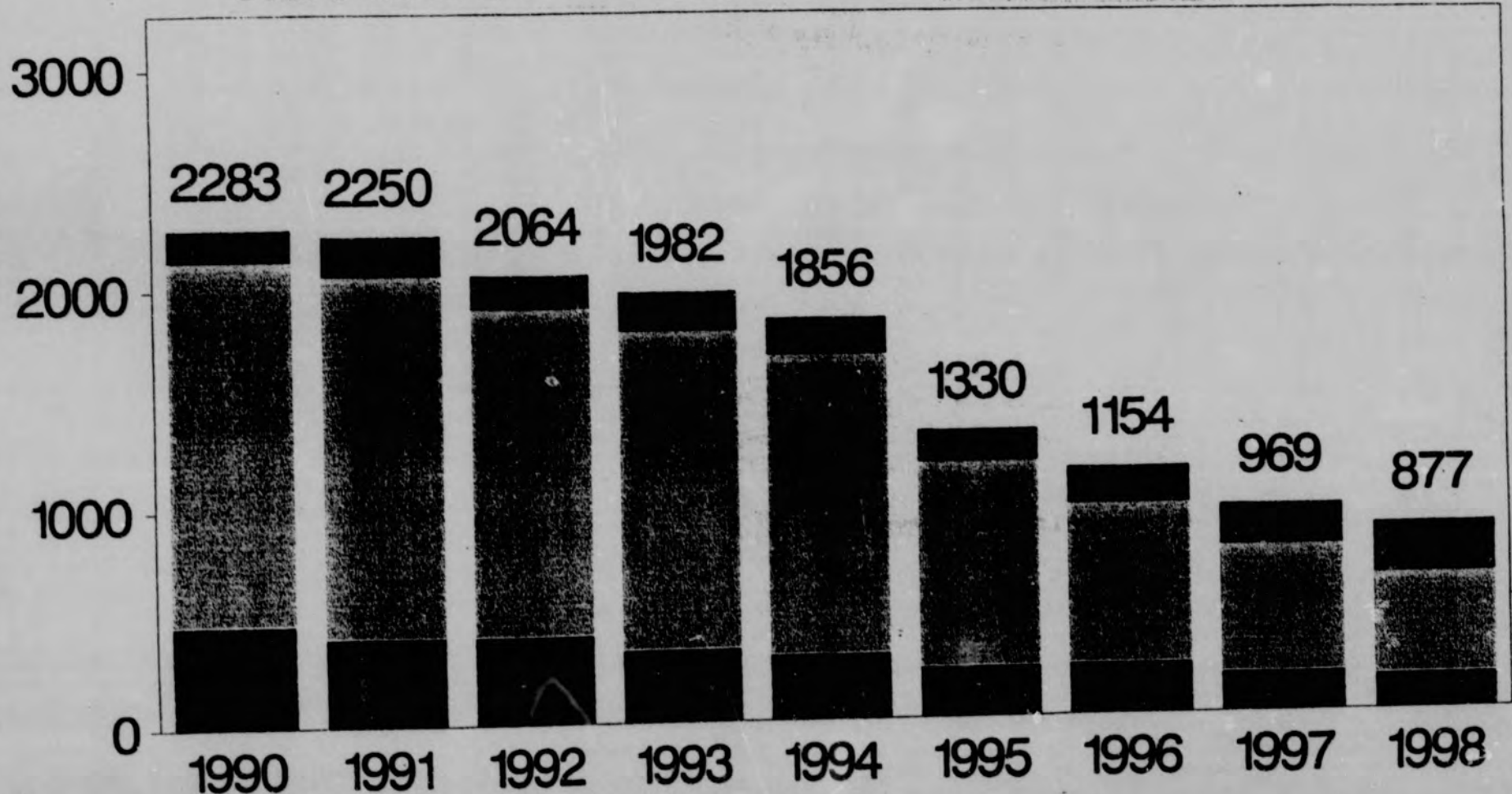
Loaded trains -- down 1.1% -- but above our 90.0% goal

Empty trains -- up 0.8% -- also over our 90.0% goal.

# TOTAL ACCIDENT/INCIDENTS

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



—— Highway—rail

Other incs.

—— Train acc

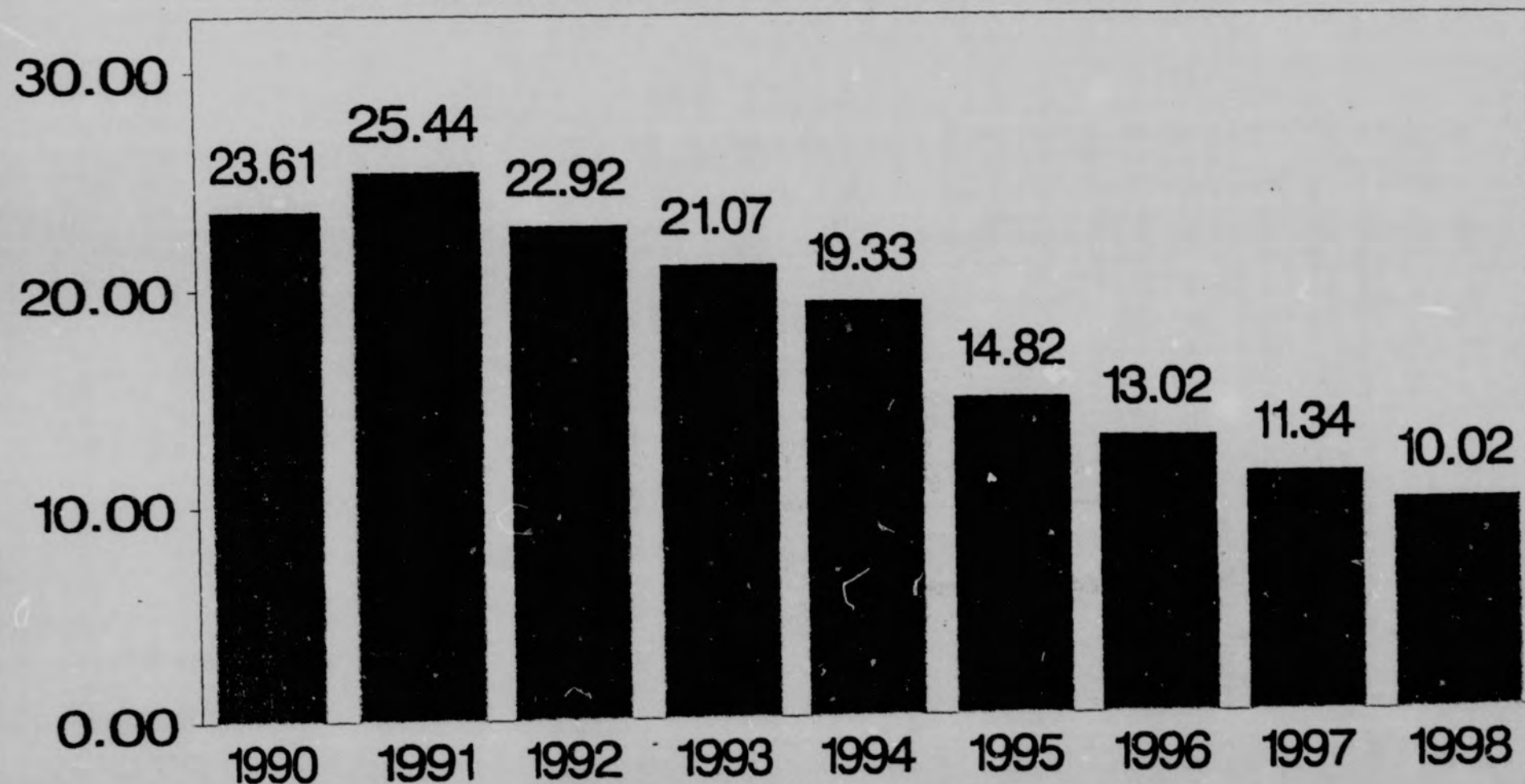
"Other Incidents" are primarily employees hurt in the work place.



# **TOTAL ACCIDENT/INCIDENT RATE**

**JAN – DEC (1998 Preliminary)**

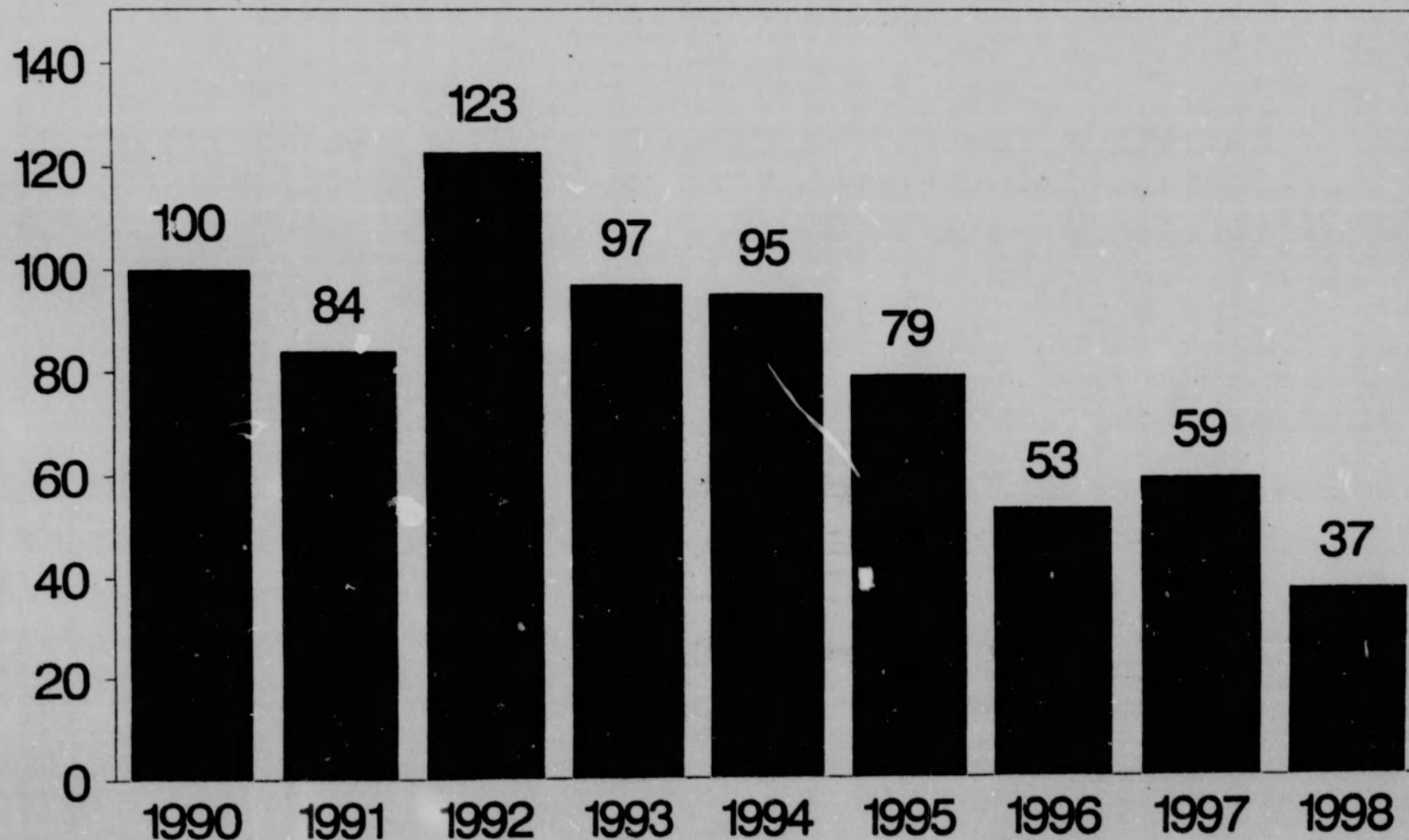
**FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL**



Rate is the total number of reported events time 1,000,000  
divided by the sum of train miles and employee hours

**TOTAL FATALITIES**  
**JAN — DEC (1998 Preliminary)**

**FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL**



Highway—rail

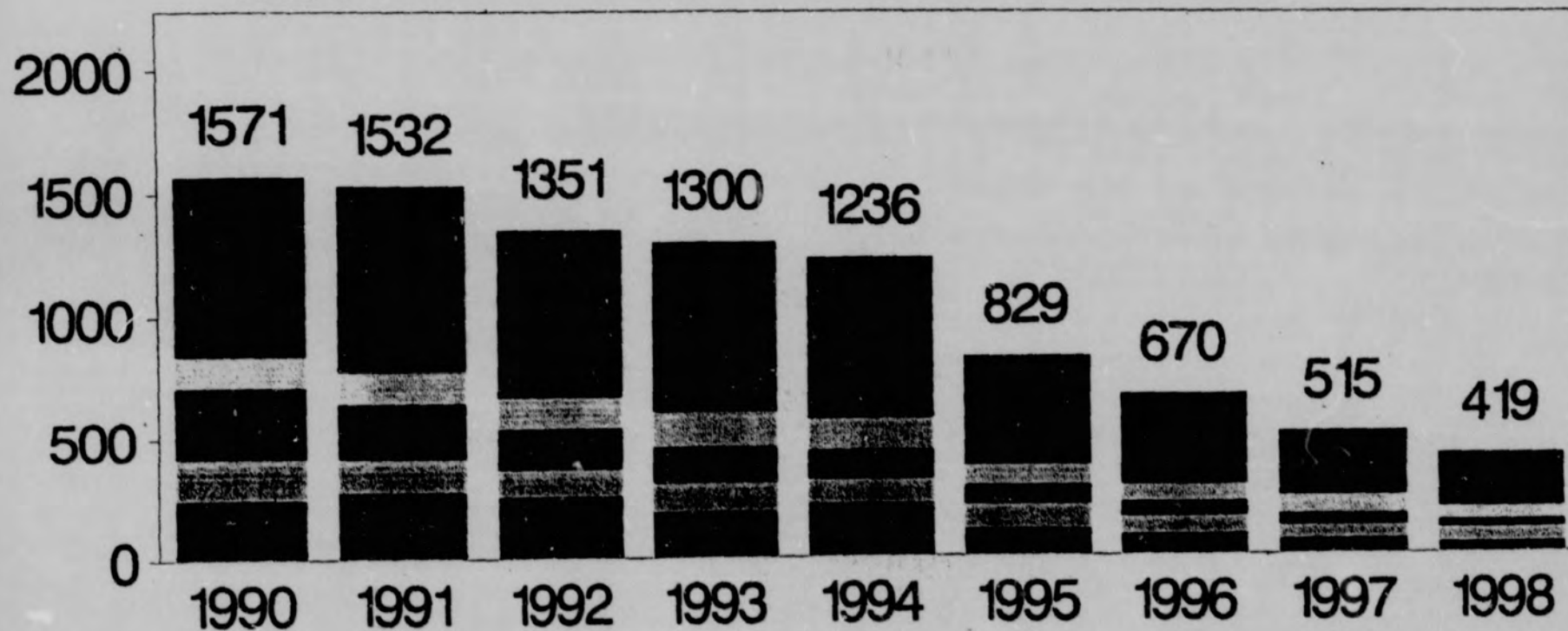
Other incs.

Train acc

# EMPLOYEE NONFATAL CONDITIONS

JAN. — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



— Bruises

— Other

— Sprains/strains

— Cuts

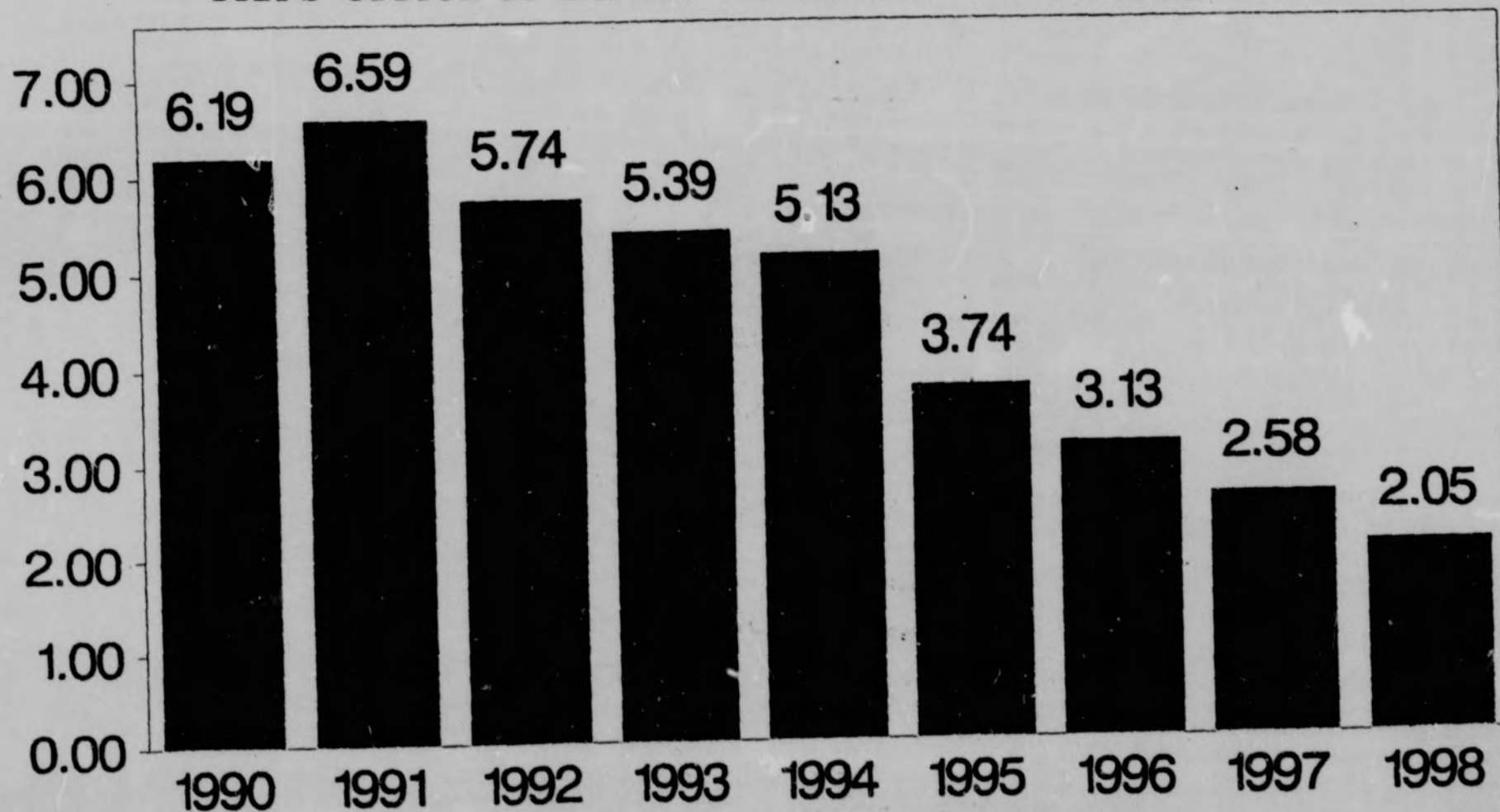
— Serious

Serious — amputations, fractures, hernias, concussions,

# EMPLOYEE CASUALTY RATE

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



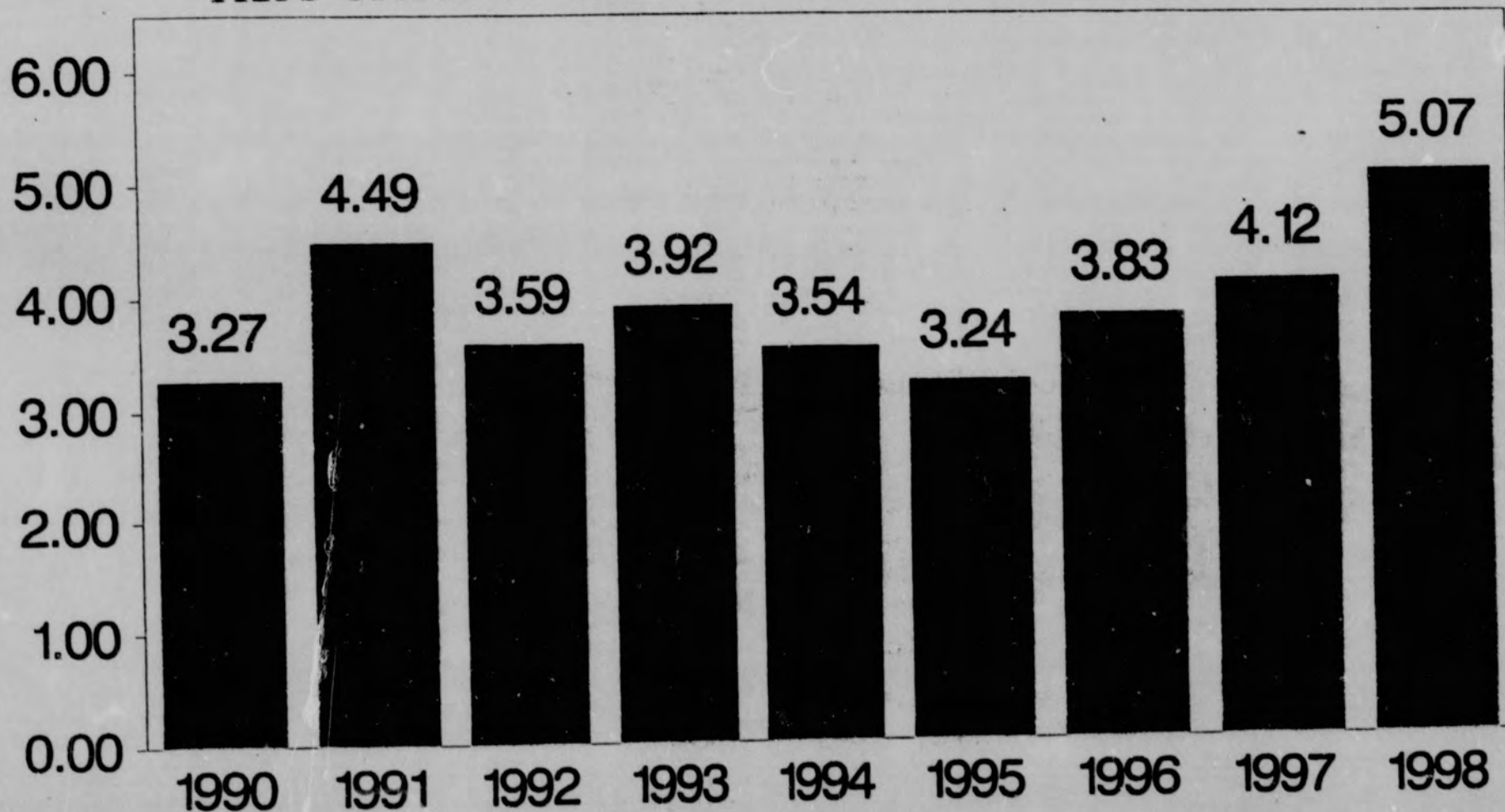
Number of FATALITIES and nonfatal  
conditions per 200 000 hours



# **TRAIN ACCIDENT RATE**

## **JAN — DEC (1998 Preliminary)**

**FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL**



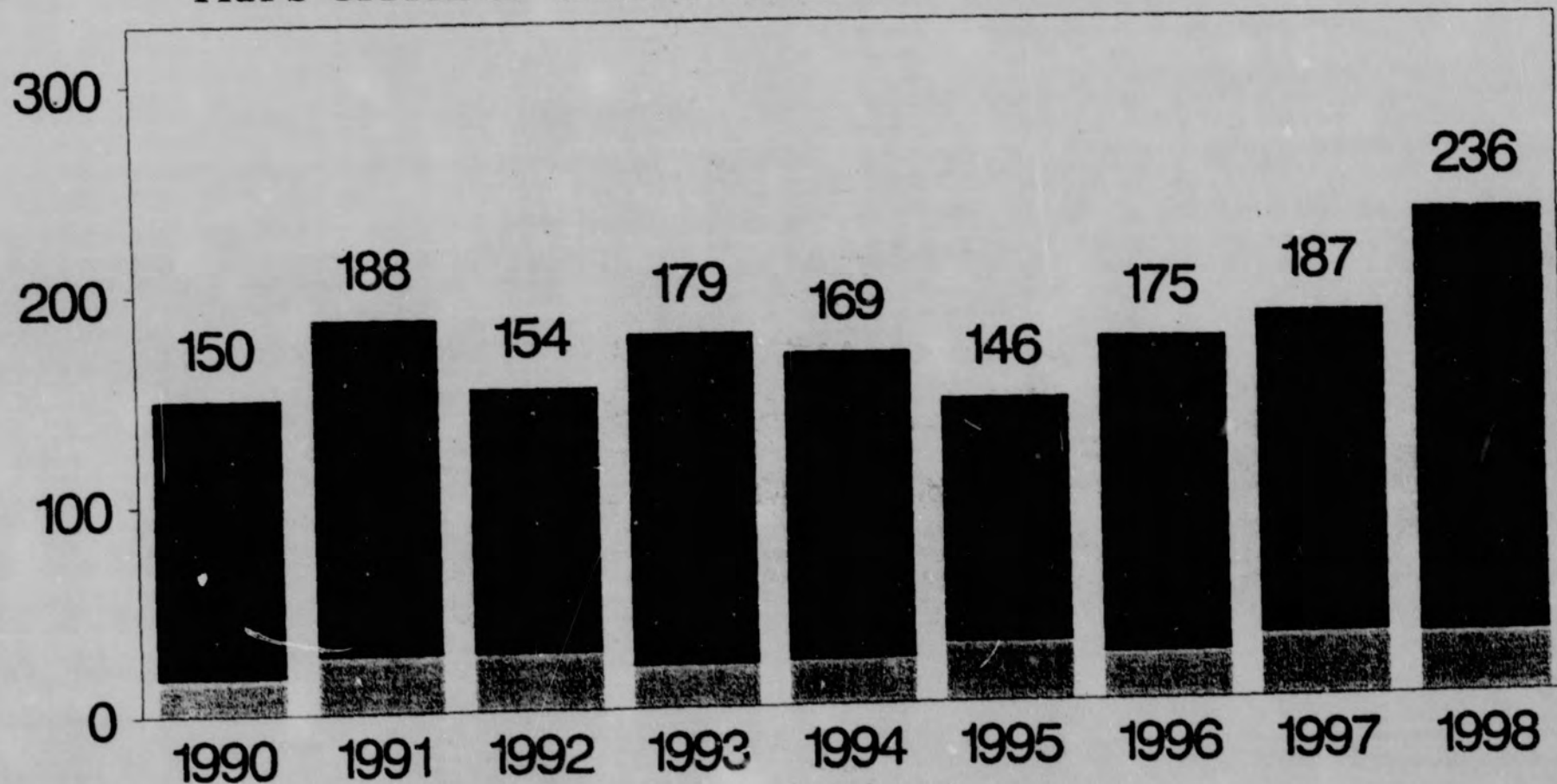
**Excludes highway—rail**

**Number of accidents per 1,000,000 train miles**

# TRAIN ACCIDENTS BY PRIMARY CAUSE

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



Equip  
Misc.

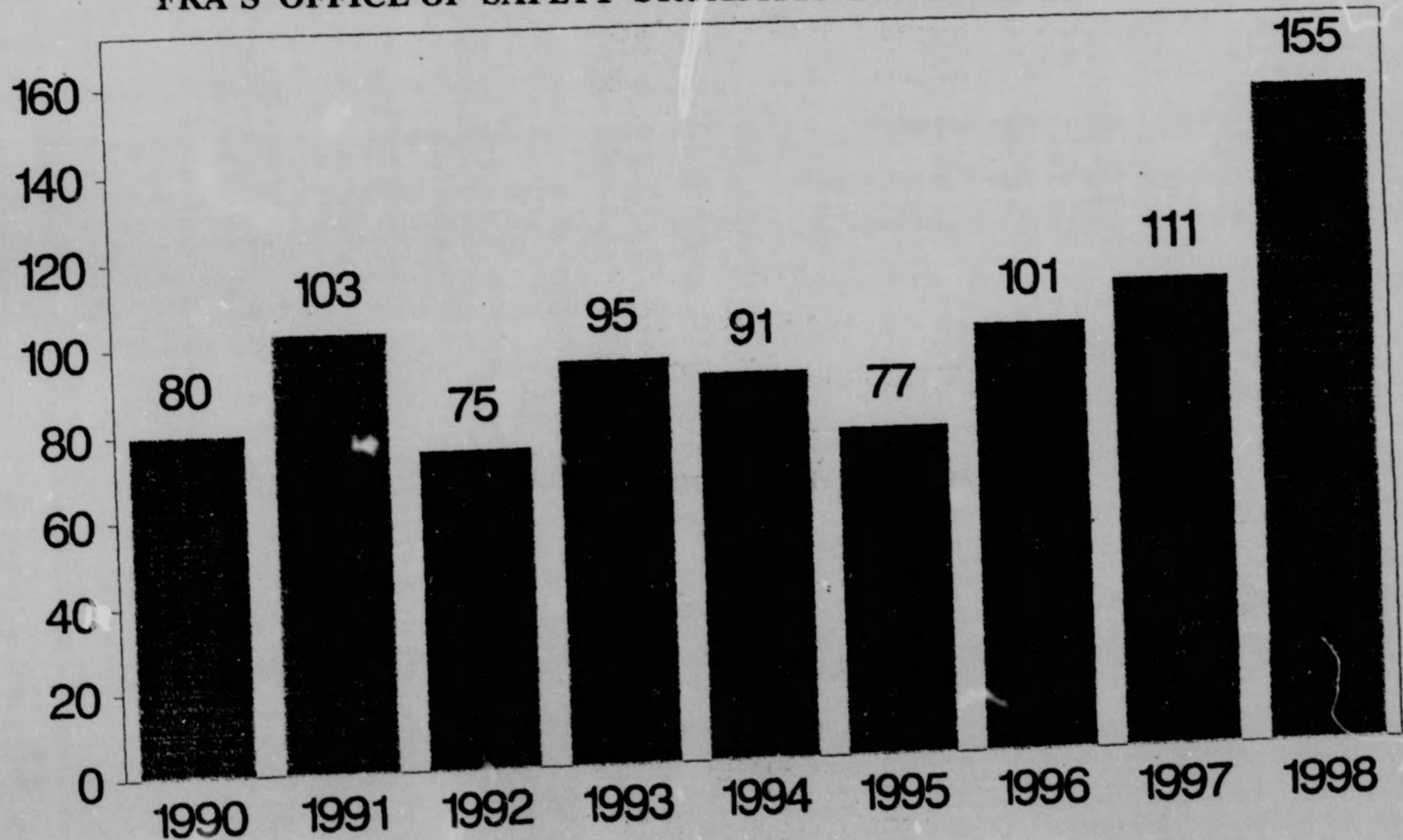
Hmn Factor  
Trk&Sig

Excludes highway—rail

## YARD ACCIDENTS

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL

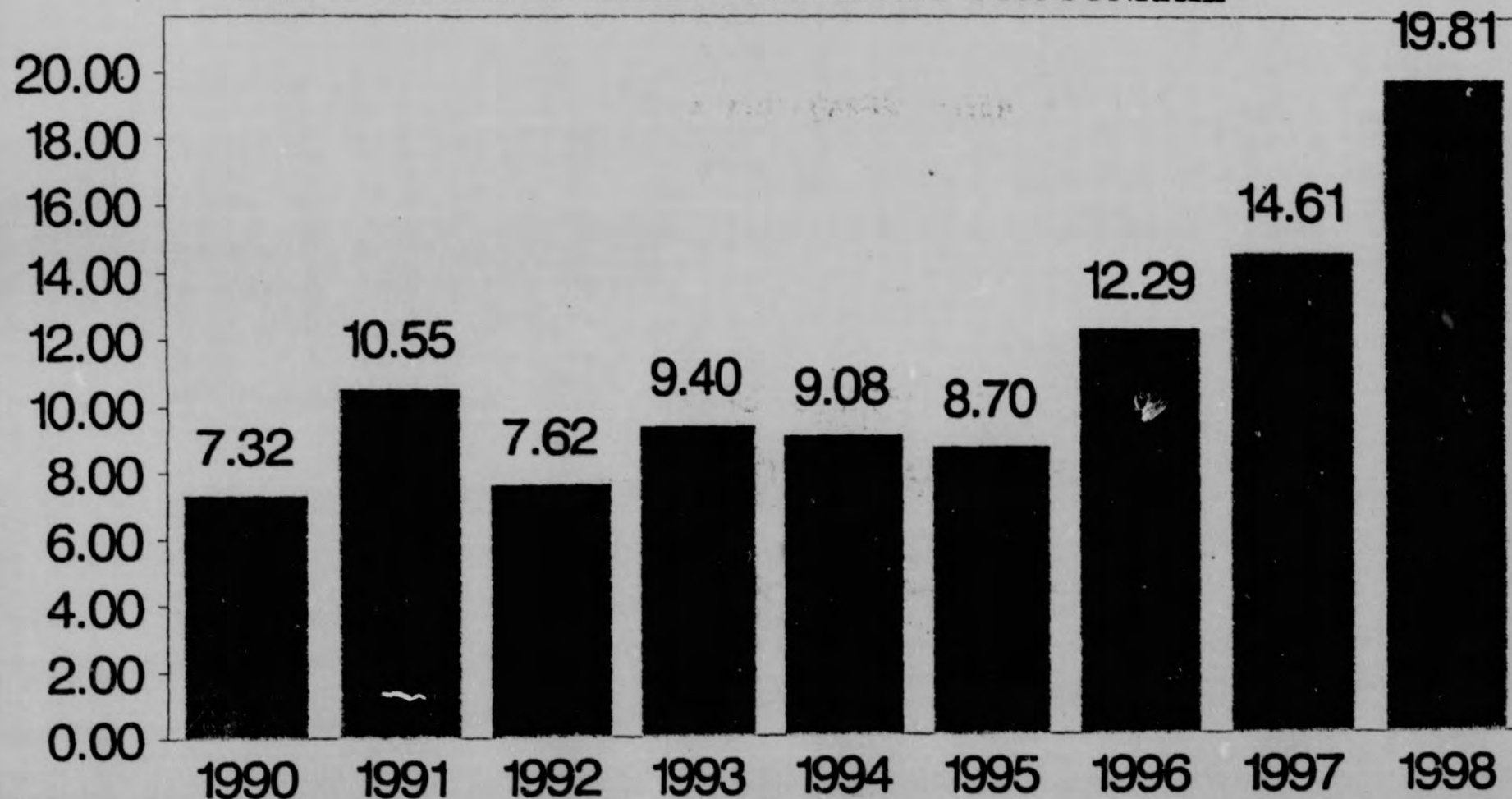


Includes highway-rail

## YARD ACCIDENT RATE

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



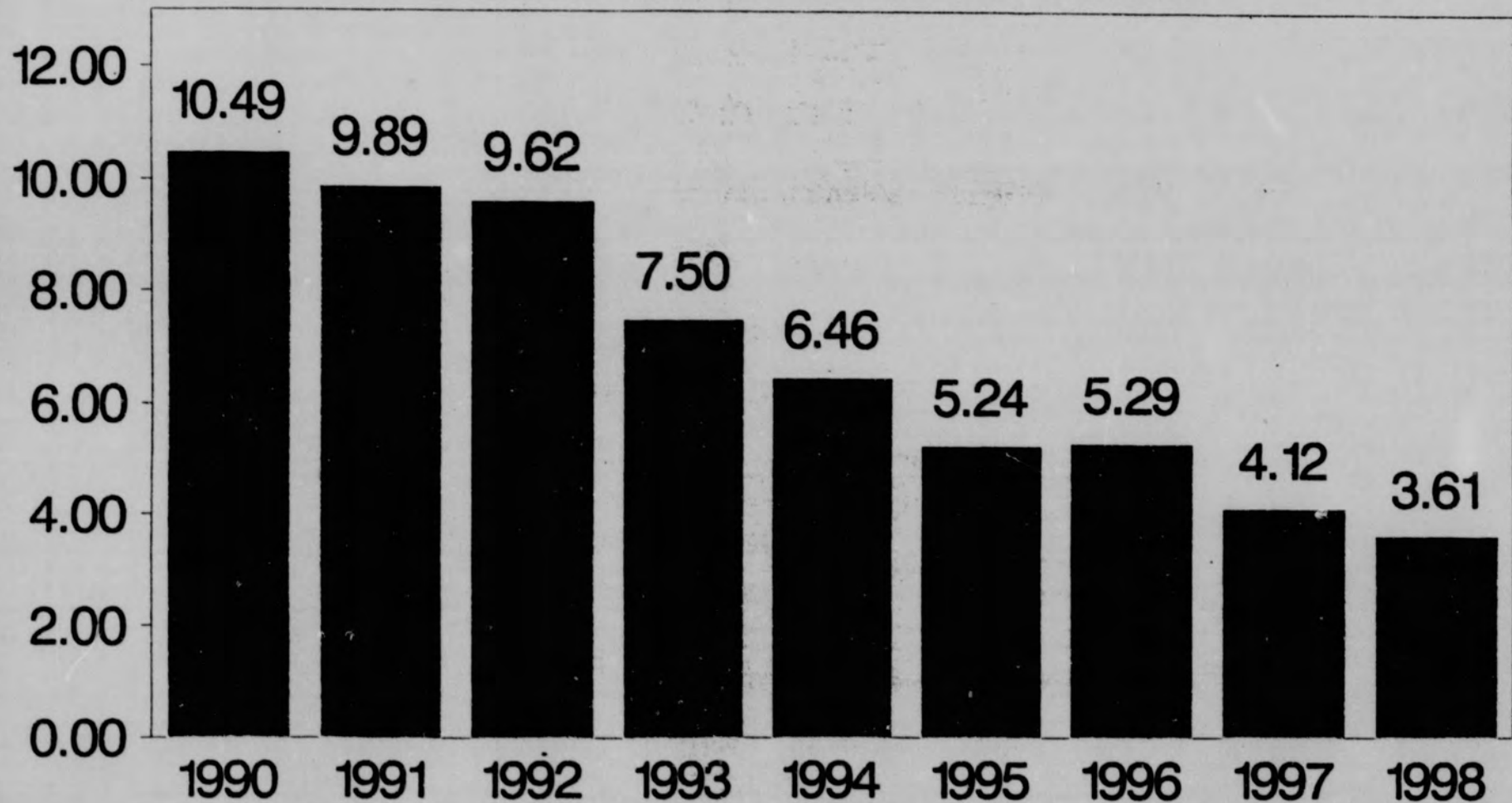
Excludes highway—rail. Number of yard accidents  
per 1,000,000 yard switching train miles



# HIGHWAY—RAIL INCIDENT RATE

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL

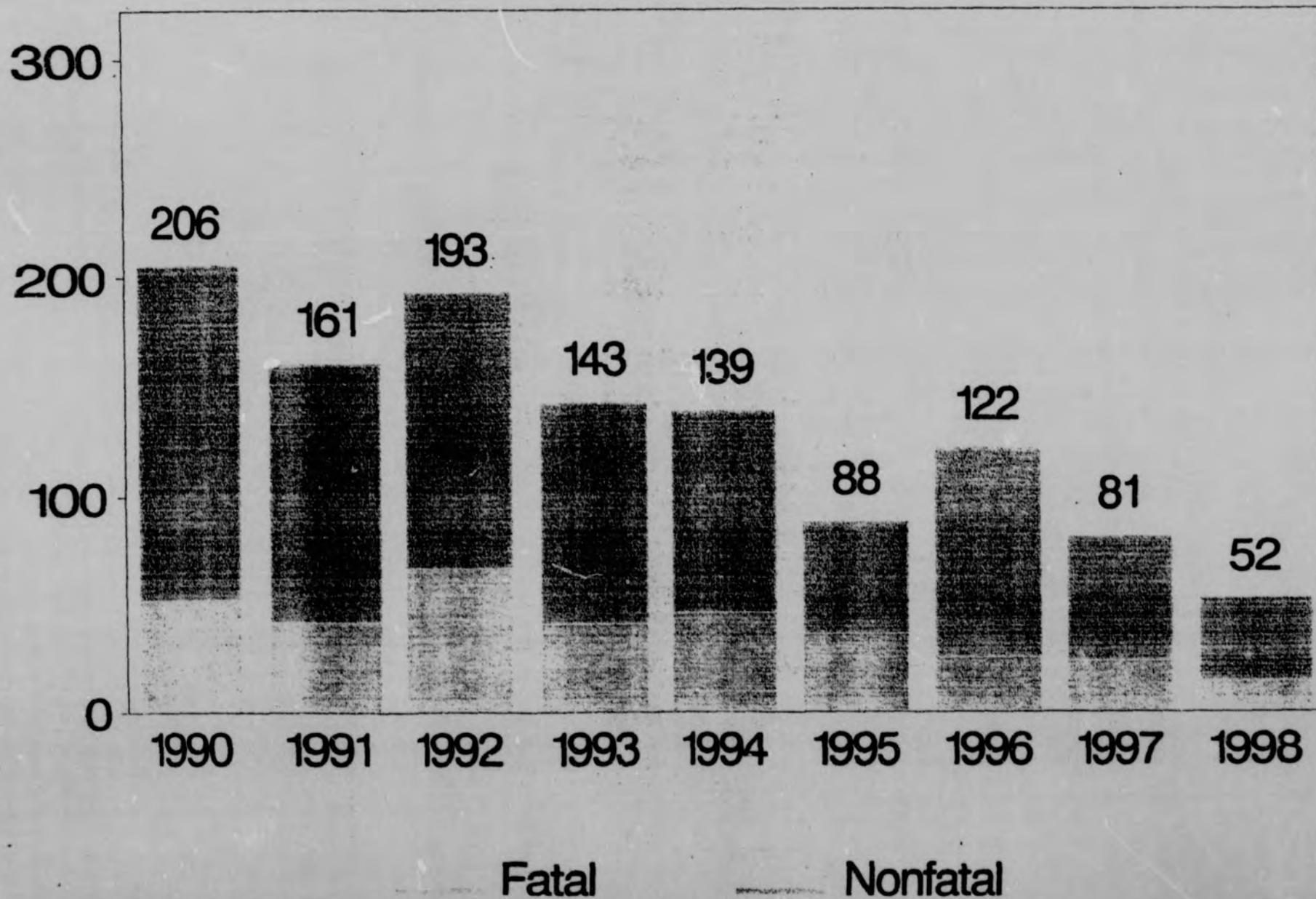


Number of accidents per 1 000 000 train miles

# HIGHWAY—RAIL CASUALTIES

JAN — DEC (1998 Preliminary)

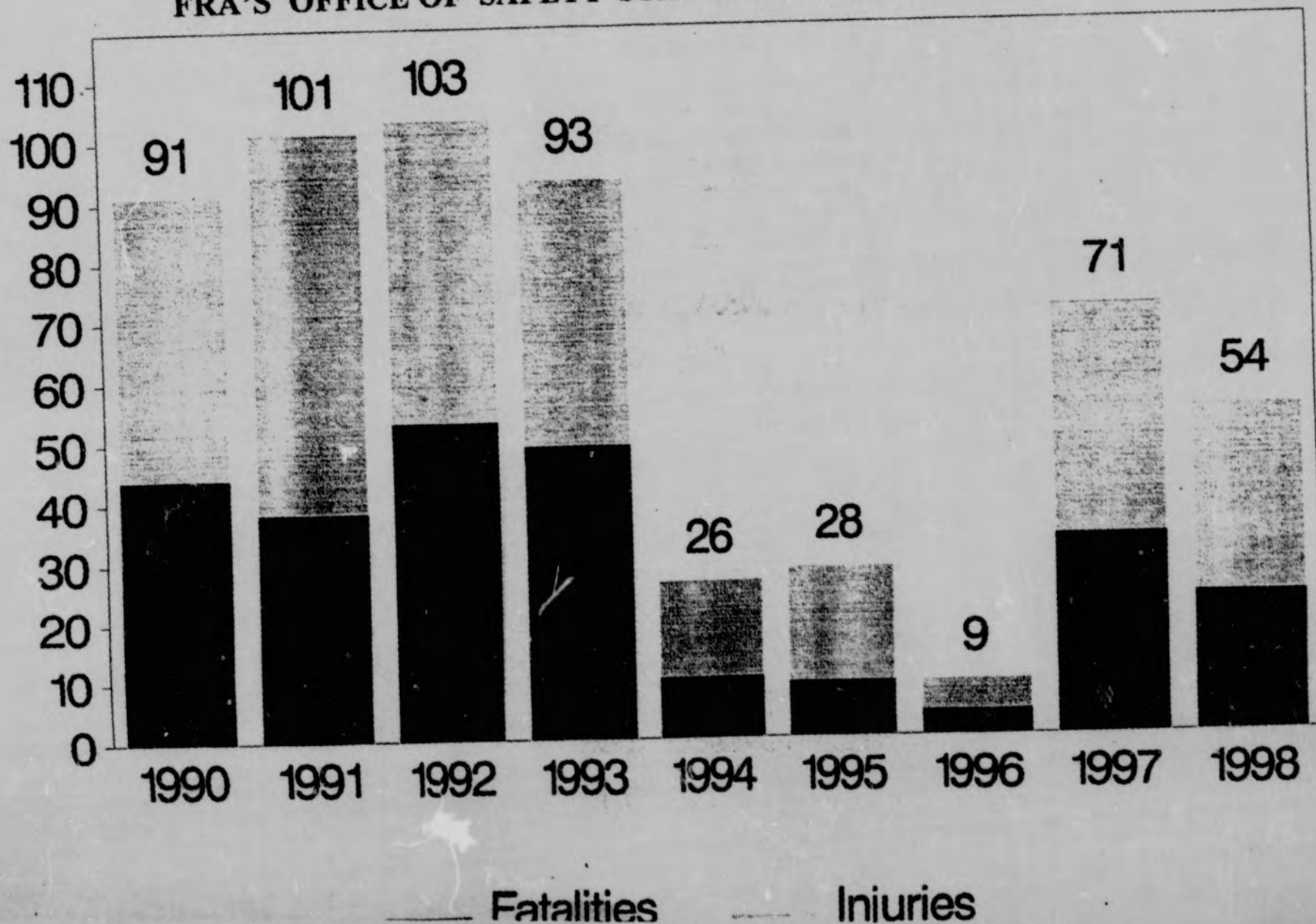
FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



# TRESPASSING CASUALTIES

JAN — DEC (1998 Preliminary)

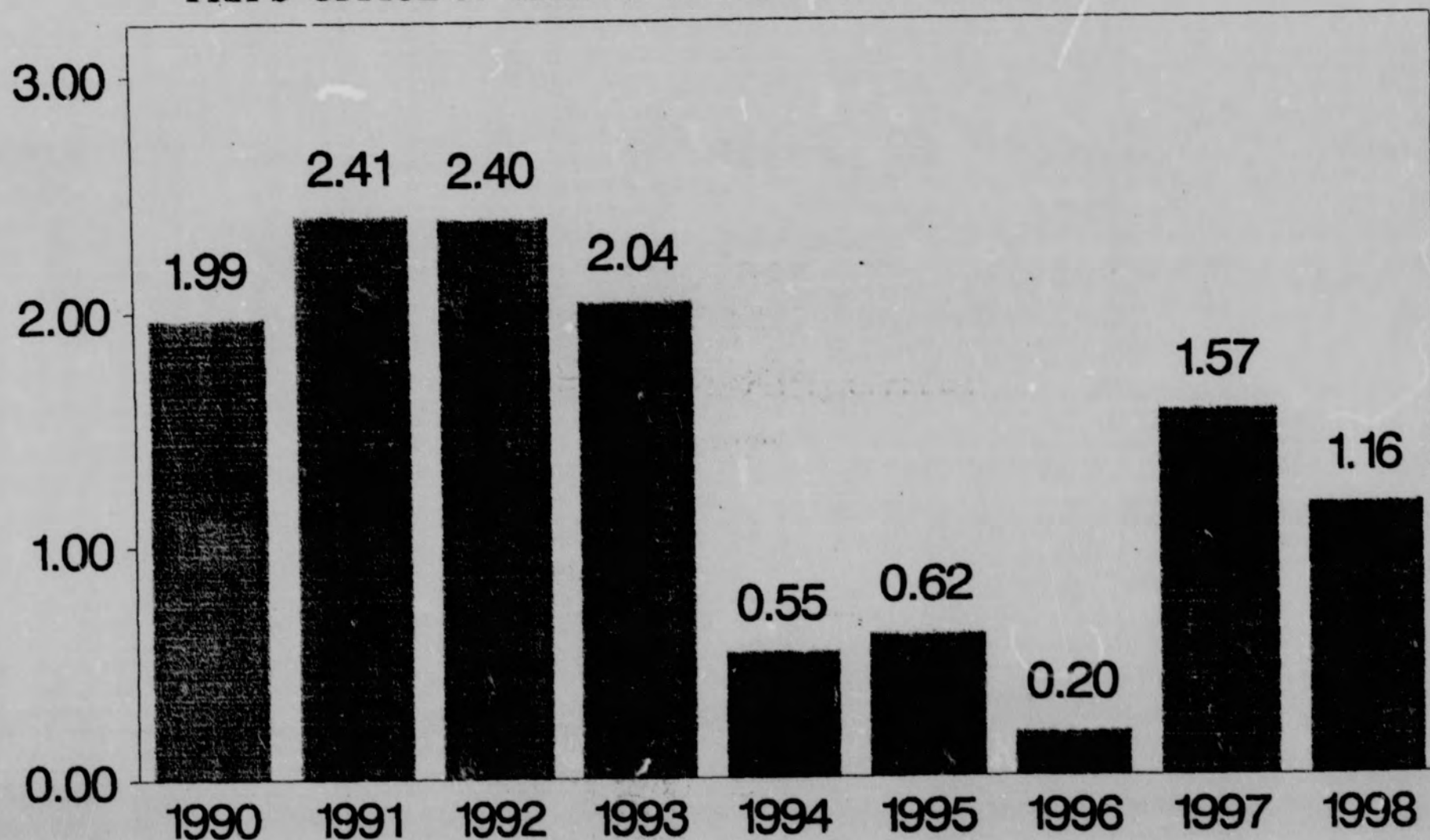
FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



# **TRESPASSER CASUALTY RATE**

**JAN – DEC (1998 Preliminary)**

**FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL**



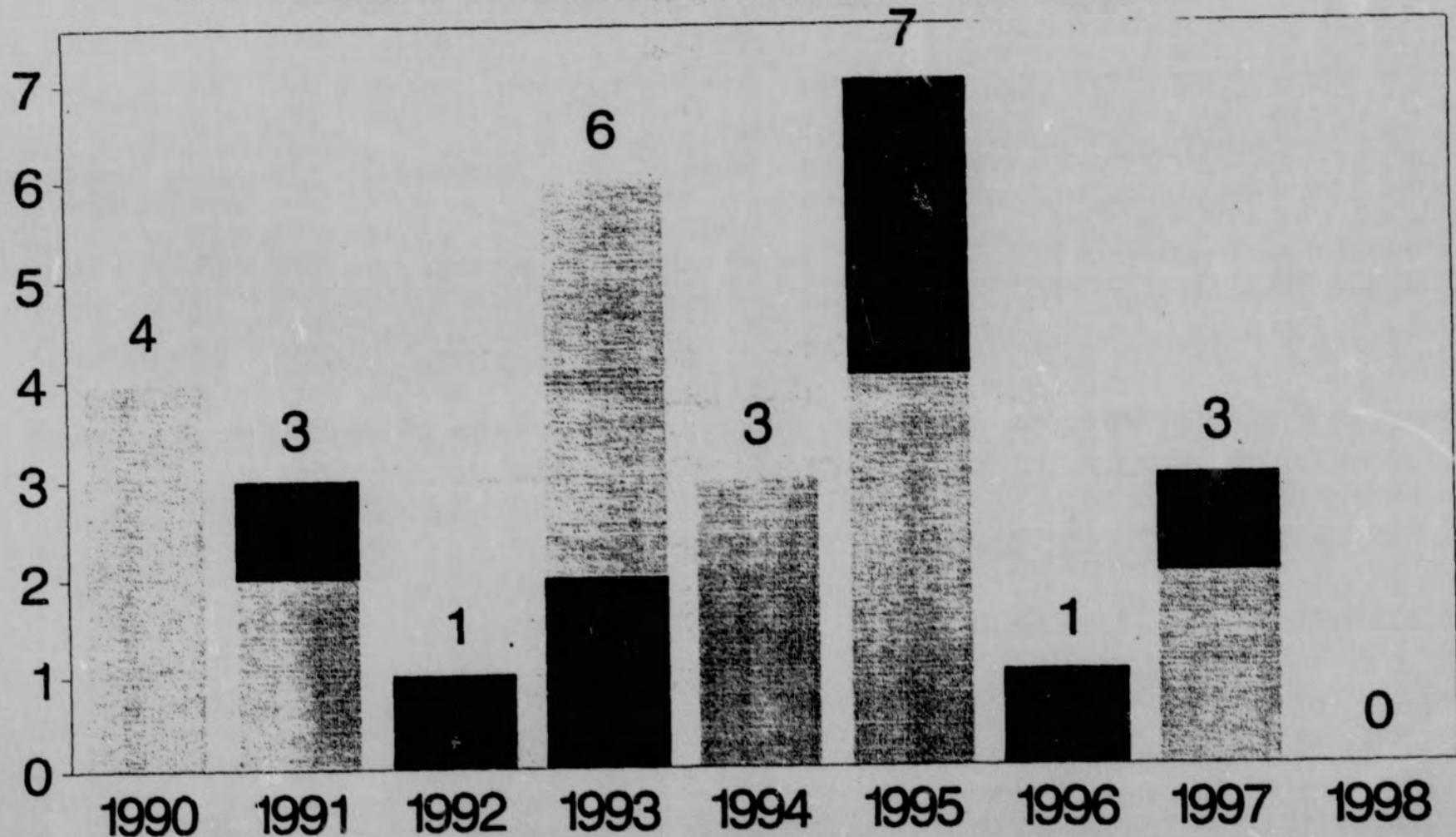
Total fatalities and injuries per 1,000,000 train miles



# EMPLOYEE FATALITIES

JAN — DEC (1998 Preliminary)

FRA'S OFFICE OF SAFETY STATISTICS FOR CONRAIL



— Highway — rail  
— Train accident

Other incident

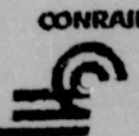
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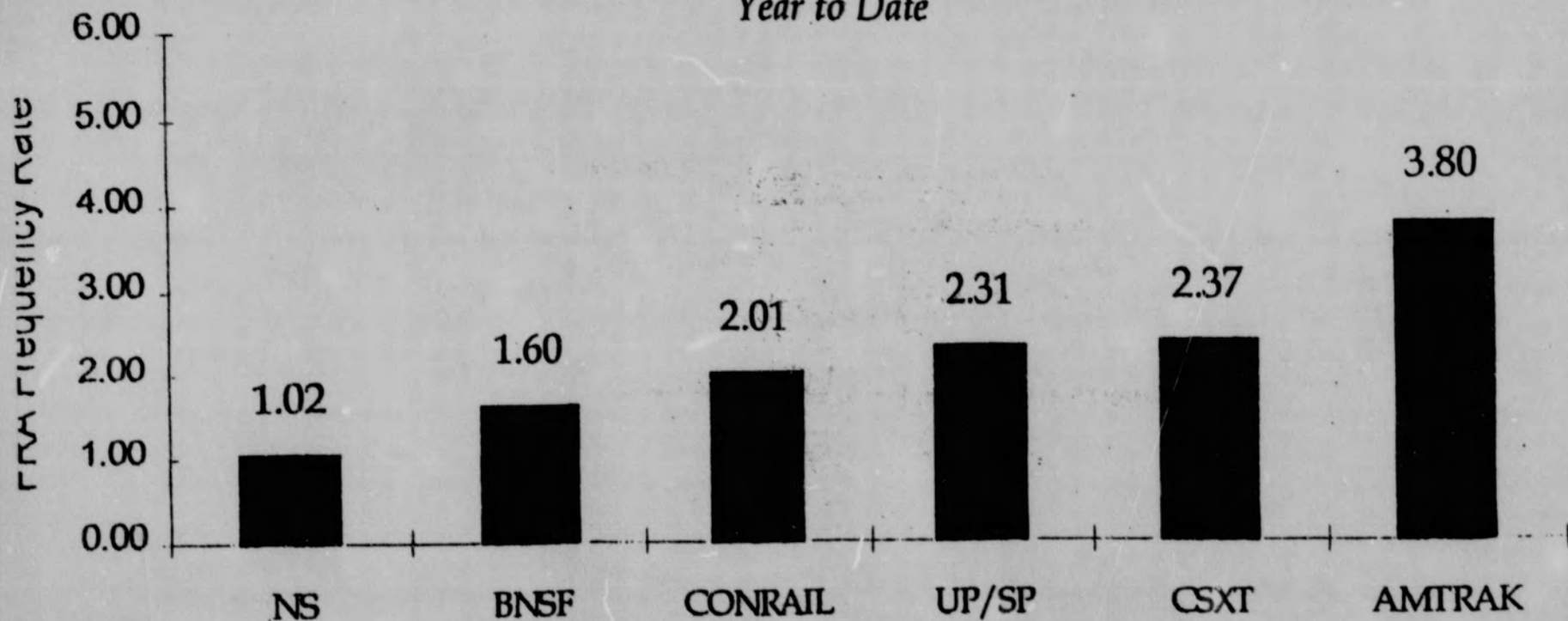
# *Safety Update*

## *Presentation to the FRA*

November 20, 1998



*FRA Reportable Rate*  
*AAR GROUP A Railroads*  
*October 1998*  
*Year to Date*



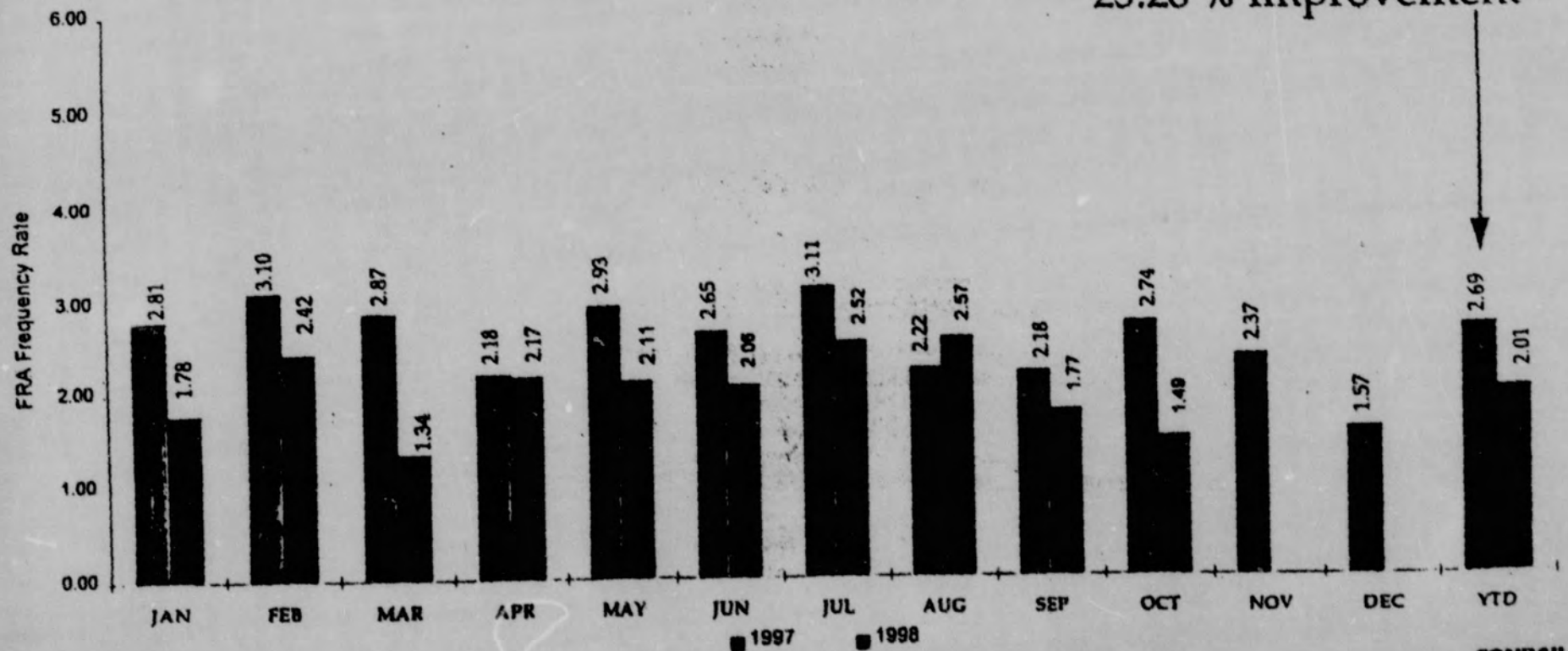
Source: AAR Monthly Frequency Report, 10/98 estimate

CONRAIL



# Conrail System FRA Reportable Rate 1997 Vs. 1998

25.28 % Improvement

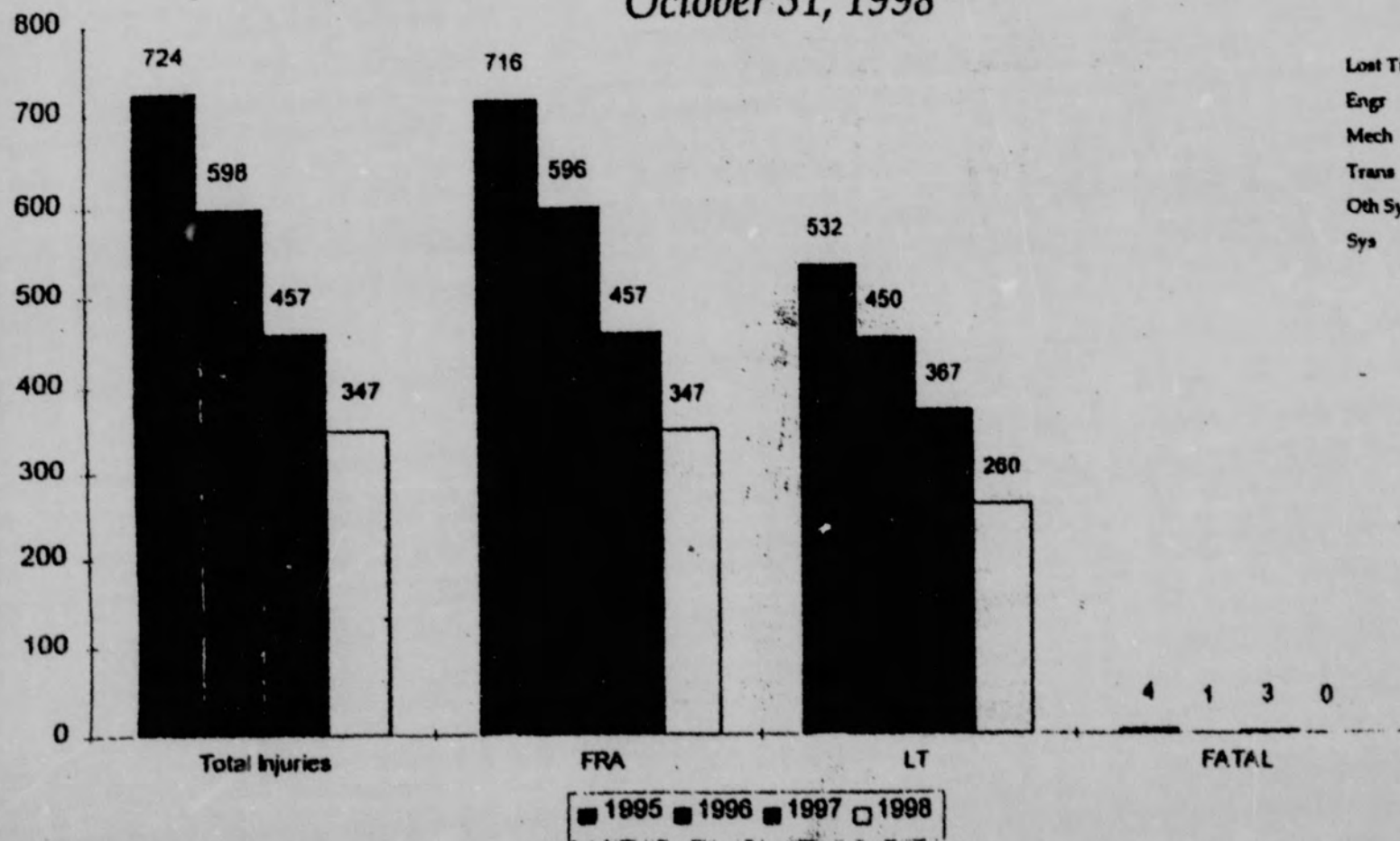


CONRAIL





# On-Duty Employee Injuries Year to Date October 31, 1998



Lost Time Injuries 98

Engr 58

Mech 38

Trans 154

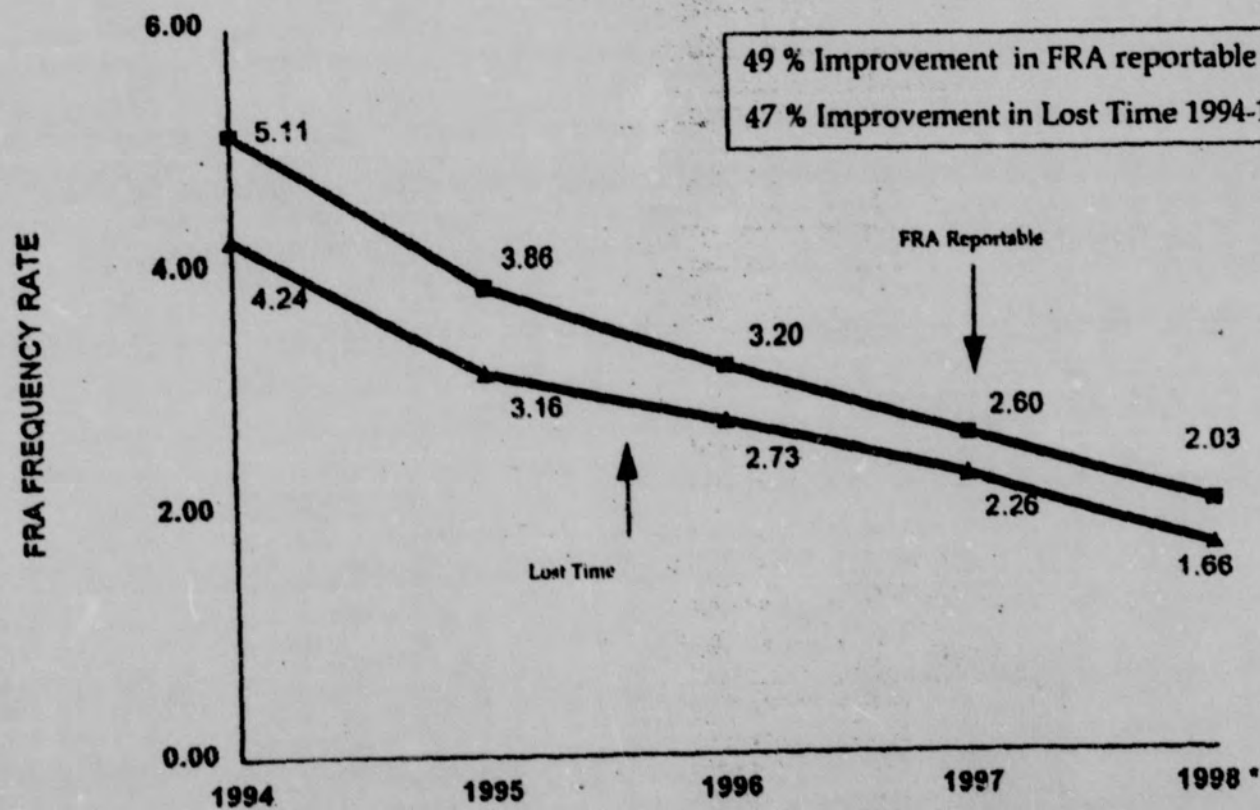
Oth Sys 10

Sys 260

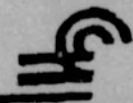
CONRAIL



# Conrail Safety Performance 1994 - 1998



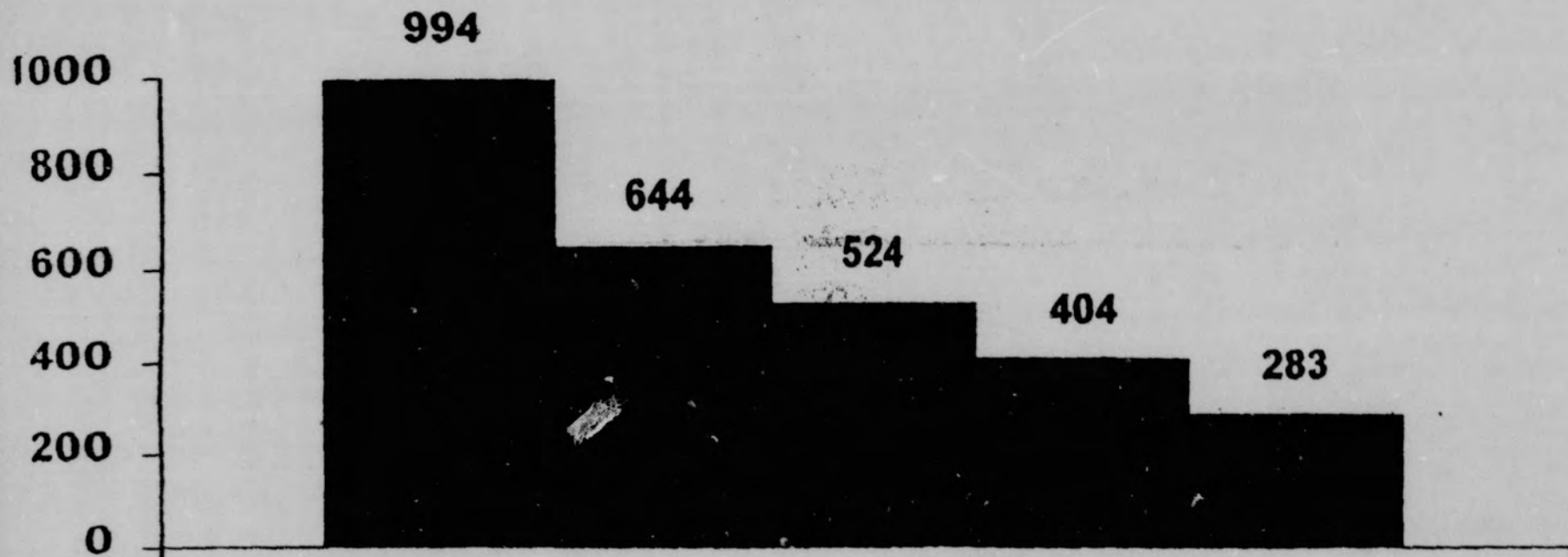
CONRAIL



\* 1998 10 months

# *Conrail Lost Time Injuries* **1994 - 1998**

**Total Number Lost Time Injuries**



■ 1994 ■ 1995 ■ 1996 ■ 1997 ■ 1998 \*

CONRAIL

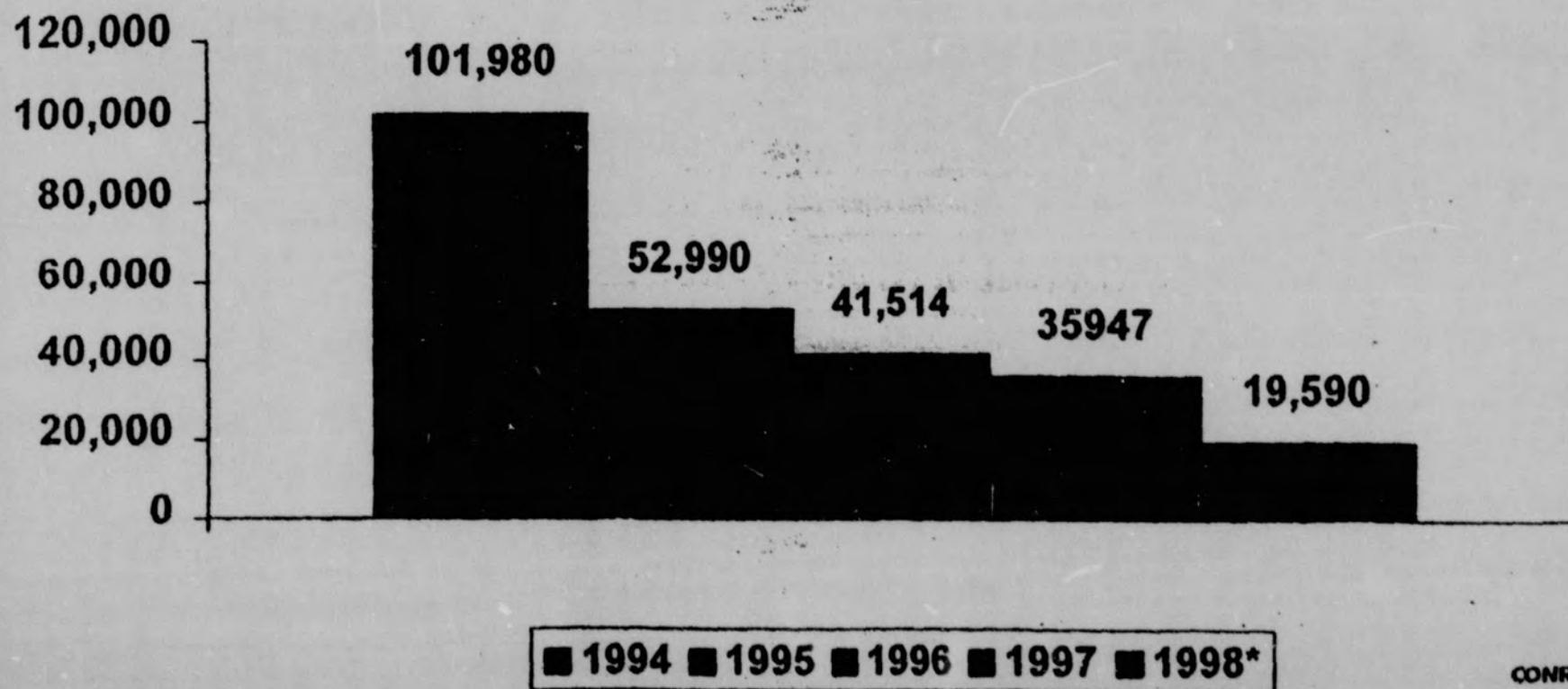


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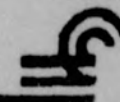
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## *Conrail Lost Work Days* **1994 - 1998**

**Lost Time Days for Current year Injuries**



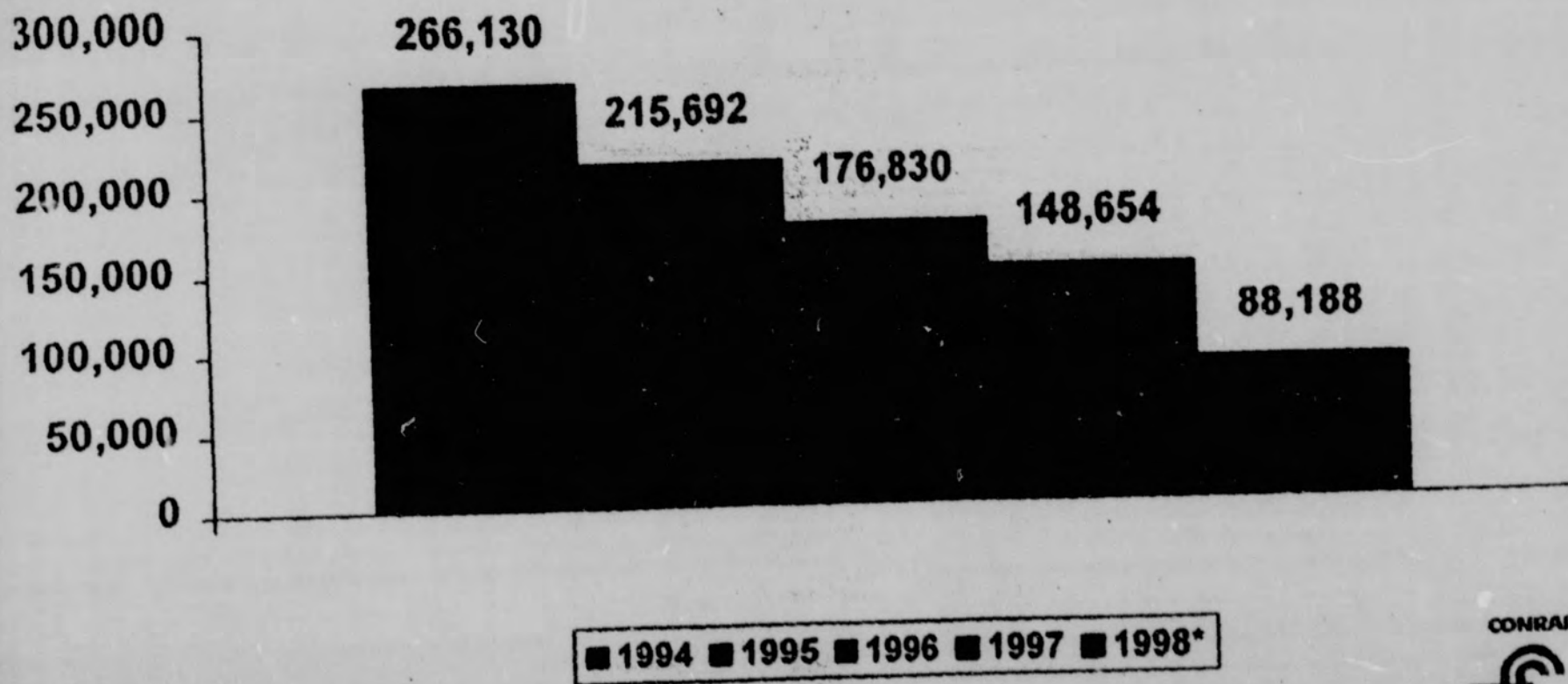
CONRAIL



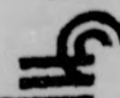


# **Conrail Lost Work Days 1994 - 1998**

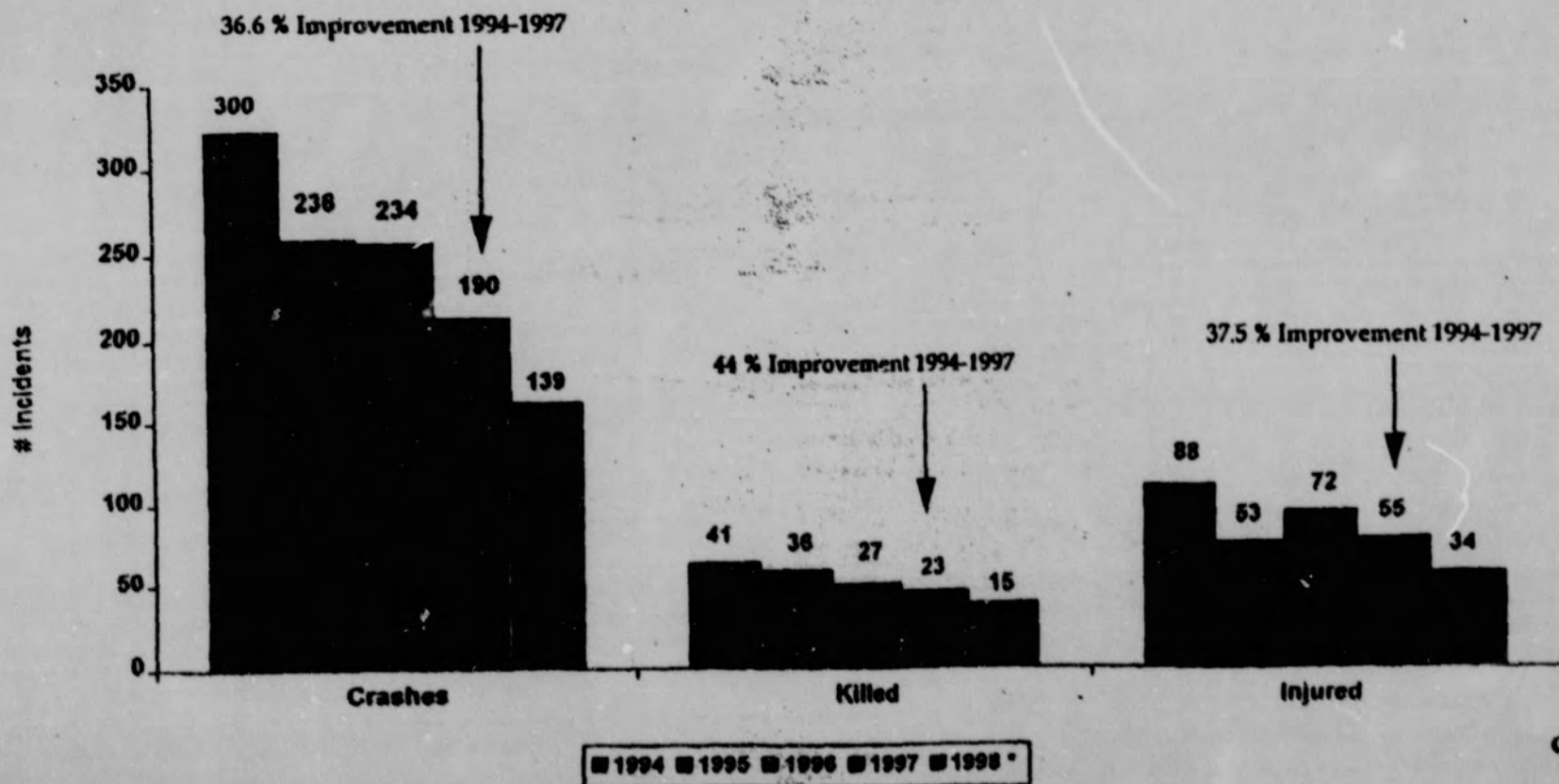
**Lost Time Days for Current and Prior Year Injuries**



CONRAIL



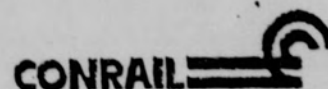
# Conrail Grade Crossing Accidents 1994 - 1998



\* 1998 10 months

CONRAIL





## SAFETY INTEGRATION PLAN REVIEW

### SHARED ASSETS OPERATIONS

JANUARY 29, 1999

- Organization/Service Planning Overview
  - Detroit
  - South Jersey
  - North Jersey
- Motive Power Allocation Plan
- Process Integration Plan
  - Tactical
  - Strategic

# Terminal Operations in Detroit Area

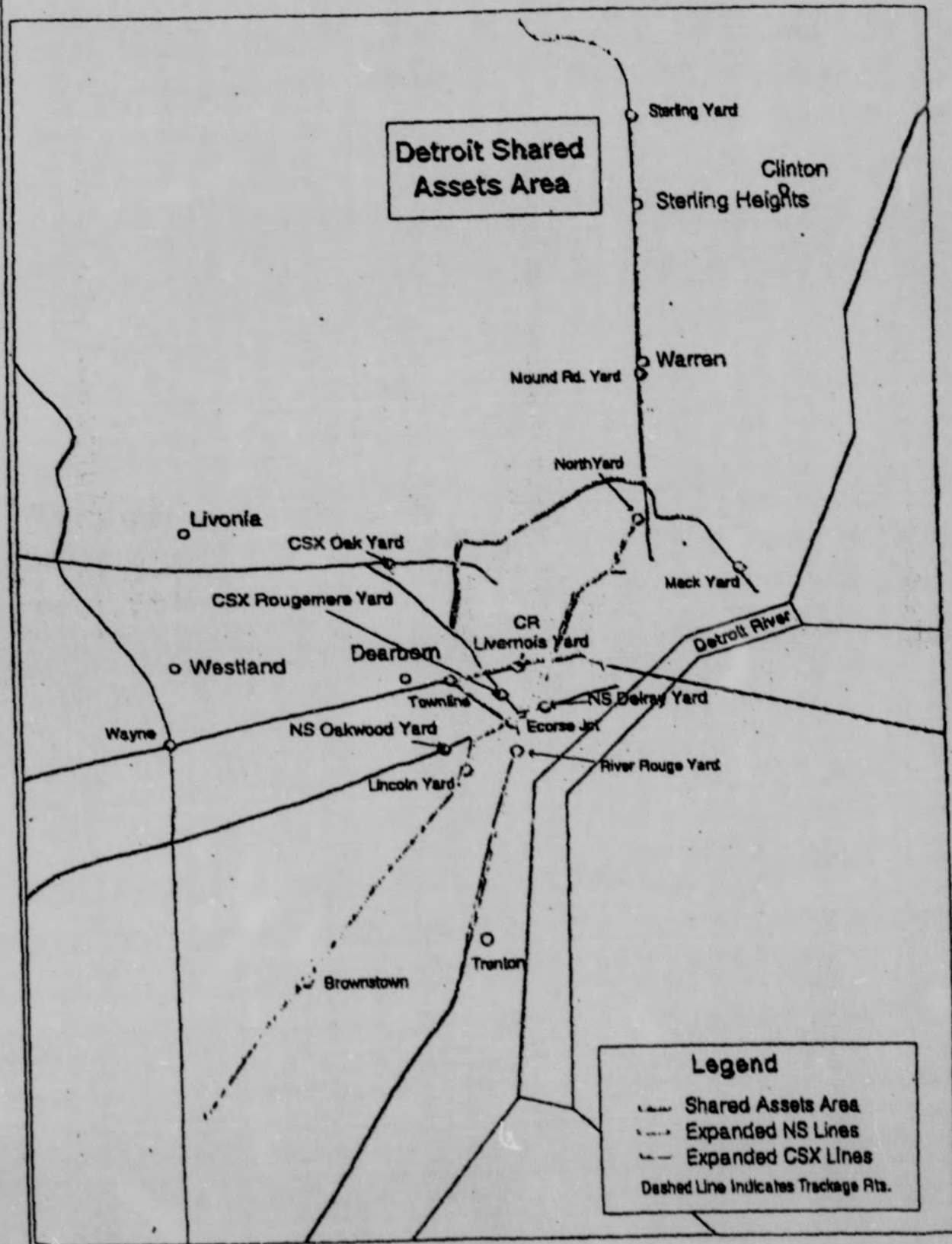
Current Operation			Proposed Operation	
Yard or facility	Current Operator	Current facility use	Proposed Operator	Proposed facility use
North	Conrail	Major classification facility. Also automotive	CSAO	Same as at present Focal point for Detroit CSAO
River Rouge	Conrail	Major industrial support facility	CSAO	Same as at present
Livernois	Conrail	Large industrial support yard with intermodal facility	CSAO	Same as at present
Sterling	Conrail	Large industrial support yard also automotive	CSAO	Same as at present
Mound Road	Conrail	Primarily Chrysler support	CSAO	Same as at present
Mack	Conrail	Industry support principally for Chrysler	CSAO	Same as at present
Lincoln	Conrail	Primarily supports Ford at Brownstown	CSAO	Same as at present
Trenton	Conrail	Support Trenton area	CSAO	Same as at present



CONSOLIDATED RAIL CORPORATION  
CY & E MINIMUM STAFFING REQUIREMENTS  
DETROIT TERMINAL - SHARED ASSETS AREA

REPORT LOCATION	JOB SYMBOL	TIME	E	C&Y	TOTAL	SUN	MON	TUE	WED	THU	FRI	SAT
<b>DE</b>												
LIVERNOIS	YDLV04	2100	1	1	2	B	X	X	X	X	X	YDLVR
LIVERNOIS	YDLV06	705	1	1	2	YDLVR	YDLVR	X	X	X	X	X
LIVERNOIS	YDLV09	759	1	2	3	B	B	X	X	X	X	X
LIVERNOIS	YDLV15	1430	1	1	2	B	X	X	X	X	X	B
LIVERNOIS	YDLV33	1559	1	2	3	B	X	X	X	X	X	B
LIVERNOIS	YDLVR3	VAR	1	1	2	YDLV06	YDLV06	B	B	YDRR	YDRRSI	YDLV
LIVERNOIS	YULV01	705	0	1	1	B	B	X	X	X	X	X
SUB TOTAL			6	9	15							
MACK YD	YDMY03	630	1	2	3	B	X	X	X	X	X	B
MACK YD	YDMY06	730	1	1	2	B	X	X	X	X	X	B
MACK YD	YDMY31	1430	1	2	3	YDNYR	X	X	X	X	X	YDNYR
MACK YD	YDMY79	2300	1	2	3	B	X	X	X	X	X	B
SUB TOTAL			4	7	11							
MOUND ROAD	YDMR21	600	1	2	3	B	YDNYR	X	X	X	X	X
MOUND ROAD	YDMR22	800	1	2	3	X	X	X	X	X	X	B
MOUND ROAD	YDMR50	1559	1	1	2	B	X	X	X	X	X	B
MOUND ROAD	YDMR51	1445	1	2	3	YDNYR	YDNYR	X	X	X	X	X
MOUND ROAD	YDMR70	2300	1	1	3	B	X	X	X	X	X	B
SUB TOTAL			5	8	14							
NORTH YARD	YDNY01	705	1	2	3	YDNYR	X	X	X	X	X	YDNYRS
NORTH YARD	YDNY03	631	1	1	2	B	X	X	X	X	X	B
NORTH YARD	YDNY04	705	1	1	2	B	X	X	X	X	X	B
NORTH YARD	YDNY05	700	1	1	2	B	X	X	X	X	X	B
NORTH YARD	YDNY4	1559	1	2	3	X	X	X	X	YDNY	YDNYR	X
NORTH YARD	YDNY61	2300	1	1	3	X	X	YDNYR1	YDNYR	X	X	X
NORTH YARD	YDNYR1	VAR	1	2	3	YDMY3	YDLV3	YDNY61	YDNY6	B	B	YDMY3
NORTH YARD	YDNYR5	VAR	1	2	3	YDNY0	YDMR2	B	B	YDNY	YDNY4	YDNY0
NORTH YARD	YEXC1	1201	1	1	2	B	X	X	X	X	X	B
NORTH YARD	YUNY01	700	0	1	1	B	X	X	X	X	X	B
SUB TOTAL			9	14	24							
RIVER ROUGE	YDRR01	700	1	2	3	X	X	X	X	DRRR	YDRRR	X
RIVER ROUGE	YDRR02	630	1	1	2	X	X	X	YDRRR	B	X	X
RIVER ROUGE	YDRR20	759	1	1	2	B	X	X	X	X	X	B
RIVER ROUGE	YDRR23	630	1	1	2	YDRRR	X	X	X	X	X	YDRRR
RIVER ROUGE	YDRR30	2245	1	1	2	X	X	X	X	X	B	B
RIVER ROUGE	YDRR32	1430	1	2	3	B	X	X	X	X	X	B
RIVER ROUGE	YDRR40	1430	1	2	3	B	YDRRR	X	X	X	X	X
RIVER ROUGE	YDRR50	1559	1	2	3	YDRRR	X	X	X	X	X	YDRRR
RIVER ROUGE	YDRR61	2315	1	1	2	B	X	X	X	X	X	B

REPORT LOCATION	JOB SYMBOL	TIME	E	C&Y	TOTAL	SUN	MON	TUE	WED	THU	FRI	SAT
RIVER ROUGE	YDRR7	VAR	1	2	3	YDRR5	YDRR4	YDRR5	YDRR5	B	B	YDRR5
RIVER ROUGE	YDRR9	VAR	1	1	2	YDRR2	B	B	YDRR0	YDRR0	YDRR2	YDRR2
RIVER ROUGE	YURR01	700	0	1	1	B	X	X	X	X	X	B
RIVER ROUGE	YURR03	2245	0	1	1	X	X	X	X	X	B	B
SUB TOTAL			11	18	29							
STERLING YARD	WDWS01	530	1	1	2	X	X	X	X	X	X	X
STERLING YARD	WDWS04	1101	1	1	2	B	X	X	X	X	X	X
STERLING YARD	WDWS05	1430	1	1	2	B	X	X	X	X	X	X
STERLING YARD	WUBS01	730	0	1	1	X	X	X	X	X	X	X
STERLING YARD	WUBS02	1330	0	1	1	B	X	X	X	X	X	X
SUB TOTAL			3	5	8							
TRENTON YARD	WDTRO1	1230	1	1	2	B	X	X	X	X	X	X
SUB TOTAL			1	1	2							
XTRA	XTRA LOCAL		1	2	3							
XTRA	XTRA YARD		12	18	30							
SUB TOTAL			13	20	33							
GRAND TOTAL			52	82	136							



### Terminal Operations in South Jersey/Philadelphia Area

Current Operation			Proposed Operation	
Yard or Facility	Current Operator	Current Facility Use	Proposed Operator	Proposed Facility Use
Morrisville	Conrail	Industrial support and intermodal	CSAO and NS	CSAO for carload; NS for intermodal
Greenwich	Conrail	Coal, ore, intermodal and industrial support	CSX	Except NS will retain bulk and intermodal access to Ameriport
Stokey Creek	Conrail	Industrial support	CSAO	Same as at present
Midvale	Conrail	Industrial support for Chestnut Hill branch	CSAO	Same as at present
Frankford Jct	Conrail	Industrial yard on the Delair Branch	CSAO	Same as at present
West Falls Yard	Conrail	Industrial support and block transfer	NS	NS facility, CSAO will have limited use
Pavonia	Conrail	In Camden, major support facility for Trenton and surrounding area	CSAO	Will become the focal point control center for CSAO
Millville	Conrail	Industrial support for the Vineland area	CSAO	Same as at present
Paulsboro	Conrail	On the Penns Grove secondary. Serves Woodbury	CSAO	Same as at present



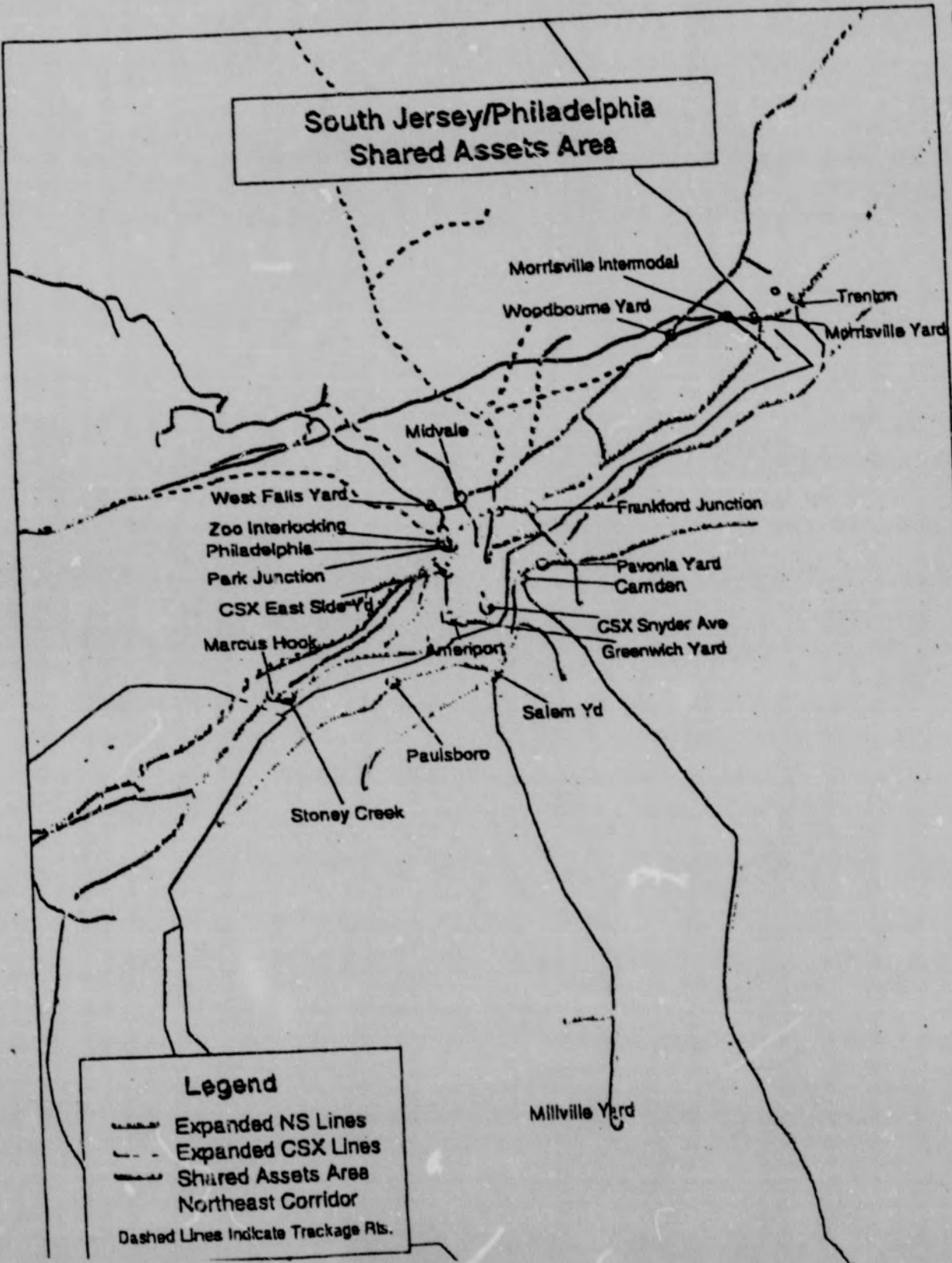
**CONSOLIDATED RAIL CORPORATION  
CY & E MINIMUM STAFFING REQUIREMENTS  
PHILADELPHIA TERMINAL - SHARED ASSETS AREA**

Report Location	Job Symbol	Time	ENG	C&Y	Total	SUN	MON	TUE	WED	THU	FRI	SAT
<b>PH</b>												
BURLINGT	WPBU29	630	1	2	3	B	X	X	X	X	X	B
	SUB TOTAL		1	2	3							
FRK JCT	YPFJ02	715	1	1	2		X	X	X	X	X	
FRK JCT	YPFJ03	730	1	1	2	X	X	X	X	X		
FRK JCT	YPFJ04	630	1	1	2		X	X	X	X	X	
FRK JCT	YPFJ22	1559	1	1	2		X	X	X	X	X	
FRK JCT	YPFJ33	1500	1	2	3		X		X	X	X	
	SUB TOTAL		5	6	11							
MIDVALE	YPMV01	630	1	1	2	B	X	X	X	X	X	B
MIDVALE	YPMV02	730	1	1	2	B	X	X	X	X	X	B
MIDVALE	YPMV05	800	1	1	2	WILD	X	X	X	X	X	B
MIDVALE	YPMV30	1500	1	1	2	B	X	X	X	X	X	WILD
MIDVALE	YPMV31	1530	1	2	3	B	X	X	X	X	X	B
MIDVALE	YPMV62	2300	1	1	2	B	X	X	X	X	X	B
	SUB TOTAL		6	7	13							
MILLVILLE	WPMI21	800	1	1	2	B	X	X	X	X	X	B
MILLVILLE	WPMI61	2200	1	1	2	B	X	X	X	X	X	B
	SUB TOTAL		2	2	4							
MORRIS	WPBS02	730	1	2	3	B	X	X	X	X	X	X
MORRIS	WPFJ10	600	1	1	2	B	X	X	X	X	X	B
MORRIS	W. MO01	1000	1	1	2	X	X	X	X	X	X	B
MORRIS	WPMQ20	700	1	1	2	B	X	X	X	X	X	B
MORRIS	YPMO01	630	1	1	2	YPMO	X	X	X	X	X	YPMO
MORRIS	YPMO02	800	1	1	2	X	X	X	X	X	B	B
MORRIS	YPMO03	700	1	1	2	B	X	X	X	X	X	B
MORRIS	YPMO33	1500	1	2	3	X	YPMO	YPMOR	X	X	X	B
MORRIS	YPMO60	2300	1	1	2	X	X	X	X	X	B	B
MORRIS	YPMO61	2359	1	1	2	B	X	X	X	X	X	B
MORRIS	YPMO-R1	VAR	1	1	2	YPMO0	YPMO3	YPMO33	B	B	YPMO	YPMO0
MORRIS	YUB01	700	0	1	1	B	X	X	X	X	X	B
MORRIS	YUB03	2300	0	1	1	X	X	X	X	X	B	B
	SUB TOTAL		11	15	26							
PAULSBO	WPPA10	700	1	2	3	WPPA	WPPA	X	X	X	X	X
PAULSBO	WPPA21	1400	1	1	2		X	X	X	X	X	
PAULSBO	WPPA33	1800	1	2	3	X	X	X	X	X	WPPA	WPPA
PAULSBO	WPPA40	1600	1	1	2		X	X	X	X	X	
PAULSBO	WPPA70	2359	1	1	2	X	X	X	X	X		
						WPPA41	WPPA41	WPPAR	B	B	WPPA3	WPPA3

Report Location	Job Symbol	Time	ENG	C&Y	Total	SUN	MON	TUE	WED	THU	FRI	SAT
PAULSBO	WPUBP1	900	0	1	1	B	X	X	X	X	X	B
	SUB TOTAL		6	9	15							
PAVONIA	CRO1P	800	0	1	1	B	B	X	X	X	X	X
PAVONIA	CRO1PR	VAR	0	1	1	CRO1P	CRO1P	YUB1P2	B	B	YUB1P	YUB1P
PAVONIA	MWPC01	700	0	1	1	B	X	X	X	X	X	B
PAVONIA	WPCA11	200	1	1	2		X	X	X	X	X	X
PAVONIA	WPCA20	1100	1	2	3		X	X	X	X	WPPA	
PAVONIA	WPCA29	2200	1	1	2	X	X	X	X	X	X	B
PAVONIA	WPCA51	830	1	1	2	B	B	B	X	X	X	X
PAVONIA	YPCA03	700	1	2	3	X	X	X	X	X	WLD	WLD
PAVONIA	YPCA04	715	1	1	2	X	X	X	X	X	B	B
PAVONIA	YPCA20	1530	1	1	2	X	X	X	YPCAR	YPCA	X	X
PAVONIA	YPCA24	1515	1	1	2	X	X	X	X	X	B	B
PAVONIA	YPCA60	2259	1	1	2	X	X	X	X	X	B	B
PAVONIA	YPCA69	2345	1	2	3	X	X	X	X	X	B	B
PAVONIA	YPCAR1	VAR	1	1	2	B	YPCA0	YPCA03	YPCA2	YPCA	YPCA2	B
PAVONIA	YUB1P1	700	0	1	1	X	X	X	X	X	YUBPR	YUBPR
PAVONIA	YUB1P2	730	0	1	1	B	YUBP	CRO1P	X	X	X	X
PAVONIA	YUB2P1	1559	0	1	1	WLD	X	X	X	X	X	WLD
PAVONIA	YUB3P1	2230	0	1	1	X	X	X	X	X		
	SUB TOTAL		11	21	32							
S PHIL	YMWPC1	700	0	1	1	B	X	X	X	X	X	B
S PHIL	YPSP11	700	1	1	2	YPSPR	X	X	X	X	X	YPSPR
S PHIL	YPSP13	759	1	1	2	X	YPSPR	YPSPR1	X	X	X	X
S PHIL	YPSP21	1530	1	1	2	B	X	X	X	X	X	B
S PHIL	YPSP22	1559	1	1	2	B	X	X	X	X	B	B
S PHIL	YPSP33	2230	1	1	2	X	X	X	X	X	B	YPSPR
S PHIL	YPSPR1	VAR	1	1	2	YPSPR1	YPSPR1	YPSPR13	YPSPR3	B	B	B
S PHIL	YUBSP1	1530	0	1	1	B	X	X	X	X	X	B
	SUB TOTAL		6	8	14							
ST CREEK	WPSC09	1130	1	1	2	B	B	X	X	X	X	X
ST CREEK	YPSC01	659	1	1	2	B	X	X	X	X	X	B
ST CREEK	YPSC02	730	1	2	3	YPSCR	X	X	X	X	X	YPSCR
ST CREEK	YPSC31	1559	1	1	2	X	YPSCR	YPSCR1	X	X	X	X
ST CREEK	YPSC32	1430	1	2	3	B	X	X	X	X	X	B
ST CREEK	YPSC33	1500	1	2	3	B	X	X	X	X	X	B
ST CREEK	YPSC61	2230	1	1	2	B	X	X	X	X	X	B
ST CREEK	YPSCR1	VAR	1	1	2	YPSC0	YPSC3	YPSC31	B	B	YPSCR	YPSC0
	SUB TOTAL		8	11	19							
XTRA	XTRA MO		4	5	9							
XTRA	XTRA PHIL		13	18	31							
XTRA	XTRA ST C		3	4	7							
	SUB TOTAL		20	27	47							

Report	Job											
Location	Symbol	Time	ENG	C&Y	Total	SUN	MON	TUE	WED	THU	FRI	SAI
SAC TOTAL			76	108	184							

# South Jersey/Philadelphia Shared Assets Area



## Legend

- Expanded NS Lines
- Expanded CSX Lines
- Shared Assets Area  
Northeast Corridor
- Dashed Lines Indicate Trackage Rts.



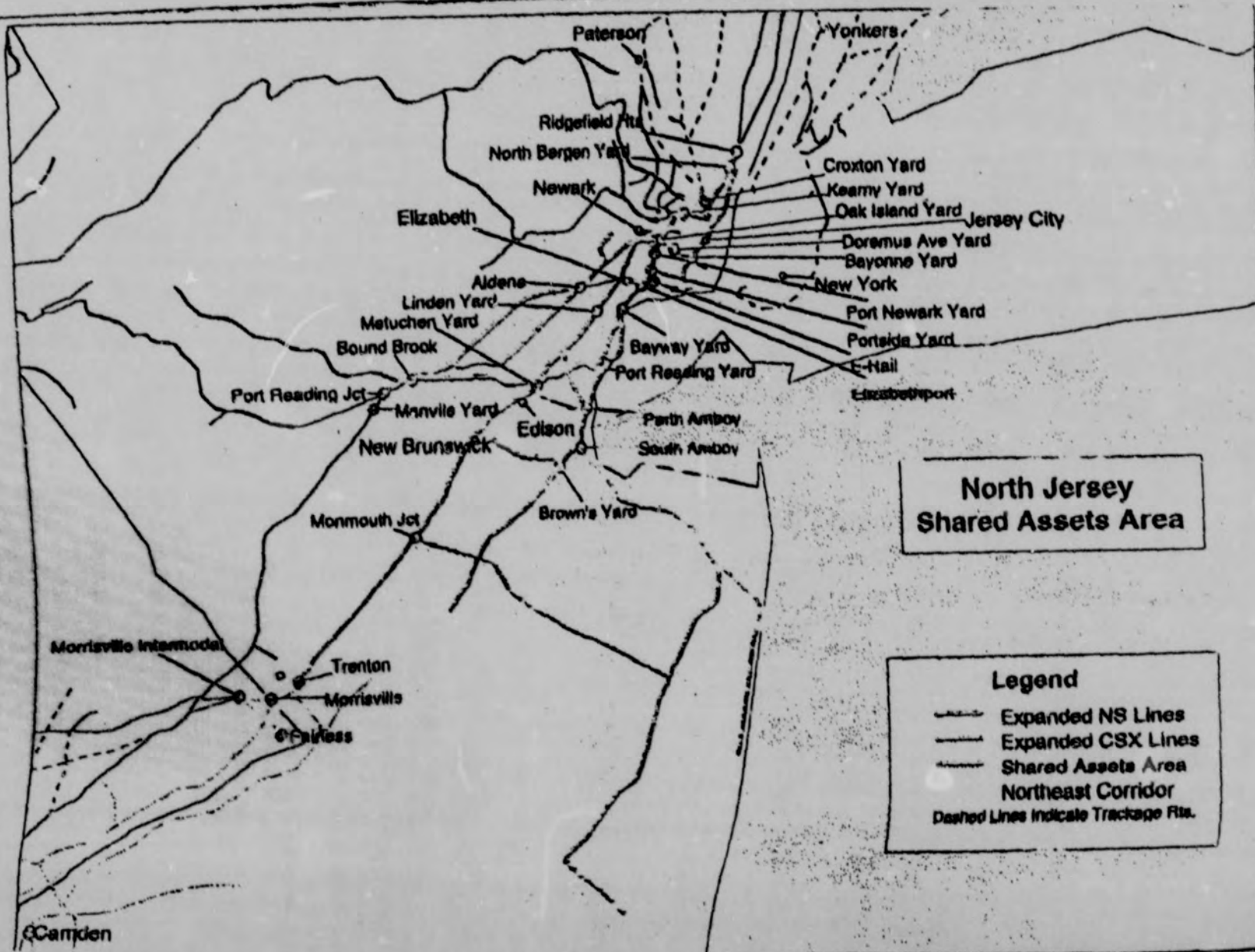
### Terminal Operations in North Jersey

Current Operation			Proposed Operation	
Yard or Facility	Current Operator	Current Facility Use	Proposed Operator	Proposed Facility Use
Ridgefield Heights	Conrail	Automotive support	CSAO	Same as at present
North Bergen	Conrail	Intermodal and some local carload traffic	CSX	CSX Intermodal; Southern Tier locals to NS move to Croxton
Croxton	Conrail	Intermodal and bulk transfer	NS	Intermodal and NS Southern Tier Locals
South Kearny	Conrail	Carload support and intermodal	CSX	Same as at present, but used by CSX
South Kearny (APL)	Conrail	APL Intermodal	CSX and NS	Joint service by CSX and NS
Oak Island	Conrail	Major classification yard	CSAO	Use will increase; re-opening hump yard will be considered
Doremus Ave	Conrail	Two units, both for automobile unloading	CSAO	Same as at present
Bayonne	Conrail	Includes Mullery Yard. Industrial support principally for petrochemical industry	CSAO	Same as at present
Port Newark	Conrail	Intermodal, automotive and carload	CSAO	Same as at present
Elizabethport	Conrail	Industrial and intermodal support	CSAO	Two tracks will be assigned to NS to support E-Rail
Portside	Conrail TCS	Triple Crown Services RoadRailer® facility	CSAO and TCS	TCS will operate RoadRailer® operation
Port Reading	Conrail	Secondary classification and support for petrochemical traffic, and other carload	CSAO	Same as at present
Manville	Conrail	Industrial support for the area, including Raritan Line	CSX	Same use, but NS and CSAO will have operating rights in this yard
Bayway	Conrail	Storage for petrochemical industry	CSAO	Same as at present
Brown's	Conrail	Industrial support for Amboy secondary	CSAO	Same as at present
Linden	Conrail	Serves GM assembly plant. Auto loading ramp.	CSAO	Same as at present
Menuchen	Conrail	Serves Ford assembly plant and other industrial customers	CSAO	Same as at present
E-Rail	Conrail	Intermodal	NS	Expanded Intermodal

**CONSOLIDATED RAIL CORPORATION**  
**CY & E MINIMUM STAFFING REQUIREMENTS**  
**NEW JERSEY TERMINAL - SHARED ASSETS AREA**

Report Location	Job Symbol	Time	ENG	C&Y	Total	SUN	MON	TUE	WED	THU	FRI	SAT
<b>NJ</b>												
BAYONNE	YFLG2B	800	0	1	1	B	X	X	X	X	X	B
BAYONNE	YPBA01	630	1	2	3	B	X	X	X	X	X	B
BAYONNE	YPBA02	630	1	1	2	B	X	X	X	X	X	B
BAYONNE	YPBA03	730	1	1	2	B	X	X	X	X	X	B
	SUB TOTAL		3	5	8							
BAYWAY	YBBY01	700	1	1	2	B	X	X	X	X	X	B
	SUB TOTAL		1	1	2							
BROWNS	WPSA31	900	1	1	2	B	X	X	X	X	X	B
BROWNS	WPSA33	1700	1	1	2	B	X	X	X	X	X	B
BROWNS	WPSA35	2300	1	1	2	B	X	X	X	X	X	B
BROWNS	YPSA02	700	1	1	2	B	X	X	X	X	X	B
BROWNS	YPSA03	800	1	2	3	X	X	X	X	X	X	B
BROWNS	YPSA22	1600	1	1	2	B	X	X	X	X	X	B
	SUB TOTAL		6	7	13							
LINDEN	WPLI26	800	1	1	2	B	X	X	X	X	X	B
LINDEN	WPLI68	2000	1	1	2	B	B	X	X	X	X	B
LINDEN	YPLI10	730	1	2	3	B	X	X	X	X	X	B
LINDEN	YPLI20	1529	1	1	2	X	X	X	X	X	B	B
LINDEN	YPLI30	2329	1	2	3	X	X	X	X	X	B	B
	SUB TOTAL		5	7	12							
MANVILLE	WPMA20	2000	1	1	2	B	X	X	X	X	X	B
MANVILLE	WPMAD1	1	1	1	2							
	SUB TOTAL		2	2	4							
METUCH	WPME10	730	1	1	2	B	B	X	X	X	X	X
METUCH	WPME70	1900	1	1	2	X	X	X	X	X	B	B
METUCH	YPME02	800	1	2	3	B	X	X	X	X	X	B
METUCH	YPME04	759	1	1	2	B	X	X	X	X	X	B
METUCH	YPME05	630	1	2	3	B	X	X	X	X	X	B
METUCH	YPME34	1430	1	1	2	B	X	X	X	X	X	B
METUCH	YPME36	1430	1	2	3	B	X	X	X	X	X	B
METUCH	YPME37	1430	1	1	2	X	X	X	X	X	B	B
METUCH	YPME61	2230	1	1	2	B	X	X	X	X	X	B
METUCH	YPME62	2330	1	2	3	X	X	X	X	X	B	B
METUCH	YUBME2	1159	0	1	1	X	X	X	X	X	B	B
	SUB TOTAL		10	15	25							

MANVILLE	WPMA20	2000	1	1	2	X	X	X	X	X	B	B
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**CSXT / FRA SACP  
C&O BUSINESS UNIT  
LISTENING POST SCHEDULE**

**Team of Jon Kowalsky and Kim DeFazio**

<b>Monday</b>	<b>March 8 - Fostoria, OH</b>	<b>1:30 PM</b>	<b>{ Ohio State Inspector Bill Mitchell attending }</b>
<b>Tuesday</b>	<b>March 9 - Columbus, OH</b>	<b>8:00 AM</b>	<b>{ State Inspector Bill Mitchell }</b>
	<b>Chillicothe, OH</b>	<b>2:00 PM</b>	<b>attending</b>
<b>Wednesday</b>	<b>March 10 - Maysville, KY</b>	<b>8:00 AM</b>	<b>{ State Inspector Bill Mitchell }</b>
	<b>Russel, KY</b>	<b>1:30 PM</b>	<b>attending</b>
<b>Thursday</b>	<b>March 11 - Shelby, KY</b>	<b>8:00 AM</b>	
	<b>Paintsville, KY</b>	<b>1:30 PM</b>	
<b>Friday</b>	<b>March 12 - Huntington, WV</b>	<b>8:00 AM</b>	<b>{ FRA Inspector Paul Smailes attending }</b>

**Team of Joe Lydick and Allen Ludwig**

<b>Monday</b>	<b>March 22 - Newport News, VA</b>	<b>1:30 PM</b>
<b>Tuesday</b>	<b>March 23 - Richmond, VA</b>	<b>8:00 AM</b>
	<b>Charlotte, VA</b>	<b>1:30 PM</b>

**Team of Joe Lydick and Quenton Ratliff**

<b>Wednesday</b>	<b>March 24 - Clifton Forge, VA</b>	<b>8:00 AM</b>
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**Team of Joe Lydick and Paul Smailes**

<b>Wednesday</b>	<b>March 24 - Beckley, WV</b>	<b>1:30 PM</b>
<b>Thursday</b>	<b>March 25 - Logan, WV</b>	<b>8:00 AM</b>
	<b>Danville, WV</b>	<b>1:30 PM</b>
<b>Friday</b>	<b>March 26 - Charleston, WV</b>	<b>8:00 AM</b>



FILE IN DOCKET

Conrail Operational ReviewI. Overview

Due to a series of derailments and accidents, the Federal Railroad Administration (FRA) became concerned that there may be a decline in oversight on safety issues resulting from Consolidated Rail Corporation (CR) employees anxieties over the impending merge with Norfolk Southern (NS) and CSXT (CSX) railroads on June 1, 1999. It is anticipated that many of these changes will affect management, agreement and non-agreement employees.

In an effort to assess the impact of these changes on safety oversight, FRA conducted a multi regional team effort during a two-week period which included inspectors from Regions 1, 2, 3, 4 and 6. The effort commenced on March 25, and ended on April 9, 1999 (Region 4 could not begin its participation until the following week due to a regional conference). The purpose of this review was to conduct one week of train-riding activities and one week of operational testing on various divisions in an effort to determine if any degradation of safety has occurred.

Region 1, conducted an operational review of on board train inspections of the Albany Division, Region 2, conducted an operational review of the Philadelphia and Pittsburgh Divisions, and Region 4 conducted an operational review of the Dearborn and Indianapolis Divisions. All of the inspections were conducted around the clock.

Staffing consisted of thirty-four 34 Federal and State Operating Practices inspectors in addition to the Operating Practices Specialist from the three regions involved.

The reviews consisted of on-board inspections of road-freights, locals, and yard and hump trains. Interviews were conducted with train and engineer service employees, and with CR supervisors.

II. Summary of On Board Inspections

The on board portion of the review involved riding a total of one hundred ninety-eight (198) trains operating over approximately 10,000 miles of track. A break down by type is as follows; one hundred twenty five (125) were road trains, forty-seven (47) were yard trains, eighteen (18) were local trains and eight (8) were hump track operations.

Regions	Road Trains	Yard Trains	Local Trains	Hump Trains	Total Trains	Total Miles
1	26	15	9		50	3360
2	68	16	9	8	101	5050
4	31	16	0		47	1267
Grand Totals	125	47	18	8	198	9677

During the on board train riding inspections, Federal and state inspectors noted approximately one hundred forty-two (142) deficiencies. A major portions of the deficiencies were related to radio procedures, forty-eight (48), involving crafts other than train service employees, and, thirty-seven (37), were related to operational testing records. See Appendix "A."

### III. Summary of Interviews

#### A. Conrail Train and Engine Employees

An overwhelming majority of employees felt that CR is a safe workplace. Most of the employees felt that CR management is very serious about safety. Several employees expressed that in the past they were of the opinion that CR was only paying lip service to the idea of safety, but now believe that management is sincere in their effort to promote a safe working environment.

A majority of the employees felt that most of CR's officers were knowledgeable and competent managers. An overwhelming majority reported there was no change regarding how responsive carrier officials were in the last 6-8 months. One issue, which was mentioned by several employees relates to the amount of time new hires and conductor trainees are being allowed to qualify. It appears that employees are qualifying with less time in service then was the case in previous yaers . It was also mentioned that standards appear to vary between supervisors for qualifying employees on physical characteristics and that training is interrupted for employees when manpower is short. However, most of the inspectors were impressed with the new employees, as they appeared to be knowledgeable and very conscious of safety. During the review, an Inspector attended a rule's class at Dewitt Yard for newly hired trainmen. He examined class materials and observed the skills and techniques of the instructors and took no exceptions.

#### B. Conrail Management

The majority of supervisors interviewed have more than twenty (20) years of railroad experience. CR provides its mangers with various types of training, depending on the position. Some of the training given, includes, management awareness, drug/alcohol, HazMat, air brakes, train the trainer, computer skills, and various seminars. Ail of the supervisors received on-the-job training, in fact, many stated that this was the main training tool. In the past two (2) years, CR has done away with leadership/supervisory training and there were comments regarding the lack or quality of accident investigation training. All of the supervisors are qualified on the rules, as each of them attended a rule's class in 1998. Most supervisors responded that they work between 60-70 hours per week and that these numbers haven't changed over the past 6 or 8 months. Half of the supervisors stated that they have a regular day off and that they do not have a problem getting time off when requested. The geographical area covered by most supervisors includes the entire division and others stated that they cover between 50 -150 miles, this varied depending on position. Most managers supervised between 10 and 50 employees.

There has been no noticeable drop in the number or quality of efficiency tests over the past 6-8 months, as a matter of fact, the system requirements changed in 1998 to allow for quality as opposed to quantity, therefore, most supervisors reported an increase in quality of efficiency testing. CR recently began a new safety program called "B-Safe Program." This program is designed to produce positive reinforcement among the employees. Three operating/safety rules are selected by the Division Superintendent to be observed on a weekly basis. The Superintendent reviews the rules and the compliance rate for each. CR's goal is to reach a 95% compliance rate for each of the three rules being observed. When that goal is achieved, the division will sponsor some type of ceremony for that particular location. A time frame to observe these three specific rules is determined by local supervision. Most managers and supervisors were pleased with the training they received, and their attitudes regarding training were positive.

#### **IV. Results of Operational Testing Reviews**

FRA encountered many test numbers with synonymous and repetitive content for applicable operating rules used for efficiency tests of employees. This policy manifests the end result and an inflation of "total number" of efficiency tests conducted by supervisors.

A large number of total operational tests by individual supervisors or radar team members may show an extensive quantity of tests performed, that in turn, masks the integrity of quality tests, i.e., in some cases two supervisors, or more, recorded the same test number for the same employee. Examination of System and Division Quotas for Supervisors for 1998 disclosed a number of failures by supervisors to maintain the required System quotas set by CR's CORP manual and Division quotas set by CR Memorandum dated April 3, 1998.

#### **A. Program of Operational Tests and Inspections Audit (217:9)**

##### **Albany Division:**

During 1998, system wide, CR conducted 615,521 CORPS observations with 9,363 failures, which is approximately 1.5%. On the Albany Division, CR conducted 96,835 CORPS observations with 1,306 failures, which is approximately 1.3%. This is an approximate 0.3% decrease in observations over 1997. Obviously, low failure rates should be commended, and these rates vary from railroad to railroad. CR's Albany Division rate is lower than the average, which may suggest that their decision to concentrate on quality as opposed to quantity is a valid decision.

On the Albany Division, radar teams are assembled each year. In 1998, 209 radar teams observed 1361 trains and 2839 employees. They stopped 450 trains, which is approximately 38% over the number of trains stopped in 1997. They also conducted banner checks on 354 trains, which is an approximate 23% increase over 1997.

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In 1998, CR had approximately 98 Train Dispatchers and Operators. Approximately 580 observations were conducted on these employees during the year, which averages out to approximately 50 tests per month. This is not in compliance with their program, as STO's are required to conduct 100 observations per month. The FRA would suggest that this be an area where CR should concentrate their efforts.

### Philadelphia Division

The CORPS system requires that each supervisor conduct a minimum of 25 tests per month. For 1998 the Philadelphia Division had 84 transportation, 14 engineering, and 11 mechanical department supervisors conducting tests. A total of 129,418 checks were performed and of those total checks 1,490 deficiencies were noted, a 1.15% defect ratio.

Overall Transportation conducted 91.4% of all testing with Engineering conducting 3.4% and Mechanical conducting 5.2% of the total testing. For the year 1998 a total of 3,101 employees were tested on the Philadelphia Division.

Tests conducted on "Critical Operating Rules", were 58,223 tests, of which there were 569 failures (97%). The "Critical Operating Rules" accounted for 45% of all tests and 38% of all failures.

Contained within the "Critical Operating rules" was test # 0012, "employee properly signs register." This rule check had 4,030 tests performed making this the 6th most popular rules check. Since a train register is no longer used as part of a movement authority, and conveys no safety function, FRA questions whether this rule should be considered a "Critical" rule. This rules test alone accounted for 7% of all "Critical" rule's tests in 1998.

Another concern on the Philadelphia Division is "Critical" rule # 2903, banner testing. Conrail only conducts banner tests on main line tracks. Analysis of testing showed that each time a banner test was performed on a crew all members of the crew are credited with compliance. Certainly rule # 2903 is applicable in all operational circumstances and should be tested on other than main track situations.

A particular concern revealed that 33% of field transportation officers reported no rule's defects for 1998. These officers accounted for 24,160 tests or 20% of the total Transportation department rule's checks on all rules. An additional 17% of field officers reported only 1 to 3 total defects for 1998. These officers accounted for an additional 18% of the total Transportation department rule's checks. All told 50% of the transportation officers reported zero defects, or less than four defects for the year. One FRA inspector observed a CR Efficiency Testing Team in the Cleveland area during the week of March 29 for three nights. The team tested a full range of operating rules during the three-day period. Radar and Banner Tests were performed on both through and yard trains. FRA inspector noted no deficiencies in the way the testing team performed.

### Pittsburgh Division

As part of the project Region 2 inspectors conducted a review of Conrail's Operating Rules Testing Policy (CORPS) to ensure compliance with Federal regulations and railroad operating rules. During the operational review, inspectors took a number of deficiencies with the carriers procedures with regard to radio rules testing. Since radio rules dominate the top ten list, it would appear that there is something lacking in this area. FRA would suggest that CR perform a review on the procedures used to identify non compliance with radio procedures and the actions taken when a failure occurs. These assumption is based on the numerous radio rules deficiencies disclosed by FRA during a two week period (48). FRA continues to encourage CR to concentrate their efforts on quality tests and inspections and conduct these tests under the various operating conditions on the railroad.

**Recommendation:** The FRA recommends that CR focus their attention on accident/incident causes and encourage supervisors to spend more time conducting tests on second and third shifts and weekends.

### Dearborn and Indianapolis Divisions

The sudden requirement to conduct this project did not permit region-4 the opportunity to schedule efficiency testing sessions with CR managers, and was compounded by conflicts in inspector work schedules with other training, projects and approved annual leave.

An audit of two divisions of CR was conducted by inspectors of Region 4. The Dearborn and Indianapolis Divisions underwent audits of Operational Testing records. The audits determined that the CORPS system of operational testing is not in compliance with federal regulations. However, the data reviewed was inconclusive to determine the effectiveness of the program in the field among employees and whether or not the officers conducting testing had altered their testing styles and frequencies over the last several months in light of the upcoming merger.

- The CORPS program does not clearly describe each type test and the means and procedures to carry out the test (217.9[b][3]).
- The program does not state, according to each operating division, the frequency with which each type of operational test and inspection is conducted. (217.9 [b][2]).

Records indicate that several officers improperly recorded test results in non compliance with the written program. These noncompliance include failures to specify the location of tests conducted, the utilization of test numbers that were not part of the CORPS program, improper location codes, test records that did not contain the name(s) of employees being tested.

Efficiency tests conducted on train dispatchers indicate that the testing was accomplished within the territories assigned to the dispatchers. In reality, however, the testing was accomplished by an officer who was physically present at the dispatching office located in Dearborn, Michigan. This is misleading and tends to indicate that testing is done in the field.

It was noted that some officers were consistent in their testing methods, by establishing very predictable patterns of testing (i.e., officers tested only during the last two weeks of the month, some officers tested on only one or two days of the month). In addition, some officers were conducting 98 percent of their tests in the same location and certain officer's records indicate their physical presence at two different locations concurrently. Some managers are not meeting division averages for testing. Six managers on one division were found to be performing 10 percent less testing at night and weekends than their peers.

On both divisions, the number of test records inspected equaled 152,460 records, of that total there were 2,310 failures noted by carrier officials for a failure rate of one and one half percent.

#### V. Conclusions:

As a result of this extensive review, it has been concluded that supervisory oversight has not deteriorated as a result of the impending NS/CSX acquisition on June 1, 1999. Although some issues were raised, none of these issues appear to be related to the merger. FRA will continue to monitor operations throughout this process and will concentrate on the specific issues that were noted throughout this report.

It appears that supervisor quotas are not being enforced by the company on the Philadelphia Division. Region 2 specifically addressed concerns with division supervisors at both Greentree and Philadelphia, PA during close out meetings at the conclusion of the reviews.

A major concern was brought forth by inspectors concerning the location of each operational test performed. The computer system now used by Conrail does not allow for the specific location to be noted in the computer and it nearly impossible to determine the locations of specific tests performed.

Conrail's computer tracking system only allows for listing tests on a line. Meaning multiple tests could be performed at any location on a line of track and the tests will be recorded as taken on that particular line of track, no matter what the length (could be many miles). There was no way to definitely determine where a test was made by Conrail's computer system.

## VI. Additional Concerns

The single biggest item that could be improved in train operations was Radio Communications. Given the fact that every Conrail employee should have known that FRA inspectors were on the property. Many continued to use poor radio procedures. Other deficiencies noted were single incidents and were handled as such by the inspectors. Another area of concern raised by train crews during the project was the issue of fatigue. Although not governed by Federal regulation, this issue has become the largest concern of train crews. Train service employee concerns about fatigue appears to wide spread. Careful crew management, additional employee hiring and more regular schedules for trains could help solve this problem through the merger process.

#



## Appendix "A"

### Total Number of Units Inspected During the Conrail Operational Review:

<u>Part 217 - Railroad Operating Rules</u>		<u>Units</u>	<u>Defects</u>
▶	217R - Freight Train Riding (Main) = 198	4	
▶	217O - Other Operations Observations =	107	18
	<u>Deficiencies:</u>		
	ROR = 10,		
	RSI = 6		
	RSR = 2		
▶	217P - Program & Records =	27	37
	<u>Deficiencies:</u>		
	Records inspection disclosed that more than one officers was taking credit for same test.		
▶	217T - OP Testing Sessions =	5	1
	<u>Deficiency:</u>		
	Engineer failed to inform dispatch of delay		
▶	217D - Dispatcher/Operator =	2	2
<b>Total = 339 -</b>			<b>62</b>
<u>Part 218 - Railroad Operating Practices</u>		<u>Units</u>	<u>Defects</u>
▶	218T - Tampering =	98	1
▶	218F - Flag Protection Rule =	78	0
▶	218S - Blue Signal (Locomotive Area) =	27	1
	<u>Deficiency:</u>		
	Blue signal missing on controlling locomotive		
▶	218M - Blue Signal (Main) =	23	0
▶	218Y - Yard Limits =	8	0
▶	218U - Utility Employee =	9	1
	<u>Deficiency:</u>		
	Utility Employee working with more than one train		
<b>Total = 243 -</b>			<b>3</b>
<u>Part 219 - Control of Alcohol and Drug Use</u>		<u>Units</u>	<u>Defects</u>
▶	219O - Alcohol & Drug (Other) =	4	1
	<u>Deficiency:</u>		
	MRO review not timely = 1		
<b>Total = 4 -</b>			<b>1</b>

<b><u>Part 220 - Radio Standards and Procedures</u></b>		
▶ 220 - Radio Standards Defects	<u>Units</u> 244	<u>Defects</u> 48
<b><u>Deficiencies:</u></b>		
Initiating Transmission = 11		
Failure to Instruct = 1		
Identification = 17		
Ending Transmission = 16		
Transmission not in compliance with ROR = 1		
Transmission of Train Orders = 2		
Total = 244		48
<b><u>Part 221 - Rear End Marking Devices</u></b>		
▶ 221 - Rear End Markers =	<u>Units</u> 140	<u>Defects</u> 1
Total = 140		1
<b><u>Part 225 - Railroad Acc/Inc Reporting</u></b>		
▶ 225C- Injury/Illness Reporting Defects	<u>Units</u> 12	<u>Defects</u> 0
▶ 225R- Internal Control - Injury/illness =	2	0
Total = 14		0
<b><u>Part 228 - Hour of Service</u></b>		
▶ 228 - HOS Act =	<u>Units</u> 33	<u>Defects</u> 1
<b><u>Deficiency:</u></b>		
Excess Service		
Total = 33 -		1
<b><u>Part 229 - Locomotive Safety Standards</u></b>		
▶ 229D - Diesel Locomotive =	<u>Units</u> 11	<u>Defects</u> 7
<b><u>Deficiencies:</u></b>		
Rear unit tag info incomplete = 6		
Fusee/torpedo box missing = 1		
Total = 11		7
<b><u>Part 232 - Railroad Power Brakes and Drawbars</u></b>		
▶ 232T - Initial Brake Test =	<u>Units</u> 9	<u>Defects</u> 0
▶ 232E - End of Train Device =	15	1
Total = 24		1

**Part 240 - Locomotive Engineers****Units****Defects**

▶ 240 - Locomotive Engineer Certification = 235 3

**Deficiencies:**

Date of last check ride missing = 2

Engineer not familiar with territory = 1

**Total = 235 - 3**

**Miscellaneous****Units****Defects**

▶ STRM - Train Riding = 3 0

▶ MREC - MP&E Records = 15 2

▶ ROR See 217O 9 9

▶ RSI See 217O 3 3

▶ RWP 9 0

▶ HAZMAT 1 1

**Total = 40 - 15**

**Grand Total****Units****Defects**

**1,327**

**142**

U.S. Department  
of Transportation  
**Federal Railroad  
Administration**

400 Seventh St., S.W.  
Washington, D.C. 20590

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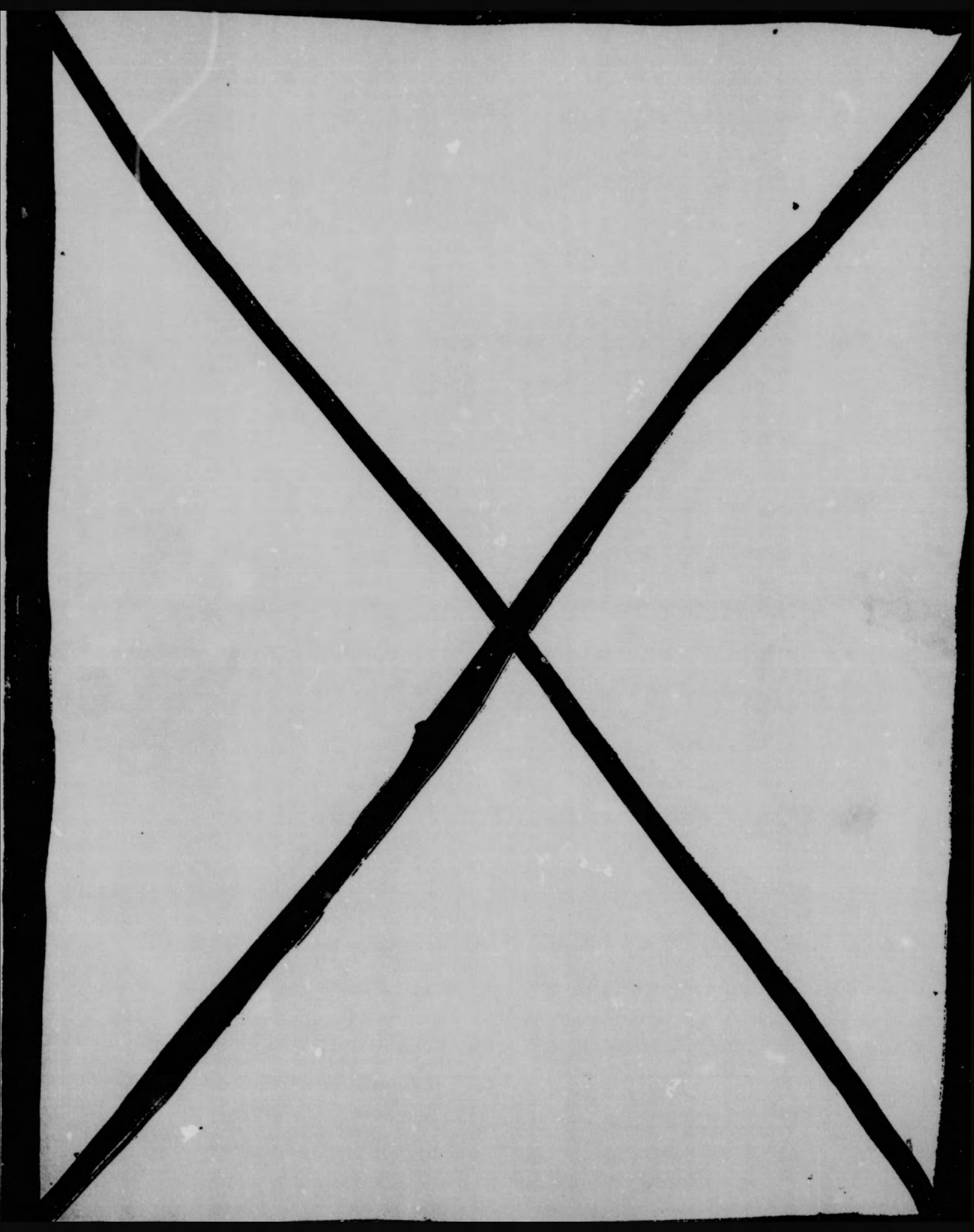


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THE HONORABLE LINDA J MORGAN  
CHAIRMAN  
SURFACE TRANSPORTATION BOARD  
1925 K STREET NW  
WASHINGTON DC 20423-0001

Form FRA F29 (3/92)





STB

FD-33388

3-3-00

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

March 3, 2000

Mr. Edward R. Hamberger  
President and CEO  
Association of American Railroads  
50 F Street, N.W.  
Washington, DC 20001

Dear Mr. Hamberger:

Thank you for your letter enclosing a report from the Association of American Railroads regarding the operations in and around the Chicago terminal. As you know, the Surface Transportation Board continues to actively monitor the terminal's operations. This report, in conjunction with the recent oral briefing that I received, furthers my efforts to remain apprised of the situation.

I will have the report made a part of the public docket for the Conrail proceeding, and also for the Rail Access and Competition proceeding. I look forward to continuing to work with you on this very important issue.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



**ASSOCIATION OF AMERICAN RAILROADS**  
50 F STREET, N.W.  
WASHINGTON, D.C. 20001

FILE IN DOCKET

Edward R. Hamberger  
President and Chief Executive Officer

Telephone: (202) 639-2400  
Fax: (202) 639-2286

February 9, 2000

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

Dear Chairman Morgan:

This responds to your letter of November 30, 1999, asking for a written report on the status of the rail industry's accomplishments to improve the near-term performance of the Chicago terminal area. As you indicated, you and I have been communicating on a regular basis about AAR's activities with regard to Chicago. In mid-January, together with railroad officials directly involved in the Chicago project, I conducted separate briefings for you, Vice Chairman Burkes and Commissioner Clyburn. I am pleased to provide you now with a written update on this unprecedented industry effort to ensure safe and timely operations at what is probably the most complex gateway in the North American rail network.

As a result of the cooperative work of the AAR's Chicago Planning Group and its Chicago Transportation Coordination Office (CTCO), four specific operational changes have been made. The result of these changes is a significant reduction of traffic moving through Chicago. Details are contained in the Chicago Planning Group's report entitled "Chicago Project Update" (copy enclosed). The Group is continuing its work with the help of a consultant, MK Centennial, who will provide detailed operational analyses. Pursuant to the terms of the contract, MK Centennial will complete this work by May 30, 2000. I am optimistic that this team will identify additional opportunities to streamline the Chicago operations. I will keep you apprised of their progress.

The Chicago Planning Group has also adopted a winter weather plan ("Chicago Terminal Alert Plan") which is enclosed. This comprehensive contingency plan defines key indicators for triggering three levels of alert. The most extreme level of alert, level 3 emergency action, calls



The Honorable Linda J. Morgan  
February 9, 2000  
Page 2

for diversion of specific traffic and adherence to overall traffic reduction quotas. Level 1, the lowest alert, was declared and successfully executed in mid-January to address a light to moderate snowfall.

On behalf of the rail industry, let me say that we are keenly aware of the need to rise to the challenge in Chicago. The industry has successfully met its first test of the winter contingency plan and we continue to work diligently to improve Chicago area operations in both the short and long term. I look forward to our continued communications on this most important matter.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ed', with a stylized flourish at the end.

Edward R. Hamberger

Enclosures

## **Chicago Project Update**

The Chicago Planning Group met on December 1, 1999, and handled the following issues:

### *Service Design Work*

The Chicago Planning Group sponsored a full day meeting of service design personnel from the Chicago railroads. This meeting was focused on developing the plans for accomplishing the 20% reduction of freight cars on the switch carriers in the event a Level 3 winter weather situation is declared in Chicago. In addition, the Team continued dialogue on reducing traffic through Chicago.

The Team's analysis indicated that the volume of traffic in Chicago has been reduced when compared to existing quotas. The current combined operation of the BRC/IHB are handling approximately 3500 cars, with a daily quota of 3770 cars. Plans have been established to make further reductions to handle a level 3 situation.

The Team continued its dialogue to eliminate traffic through Chicago. Some of the main activities since June 1 include:

1. CN delivering traffic to WC and this traffic moves as a run-through train to CSXT. This traffic previously moved via BRC.
2. IMRL and WC traffic moves together as a solid train and interchanges direct to CP. This traffic previously moved via BRC.
3. UP and CN have a direct interchange between Hawthorne Yard and Proviso, which removes cars from IHB.
4. UP is delivering to CSXT a direct yard to yard between Proviso Yard and Barr Yard. The traffic previously moved via BRC.

### *Winter Weather Plan*

The Chicago Planning Group agreed that the Winter Weather Plan needs to be published as a separate document, provide accountabilities for the elements of the plan and be distributed to all the railroads in the Chicago terminal. The members of the Chicago Transportation Coordination Office will develop the document, based on the previous work of the Chicago Planning Group, and provide the document to the RCA on December 9. Representatives from the Chicago Planning Group will review the document on Friday, December 10, as part of the twice a week call on railroad operations, and the document

will be distributed after the December 10 call to the Chicago Oversight Committee and the Safety & Operations Management Committee.

As part of a level 3 situation in Chicago, the Group agreed that the CTCO would become an industry resource for monitoring the emergency situation. The CTCO has been requested to develop, as part of the winter weather plan, a twice a day report on the overall situation of Chicago. This report will provide the industry with a uniform view of Chicago. Issues to be considered in this report will include a view of the terminal and traffic enroute, compliance with the winter weather plan, production of processing yards, bad-order power situation, and identification of trouble areas.

### *Chicago Transportation Coordination Office (CTCO)*

The members of the CTCO presented a status report on its operation. The scope of the office will be to lead a cooperative joint railroad organization in Chicago to facilitate various operational and procedural improvements (apart from the immediate tactical environment) working with and through local management.

A member of the CTCO will be available generally from 0600 to 1600 CST, as well as a weekend Duty Superintendent on call to take calls from member railroads regarding systemic issues with interchange and routing across Chicago, and issues impeding or expected to impede operations in the Chicago area.

The office will provide communication coordination between railroads, provide initial review and distribution of issues expected to affect the Chicago Terminal for inclusion in coordination initiatives. Examples of CTCO's involvement in operational issues include communication issues, rail traffic handoffs/protocol, markup process improvements, critical situation information flow, resource problem resolution, traffic/capacity threshold issues, service design opportunities, blocking effectiveness, schedule conflicts, and communication of major changes.

The Planning Group requested that the CTCO quickly develop a report on information exchange, including line-ups, within Chicago, and gather data and perform analysis on the impact of hours of service on Chicago operations.

The Office is currently in temporary space at Metra's headquarters, and will move to permanent space in March. Jim Bender, Director, will develop a budget for review by the Chicago Planning Group. This budget will be a minimum budget covering overall administrative costs (e.g. paper, fax) which may need to be shared on a pro-rated basis.

Attached is an overview of focus/responsibility of the group.

### *MK Centennial Contract Negotiations*

The Contractor Subcommittee met with MK Centennial on November 30. The Contract Subcommittee was formed by the Chicago Planning Group to provide coordination and oversight of the work by MK Centennial. The Contract Subcommittee is comprised of the following representatives: Tom Shurstad and Art Shoener, BRC; D. J. Mitchell, BNSF; Wally Sieruga, CN; Doug McFarlane, CP; John Orrison, CSXT; Chuck Allen, IHB; Dave Wilson, NS; Woody Sutton, UP; Bill Grimstad, WC; Craig Willett, Amtrak; George Hardwidge, Metra.

It was agreed that this Subcommittee will keep the Chicago Planning Group and Chicago Oversight Committee aware of its activities by distributing a copy of its minutes to each group. It is requested that these teams quickly advise of any exception in order to avoid additional contract costs.

The following issues were handled at the meeting:

- A. John Orrison reviewed the committee organizational structure for Chicago.
- B. MK Centennial identified that the work on railroad operations analysis will take 22 weeks from the notice to proceed. This time frame includes a two week review by the railroads of both the model information and train data.
- C. MK Centennial will provide by December 3 the total cost for the project and the payment schedule. Once this information is received, AAR will finalize the elements of the contract and distribute to the Chicago Oversight Committee for approval by December 8.
- D. MK Centennial will provide by December 3 a spreadsheet format for the following data for the November 8 (0001), 1999 through November 14 (2359), 1999 period (if a train would normally run but did not run during this period, the train information should be included in the data):
  - \*1. Dispatching time sheets indicating at least departure times and dwell times along route.
  - \*2. Train symbols (internal and external).
  - 3. Train priority and some explanation of priority system.
  - \*4. Train type (e.g. manifest, intermodal, loaded coal, etc.)
  - 5. Train origin, destination by city and state, i.e. Columbus, IN or Columbus, OH
  - 6. Schedule origin and destination times.
  - \*7. Expected Chicago area train arrival time. (Need to specify this location, e.g. West Chicago on UP or Eola on BNSF.)
  - \*8. Loads, empties and trailing tons.
  - \*9. Expected HPT (horsepower per ton).
  - \*10. Total train length in feet.



11. Last or first 1,000 mile inspection point and mileage from Chicago.
- \*12. Number of locomotives and typical types (i.e. local switch is 4 axle and road is 6 axle).
- \*13. Frequency of operation (e.g. Mon. Wed. Fri.). Including holiday operations.
- \*14. Work planned inside Chicago study area. (e.g. drop block of 20 cars, 2000 tons, 1500 feet for XXX at YYY).
- \*15. Routes through the Chicago area by major locations with departing consist if different than original consists specified above.
16. Scheduled commitments (if any) for train.
17. Train would normally include excess dimension cars such as auto racks, double stacks, or other cars requiring special routing or handling.

\*Data of greatest importance to success of analysis.

All railroads will need to complete and return data by December 22.

E. Each railroad was requested to complete tentative answers to the following questions by December 22.

1. What service commitments exist for specific delivery times on your line in Chicago area? Through your line to another carrier? Any specific cross-town commitment to another carrier for one customer?
2. What information do you have about where traffic terminating in your terminal flows to originating trans on another carrier, i.e. where does your traffic go?
3. What information do you have about where and when traffic terminating on other carriers flows to originating trains on your line, i.e. where does your traffic come from?
4. Number of re-crews by district, by train type and a generalized list of causes and costs.
5. What is the monthly cost of crew wagon moves for recrews?
6. What are the communication touch points for operators, dispatchers, yardmasters, crew clerks, trainmasters, superintendents, dispatching centers, Amtrak and Metra?
7. What forms of communication are used, i.e. phone, radio, electronic, fax, etc?
8. What is the process to call a train?
9. What does it take to yard a train?
10. How do you prioritize flows in and out of a yard, flows over the road, flows over crossings and through junctions for minimum disruption and minimum cost? What is the chain of command? How frequently is this done? How frequently is it changed?
11. If there is an operational problem in one portion of the Chicago area how is it communicated and managed?
12. If a detour is necessary, who makes the decision? What is the process to contact other carrier(s)?
13. How are maintenance projects, track inspections, signal work, bridgework coordinated internally? Externally to the public? Externally to other carriers?

14. What route restrictions exist for high, wide and overweight loads in Chicago? How is that communicated and managed between railroads?
15. What advance information does a receiving yard or carrier get on trains/interchanges coming to them? How long in advance of train arrival in Chicago area?
16. What has been your company's experience with distributed power in Chicago?
17. Which trains do you operate through Chicago direct to another carrier without intermediate switch carrier handling?
18. If Chicago operations improved significantly would traffic levels in the area increase due to new business or improved interchanges or improved road train flows?
19. What signaling restrictions prevent foreign trains from operating over your line?
20. What operating restrictions exist on your line for road trains, transfers, locals, road switchers, and switch engines? Do other railroads adhere to these restrictions?
21. What is the minimum HPT you use and what speeds can be obtained?
22. Do switch engines use your main tracks to complete switching moves? When? How frequently?
23. What restrictions exist around commuter operations?
24. What effect do commuter curfews have on your freight operations?
25. Where do you hold trains in Chicago area? Outside of Chicago area?
26. What actions do you take to keep traffic out of Chicago? (Run-thru trains, special blocks, routing changes).
27. Are there trains that are regularly delayed due to scheduled arrival during morning or evening commuter curfew times?
28. When do you think your railroad is most congested?

MK Centennial will arrange interviews with railroads during the first two weeks of January to review the above information. The Subcommittee agreed that the following information will also be provided to MK during interviews:

- Specific locations where trains cannot be held due to crossing blockage (highway or rail), local noise ordinances, threat of vandalism/theft or reasons of public safety.
- Tracks restricted in height or width, i.e. main or siding tracks where auto racks or double stack cars cannot operate or where horizontal clearance restricts movement of trains. For example, a location where two trains with wide loads cannot pass.

The Subcommittee agreed that when MK performs network and operational calibration it will require MK to sit with dispatchers and yardmasters at appropriate railroads and correlate interpretation of operations and track layouts with their screens.

F. The Subcommittee reviewed the outline of the simulation modeling. The Subcommittee agreed that MK should use 96 consecutive hours of train operations over the Chicago Switching District RTC network. These 96 hours will include Thursday-

Friday-Saturday with 12 hours of initial or "run up" time to the initial Design Day and 12 hours of "run-off" time. The output will be by train and train owner.

*Implementation of Protocols*

BNSF has completed the filming of the training video on the protocols. The video will be presented to RCA on December 9, and it will determine a training schedule.

## CHICAGO TRANSPORTATION COORDINATION OFFICE

**SCOPE:** Will lead a cooperative joint railroad organization in Chicago to facilitate various operational and procedural improvements (apart from the immediate - tactical environment) working with and through the local management.

### **FOCUS/RESPONSIBILITY (30-60 days)**

1. Establish route and terminal "critical thresholds" working jointly with partner roads.
  - a. Develop a simplified common reporting/release process for Train/ transfer hand offs across Chicago, streamlining and improving the interchange process. This will include the development of accessible and useable statistics and performance information / measures for the Chicago Complex. (See Straw Man Attached)  
STATUS:- CTCO Superintendent Scott Murry is assigned to gather the existing protocol and processes used to accomplish hand offs and interchange. Subject to time constraints , Scott will parallel the information gathering in progress for MKC and that available from Norbridge.
  - b. Review the impact of dispatching protocol/performance on critical corridors.  
STATUS:- Protocol Document have been reviewed and the CCTCO will establish monitoring upon implementation. Current protocols could be analyzed if required to support implementation of new protocols.
  - c. Develop a score card of the key measures from the "critical thresholds" for performance and compliance. This to be furnished to the members of the Chicago Rail Carriers, Planning Group and SOMC. Move towards a daily tracking of key corridors to focus management prevention and improvement versus reaction as issues are identified.  
STATUS:- CTCO Assistant Director Rich Gray has been assigned to assemble a format and Straw Man for the team to work with in establishing the "key measures" score card.
  - d. Lead problem resolution with Chicago Rail Carriers through specific problem identification to specific carrier/corridor and measurement for improvement, using a portion of the monthly Rail Carrier Meeting. Format and times for this meeting to be adjusted to accommodate.  
STATUS:- Preparation completed for setting up the office and CTCO as a contact center. We will also monitor through the daily Chgo Rail Carriers Conference call.
11. Systems Development (1-4 months)
  - a. Lead effort to develop and create linkages to industry data / Information systems to provide current information and the analysis required as listed above. Working with all rail carriers, freight and passengers for improving train flow in the Chicago Terminal Complex. Explore available technology, including but not limited to, AAR 161 messages.



### 111. Facilities (2-5 months)

- a. Lead/facilitate refinements to long-term facility and process planning in Chicago
  - 1. Capital evaluation : data/operations resource leading to an expanded rail infrastructure along with the opportunity for public sector partnerships.
  - 2. Service Design: data/operations resource (Possible rerouting of cars/trains around the Chicago area)
  - 3. Seek out application/creation for new Carrier Agreements (Freight/Passenger/Intermodal)

**CHICAGO TERMINAL ALERT PLAN**  
**CHICAGO TERMINAL/INTERMEDIATE AND CLASS ONE CARRIERS**

**SECTION 1: PURPOSE AND OBJECTIVES**

This document will proactively identify when the Chicago Terminal is entering into an operating condition that will negatively impact train and transfer operations and customer service for all railway traffic moving to or via the Chicago Gateway.

**SECTION 2: OWNERSHIP**

**Field Operations**

Amtrak

Steve McClarty, General Manager Terminal and Chicago Hub Services  
Office (312) 655-3707  
Pager (800) 759-8888 PIN 1741931

National Operations Centre  
(800) 424-0217 ext 2308 (24 hours)

Burlington Northern/Santa Fe Railroad

Vickie Chilcutt, Division Superintendent, Chicago  
Office (708) 780-5200  
Pager (888) 858-7243 Pin # 102555

Cicero Operations  
(708) 780-5209 (24 hours)

NOC Service Interruption Desk  
(817) 234-2350 (24 hours)

Belt Railway of Chicago

Joe Spano, Superintendent  
Office (708) 496-4056  
Pager (888) 381-4048

BRC Chicago Command Center  
(708) 728-2259

Canadian National Railway

Tom Goodwine, General Manager Midwest Division  
Office (708) 647-3750  
Pager (888) 755-4469

General Superintendent Transportation- Edmonton  
(780) 421-6557 (24 Hours)

Canadian Pacific Railway

Larry Kissel, Service Area Manager  
Office (630) 860-4270  
Cell (630) 367-3686

Interline Managers Office  
(708) 594-2084 (24 hours)

Assistant Director Network Management Centre  
(403) 260-5858 (24 hours)

CSX

Mark Hinsdale, General Manager Chicago Service Lane  
Office (708) 832-2061  
Cell (708) 906-7467

Chicago Command Center  
(708) 832-2089 (24 Hours)

General Manager Operations Control Center  
(904) 381-2055

Elgin, Joliet and Eastern Railroad

Gerry Ruffing  
Office (219) 883-4201  
Pager (219) 640-9879

Dispatch Center  
(815) 740-6742 (24 hours)

Indiana Harbor Belt Railway

Dave Nelson, General Superintendent

Office (219) 989-4801

Pager (219) 792-0856

Operation Center

(708) 832-2082 (24 hours)

METRA

George Hardwidge, Chief Transportation Officer

Office (312) 322-8999

Pager (312) 495-8173

Coordinated Control Centre

(312) 322-2842 (24 hours)

Norfolk Southern Railway

Burl Scott, Senior Superintendent, Terminals

Office (773) 933-8036

Pager (888) 387-4521

Chicago Operations Desk

(773) 933-8054 (24 hours)

Dearborn Dispatch Center

(313) 323-5806 (24 hours)

General Superintendent Transportation

(404) 529-1828 (24 hours)

Union Pacific Railroad

David Barnes, General Superintendent- Chicago

Office (708) 649-5110

Pager (888) 788-9544

Chicago Command Center

(708) 649-5595 (24 hours)

Harriman Dispatch Centre

Senior Director Northern Region

(402) 636-7260 (24 hours)



Wisconsin Central Railroad  
Connie Wencka, Superintendent Schiller Park  
Office (847) 384-5495

### **SECTION 3: SAFETY**

#### **SAFETY STATEMENT**

Chicago Rail Carriers are committed to the safety and health of employees and the public where they are exposed to our operations.

To fulfill this commitment all of us must make safety and health an integral part of our lives. We must take personal responsibility for our actions and adhere to safety policies, rules and regulations at all times.

The Association is committed to provide the leadership, organization, training and resources needed to maintain a safe and healthy working environment. All employees must make a personal commitment to safety and perform their work in a manner that will prevent accidents to themselves, their fellow workers and the public.

No job will ever be so important that we can't take the time to do it safely.

### **SECTION 4: DEFINE TERRITORY**

#### **Chicago Terminal Territory**

The Territory includes all rail operations inside the route of the EJ&E and may extend out on line haul carriers to facilitate management of this territory.

All carriers in Chicago are dependent on intermediate carriers as well as bilateral relationships to affect interchange and to move internal overhead traffic.

## SECTION 5: VITAL SIGNS

### Weather Conditions

- snow in Chicago or adjacent territory
- weather (temperatures, wind, accumulations, high water)

### Line Interruptions

- derailments
- closures
- broken rails, pull apart, or kinks
- number and type of signal/communication problems
- planned interruptions

### Network Health

- car counts at key facilities
- hump/production counts
- trains/transfers staged for arrival for intermediate or direct delivery
- resource availability

## SECTION 6: CHICAGO ALERT LEVEL (CAL) CONDITIONS

### Assessment and Declaration of Alert Levels

During the normal course of the regular a.m. and p.m. Chicago Rail Carriers conference calls, current and projected "Indicators" will be reviewed and discussed for predicted conditions:

An Alert Level of One or Two will be declared through consensus of the conference call participants. These participants will also relay this information through their organizations. If the consensus on the call is an expected Level Three environment, this conclusion will be confirmed by a follow up call, arranged by the regular call leader, of the alert plan owners previously identified.

For emergency situations requiring immediate attention outside of the conference call framework:

The railroad in emergency will contact the normal Chicago Rail Carriers conference call leader (BRC Control Desk). The BRC Control Desk will set up a conference call of the carrier's 24 Hour desks as soon as practical, but no later than two hours from time of notification. Such meeting/call of the 24 Hour Desks will determine the appropriate CAL and response, including further follow up with plan owners on Level Three recommendation (if warranted).

For reduction of the established alert level:

Alert owners as previously identified for a level 3 alert will announce during the conference calls a reduction to an alert level 2 or 1. Reductions from level 2 and 1 will be announced by the regular participants of the a.m. and p.m. conference calls.

## **CAL 1 - ALERT STAGE**

### **Indicators**

12 or less trains/transfers staged for interchange.  
No line interruptions in last 24 hours.  
2 to 6 inches of snow in a 24 hour period.  
Temperatures to minus 5 degrees F.

## **CAL 2 - MITIGATE STAGE**

### **Indicators**

12 to 24 trains/transfers staged for interchange.  
Line interruption lasting more than 4 hours on any main track or key terminal component.  
7 to 10 inches of snow in a 24 hour period.  
Temperatures between minus 5 and minus 19 degrees F.  
Winds sustained or gusting to 35 miles per hour.

## **CAL 3 - DYNAMIC STAGE**

### **Indicators**

Line interruption expected to last greater than 12 hours.  
IHB and BRC require 8 hours or more spacing between trains by individual carrier.  
More than 24 trains/transfers staged waiting for interchange.  
Connecting lines delaying overhead trains more than 8 hours due to inability to accept train.  
Chicago carriers pulling trains 9 or more hours later than scheduled departure from intermediate carriers.  
Greater than 10 inches of snow in a 24 hour period.  
Temperatures below minus 20 degrees F.  
Winds greater than 35 miles per hour.

Yard conditions at or exceeding the following thresholds:

### **Clearing**

Standing Inventory- 3800 cars  
Cars to Hump- 1600  
Less than 1800 cars departed in past 24 hours  
Predicted inbound in next 24 hours exceeds quota.

### **Blue Island**

Standing Inventory- 2700 cars  
Cars to Hump- 600  
Less than 900 cars departed in past 24 hours  
Predicted inbound in next 24 hours exceeds quota.

Other Yards  
Refer to AAR matrix.

### CAL 1 ACTIONS

#### **Field Operations**

No change in Transportation plan, but heightened attention to operating conditions.

### CAL 2 ACTIONS

#### **Field Operations**

Heighten discussion between carriers; BRC/IHB/EJE/ other direct connections may require staging of trains destined Chicago and beyond.

### CAL 3 ACTIONS

#### **Field Operations**

Implementation/Monitoring of the 20% quota reduction by all carriers, as follows;

FROM	NO. OF CARS	TO	ACTION
BN	20	BRC/CSX	Plan diversion from Kansas City/Galesburg to CSX in East St. Louis
BN	35	BRC/WC	Plan diversion from Kansas City/Galesburg to Northtown interchange to WC
BN	60*	IHB/CSX	Accumulate traffic at Kansas City/Galesburg, route to interchange at East St. Louis to CSX
CN	25*	IHB/UP	Route train 277 via EJ&E to interchange with UP at West Chicago.
CN	30	BRC/CPR/I MRL	CPR traffic from east to direct interchange at Bensenville.
CN	15	BRC/CSX	Add to WC train routed via EJ&E to CSX at Chicago Heights
CN	15	BRC/CSX	Direct deliver to Barr Yard.
CN/IC	35	BRC/UP	Direct interchange at Hawthorne.
CN/IC	20	BRC/CSX	Interchange direct at Riverdale Illinois daily.
CPR	10	BRC/IMRL	Forward interchange traffic from WC to IMRL through Bensenville.
CPR	20	IHB/UP	Tag UP Proviso traffic as Bensenville in direct train service and interchange with UP at Bryn Mahr.
CPR	50	BRC/CSX	2 blocks of cars for direct outbound CSX train.
CPR	60	BRC/NS	Direct exchange of traffic at BRC with no processing needed.
CSX	30	BRC/CN	Direct interchange to WC from the East at Madison Street.



CSX	10	BRC/IC	Eastern Michigan traffic direct from CSX to IC bypass Chicago.
CSX	47	IHB/BNSF	Accumulate interchange traffic East of Willard for direct interchange to BNSF at Cicero or St. Louis.
NS	30	BRC/CN	Plan to go direct in interchange with WC traffic at Ashland Ave.
NS	80	BRC/CPR	Direct interchange of trains at BRC with no processing needed.
NS	30	BRC/IC	Traffic diversion to southern Illinois gateway
UP	69	BRC/CSX	Direct interchange of Barr/Avon blocks to Barr Yard.
UP	35	IHB/IC	Direct interchange at Hawthorne Yard.
WC	35	BRC/BNSF	Divert interchange to Northtown for BN to route west.
WC	20	BRC/CPR	Interchange to CPR at Minneapolis instead of Schiller Park
WC	20	BRC/UP	Direct interchange at Proviso Yard.
<b>Total</b>	766		20.3% of Quota, 21.9% of activity
<b>Total out of Chicago</b>	230		

\* Represents car count reductions only from main lines of BRC and IHB.

### Unit Trains

All unit bulk commodity trains interchanged in Chicago will move from carrier to carrier with run through locomotive power and EOT.

Unit empty coal trains between CN and UP/BNSF will route via EJ&E between Griffith and (BNSF) Eola or (UP) West Chicago.

Powder River/Wheatfield coal trains will route via Momence, Illinois between UP and NS.

Powder River/Ashtabula, Ohio unit coal trains between NS and UP will route via East St. Louis.

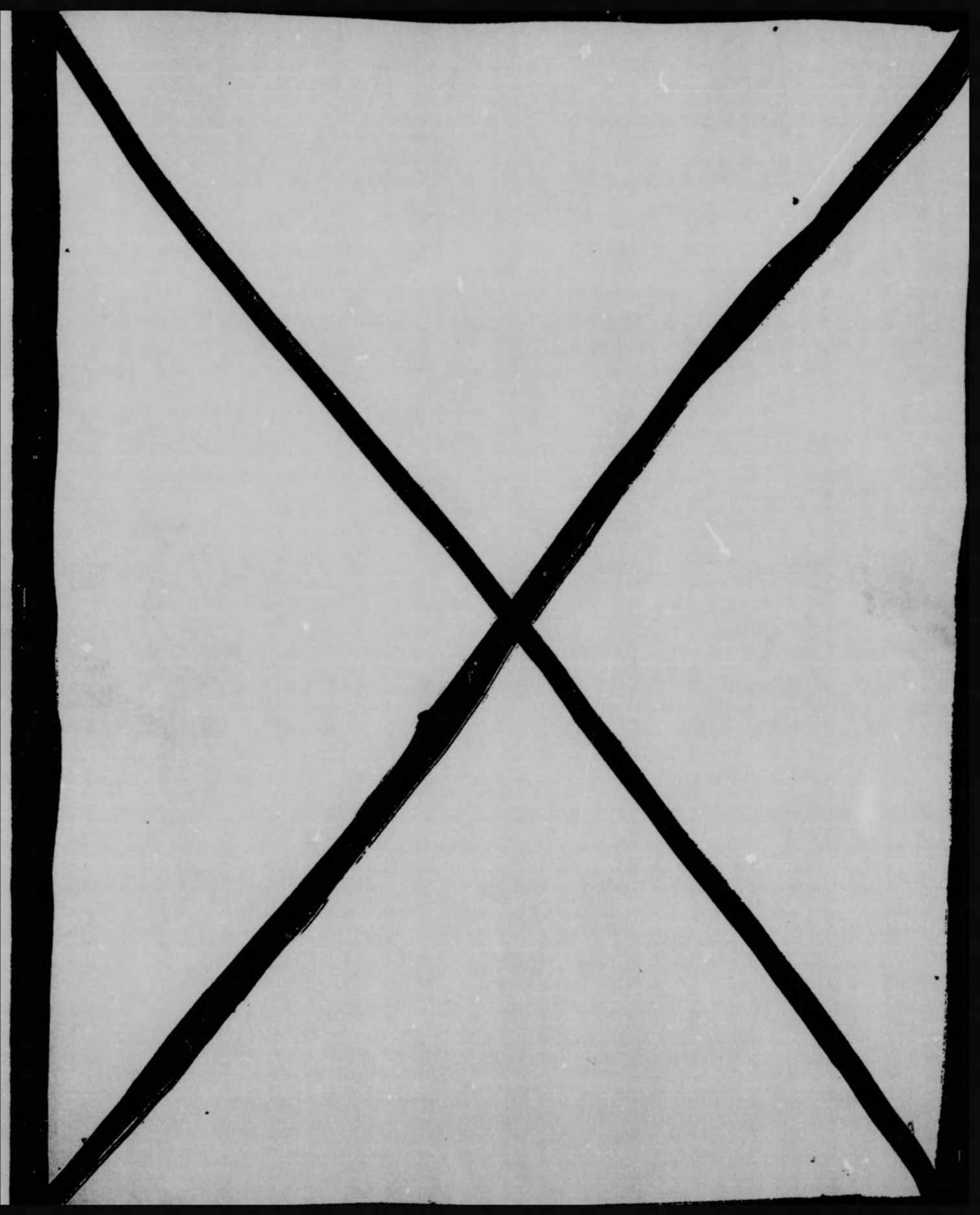
### **Other Tactical Plans**

UP will hump North Platte bypass trains (QRVPRP/QHKPRP) at North Platte and build a solid CSX run-through train with Selkirk, Cleveland and an all other blocks, designed to go through the St. Louis gateway. Volume, 120 cars per day.

Traffic for CSX will be built by UP at Milwaukee (Butler Yard) with Cumberland and Nashville blocks designed run-through Chicago instead of processing at Proviso. Volume 75 cars per train every other day.

UP will switch at North Platte to Proviso train (MNPPRB) at Boone, Iowa designed to run a solid Battle Creek run through to CN every other day. Volume 80 cars per train.

UP will also accumulate Janesville and Belvedere traffic at Boone designed to run solid trains to destination by-passing handling in Chicago, Proviso Yard.



STB

FD-33388

2-29-00

J

BUSINESS

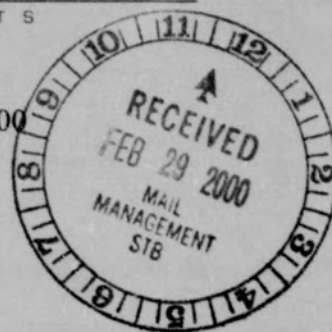




Interstate Commodities, inc.

GRAIN AND FEED INGREDIENTS

February 24, 2000



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

Dear Mr. Williams,

The attached file is submitted for your information and future reference.

Very truly yours,

Victor A. Oberting, Jr.  
President



# Interstate Commodities, inc.

GRAIN AND FEED INGREDIENTS

February 24, 2000



CSX Transportation  
500 Water Street, J200  
Jacksonville, FL 32202

Attn: James Derwin  
Assistant Vice President  
Asset Management

I note with interest the republication of a System Diagram Map by CSX Transportation, Inc. incorporating Conrail properties recently acquired by CSXT.

Listed as Category I are sections of New York trackage known as the Livingston Avenue Bridge at Albany, NY, M.P. 142.90 to M.P. 143.10 and the Hudson Line and Chicago Line through Rensselaer and Columbia Counties, M.P. 125.7 to 142.9. Also listed is the Troy Industrial Track, M.P. 0.3 to M.P. 6.0.

You should be apprised of the fact that the Livingston Avenue Bridge Category I updating on the system diagram map was attempted previously by Conrail in 1995 to the Interstate Commerce Commission and subsequently withdrawn.

The reason for the withdrawal was that Conrail established an agreement with the New York State Department of Transportation on March 1, 1977 with an amendatory agreement on December 1, 1980. This agreement was called the "Poughkeepsie - Schenectady - High Speed Rail District and Signal Program". Under this program the State of New York appropriated \$31,478,000.00 to install new 130 lb. welded rail over 160 miles of trackage as well as 217,800 tie renewals over 155 miles. Included in the work on this appropriation is the trackage listed in the recent CSXT System Diagram Map from M.P. 125.7 to 142.9 and the bridge from 142.90 to 143.10.

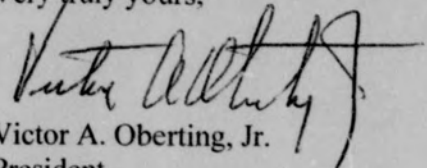
Under this agreement, Conrail and its successors (CSXT) are required for a period of 30 years (from 1980 to 2010) to maintain the entire trackage between Poughkeepsie and Hoffman's (Schenectady). Under Section 2.5 of this agreement, CSXT would need to secure New York State Department of Transportation approval to abandon the bridge or the trackage. My previous active experience on this issue with the commissioner is that NYSDOT maintains a negative mindset on this matter. Even if permission was granted by NYSDOT to CSXT to abandon the bridge, Section 2.5, Appendix 4, page 5 of the agreement mandates that CSXT would need to reimburse the State of New York "if railroad abandons the project facility or any portion thereof". It has been established previously that the Livingston Avenue Bridge is a project facility and a portion thereof.

Page 2

With respect to the Troy Industrial Branch Track I would offer the following information. There has been steady growth on this branch in recent years resulting in profitable operation by Conrail and now CSXT. 750 rail cars were switched on to the Troy branch in 1995, 850 cars in 1996, 950 cars in 1997, 1,100 cars in 1998 and 1,500 cars in 1999. 1999 revenue of well over \$2,000,000.00 to CSXT placed this branch well in the black. Presently there is substantial track expansion underway here in the Troy yard to potentially increase Troy branch volume to 3,000 cars per year. Furthermore, CSXT has expended well over \$300,000.00 in 1999 to completely rehabilitate the entire Troy branch of 5.7 miles with installation of over 8,000 new rail ties and reconstruction of street crossings. Given all of this expansion with resultant profitability to CSXT, I do not for a minute believe that the Troy branch should even be placed as a Category I listing on the System Diagram Map because there is no possibility in my opinion that it would become available for study by CSXT as a Category II candidate.

I ask that you reflect on the information contained in this message and pass on to your colleagues at CSXT.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Victor A. Oberting, Jr.", with a stylized flourish at the end.

Victor A. Oberting, Jr.  
President

VAO/lem



James T. Derwin  
Assistant Vice President  
Asset Management

500 Water Street J200  
Jacksonville, FL 32202  
(904) 633-1447  
FAX 633-1565

December 27, 1999

Over-Night Mail

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

Dear Mr. Williams:

RE: Republication of System Diagram Map

As required by 49 C.F.R. Section 1152.13(b), CSX Transportation, Inc. has updated its System Diagram Map (SDM), incorporating the Conrail properties recently acquired by CSXT. Enclosed are three copies of the SDM and the accompanying line descriptions for the following railroads:

The Western Railway of Alabama	AB-54 - 196356
CSX Transportation, Inc.	AB-55 - 196357
The Carrollton Railroad	AB-145 - 196358
Gainesville Midland Railroad Company	AB-147 - 196359
Richmond, Fredericksburg and Potomac Rwy. Co.	AB-157 - 196360
Three Rivers Railway Company	AB-396 - 196361
New York Central Lines LLC	AB-565 - 196362

I certify that copies have been sent to the Governor, the Public Service Commission, and the designated state agency in each state in which each of these carriers operates.

Sincerely,

*James T. Derwin*

enclosures



THE WESTERN RAILWAY OF ALABAMA	AB-54
CSX TRANSPORTATION, INC.	AB-55
THE CARROLLTON RAILROAD	AB-145
GAINESVILLE MIDLAND RAILROAD COMPANY	AB-147
RICHMOND, FREDERICKSBURG AND POTOMAC RWY. CO.	AB-157
THREE RIVERS RAILWAY COMPANY	AB-396
NEW YORK CENTRAL LINES LLC	AB-565

Description of lines shown on 1999 System Diagram Map  
in Categories 1, 2, 3 and 4.

### CATEGORY 1 -

All lines or portions of lines which the carrier anticipates will be the subject of an abandonment or discontinuance application to be filed within the 3-year period following the date upon which the diagram, or any amended diagram, is filed with the Commission.

Map Reference	Line Description
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### DISTRICT OF COLUMBIA

1-DC-100	6.0 miles of the Alexandria Subdivision, Baltimore Division, extending from Shepherd Junction to Shepherd in Washington, DC, between Milepost 0.0 (V.S. 304+39.6) and Milepost 6.0 (V.S. 621+00). The station of Shepherd (MP 6.0) is under the jurisdiction of the agent based at Halethorpe, MD.
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### FLORIDA

1-FL-88	13.94 miles of the Homestead Subdivision, Tampa Division, extending from Sterling to Homestead in Dade County, FL, between Milepost SXH-1053.01 and Milepost SXH-1066.95. The stations of Richmond (SXH-1054.5), Redland (SXH-1062.5), and Homestead are served by the mobile agency based at Tampa, FL.
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### GEORGIA

1-GA-15A	15.16 miles of the Thomasville Subdivision, Atlanta Division, extending from Thomasville to Coolidge in Thomas County, GA, between Mileposts ANK-691.54 and ANK-706.7. A portion of the station of Thomasville (ANK-691.54) and the stations of Dillon (ANK-698.0) and Coolidge (ANK-706.0) are under the jurisdiction of the Customer Service Center at Jacksonville, FL.
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- 1-GA-43** 13.43 miles of the Cedartown Subdivision, Atlanta Division, extending from Rockmart to Cedartown in Polk County, GA, between Mileposts SG-618.92 and SG-632.35. The stations of Cedartown (SG-631.3), West Cedartown (SG-632.3), and a portion of the station of Rockmart (SG-618.5) are served by the agency station at Atlanta, GA.

## INDIANA

- 1-IN-001A** 6.6 miles of the Wabash Subdivision, Chicago Division, extending from near LaCrosse to Malden in LaPorte and Porter Counties, IN, between Mileposts CI-224.3 and CI-230.9. The station of Malden (MP CI-230.9) is under the jurisdiction of the Customer Service Center at Jacksonville, FL.
- 1-IN-13** 3.55 miles of the Monon Subdivision, Chicago Division, extending from north of Cloverdale to Cloverdale in Putnam County, IN, between Milepost Q-186.1 and Q-189.65. The station of Cloverdale (Q-189.0) is under the jurisdiction of the Customer Service Center at Jacksonville, FL.
- 1-IN-13A** 8.3 miles of the Monon Subdivision, Chicago Service Lane, extending from Greencastle to Cloverdale in Putnam County, IN, between Milepost Q-177.8 and Q-186.1. The stations of Limesdale (Q-180.0) and Putnamville (Q-183.0) are under the jurisdiction of the Customer Service Center at Jacksonville, FL.
- 1-IN-110C** 8.58 miles of the Decatur Subdivision, Chicago Division, extending from Bloomingdale to Hillsdale in Parke and Vermillion Counties, IN, between Mileposts 184.07 and 192.65. The stations of Bloomingdale (MP 184), Melcher (MP 188), and Montezuma (MP 192) are served by the traveling agent based at Indianapolis, IN.

Note: The 7.34-mile segment between Bloomingdale and Montezuma, Milepost 184.07 to Milepost 191.41, was abandoned effective September 25, 1994.

## MICHIGAN

- 130** 7.10 miles of the Hamilton Subdivision extending from Station 1056+00 (Milepost 20), at or near Holland, to Station 681+00 (Milepost 12.90), at or near Hamilton, in Allegan County, MI. No agency stations are located on this line.

## NEW YORK

- 27**
- a) Hospital Industrial Track (M.P. 0.00 to M.P. 4.00)
  - b) Poughkeepsie Industrial Track (M.P. 29.70 to M.P. 31.00)
- State: New York  
County: Dutchess  
Stations On Line: None; business is handled through Conrail's National Customer Service Center

59

Discontinuance of freight service on Chicago Line (Livingston Avenue Bridge)  
 State: New York  
 Counties: Albany, Rensselaer  
 Mileposts: M.P. 142.90 to M.P. 143.10  
 Stations On Line: None; business is handled through Conrail's National Customer Service Center

60

Genesee Falls Branch  
 State: New York  
 County: Monroe  
 Mileposts: M.P. 0.00 to M.P. 0.40  
 Stations On Line: None; business is handled through Conrail's National Customer Service Center

75

Troy Industrial Track  
 State: New York  
 County: Rensselaer  
 Mileposts: M.P. 0.3 to M.P. 6.0  
 Stations On Line: None; business is handled through Conrail's National Customer Service Center

76

Discontinuance of freight service on Hudson Line & Chicago Line  
 State: New York  
 Counties: Rensselaer, Columbia  
 Mileposts: a) Hudson Line - M.P. 125.7 to M.P. 142.0  
               b) Chicago Line - M.P. 142.0 to M.P. 142.9  
 Stations On Line: None; business is handled through Conrail's National Customer Service Center

**OHIO**

144

6.37 miles of the Lake Erie Subdivision extending from Mt. Vernon to Fredericktown in Knox County, OH, between Station 1372+00 (Milepost 25.9) and Station 1708+50 (Milepost 32.27). No agency stations are located on this line.

**WEST VIRGINIA**

139

1.05 miles of the Kanawha River Bridge at Charleston, Kanawha County, WV, C&O line from P.S. Station 1461+18 (Milepost 455.73 of Kanawha Subdivision) = Station (Minus) -1+18 at or near Elk to O.P. Station 54+12 = CRC Station 1625+20 at or near Bridge Jct. (Charleston). No agency stations are located on this line.

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**CATEGORY 2 -**

All lines or portions of lines potentially subject to abandonment are those which the carrier has under study and believes may be the subject of a future abandonment application because of either anticipated operating losses or excessive rehabilitation costs, as compared to potential revenues.

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There are no lines in Category 2.

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**CATEGORY 3 -**

All lines or portions of lines for which an abandonment or discontinuance application is pending before the Commission on the date upon which the diagram, or any amended diagram, is filed with the Commission.

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Map Reference	Line Description
3-IL-300	29 miles of the Danville Subdivision, Nashville Service Lane, extending from Paris to Danville in Edgar and Vermilion Counties, IL between Mileposts 93.0 and 122.0 (QSD 94 and ZA 123). The stations of Paris (QSD 94), Chrisman (QSD 105), Tilton (QSD 125), and Danville (ZA 123) are under the jurisdiction of the Customer Service Center at Jacksonville, FL.

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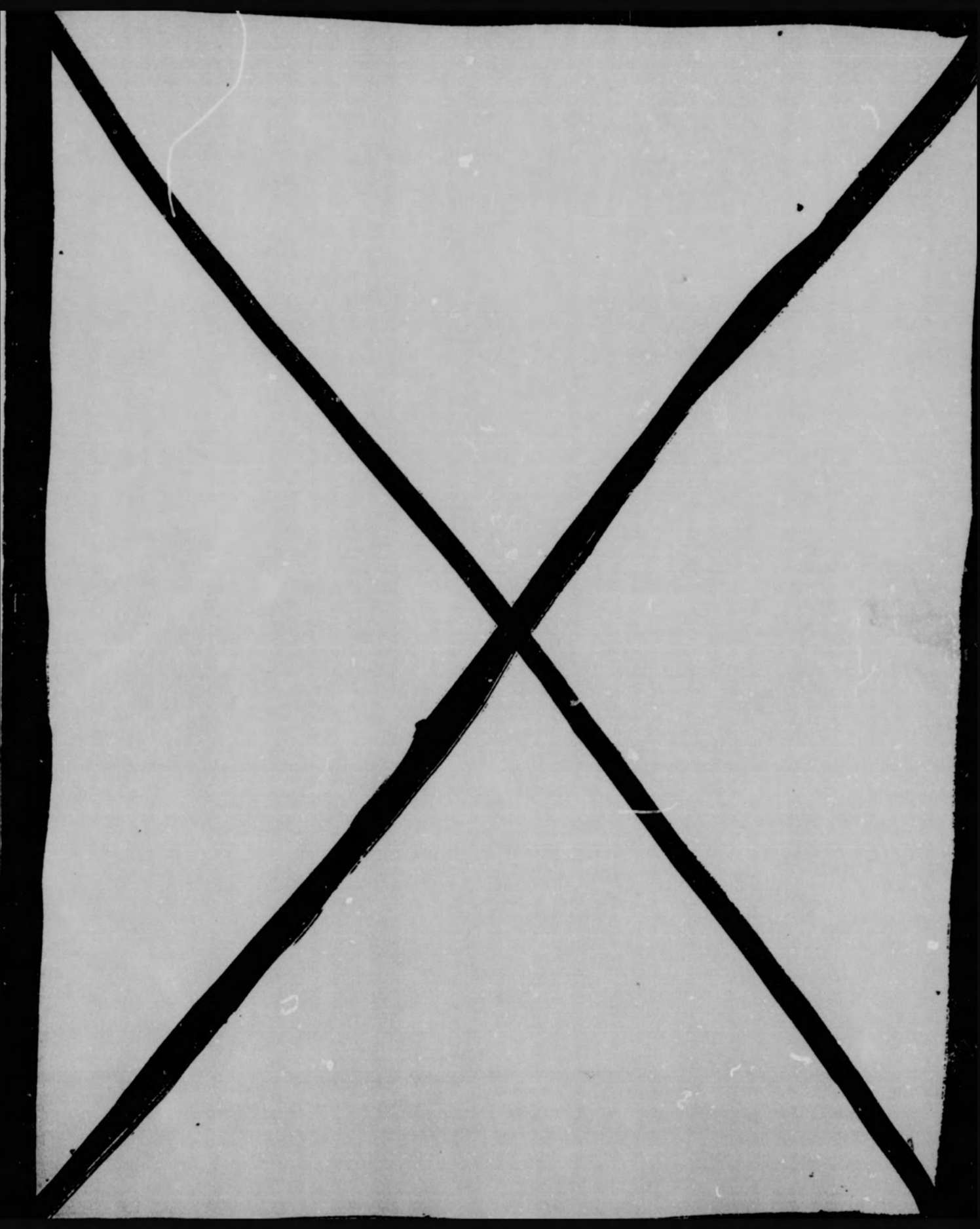
**CATEGORY 4 -**

All lines or portions of lines which are being operated under the rail service continuation provisions of 49 U.S.C. 10904 (and former 49 U.S.C. 10905).

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Map Reference	Line Description
C	Hunt Industrial Track, Adams County, Indiana, 1.10 Miles
E	Fort Wayne Line, Wyandot and Hardin Counties, Ohio, 16.9 Miles





STB

FD-33388

2-24-00

J

UNION



Office of the Chairman

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

FILE IN DOCKET

February 24, 2000

JA-33388

Mr. Clarence Turnquist  
President  
International Longshoremen's Association  
c/o 2125 Tryon Road  
Ashtabula, OH 44004

Dear Mr. Turnquist:

Thank you for your most recent letter responding to the ongoing dispute between your union and Norfolk Southern Corporation (NS) over the implementation agreement negotiated with your union as a result of the Conrail acquisition transaction. In your letter and attachments, you respond to NS's letter of October 21, 1999, a copy of which I had forwarded to you in my last letter.

I appreciate the information that you have included with your letter. As always, I will have your letter, the attachments, and my response made a part of the public docket for the Conrail proceeding. You indicate that your union and NS have not resolved any of the issues that have arisen in this matter. I again urge all parties to these discussions to participate in good faith and to strive to resolve the issues through negotiations. And, as I pointed out in my last letter to you, the Surface Transportation Board (Board) remains ready to exercise jurisdiction under the New York Dock conditions where warranted, and the Board remains committed to the fair implementation of the Conrail acquisition transaction.

I recognize your concerns and hope that your union and NS are able to arrive at a satisfactory resolution of these issues.

Sincerely,

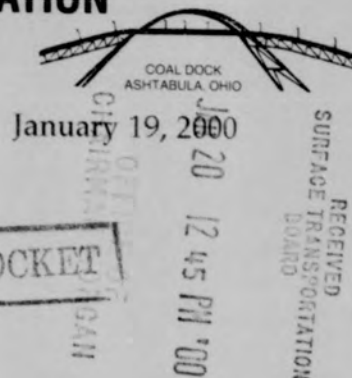
*Linda J. Morgan*  
Linda J. Morgan

cc: Mr. David Goode  
Chairman, President and CEO  
Norfolk Southern Corporation

Mr. Mark MacMahon  
Assistant Vice President - Labor Relations  
Norfolk Southern Corporation



# INTERNATIONAL LONGSHOREMEN'S ASSOCIATION LOCAL 1913



Express Mail No. EK 393517155US and Return receipt

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

Dear Ms. Morgan and Board Members

I am writing in regard to your December 3, 1999 letter in which you forwarded Norfolk Southern's (NS)'s October 21, 1999 letter to the Surface Transportation Board (STB) responding to the Union's August 24, 1999 letter to you, listing serious infractions in NS's execution of implementing agreement and Collective Bargaining Agreement (CBA) between I.L.A. Local 1913, and NS. To date our Union and NS have not resolved any of the issues raised in the Union's August 24, 1999 letter and in fact relations with NS and the Union have only gotten worse.

On September 30, 1999, Mr. Mark MacMahon Assistant Vice President Labor Relations, put out another statement that dealt with many of the same issues he addressed in his October 21, 1999 letter. The Union deems that it is necessary to set the record straight now, before the NS twists and distorts the facts any more. As a rebuttal to Mr. MacMahon's statements, I have attached a statement from Mr. D. E. Johnson, Vice President of I.L.A. Local 1913, along with a copy of Mr. MacMahon's September 30, 1999 letter.

The Union would appreciate any assistance that the STB can give us in resolving these disputes. I would hope it would not be necessary to evoke the arbitrary process under the terms of the New York Dock Agreement.

Yours truly,

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

cc: J. Baker  
S. Gross  
M. MacMahon



January 19, 2000

Statement of Dwight E. Johnson

I am Vice President of I.L.A. Local 1913 which represents the union employees at the Norfolk Southern (NS) coal dock in Ashtabula, Ohio. I have been employed at this dock since July 13, 1978 and a member of this union for the same. I have been Vice President for the union for six months and Advisor prior for five years. My business address is 6420 Lake Road West, Ashtabula, Ohio 44004.

My duties as Advisor, which is the position I held at the time of the March 12, 1999 Implementing Agreement, were to advise the union in it's decisions and or it's indecision concerning the interests and welfare of the membership. All though I did not actually negotiate any of the facts leading up to the Agreements for the Merger between Conrail and NS, I was very much apart of the March 12, 1999 Implementing Agreement and Collective Bargaining Agreement (CBA), agreement held in Ashtabula for the purpose of explaining to the membership what the Company and Labor Relations desired and what the Union desired respectively. I reiterate that this meeting originally was set up to be informational only so as the membership could evaluate the proposal in the ensuing days and then vote to either accept or decline the proposal itself. Unfortunately this ended up not being the case because NS Labor Relations reneged on the informational only part of the meeting and told the membership at about half way through that if we did not ratify this contract on that day that they NS would seek arbitration the following Monday to settle the agreement. Little else must be said that the membership felt that a gun had just been placed to their heads.

Mr. Mark MacMahon, Assistant Vice President NS Labor Relations statement of September 30, 1999, (paragraph 3, page 1), in which he claims that on several occasions, about many issues of the contract and the meeting itself in question, "that I.L.A., has distorted, misquoted, or taken out of context, statements that he made and therefore was obligated to set the record straight." It then is incumbent of me to refute his remarks and put our version a matter of record.

Mr. MacMahon's views on the objectives for NS Labor Relations for the agreement were as followed, (paragraph 4, page 1):

- I ) Operation of Ashtabula Coal Dock in an efficient manner consistent with its coal facility at Lamberts Point in Virginia.
- II ) For the staffing requirements of service, there could not be any minimum crew consist requirements.
- III ) No restrictions that would limit the work an individual employees could be assigned to do.
- IV ) NS to be able to staff for a seven day operation by using varied rest days and relief assignments.
- V ) Application of the nationally negotiated non-op craft vacation and holiday agreements.

MacMahon's objective number I  
I agree.

### MacMahon's objective number II

I disagree. There was language by both parties at the Implementing/CBA meeting raised as to a minimum crew consist requirement and it was my understanding that not only would there be a manning table in the agreement but also an Extra List (Article III) which was made part of the Contract and the mere fact that NS even made this article a part of the Contract is an admission, to the contrary that there would be a minimum crew consist requirement and that an extra list would be established to supplement vacancies due to vacations, sickness, and other causes to maintain the minimum crew consist. Because NS now realizes what a mistake they had made of putting Article III in the Contract, they desire to split hairs, as to the words "if necessary" to mean at their choosing or at their discretion or at worse, to ignore it completely. In reality the words "if necessary" means if any of said vacancies do occur and come into play on any given day or week, they then have an obligation to fill said vacancies by utilizing and maintaining an adequate extra list to sustain it. It is true that when Mr. MacMahon has stated many times "that they will never or in the near future want to hire any new employees" that he meant it and with that never had any intention to honor Article III now that the union has ratified the Contract. This was contrary to what was said and implied at the meeting. As further proof of my view Article III Section 6 of the Vacation Agreement, which was made part of the Contract, allows for the company to hire unlimited part time people to augment Article III of the Contract and therefore maintain the article as does Section 12 Paragraph C of the Vacation Agreement which refers to temporary hired relief employees to augment said vacancies, but the Company chooses to ignore their presence as part of the Contract and not apply them as is necessary. NS chooses not to fill any vacancies as agreed and instead opts to disregard their presence and blank jobs so as not to have to hire and therefore to save money. If the company's position is to be correct, then why were any of these Articles even put in the Contract. NS's point is stronger if they weren't.

Lastly, on this issue Article XXII Section 2 of the CBA specifies, contrary to Mr. MacMahon's assertion of no crew consists requirement that there will be on 1st shift 23 positions in navigation season, 15 positions on 2nd and 3rd shifts in navigation season when those shifts are worked. Now they choose not to adhere to the Article and pretend that it doesn't exist. Rather than maintain these numbers, they just blank the jobs. I do agree that these jobs and numbers will be lost eventually through attrition, but attrition has not arrived quite yet.

### MacMahon's objective number III

"No restrictions that would limit the work on individual employee could be assigned to do."

I disagree. NS decided to do away with the Conrail manning table, including job titles and the job descriptions. The Union was forced to arbitrarily accept new job titles and descriptions without any negotiation between the parties or any input from our Membership.

It was stressed as a sincere concern of the employees at the Implementing/CBA meeting as to what are the job descriptions going to be? Also, why weren't the job descriptions available for us at this meeting? Mr. MacMahon apologized to the

members and said that they were not ready yet for our examination. He then made the statement that we would have them in our possession not later than one week. The facts are that it was almost six weeks before we finally got to see them. This was one week before the take over and the job titles and their descriptions were jammed down our throats with no time to discuss or protest them. This was not an example of negotiating in good faith. In hind sight the Union probably should have protested this tactic and charged NS of being in breach of the Contract. This is another instance where Article III Section 1 and 2 is important to the Union for if the Article is followed to it's intent and purpose, NS would not have to move people from their normal described bid jobs.

MacMahon's objective number IV

"NS to be able to staff for a seven day operation by using varied rest days and relief assignments"

I disagree. Nothing in this objective of Mr. MacMahon's statement is true, and in fact, is not now being done after seven months of operation. There are no varied rest days and there are no relief workers for any assignments.

MacMahon's objective number V

"Positions to be bulletined and assigned in a manner to eliminate disruption and turn over."

My response:

Now, after seven months of operation with NS, nothing could be further from the truth. This method that NS has put in place, is more disruptive with more turnover than before. The real reason that the past Conrail procedure was eliminated was because a Conrail secretary, Mrs. Winchester, who was in charge of the Conrail procedure, decided to tell NS that this procedure should be eliminated from the CBA so to make life on her too more simple. It was, and now she's happy, but no one else involved is. In fact, it is now as I write that all Supervisory people on the Dock are trying to persuade NS to reinstate the old procedure, or one similar, because it is less confusing and disruptive. I personally have interviewed seven supervisors about this issue and all have expressed this to me and to Mr. Johnson, Dock Superintendent. No results as of yet, but is in the process.

MacMahon's objective number VI

"Application of the nationally negotiated non-op. Craft vacation and holiday agreements."

My response:

This should be a simple cut and dry issue, but it is not thanks to NS. Because of ongoing problems over this issue and the inability of this Union to reason with NS, I will just say that I am thoroughly disgusted with the way NS has handled themselves and to say we are "frustrated" to say the least. The National Non-Op Vacation and Holiday Agreements have been around for a long time and we never had any problems of their interpretations with Conrail over this issue. Only now with NS are we



to be abused by the meaning and interpretations of their content.

As Example: Company paid holidays.

At the March 12, 1999 Meeting, Mr. MacMahon explained that under the New Proposal, employees must work forty hours each week in order to qualify for time and one-half on Saturday and double time on Sundays (under Conrail it took only thirty-two hours). What he failed to explain, and intentionally I might add, was that NS was planning all along to give you the paid holidays off when they fell on a weekday and thereby making it impossible for anyone to qualify for forty hours for said overtime. The end result of this ploy would make an employee to have to work Saturday for straight time and time and one-half for Sunday. Thereby changing the intent of the holiday provision to mean from Company paid Holidays to Employee paid holidays so as not to have to pay holidays out of their own pockets but at the employee expense. In the fifty-five years that the Non-Operational National Vacation and Holiday Agreements has been in effect, no company has tried to interpret the Agreement this way for their benefit.

MacMahon's Paragraphs 5 and 6, page 2 - I.L.A. Concern:

"Impact of proposed elimination of a minimum crew consists requirement that could result in the furlough of employees who would not otherwise been furloughed." Also, that employees would earn less compensation if rest days were varied so that Saturday and Sunday work would not be performed on an overtime basis."

My response:

I do agree with Mr. MacMahon's above statement on impact and only comment for clarification that until the time comes to end the grandfather status given to each employee that through attrition, the company can and will achieve their goal, but not until then.

As to the statement "management shall have the right under Article XXVII, to reassign employees to perform other work." On the contrary, what was expressed for over an hour at the meeting on this issue by NS was just the opposite as to their position now. It was NS's position that no employee holding a bulletin job would ever be allowed to move from his bid job. It was NS's contention that extra list employees would be only allowed to fill the vacancies. Thus Article III Section 1 & 2 was a large factor for their argument. Not only would the extra list fill the vacancies, but under questioning from the union members about qualifications, Mr. MacMahon and Bryant Johnson blurted out that they would have all extra people "qualified in two weeks on all jobs." The membership laughed at such a statement and challenged their words. The Union argued vehemently that we wanted to fill vacancies by seniority choice, rather than be stuck on a job permanently and there by give the youngest extra list employee the preferred jobs that older seniority employees might like to work. The senior men would also be the most likely be the most qualified and therefore giving the company the very best people to perform the job. The company still stood on their position that once you got a bid job you would never be moved from that job unless no extra people were qualified to perform the job. Then and only then would the company move a man to fill a vacancy. Many questions and scenarios were expressed to Mr. MacMahon and his staff about our position, but all were refuted and turned down. NS stood firm on their contentions as to what and how they wanted vacancies to be filled and the union stood on it's convictions as to our wish that it be done. The Company ultimately won



this argument because the membership voted to accept the contract and the company would get what they wanted.

When June 1, 1999 take over date arrived, immediately NS started to do just the opposite of what their contention was and started moving people off their bid jobs because they didn't have a sufficient extra list to fill vacancies and never intended to have one to fill the needs. We were and are upset by this development for two reasons. First, an extra list was to be established to fill any and all vacancies, pursuant to Article III Section 1 and 2, was and would never be followed by NS as to it's intent. Secondly, by forcing regular assigned employees off their bid jobs with no seniority or choice being offered. They just do it randomly. This is exactly the opposite that NS had argued.

MacMahon's paragraphs 7 and 8, page 2 - Grandfather Clause

My response:  
I agree.

MacMahon's paragraph 9 No minimum crew consist

I disagree. The contract does have a crew consist requirement in Article XXII Section 2. The Article states that "for purposes of this Section 2 only, the number of positions previously required under the CR/ILA Agreement will be considered to be: for 1st shift 23 positions, in navigation season, 21 positions out of navigation season, for second and third shifts, 15 positions in navigation season and 13 positions out of navigation seasons when those are worked. Unless I just don't understand the meaning of Article XXII Section 2, I would say there is in fact a crew consist requirement. Even though I do understand that this represents a lose of employees through attrition over time.

MacMahon's paragraph 10, page 2 - Conrail Practices

My response:

I agree with Mr. MacMahon's written testimony that no previous Conrail practices were preserved under the new NSR/ILA Agreement except as specifically provided. I regret that we allowed this to happen.

MacMahon's paragraph 12, page 3 - Explanation of Proposal

Mr. MacMahon states: " .... I do not, however, recall any discussion whatsoever about filling vacation vacancies (as opposed to scheduling employees for vacation). I did not state, and would not have stated, that ILA and Dock Superintendent 'should work out an agreement on how to fill vacation vacancies.' because Mr. Johnson is not authorized by NSR to enter into labor agreements with ILA or any other union."

My response:

Even though I have touched on this issue in a previous paragraph, I will expand on this issue so as to respond to all of his comments. Mr. MacMahon denies there was even a discussion on the daily and weekly vacation fills so as to tailor the conversations from the meeting on this subject to mean something else. Mr. MacMahon's denial

totally baffled me as to the real conversation that took place at the meeting. Not only does he disagree of the event but has stated also that Mr. Licate and Mr. Johnson does not recall this issue being discussed. I will try to refresh their recollection.

MacMahon's paragraph 12 - Explanation of vacancy fills

My response:

This topic was a major concern of the membership. As proof, that the conversations actually taking place will have to be aimed directly at Tony Licate whom is the Director of Labor Relations and low and behold a home town boy from Ashtabula. I make reference to home town because it was when we were discussing this issue of vacation fills that one of our members, Mr. John Paolillo told a timely story about Tony and John's childhood days, while playing ball together, of putting the best players on the field. It was Mr. Paolillo's purpose to show the Company, that our version would result in having the best player to fill the vacancies. For NS to now say that they don't remember this conversation as ever taking place, therefore, brings me to conclude one of two things, either that NS's intentions at that meeting, were to say what we wanted to hear to get the votes they desperately needed and then to later simply deny the incident ever took place, or that all fifty-one employees that attended that meeting and their attorney Mr. Sandy Gross were making this up and therefore not telling the truth.

MacMahon's paragraph 12 - Week end work scheduling

My response:

I do disagree with Mr. MacMahon's statements on this issue but because of ongoing negotiations of this matter, I will restrain my comments at this time.

MacMahon's paragraph 13 - "Give ups" and "Me Too"

My response:

I disagree with Mr. MacMahon's denial that the "me too clause" was ever discussed at the march 12, 1999 meeting in Ashtabula. Mr. MacMahon states that he only discussed the "me too" issue at an earlier negotiating session. To prove my contention that "me too" was discussed at this meeting, I have to say that prior to this meeting, I never knew or heard the expression but I sure knew what it meant after I left the meeting. My recollection as to how or why the words "me too" came up was one of our members asked for NS to allow us our 70 hours a week for vacations and MacMahon jumped at the chance to deny the request because under the "me too" clause in the other crafts, that had the clause, would have the right to also receive 70 hours per week instead of the 40 hours already in their contract.

MacMahon's paragraph 14, page 4, (a special note, there are two different paragraph 14's in Mr. MacMahon's statement) - Electrician Helper (EH) Position

My response:

I don't remember of discussing the EH job at the March 12th meeting but I did later ask each member of the Committee as to their recollection on the issue and they told me that they directly argued the position to be included in the contract at previous negotiating meetings.

MacMahon's paragraph 13, page 5 - Mark Offs

ILA has asserted that MacMahon stated that "there would be no restrictions on how often an employee marks off from work and the only penalty (the union) members would suffer is the loss of overtime" "Neither I nor any other responsible carrier official would ever agree that an employee could simply be absent at his or her pleasure, regardless of the needs of service.."

My response:

Being that I sat about eight feet from Mr. MacMahon at the meeting, I was attentive to what he was saying. Because we had an extra list with Conrail that was designed so as to allow for unlimited mark offs. This system was in effect for thirty years with Conrail and it's predecessors and was designed to allow employees a chance for work relief because we were a seven day operation with needs for our health and families. This system was never a problem for Conrail and rarely discussed by either party. So it was an important issue for employees and was asked of Mr. MacMahon if there would be any problems with NS over mark offs. Mr. MacMahon then stated that marking off would still be allowed but there would be a penalty for doing so. The penalty would be that an employee must have 40 hours service for the week in order to qualify for premium time on the weekends. The mere fact that the company installed the 40 hour policy allows that they knew there was a situation they didn't approve of and therefore wanted to put restrictions on it. NS had many months and the merger power to put into place any type of language that they saw fit and did so. To now come crying that "Neither I nor any responsible carrier official would ever agree that any employee could simply be absent at his or her pleasure, regardless of the needs of service." I must respond then to Mr. MacMahon's statement by saying this type of procedure did exist with Conrail and Mr. MacMahon doesn't have to look far from his desk to find that the Labor Relations Director whom was responsible for the language in the Conrail Contract was none other than his now Director, Tony Licate. Need I say more.

Lastly, and probably more important to this issue is that the same pen used by Labor Relations was also the same pen that they used to write Article III Section 1 and 2. Which now is a big problem for them and seek to look for ways around. NS now wishes not to have an extra list to fill vacancies and to therefore deny their statement made about the 40 hour rule because the two issues are compatible with each other and now gives them problems that they would like to go away.

MacMahon's paragraph 14, page 5 -Extra List people

Mr. MacMahon states "I did not state that extra list people would be trained and used to fill all vacancies, that would be contrary to the basic bargaining by both parties to what was negotiated in the March 12, 1999 Agreement."

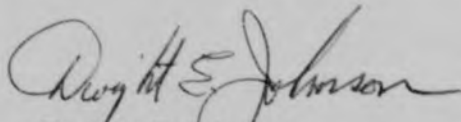
My response:

The fact is, Mr. MacMahon did make those statements and NS now wishes they hadn't and therefore are now trying to overturn the Agreement by simply denying what was actually said. I have discussed previously in this letter about Article III Section 1 and 2, as being their nemesis, and self inflicted I might add, and this Article is exactly why they now want to deny the extra list training conversation because it proves the Unions contention of why Article III was installed and what it's real interpretation is. To admit, that the conversation about having and training extra people would put NS Labor Relations in jeopardy as to Article III Section 1 and 2. That would be disastrous for them so .....deny, deny, deny.

Maybe Mr. MacMahon forgets that after the March 12, 1999 meeting, I stayed over to specifically ask him if he was sincere about Dock Superintendent B. Johnson, working out the policy of how and whom would fill vacancies and Mr. MacMahon replied that he was sincere and I should go and see Mr. Johnson and work it out at the Local Level and whatever we decided would be fine with him. Mr. Johnson even went so far as to tell me to come see him personally after the merger and we could work this out. Two days after the take over the Union President, Mr. Daniels, Committeeman Mr. Carbon, Secretary/Treasurer Mr. Leonard, and myself went to see Mr. Johnson about this issue and he rejected it entirely. Mr. Johnson stated, "We will do it the way we see fit".

Lastly, my impressions and statements are not in full and I reserve the right to expand on these issues, as might be necessary. It is, therefore, my contention that Mr. MacMahon has chosen this opportunity to twist and turn the facts and words of the March 12, 1999 Agreement so as to better the NS position as to the inquiry of Linda Morgan of the Surface Transportation Board to show her that this Union is the bad guy in these efforts and thereby shift the blame of disagreements, of the two parties on us. I resent this tactic and point out to all concerned, that both parties are bound to handle all agreements or differences with honesty, integrity, respect, and most importantly, in good faith. Unfortunately, NS has done little of any of the above. It is my utmost wish to find an amicable solution to our differences.

I declare that the above statements are true and correct to the best of my knowledge and belief.



Dwight E. Johnson  
Vice President I.L.A. Local 1913

cc: S. Gross  
J. Baker  
M. MacMahon



Statement of Mark R. MacMahon

Mark R. MacMahon hereby states as follows:

1. I am Assistant Vice President Labor Relations of Norfolk Southern Corporation ("NS"), the corporate parent of Norfolk Southern Railway Company ("NSR"). I have held this position since July 1, 1997. I was first employed by NSR (then named "Southern Railway Company") in 1975. I was Director Labor Relations for NS from 1986 to 1992, Manager Benefits from 1994 to 1995, and Director Benefits from 1995 to July 1, 1997. My business address is Three Commercial Place, Norfolk, Virginia 23510.

2. My duties and responsibilities as Assistant Vice President include negotiating, interpreting, and administering the collective bargaining agreements entered into by NSR and various labor organizations. I am principally responsible for the negotiation and administration of all non-operating craft labor agreements and for the administration of statutory and negotiated protective benefits for all crafts. I was the chief negotiator for NSR in the negotiations which led to the April 12, 1999 collective bargaining and implementing agreements. These agreements were negotiated as a result of the planned operation by NSR of a portion of the former Conrail property.

3. ILA has filed numerous claims and grievances since June 1, 1999. In many of those claims, ILA has indicated that statements made by me during the negotiations support their position. I either did not make the statements ILA has attributed to me, ILA has misquoted me, or ILA has distorted, or taken out of context, statements I did make. I regret that it has become necessary for me to refute the various ILA allegations in this statement. Nevertheless, because ILA has personally named me in the various claims filed by it, I am obligated to set the record straight.

4. During the negotiations which led to the April 12, 1999 agreement, NSR identified several key objectives. These objectives, which were set forth in my February 26, 1999 letter to ILA, included the following: (i) operation of the Ashtabula Dock in an efficient manner consistent with NSR's operation of its Norfolk, Virginia facility; (ii) NSR to staff for the requirements of the service with no minimum crew consist requirement; (iii) no restrictions that would limit the work an individual employee could be assigned to do; (iv) NSR to be able to staff for a seven day operation by using varied rest days and relief assignments; (v) positions to be bulletined and assigned in a manner to eliminate disruption and turnover; and (vi) application of the nationally negotiated non-operating craft vacation and holiday agreements.

5. ILA was concerned about the impact that the proposed changes would have on employees at Ashtabula. Specifically, ILA was concerned that elimination of a minimum crew consist requirement could result in the furlough of employees who would not otherwise have been furloughed. Also, that employees would earn less compensation if rest days were varied so that Saturday/Sunday work was not performed on an overtime basis.

6. The April 12, 1999 agreement the parties eventually negotiated addressed both NSR's objectives and ILA's concerns. Under that agreement, many of the NSR objectives became effective on the effective date of the agreement. Article XXVI of the new agreement, for example, specifically provides that "management shall have the right to reassign employees to perform other work." Other changes were phased in as "grandfathered" employees lost their grandfathered status or attrited.

7. A grandfathered employee was defined in the new NSR-ILA agreement as an employee who was in service on the effective date of the implementing agreement (June 1, 1999). The grandfathered period for an employee who had less than 6 years' service was equal to that individual's length of service while the grandfathered period for an employee who had 6 or more years' service continued for as long as that individual was covered by the NSR-ILA agreement.

8. Article V of the agreement gave NSR the right to staff for a seven-day-a-week operation by varying rest days and using relief assignments. However, Article XXIV said NSR could not establish positions which did not have Saturday - Sunday rest days if a grandfathered employee was unable to hold a position with Saturday - Sunday rest days. Thus, NSR will gradually be able to establish positions with other than Saturday - Sunday rest days as grandfathered employees lose their grandfathered status or attrite.

9. There are no minimum crew consist requirements in the new NSR-ILA agreement. However, Article XXIV says that if there are grandfathered employees who are unable to hold a position and a shift is worked with less than the number of employees that would have been required under the previous CR-ILA agreement, NSR must add additional position(s) to those shift(s) up to the number of furloughed grandfathered employees or the number of positions previously required by the CR-ILA agreement, whichever is less. Thus, as grandfathered employees lose their grandfathered status or attrite, NSR will be able to size its work force in accordance with the needs of the service rather than as required by an artificial standard.

10. No previous Conrail practices were preserved under the new NSR-ILA agreement except as may have been specifically provided for

in that new agreement. NSR emphasized this fact to ILA on numerous occasions during the negotiations.

11. I and other NSR management representatives attended a meeting on March 12, 1999 wherein ILA explained the proposed new agreement to its membership. [The NSR management representatives did not attend all portions of the meeting because ILA preferred to meet privately with its membership at times.]

12. ILA has asserted that during the March 12, 1999 meeting I stated that it was up to [Dock Superintendent] Mr. Johnson to sit down with the Union and work out an agreement on how to fill vacation vacancies. I recall that there was some discussion about how employees would schedule their vacation. I indicated that Dock Superintendent Johnson would not want to have too many employees on vacation at any given time because he would need to ensure that NSR would have sufficient employees to perform the work. Certainly, with respect to scheduling employees for vacation, it was and is the intent of NSR and Dock Superintendent Johnson to try to accommodate employee preferences consistent with the requirements of the service. I do not, however, recall any discussion whatsoever about filling vacation vacancies (as opposed to scheduling employees for vacation). I did not state, and would not have stated, that ILA and Dock Superintendent "should work out an agreement on how to fill vacation vacancies" because Mr. Johnson is not authorized by NSR to enter into labor agreements with ILA or any other union.

12. ILA has stated that, during negotiations in March 1999, Dock Superintendent Johnson stated that he "had no problem with continuing the existing practice of twenty-four hour notification when crews were to be canceled on the weekend." To my knowledge, Mr. Johnson did not make this statement and, if he had done so, I would have objected because NSR had consistently emphasized to the union that we wanted our local supervision to have as much flexibility as possible to efficiently manage the dock operation. It is entirely possible that either Mr. Johnson or I would have indicated that we would try to give as much advance notice as possible under the circumstances. We would not, and did not, however, promise to adhere to any hard and fast requirement.

13. ILA has indicated that at the March 12, 1999 meeting I stated that "give-ups were necessary to bring the ILA into line with other crafts" and that I "emphasized that it was very important that the me-too [principle] be followed very closely with the implementing agreement because if other crafts would find out that the ILA was getting something they were not, those other crafts would demand the same treatment."



I recall not have seen the three "me-too" letters in either a negotiating session or in an open town meeting with employees. I recall that the so-called "me-too" letters were discussed at an earlier negotiating session -- but not at the March 12, 1999 meeting. These "me-too" letters were attached to various shopcraft implementing agreement but were not appended to the ILA implementing agreement. They provided that if NSR reached an implementing agreement for the Conrail transaction with another shopcraft organization that provided greater benefits or more favorable terms, then those benefits or terms would be made available to the involved shopcraft organization under the same conditions.

ILA has argued that under the "me-to" principal, it is entitled to extra pay for working the 1999 "Father's Day" weekend because UTU, ATDD, and TCU clerical employees were paid extra for working that weekend. ILA is wrong. First, there was no "me-too" side letter appended to the ILA implementing agreement. Moreover, even if a "me-too" letter akin to those negotiated with the shopcraft organizations had been part of the ILA implementing agreement, (and it was not), that letter would not have awarded the "Fathers Day" pay sought by ILA. The additional compensation awarded UTU represented and other (but not shopcraft) employees was a gratuitous payment by management. It was not negotiated with any union, nor was it part of any implementing or other agreement with any organization and would, therefore, have been outside the scope of the involved "me-too" letters in any event.

14. ILA has alleged that during negotiations in March 1999 I "agreed to the ER (Electrician Helper) being included in the number of jobs grandfathered." This is simply not true. In Article XXII of the April 12, 1999 NSR-ILA agreement, the parties specifically defined who would be grandfathered and for how long. In addition, the parties agreed that "should the number of employees working on one or more shifts . . . be less than the number that would have been required under the previous CR-ILA agreement, and there are Grandfathered employees who cannot hold a position, a sufficient number of available Grandfathered employees will be used to augment the work force up to the number of such Grandfathered employees or the number of positions previously required by the CR-ILA agreement, whichever is less." The agreement then specifically defines, for purposes of the foregoing provision, what the number of positions previously required under the CR-ILA agreement will be considered to be. It defies all reason for ILA to assert that the parties agreed to something other than the clear and specific language of the applicable agreement.

15. ILA has alleged that during the negotiations both I and Director Labor Relations A. J. Licata "did not disagree that due to nature of the job working with high voltage routinely that the



Electrician and an Electrician Helper would continue to work together as they did under the ILA/Conrail CBA." Initially, I note that ILA does not, in this statement, allege that NSR agreed to the any particular use of an Electrician Helper and, in fact, NSR did not do so.

Article IV of the April 12, 1999 NSR-ILA agreement provides for only two positions: Operations Mechanic and Maintenance Mechanic. While Article IV calls for job bulletins to list the primary duties of positions, it also gives management the right to "... assign employees to perform other work . . .". I recall that, during the negotiations, ILA felt that an employee performing electrical duties would need to be assisted by another employee in order to perform his or her work safely. NSR did emphasize to ILA the importance it placed on safety. NSR pointed out, as evidence of its commitment to safety, that it had received the Harriman Gold Medal nine (now ten) years in a row. NSR also indicated that its supervision would determine whether additional assistance should be provided to an employee. However, NSR did not promise to always use two employees to perform electrical work, regardless of the nature of the task to be performed.

13. ILA has asserted that I stated that "there would be no restrictions on how often an employee marks off from work [and] the only penalty [the union] members would suffer is the loss of overtime." While it is true that an employee who does not work will not be paid, I did not and would not have said that "the only penalty" a union member would ever suffer for being absent was the loss of compensation. Such a statement would have been contrary to the basic needs of the service. The employees contract with the Carrier to perform the work and are expected to do so. Neither I nor any other responsible Carrier official would ever agree that an employee could simply be absent at his or her pleasure, regardless of the needs of the service.

14. ILA has asserted that I stated during the negotiations that "extra list people would be trained and used to fill all vacancies"; "the crew people would not be moved off their jobs; and that "the most efficient use of . . . is to have the employees on permanent bid job assignments and not to have them moved around to different jobs."

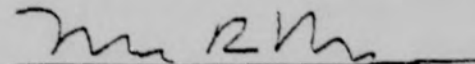
I did not state that "extra list people would be trained and used to fill all vacancies." That would have been contrary to the basic bargain the parties struck when they negotiated the April 12, 1999 agreement. NSR believed Conrail had been required to use an artificially mandated number of employees on the various shifts. NSR wanted to eliminate any crew consist requirements and staff for the needs of the service. Thus, the parties fashioned a grandfathering arrangement whereby NSR could reduce the number of

employees on any shift that was worked below that which would have been required under the NSR-ILA agreement, so long as there was no unrepresented employee that could not hold a position. In these circumstances it would have been absurd for NSR to promise to fill all vacancies. Moreover, the IIA allegation is contrary to the clear language of Article III of the NSR-ILA agreement, which provides that such vacancies will only be filled "if necessary."

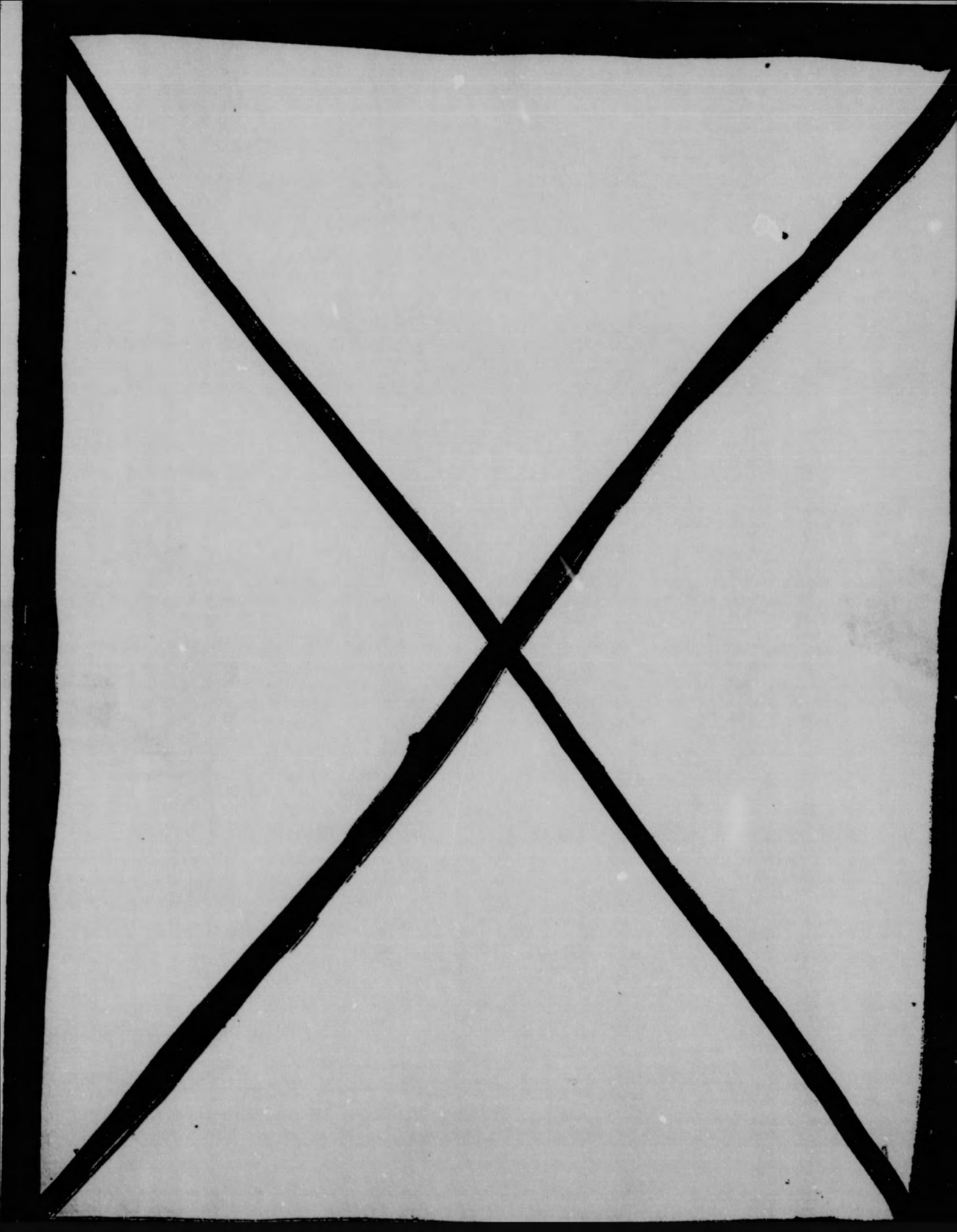
I certainly did state that it was our intent to train employees to do numerous tasks so that we would be able to fully utilize them in accordance with the needs of the service. I did not state that "the crew people would not be moved off their jobs." Such a statement would have been contrary to one of NSR's key objectives described in paragraph 4 above (no restrictions that would limit work an employee could be assigned to do) and would have been contrary to the specific language the parties agreed to in Article XII "Carrier has right to 'assign employees to perform other work'" and Article XXVI (management has "right to assign employees to perform other work.")

ILA's allegation that I indicated that the most efficient use of employees was to have them on permanent bid jobs and not move them around is distorted and misleading. Conrail had a preference list (or choice) arrangement whereby employees essentially chose the job or work that they would do at the beginning of the day and rotated between shifts each week. NSR viewed these arrangements as disruptive to the work effort and sought to eliminate them. The choice sheet and preference list arrangements were eliminated in favor of bid-in positions but, as discussed above, the agreement specifically provided for management to assign employees to perform other work. The weekly rotation arrangement was replaced by a monthly rotation that will gradually be eliminated as grandfathered employees lose their grandfathered status or attrite.

I declare that the above is true and correct to the best of my knowledge and belief.

  
Mark R. MacMahon

September 30, 1999



STB

FD-33388

2-14-00

J

BUSINESS





Office of the Chairman

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

FILE IN DOCKET

February 14, 2000

7A-  
33388

Mr. F.A. Winkler  
Founding Member  
New Jersey Shortline Railroad Association  
P.O. Box 1024  
Bridgeton, NJ 08302

Re: Railroad Intermodal Terminal in Bethlehem, PA

Dear Mr. Winkler:

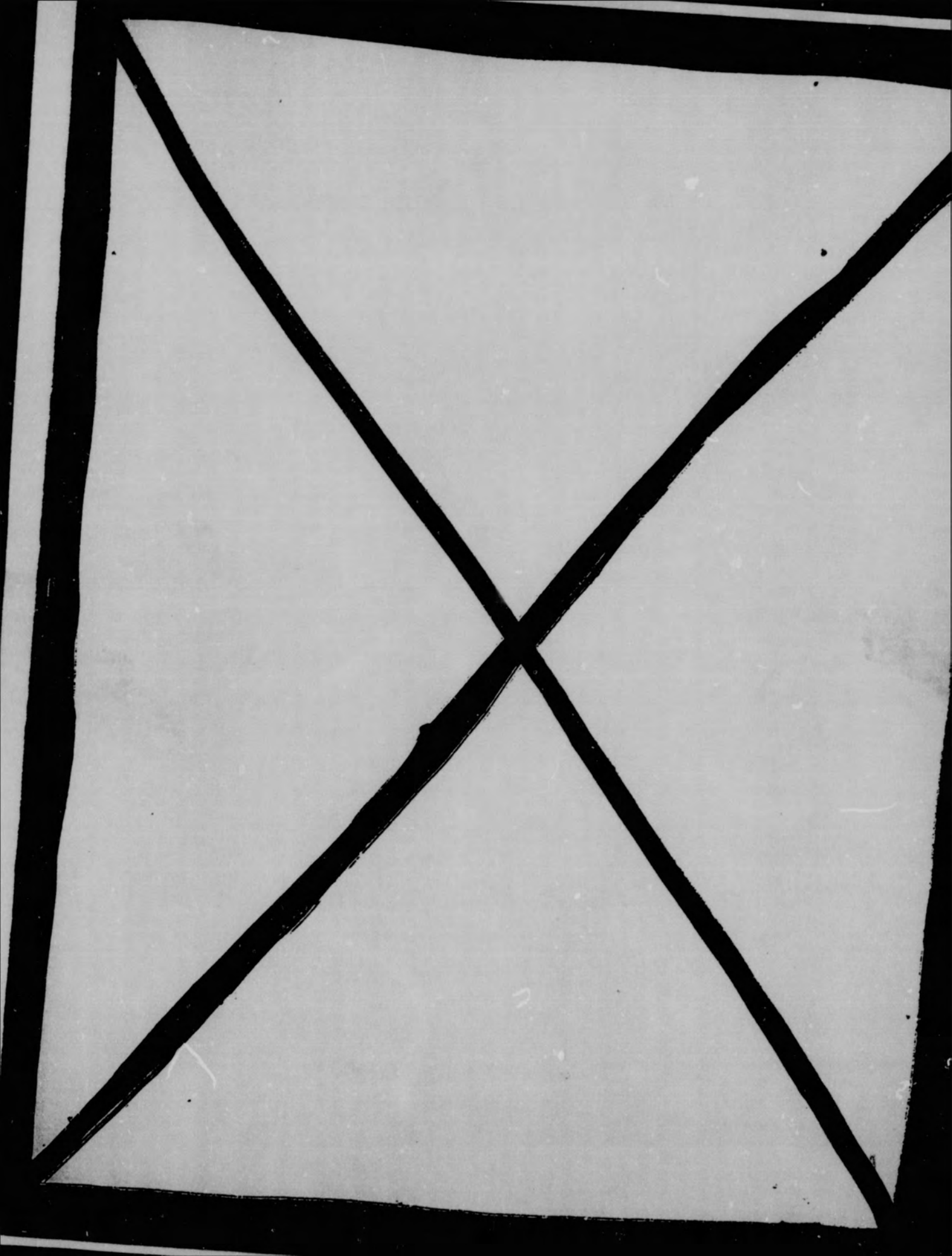
Thank you for your letter of January 19, 2000, concerning the operations of a new intermodal terminal in Bethlehem, Pennsylvania, used by the Norfolk Southern Railway (NS). Specifically, you have indicated concern that this facility is being used for traffic destined to the New York City metropolitan area, and that such traffic is being drayed longer distances due to congestion in the New York City area.

As you know from your railroad experience, intermodal services are typically "ramp to ramp," and drayage is usually arranged by the shipper at origin and at destination. Thus, the shipper would make the decision as to the railroad destination to be used for its shipments, in this case Bethlehem, Pennsylvania. With regard to the Bethlehem terminal, we understand that this terminal is operated by Beth Modal, a company owned by Bethlehem Steel, and that NS has access to the facility. It may be that NS, at the direction of the shipper, is delivering intermodal shipments to Bethlehem which have the New York City area as a final destination. This would be a shipper decision and not one in which the Board can be involved. Regarding your suggestion that shippers are being forced into longer drayage due to congestion in the New York City area, we have had no indication from shippers or from our monitoring that such a situation exists.

As always, I appreciate your making me aware of your concerns.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



STB

FD-33388

2-14-00

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BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

February 14, 2000

Mr. Gary M. Spiegel  
Senior Vice President - Operations  
CSX Transportation, Inc.  
500 Water Street  
Jacksonville, Florida 32202

Re: Rail Freight Operations - Western New York and Buffalo

Dear Mr. Spiegel:

Thank you for your joint letter with Mr. Jon Manetta of January 13, 2000, concerning your efforts to improve rail freight operations in Western New York, and in particular in Buffalo, and the commitment on behalf of both companies to work to resolve customer service issues.

Your commitment and cooperation are impressive and gratifying, and, fully sustained, should go a long way toward resolving many of the service issues that have been at the forefront of the Buffalo controversy. Shippers throughout the Conrail acquired territories deserve reliable service, and we must continue to be especially sensitive to those areas that require our proactive attention. And through aggressive actions and enduring commitment and cooperation, we can ensure that shippers realize the promised benefits of the Conrail transaction.

I will have your letter and my response made a part of the public docket for the Conrail proceeding. Please continue to update me on your joint efforts in Buffalo and elsewhere, and do not hesitate to contact me on any issue with which I can be helpful.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

cc: Mr. John Snow





Office of the Chairman

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

FILE IN DOCKET

February 14, 2000

Mr. Jon L. Manetta  
Senior Vice President - Operations  
Norfolk Southern Railway Company  
Three Commercial Place  
Norfolk, Virginia 23510-2191

Re: Rail Freight Operations - Western New York and Buffalo

Dear Mr. Manetta:

Thank you for your joint letter with Mr. Gary M. Spiegel of January 13, 2000, concerning your efforts to improve rail freight operations in Western New York, and in particular in Buffalo, and the commitment on behalf of both companies to work to resolve customer service issues.

Your commitment and cooperation are impressive and gratifying, and, fully sustained, should go a long way toward resolving many of the service issues that have been at the forefront of the Buffalo controversy. Shippers throughout the Conrail acquired territories deserve reliable service, and we must continue to be especially sensitive to those areas that require our proactive attention. And through aggressive actions and enduring commitment and cooperation, we can ensure that shippers realize the promised benefits of the Conrail transaction.

I will have your letter and my response made a part of the public docket for the Conrail proceeding. Please continue to update me on your joint efforts in Buffalo and elsewhere, and do not hesitate to contact me on any issue with which I can be helpful.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

cc: Mr. David Goode

FILE IN DOCKET

January 13, 2000

Linda J. Morgan  
Chairman  
Surface Transportation Board  
1925 K Street, NW, Suite 820  
Washington, D.C. 20423-0001

OFFICE OF  
CHAIRMAN MORGAN

JAN 14 9 57 AM '00

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Dear Chairman Morgan:

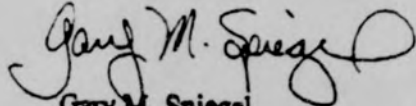
This letter reports on the efforts to date of CSX and Norfolk Southern to improve rail freight operations in Western New York and in particular, Buffalo. CSX and Norfolk Southern remain committed to resolving customer service issues and have initiated steps to that end.

Where service issues of mutual concern exist, CSX and Norfolk Southern are working closely in order to provide improved service for Buffalo-area shippers. A locally based, joint operating team has been formed to address the issues of interchange, transit times and misrouted rail cars. This has been and will continue, to be a joint effort including senior officers and local management.

Beginning in late October 1999, CSX established a Buffalo-specific audit team designed to identify root causes of service problems and recommendations for resolution of those problems. As part of that audit process, CSX audit representatives contacted and interviewed several customers in order to ascertain specific issues of concern. Those customers include Dunlop, DuPont, Olin, OxyChem and Washington Mills. Additionally, CSX has expanded the process to include future meetings with Delphi, 3M, General Mills and American Axle. Communications between CSX and these customers continues with one-on-one discussions occurring twice weekly or more as necessary.

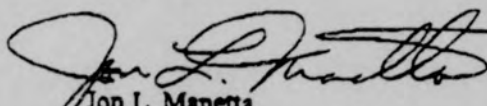
The results to date of the joint CSX and Norfolk Southern efforts have been promising. We will continue to aggressively deal with Western New York and Buffalo-specific service issues which you have raised. If you have any questions, please feel free to call either of us.

Very truly yours,



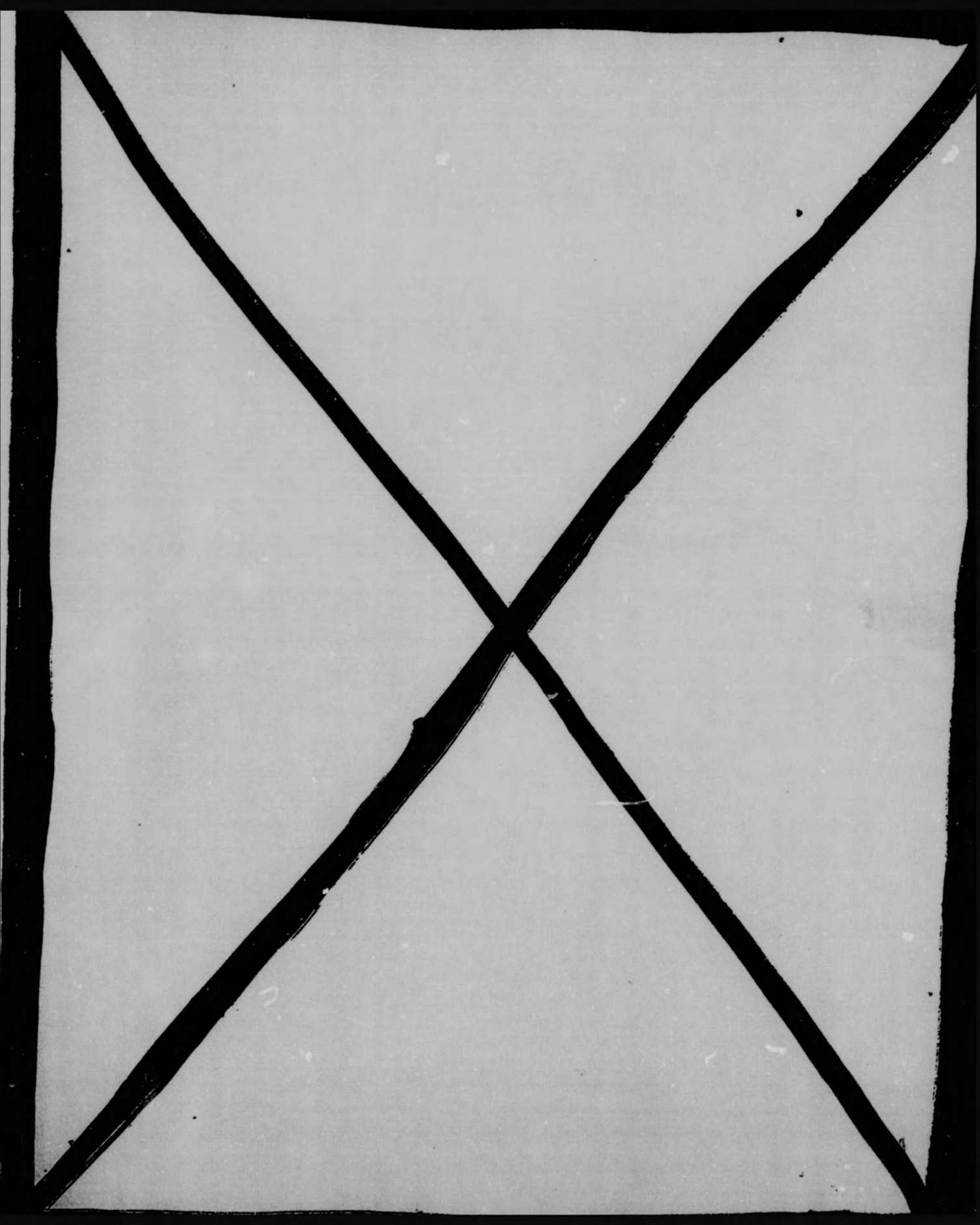
Gary M. Spiegel  
Senior Vice President Operations  
CSX Transportation, Inc.

Very truly yours,



Jon L. Manetta  
Senior Vice President Operations  
Norfolk Southern Railway Company

cc: Wayne Burkes, Vice Chairman, STB  
William Clyburn, Commissioner, STB



STB

FD-33388

2-11-00.

J

BUSINESS





Office of the Chairman

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

FILE IN DOCKET

FD-33388

February 11, 2000

The Honorable Anthony M. Masiello  
Chairman, Board of Directors  
Buffalo Economic Renaissance Corporation  
620 Main Street  
Buffalo, NY 14202

Dear Mayor Masiello:

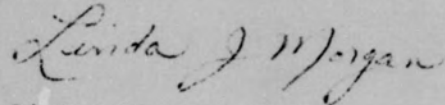
Thank you for your letter on behalf of the membership of the Board of Directors of the Buffalo Economic Renaissance Corporation describing the concerns of industries located in western New York about railroad rate and service levels. In your letter, you indicate that service concerns persist; that rail infrastructure is inadequate; and that switching fees are at inflated levels.

As I know you are aware, I have recently visited Buffalo and will visit there again in the Spring, and I have closely followed the rail service problems in western New York — and elsewhere in the East — that have resulted from the less-than-smooth integration of Conrail's operations into the existing railroad operations of the Norfolk Southern and CSX railroads. After my visit to Buffalo, I developed a plan, which has been widely publicized, to specifically monitor and address these integration problems, including the adequacy of the rail infrastructure in the Buffalo area. We continue to actively work with the carriers and shippers to remedy the service problems in the Buffalo area.

I realize that, apart from the existing service problems, some businesses are concerned about rate levels in western New York. In approving the Conrail transaction, the Board imposed various conditions to address concerns about the impact of the merger on Buffalo area rates, and it provided for a rates study that would, on an annual basis over a three-year period, review rate levels in the area with a view toward determining whether rates have gone up or down since the integration of Conrail into the NS and CSX rail networks. The Board recently issued a decision initiating the first annual review of Buffalo rates. Thus, there is a forum in which to address Buffalo-area rate issues that may arise out of the Conrail transaction.

I understand your concern that implementation of the Conrail Transaction has not proceeded as smoothly as we all had hoped it would, and I assure you that we are doing all we can to improve the situation. I will have your letter and my response included in the public docket for the Conrail proceeding, and I hope that you will not hesitate to contact us if we can be helpful in the future.

Sincerely,

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

Linda J. Morgan



BUFFALO ECONOMIC  
RENAISSANCE CORPORATION

THE HON. ANTHONY M. MASELLLO  
CHAIRMAN  
ALAN H. DELISLE  
PRESIDENT  
1-888-GROW-BFO

FILE IN DOCKET

December 21, 1999

Ms. Linda Morgan  
Chairman  
Surface Transportation  
1925 Kellogg Street NW  
Suite 800  
Washington, DC 20423

Dear Ms. Morgan:

I am writing this letter on behalf of the entire membership of the Buffalo Economic Renaissance Corporation, Board of Directors.

Although freight shipment by truck has assumed a more dominant position in the Western New York economy, freight shipment by railroad still fills a vital and expanding roll. Many of the areas largest employers rely heavily on strategically timed railroad shipping. For years, Western New York manufacturers have tried to compete under the pressures of excessive car-switching charges, resulting from monopolistic control. It was hoped that the CSX/Norfolk Southern acquisition of Conrail would ease this situation, but it hasn't.

On December 1, 1999, the greater Buffalo Area Regional and Local Authorities Committee to Promote Growth of Rail Traffic met to get an update from CSX Railroad officials regarding the first six months of transition since the CSX/Norfolk Southern acquisition of Conrail. Although the CSX Officials outlined various steps that have been implemented to improve service in recent weeks, the situation continues to be "bleak" for many rail users in Erie and Niagara Counties.

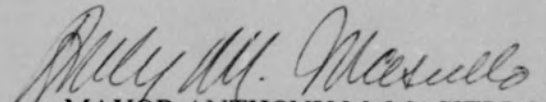
The committee heard from numerous commodity producers such as OxyChem and DuPont, who stressed that if CSX's service did not improve in the very near future, their companies would be entering a "crisis" period that could quickly lead to reduced production, layoffs and possible closings.

A critical concern of these companies is the horrendous "cycle-time" problem that has propagated under CSX and Norfolk Southern's watch. We are aware of some producers who are experiencing a wait of over fourteen days for their empty cars to return from shipments, a process that averaged five days under Conrail.

The Buffalo Railroad hub supports over 25,000 jobs that are directly linked to rail, but the infrastructure has become inadequate and antiquated. As mentioned previously, switching fees still remain inflated and are a deterrent to true competition. Norfolk Southern's recent completion of improvements at the Bison Yard is a positive investment, but this is only a piece of the puzzle. Further investment must be made in the near future to improve the ongoing bottleneck at the "CP Draw" bridge over the Buffalo River.

The Board of Directors of the Buffalo Economic Renaissance Corporation strongly believes that the economic development "crisis" related to railroad shipment in the Greater Buffalo area is upon us. We need to have service restored to the previous Conrail standard, before the rigors of winter exacerbate the problem further.

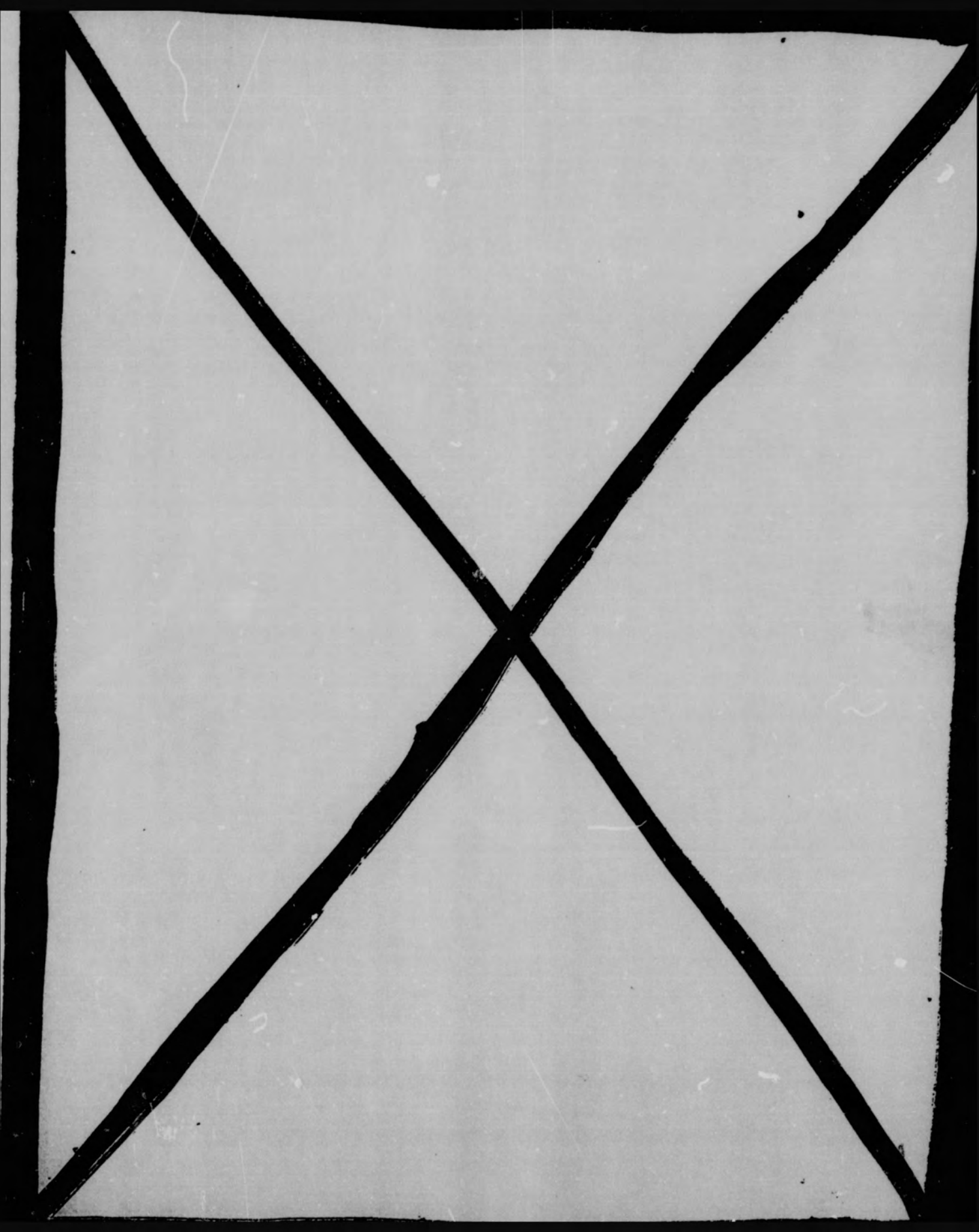
Sincerely,

  
MAYOR ANTHONY M. MASIELLO  
Chairman, Board of Directors  
Buffalo Economic Renaissance Corp.

cc: All members of the WNY Congressional Delegation  
All members of the BERC Board

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STB

FD-33388

2-11-98

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

70-33388

February 11, 1998

Ms. Robin K. Wiener  
Executive Director  
Institute of Scrap Recycling Industries, Inc.  
1325 G Street, N.W., Suite 1000  
Washington, DC 20005-3104

Re: Rates Charged By NS

Dear Ms. Wiener:

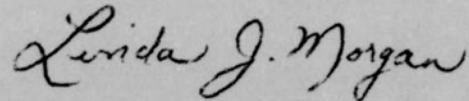
Thank you for sending me a copy of your letter to Mr. David Goode, Chairman, President and Chief Executive Officer of Norfolk Southern Corporation (NS), expressing concern about certain rate actions recently taken by the railroad on recyclable commodities shipped by your members. In your letter, you state that this is a particularly inopportune time for the railroad to increase rates, given the recent service problems, and the resulting claims issues, that have developed since the implementation of the "Conrail Transaction."

At the outset, let me say that I share your concern about the service problems that the large eastern railroads have experienced over the past several months during the transition of operations from the Consolidated Rail Corporation (Conrail) to CSX Transportation, Inc. (CSXT) and NS. As you probably know, the Board continues to actively monitor the situation through regular service data reporting, and through daily contacts with the railroads, shippers, and railroad employees. Additionally, to address specific service complaints, the Board's Office of Compliance and Enforcement (OCE) has established an open line of communication with senior officials of CSXT and NS. OCE immediately forwards service issues brought to its attention to CSXT or NS for remedial action, and it follows up on each complaint to ensure that it is being addressed. While it does appear that the service situation has improved overall since Conrail was divided on June 1, the Board continues to work with all interested parties to ensure further improvement.

I believe that it was appropriate for you to raise with Mr. Goode your concerns about rate and claims matters. I know that Mr. Goode has responded to your letter, describing the reasons for the carrier's rate actions, and explaining that the company is seeking to resolve claims that have been filed. I hope that your members will continue to work with the carrier to resolve or at least narrow the matters in dispute. Of course, if the rate issues cannot be resolved, you or your members may bring them before the Board, and the Board will take appropriate action as quickly as possible.

I will have your letter to Mr. Goode and my response to you included in the public docket for the Conrail proceeding. If I can be of further assistance to you in this or any other matter, please do not hesitate to contact me.

Sincerely,

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

Linda J. Morgan

cc: Mr. David Goode



December 28, 1999

Mr. David Goode  
Chairman, President and Chief Executive Officer  
Norfolk Southern Corporation  
3 Commercial Place  
Norfolk, Virginia 23510-2191

Dear Mr. Goode,

The Institute of Scrap Recycling Industries, Inc. (ISRI) is the trade association which represents approximately 1,400 companies which process, broker and consume scrap commodities including ferrous and nonferrous metals, paper, plastic, glass, rubber and textiles. Suppliers of equipment and services to this industry complete ISRI's membership. ISRI wishes to present its strong opposition to a 5% across-the-board rate increase that the Norfolk Southern Railway Company (NS) intends to impose on the transportation of recyclable commodities, effective January 1, 2000, on commodities represented by rates in NSQ-72820, NSQ-72821 and CR-4319-H.

ISRI has received numerous and persistent reports from its members concerning the poor service being provided by NS, commencing on June 1, 1999 and continuing to the current time. Given the severe and continuing service failures being experienced by ISRI members, it is particularly inappropriate and unreasonable for NS to seek to impose a rate increase on this traffic. Indeed, if anything, it would be more appropriate to implement a rate reduction to compensate, in some measure, for the poor service being provided by your railroad.

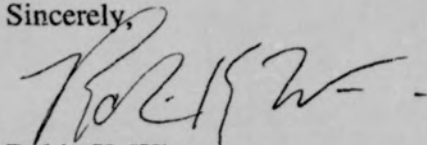
Moreover, the imposition of a rate increase at this time is particularly objectionable given the position that we understand NS has taken with respect to claims for loss, damage and delay that have been submitted by ISRI members to NS. We understand that NS is taking the position that it will not process these claims pending conclusion of the current service crisis. This approach on the part of NS prevents ISRI members from receiving timely and appropriate compensation for the significant damages which they have suffered as a result of NS's service failures. To seek to impose a rate increase under these circumstances is particularly objectionable and unwarranted.

As you will recall, ISRI supported the Association of American Railroads and its member companies before the Interstate Commerce Commission (predecessor agency to the Surface Transportation Board) in 1993 and 1994 when exemption proposals involving ferrous recyclables, nonferrous recyclables, and paper recyclables were submitted for approval. See Ex Parte No. 394 (Sub-No.12), Petition to Exempt from Regulation the Rail Transportation of Scrap Paper, Ex Parte No. 561, Rail General Exemption Authority-Nonferrous Recyclables, and Ex Parte No. 346 Sub-No.35) Rail General Exemption Authority-Exemption of Ferrous

Recyclables. In addition we supported the NS, along with the CSXT Railroad, in its recent bid to acquire Conrail. However, given the significant restructuring of the railroad industry in recent years, and given the severe service failures that continue to occur, ISRI may reconsider its continuing support for the existing exemption from regulation for ferrous and nonferrous recyclables. Perhaps, revocation of the existing exemptions, in whole or in part, may be warranted under the current circumstances. Resumption of rate regulation by the STB to prevent unreasonable rate increases, especially when they are coupled with unreasonable service, may well be necessary at this time or in the future.

On behalf of its members, ISRI strongly urges you to reconsider your proposed 5% rate increase on the movement of ferrous recyclables, particularly given the severe rail service failures that continue to plague our industry. We would be happy to discuss these matters with you if you believe it would be productive.

Sincerely,

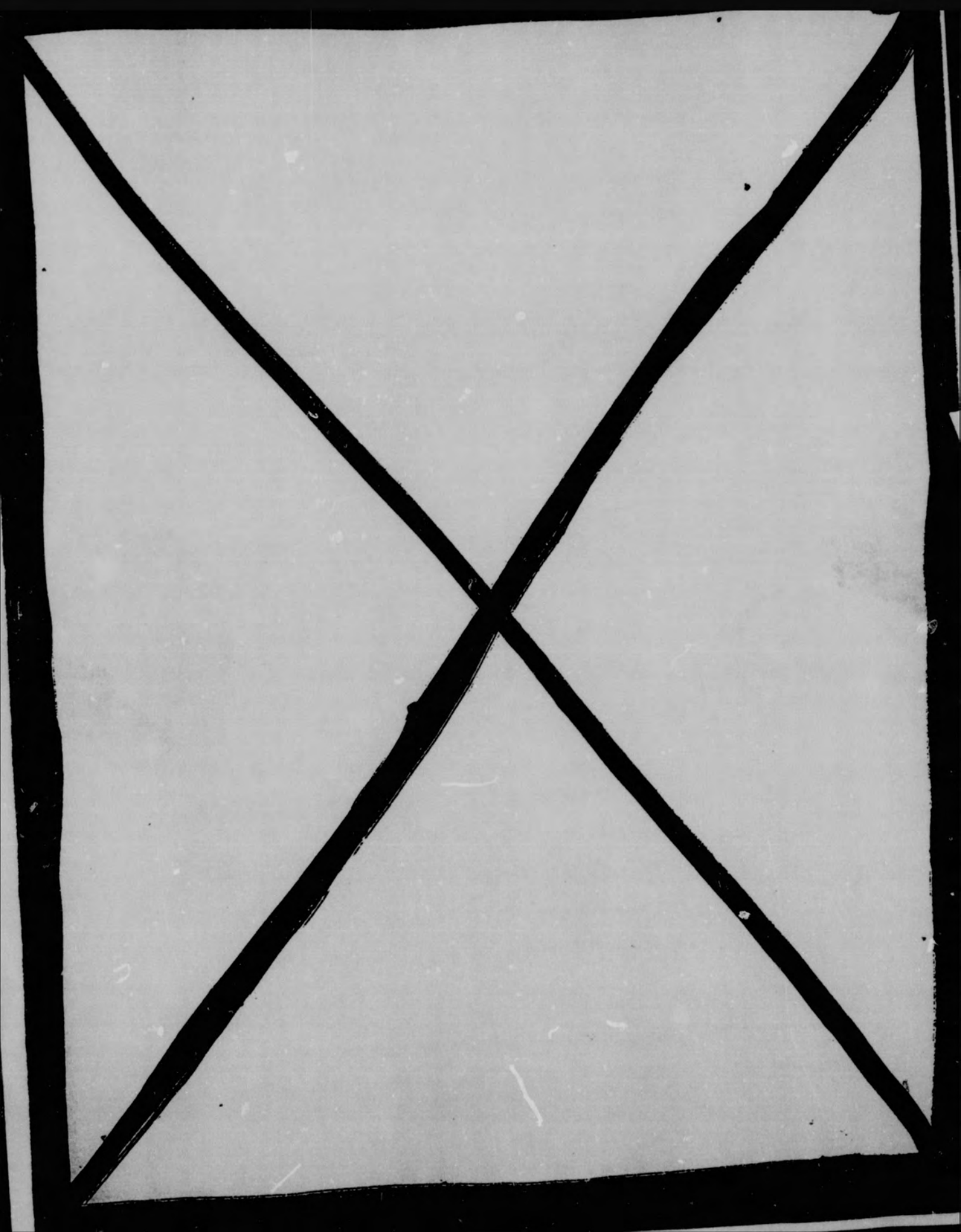


Robin K. Wiener  
Executive Director

cc: The Honorable Linda J. Morgan  
Chairman, Surface Transportation Board

The Honorable William Clyburn, Jr.  
Vice Chairman, Surface Transportation Board

The Honorable Wayne O. Burkes  
Commissioner, Surface Transportation Board



STB

FD-33388

2-10-00

J

BUSINESS





Office of the Chairman

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

FILE IN DOCKET  
FD-33388

February 10, 2000

Mr. Michael J. Ruehling  
Vice President  
State Relations  
CSX Corporation  
One James Center  
Richmond, VA 23219

Dear Mr. Ruehling:

Thank you for sending me a copy of your January 12, 2000 letter to Mr. Joseph Boardman, regarding a letter from New York Assemblyman Michael J. Bragman. I also received a copy of Assemblyman Bragman's letter, to which we have responded directly (see enclosed).

I appreciate your keeping me informed about issues raised in connection with the Conrail transaction. As with all such material that we receive, I will have your letter and my response made a part of the public docket for that proceeding.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosure



Office of the Chairman

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

FILE IN DOCKET

January 20, 2000

The Honorable Michael J. Bragman  
The Assembly - State of New York  
Room 436  
Capitol Building  
Albany, New York 12224

Dear Assemblyman Bragman:

Thank you for your letter of December 15, 1999, expressing your concern about issues in New York related to the awarding of a contract for restoration of a highway bridge over a former Conrail line in Warners, New York, which was acquired by CSX Transportation, Inc. (CSXT). In your letter, you discuss an apparent lack of cooperation between CSXT and the New York State Department of Transportation (NYSDOT). You also discuss your concern about the implementation of the Conrail Transaction by CSXT and the Norfolk Southern Railway Company (NS).

I share your concerns regarding service issues that have been present since the service transition began on June 1<sup>st</sup> over the former Conrail properties. In this regard, the Board continues to actively monitor the operational aspects of the Conrail transaction through regular data reporting and other pertinent information, and through daily contacts with railroads, shippers, and railroad employees.

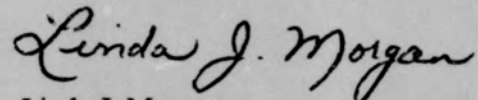
In addition, the Board has developed an informal process to address specific service complaints. As part of this process, the Board's Office of Compliance and Enforcement (OCE) has established an open line of communication with senior railroad officials, and OCE immediately forwards service complaints brought to it informally by shippers seeking assistance. OCE then follows up on each complaint to ensure that it is being addressed appropriately. In some cases, OCE staff may review the steps that the carrier is taking, and may recommend alternatives. Handling shippers' individual service issues informally, we believe, provides a prompt and effective way for the Board to facilitate real solutions to shippers' service concerns. In this regard, please feel free to encourage your constituents to bring any rail service issue to OCE Director Melvin Clemens. Director Clemens can be reached at 202-565-1573 or by fax at 202-565-9011.

Regarding the bridge issue, we immediately brought your concerns to the attention of CSXT. On January 12<sup>th</sup>, Michael Ruehling, Vice President-State Relations, responded to NYSDOT Commissioner Boardman (copy enclosed), indicating that all safety and other issues regarding this project are current, and assuring him of the railroad's desire to work closely with the NYSDOT on any issue involving CSXT's operations in the State of New York.

The Board will continue to monitor the implementation of the Conrail transaction and work with interested parties to ensure that service is improved as expeditiously as possible. I am confident that issues involving the transition of operations by CSXT and NS can be resolved promptly through our joint efforts. In this regard, I look forward to working with you on rail transportation matters affecting New York shippers.

Please do not hesitate to contact me on any issue with which I can be of assistance.

Sincerely,

  
Linda J. Morgan

Enclosure



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

Michael J. Ruehling  
Vice President  
State Relations

January 12, 2000

The Honorable Joseph Boardman  
Commissioner  
New York State Department of Transportation  
State Campus, Building 5  
Albany, New York 12232

FILE IN LOCKER

CHAIRMAN OF  
BOARD

JAN 14 4 37 PM '00

RECEIVED  
SURFACE TRANSPORTATION  
BOARD

Dear Commissioner Boardman:

Just before the holidays you received a letter from Assemblyman Michael J. Bragman regarding a bridge project involving CSX and the New York State Department of Transportation in Warners, New York. Related correspondence also was sent to Surface Transportation Board Chairman Linda Morgan, Secretary of Transportation Rodney Slater, NYSDOT Transportation Regional Director Jon Edinger and statewide media.

Concerns were raised in this letter that public safety might have been compromised by delays with the project for which CSX reportedly was responsible. Charges such as this obviously are taken very seriously since CSX has no higher priority than the safety of our employees and the communities where we operate. As soon as we learned of these allegations, we immediately interviewed both the CSX and NYSDOT officials involved with this project.

Based on this inquiry, we have determined that neither CSX nor NYSDOT was, or is, aware of any discussion to post the bridge for reduced weight levels. Furthermore, we can find no indication that the timetable anticipated jointly by your department and the railroad for undertaking the construction ever was jeopardized. Finally, as best we can determine, an open dialogue has been maintained between CSX and your department on matters pertaining to this and other structures, and all necessary maintenance has been performed on this bridge based on consultation with your department.

Since we are a new entity in New York and do not have the long-standing contractual relationship that your department had with Conrail, there was a need to modify the standard NYSDOT format to include CSXT's requirements. This required a detailed review of the documents and the exchange of correspondence between your department and CSX. It is our understanding that these discussions were amicable and professional, and that they did not cause any delay on the construction dates or related preparatory work with the bridge project at Warners.



Commissioner Boardman

January 12, 2000

Page Two

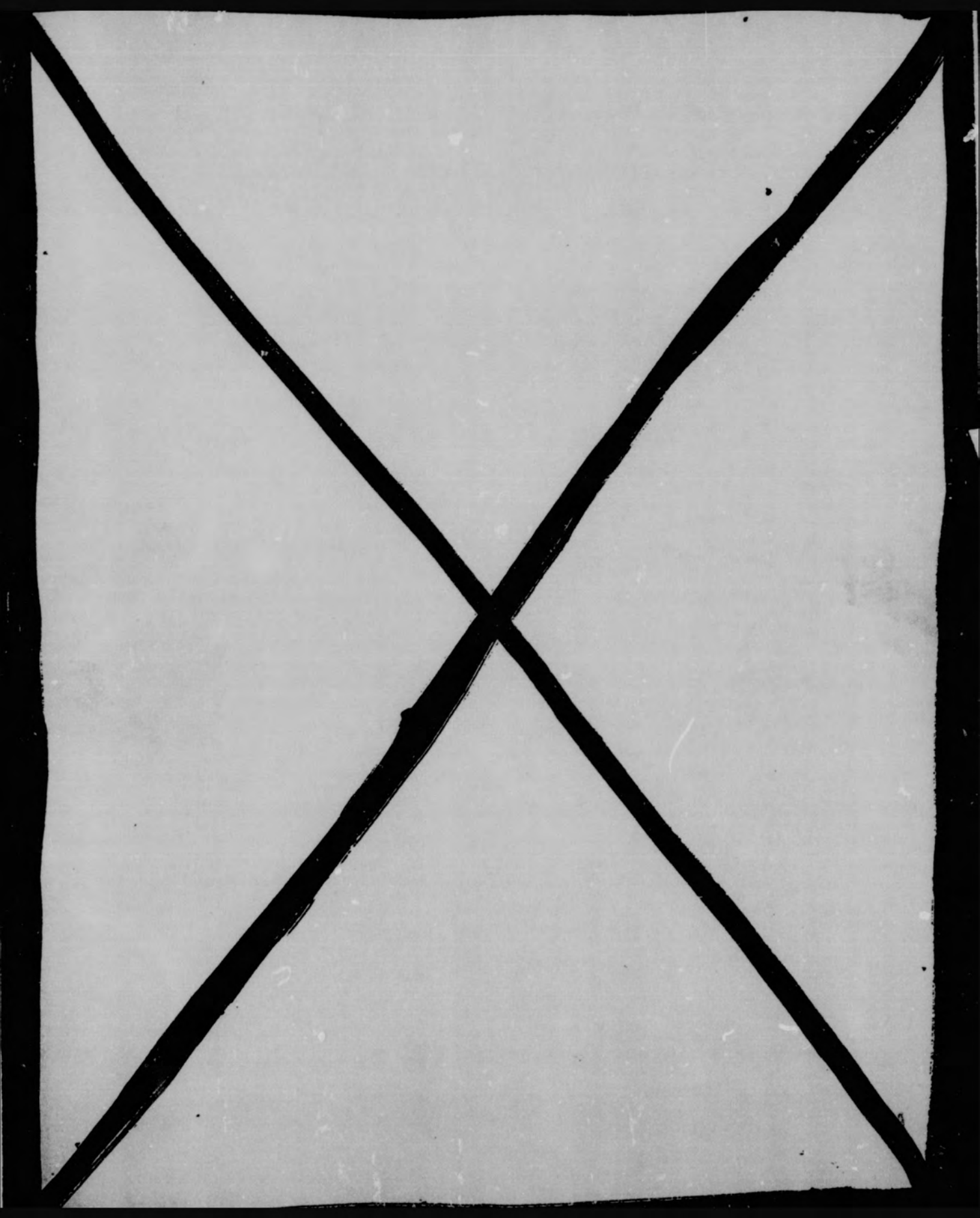
We appreciate the opportunity to clarify this matter and we urge you to contact us directly whenever you or your staff has questions about CSX activities in New York. We want to have a long and productive working relationship with New York in the months and years ahead, and we look forward to working with you toward that end.

Sincerely,

*Mike Ruckelshaus*

trt

cc: The Honorable Michael J. Bragman  
Mr. Jon Edinger  
The Honorable Linda Morgan  
The Honorable Rodney Slater



STB

FD-33388

2-9-00

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

February 9, 2000

Mr. David R. Goode  
Chairman, President, and  
Chief Executive Officer  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-9225

Dear Mr. Goode:

Thank you for sending me a copy of your January 10, 2000 letter to Ms. Robin K. Wiener, Executive Director of the Institute of Scrap Recycling Industries. Ms. Wiener expressed concern about rate increases and transportation claims following the implementation of the Conrail acquisition transaction.

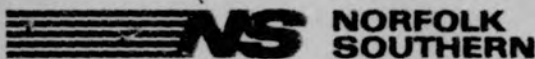
I appreciate your keeping me informed regarding these matters. For your information, I have enclosed a copy of my recent letter to Ms. Wiener. As I have in the past, I will have your letter and my response, as well as my letter to Ms. Wiener, made a part of the public docket for the Conrail proceeding.

Sincerely,

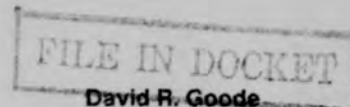
*Linda J. Morgan*  
Linda J. Morgan

Enclosure





Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-2191  
Telephone (757) 629-2610  
Facsimile (757) 629-2306



David R. Goode  
Chairman, President and  
Chief Executive Officer

January 10, 2000

Via facsimile 202/626-0900

Ms. Robin K. Wiener  
Executive Director  
Institute of Scrap Recycling Industries, Inc.  
1325 G Street NW, Suite 1000  
Washington, DC 20003-3104

Dear Ms. Wiener:

Thank you for your letter of December 28, 1999 concerning rates and claims on behalf of your members.

There is never a time when a rate increase is popular with our customers or when we enjoy taking such action. This is the case with our 5% increase effective January 1, 2000 on NSQ 72820, NSQ 72821 and CR 4319-H which publishes public rates for the transportation of scrap metals on Norfolk Southern Railway. Our contracts and confidential quotes are not affected by this increase and are subject to terms as negotiated with our customers.

For many years, Norfolk Southern has worked closely with our scrap customers to balance our needs for compensation that will support our reinvestment in the necessary equipment to continue our participation in this business while remaining sensitive to scrap metal market conditions. With the weak scrap metal market during the latter half of 1998 and the first six months of 1999, we suspended our rate enhancement program on this commodity, and our return on this business segment remains below an acceptable level to support equipment reinvestment.

A brief history of our rate increases on NSQ 72820 and NSQ 72821 include a 5% increase July 1, 1996 and a 5% increase on July 1, 1998 for a total increase of 10% in the past 42 months. Rates published in CR 4319-H have not been increased in over 24 months. During this period we have responded to the market reducing individual rates and holding the line on increases on our published rates while facing increasing costs of fuel and labor.

Ms. Robin K. Wiener

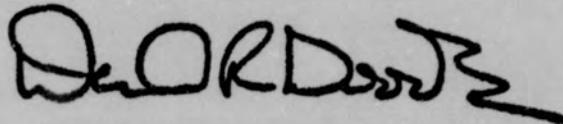
Page 2

January 10, 2000

Fortunately for the recycling industries, scrap metal prices have rebounded well—approximately \$70 per ton, 90% for bundles—during the past six to eight months with a strong demand for scrap metal and our transportation services, making this not a popular but an appropriate time for us to adjust our prices to reflect the market and our increased costs.

Finally, with respect to transportation service claims arising from the Conrail integration process, we are presently negotiating claim settlements with our customers, and as always, we remain willing to discuss rates and service with any individual ISRI shipper member. It is our sincere desire to work closely with our customers to bring them true value for their transportation dollars. We believe the above rate history is indicative of that effort and hope that you and your members will agree.

Sincerely,

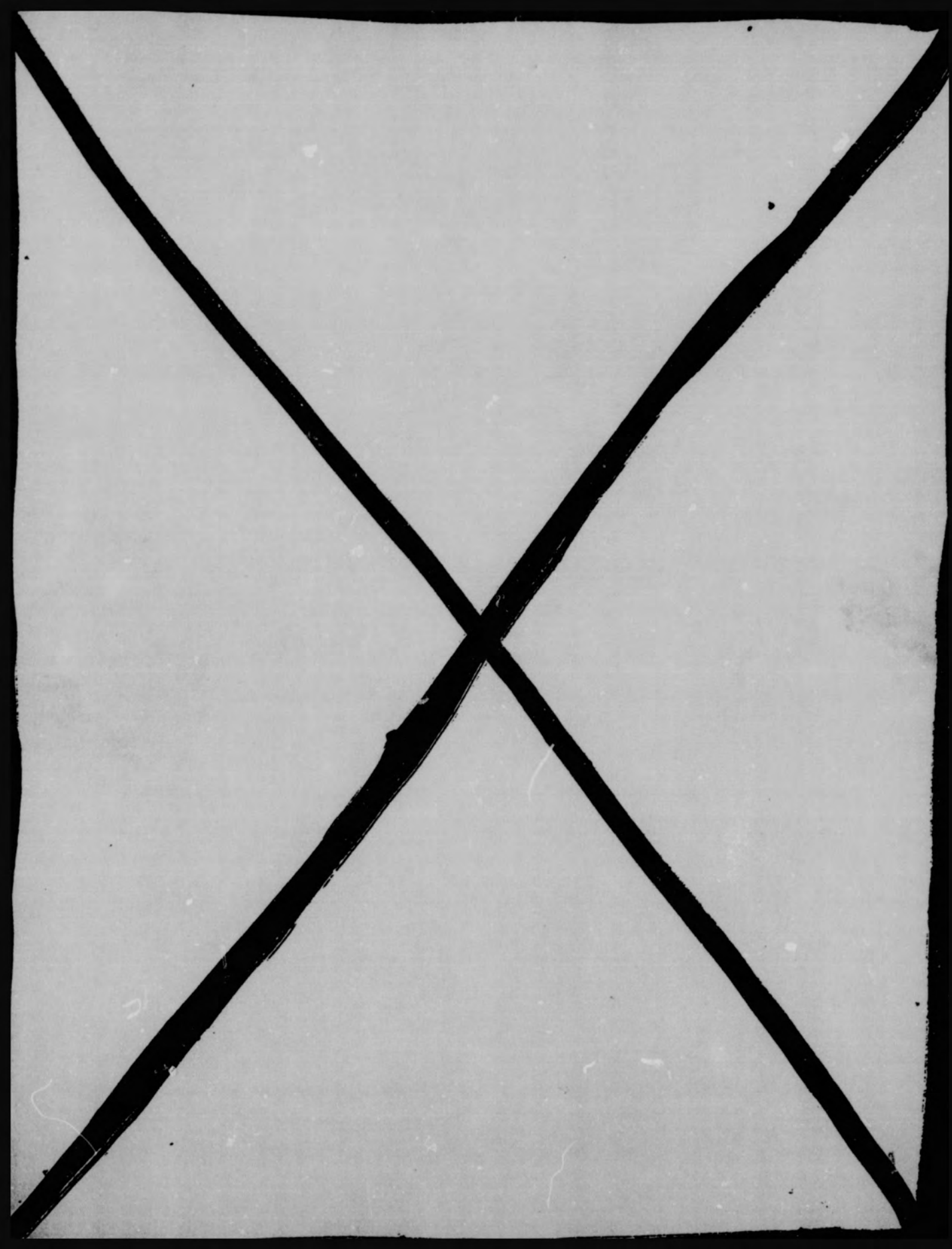
A handwritten signature in black ink, appearing to read "D. R. Goode", with a stylized flourish at the end.

David R. Goode

cc: ✓ The Honorable Linda J. Morgan  
Chairman, Surface Transportation Board

The Honorable William Clyburn, Jr.  
Vice Chairman, Surface Transportation Board

The Honorable Wayne O. Burkes  
Commissioner, Surface Transportation Board



STB

FD-33388

1-31-00

J

CHAIR





Office of the Chairman

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

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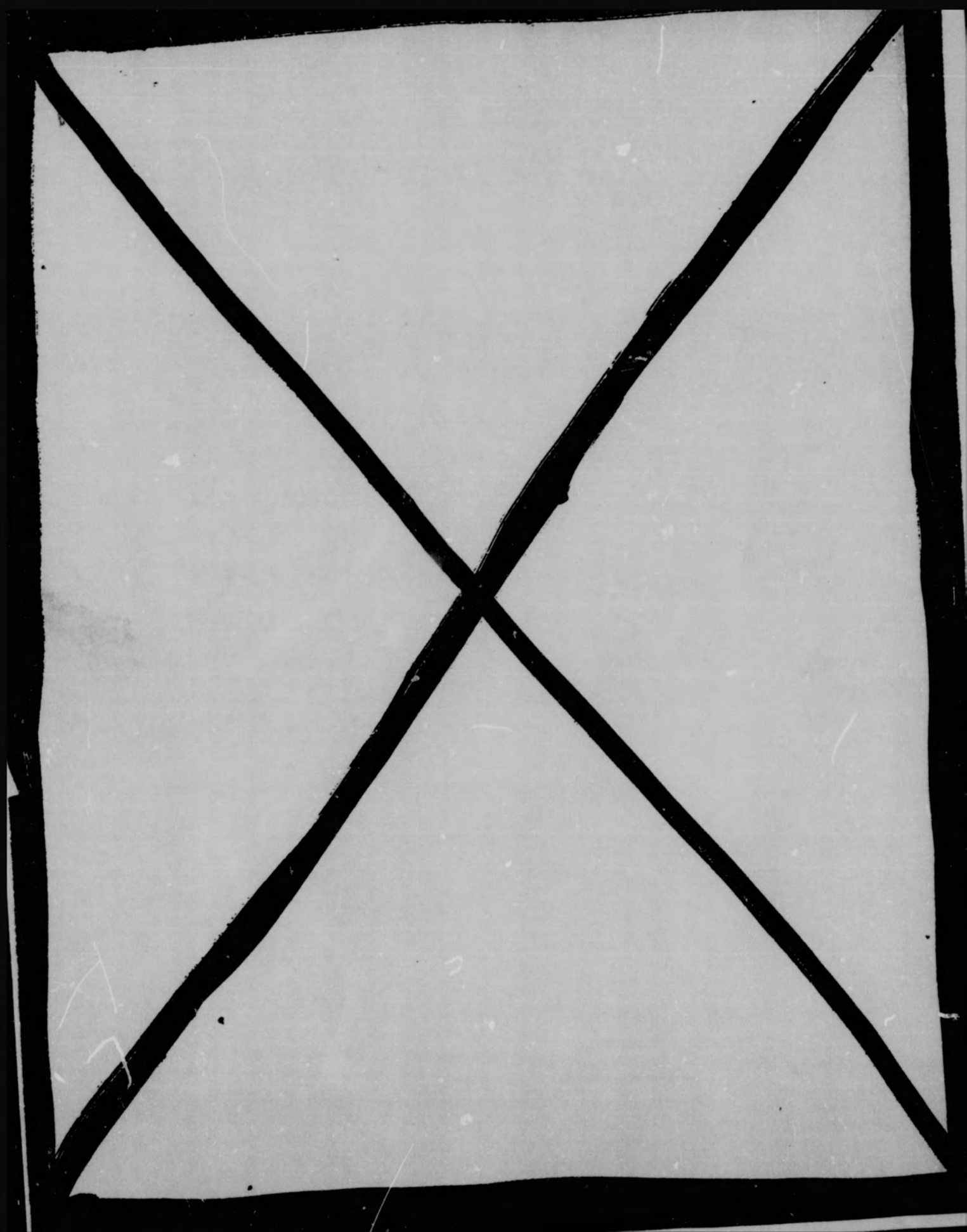
January 31, 2000

Re: STB Docket No. F.D. 33388

MEMORANDUM TO THE FILE:

On January 27, 2000, I met with representatives of Indianapolis Power and Light Company (IPL) in my office. The meeting, which was scheduled at their request as a courtesy visit, focused almost exclusively on general matters relating to the use of coal and other sources of power. We also discussed some rail service problems that IPL was experiencing with respect to a plant located in Cleveland. At the end of the meeting, the IPL representatives indicated that there continued to be operational implementation issues associated with the conditions imposed by the Board, in connection with its approval of the "Conrail Transaction," that affected rail service to the IPL Stout Plant in Indianapolis. I indicated in response that I always encourage private-sector resolution and that it would be good if the involved private parties here could attempt to resolve the operational issues privately. I further indicated that I would have Mel Clemens, the Director of the Office of Compliance and Enforcement, follow up on these operational issues, as well as the specific rail service problems in connection with the Cleveland plant.

*Linda J. Morgan*



STB

FD-33388

1-31-00

J

CHAIR



Office of the Chairman

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

January 31, 2000

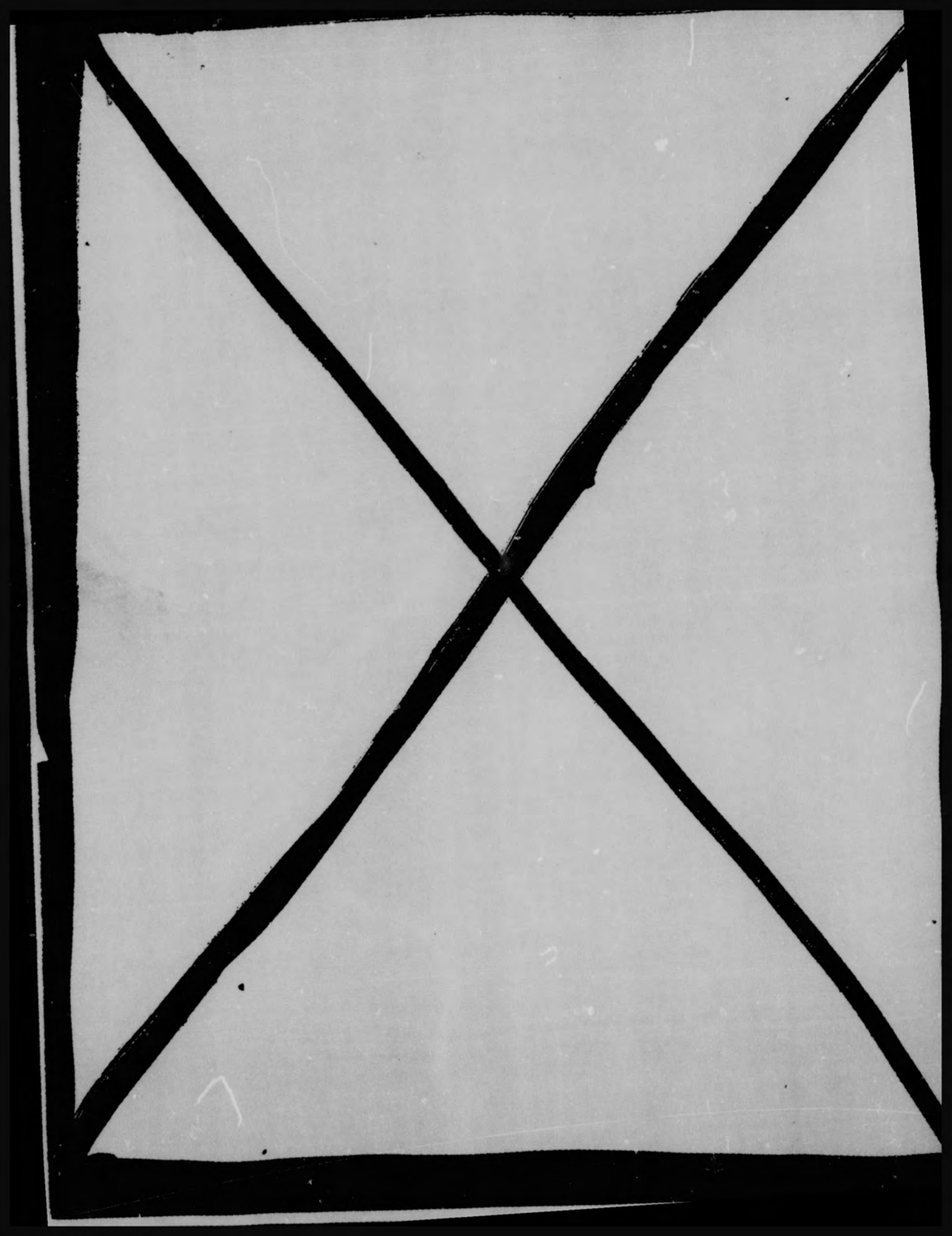
Re: STB Docket No. F.D. 33388

MEMORANDUM TO THE FILE:

On January 27, 2000, I met with representatives of Indianapolis Power and Light Company (IPL) in my office. The meeting, which was scheduled at their request as a courtesy visit, focused almost exclusively on general matters relating to the use of coal and other sources of power. We also discussed some rail service problems that IPL was experiencing with respect to a plant located in Cleveland. At the end of the meeting, the IPL representatives indicated that there continued to be operational implementation issues associated with the conditions imposed by the Board, in connection with its approval of the "Conrail Transaction," that affected rail service to the IPL Stout Plant in Indianapolis. I indicated in response that I always encourage private-sector resolution and that it would be good if the involved private parties here could attempt to resolve the operational issues privately. I further indicated that I would have Mel Clemens, the Director of the Office of Compliance and Enforcement, follow up on these operational issues, as well as the specific rail service problems in connection with the Cleveland plant.

*Linda J. Morgan*





STB

FD-33388

1-31-00

J

BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD-33388

January 31, 2000

Mr. Ronald F. Razzolini  
Plant Manager  
PVS Chemicals, Inc. (New York)  
55 Lee Street  
Buffalo, New York 14210

Dear Mr. Razzolini:

This refers to our previous correspondence regarding rail service issues affecting your company and their impact on your operations.

It was an important opportunity for me to meet with you in Buffalo last October, and to get a sense of the proportions of the Buffalo-area rail service problem. At that time, I pledged to the Congressional delegation my commitment to the improvement of existing rail service in the Buffalo area. In that vein, the purpose of this letter is to follow up with you personally on your service issues. I know that transit time for your shipments has been a concern, and I would be interested in knowing if the capacity improvements made by Norfolk Southern have positively affected your service. As I have indicated, we will continue to actively monitor rail service in the Buffalo area, and your input is important in this regard. I hope that you will not hesitate to be in contact with Melvin Clemens, Director of the Board's Office of Compliance and Enforcement (OCE), who attended the Buffalo meeting with me, if there are immediate rail service issues with which we might be helpful.

We remain committed to working with you in a constructive way to resolve rail service issues in the Buffalo area, and I look forward to meeting with you on my return visit to Buffalo.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan



Office of the Chairman

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

FILE IN DOCKET

January 31, 2000

Mr. Peter DelGobbo  
Director of Transportation  
AGWAY, Inc.  
P.O. Box 4933  
Syracuse, New York 13221-4933

Dear Mr. DelGobbo:

This refers to our previous correspondence regarding rail service issues affecting your company and their impact on your operations.

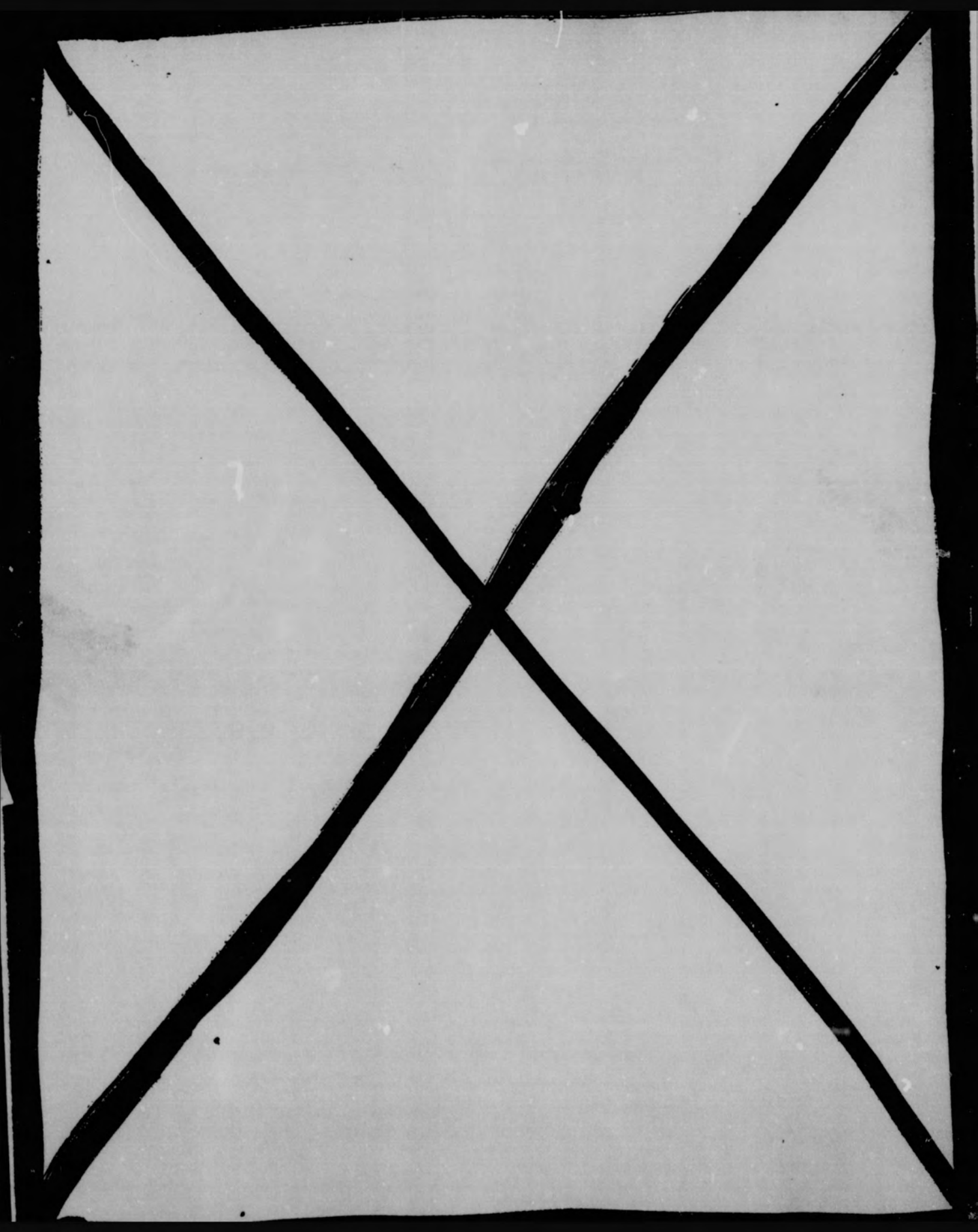
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We remain committed to working with you in a constructive way to resolve rail service issues in the Buffalo area, and I look forward to meeting with you on my return visit to Buffalo.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan





STB

FD-33388

1-31-00

J

CHAIR



Office of the Chairman

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

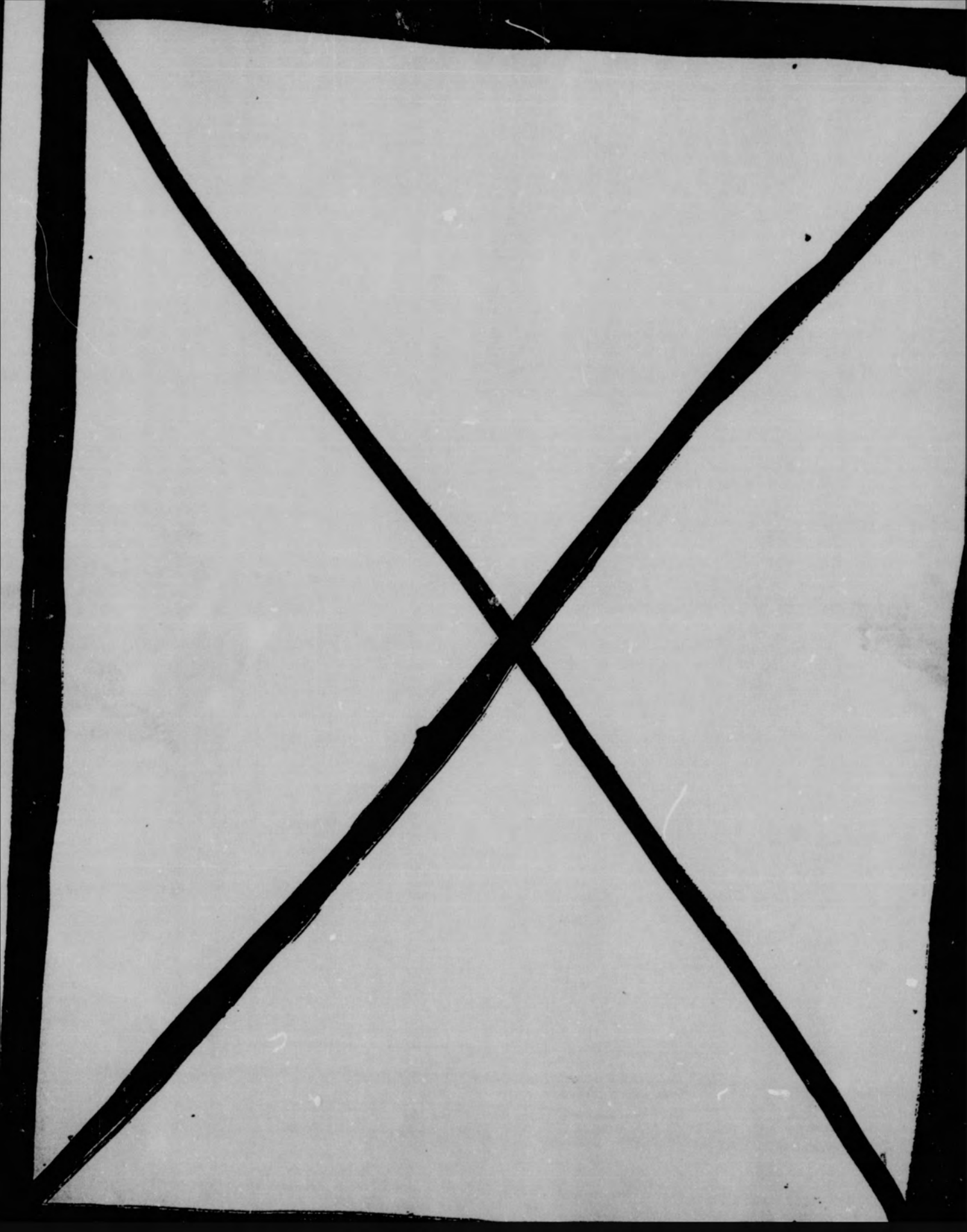
January 31, 2000

Re: STB Docket No. F.D. 33388

**MEMORANDUM TO THE FILE:**

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*Linda J. Morgan*



STB

FD-33388

1-27-00

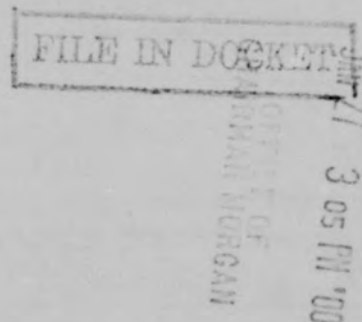
J

BUSINESS



# NEW JERSEY SHORTLINE RAILROAD ASSOCIATION

January 19, 2000



RECEIVED  
SURFACE TRANSPORTATION  
BOARD

-Personal-

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

Dear Chairman Morgan:

Please refer to your letter of June 7, 1999, (copy attached), concerning the new railroad piggyback terminal at Bethlehem, PA.

Now that some months have gone by since the opening of the Bethlehem, PA terminal we have learned that from 100 to 200 trailers a day destined to the New York City metropolitan area are being "deramped", at Bethlehem, PA and are being drayed over the highway to their destinations. We understand that this long distance drayage over New Jersey's highways is account of congestion at the railroad terminals in the New York City area.

As information.

Yours very truly,

F.A. Winkler  
Founding Member

856 - 451-6400

**New Jersey  
Shortline Railroad Association**

**FRED WINKLER**  
*Founding Member*

**P. O. Box 1024**

**Bridgeton, N.J. 08302**



**F. A. WINKLER**  
General Agent

Office: (856) 451-6400  
Home: (856) 423-4377

Winchester and Western R.R. Co.  
P.O. Box 1024  
Bridgeton, NJ 08302



Office of the Chairman

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

June 7, 1999

Mr. F. A. Winkler  
Founding Member  
New Jersey Shortline Railroad Association  
P.O. Box 1024  
Bridgeton, NJ 08302

COPY

Re: Railroad Terminal in Bethlehem, PA

Dear Mr. Winkler:

Thank you for sending me copies of a press release and newspaper article about the new intermodal terminal being built in Bethlehem, PA. When I recently met with your association, one of the issues raised involved concerns that the new terminal, which is expected to promote intermodalism, may indirectly take some business away from short line railroads operating in New Jersey.

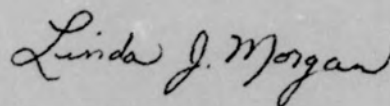
The Bethlehem intermodal terminal, which is designed to supplement the existing intermodal network, is not meant to take carload traffic from short line railroads. Rather, it is intended to divert business from truck to intermodal. If it is successful, then it will advance one of the stated objectives of the Conrail transaction.

I understand your concern that, although the yard has targeted highway traffic, it is possible that carload traffic, such as the traffic handled by the New Jersey short lines, could also be diverted to intermodal. And while I take your concerns seriously, I should note that the changes that can be expected as a result of the Conrail transaction should also produce some opportunities for short lines. For example, the Philadelphia, Bethlehem and New England Railroad appears to have benefitted from the development of the new Bethlehem facility. More generally, there is much highway traffic for which all of the railroads can compete, and, even if some carload traffic could be siphoned off to intermodal trains, other potential carload traffic is available.

You know that I fully support the short line railroad industry, and that I do all that I can to ensure that the larger carriers work closely and fairly with their Class III partners. However, I see no indication that the larger carriers have taken any action here that is designed to injure their smaller connections. To the contrary, I understand that Norfolk Southern, which has assumed a leadership role in the recent agreement between the smaller railroads and the larger carriers, has recently opened up a new east-of-the-Hudson transload facility in connection with a smaller railroad partner. It appears to me that it is in the interest of the larger carriers to do all they can to work with smaller railroads to improve and increase their carload business in order to capture as much highway traffic as possible. I should note that many of the New Jersey short lines will now have access to both Norfolk Southern and CSX, and that the heightened competition produced by the Conrail transaction should benefit both shippers and small railroads.

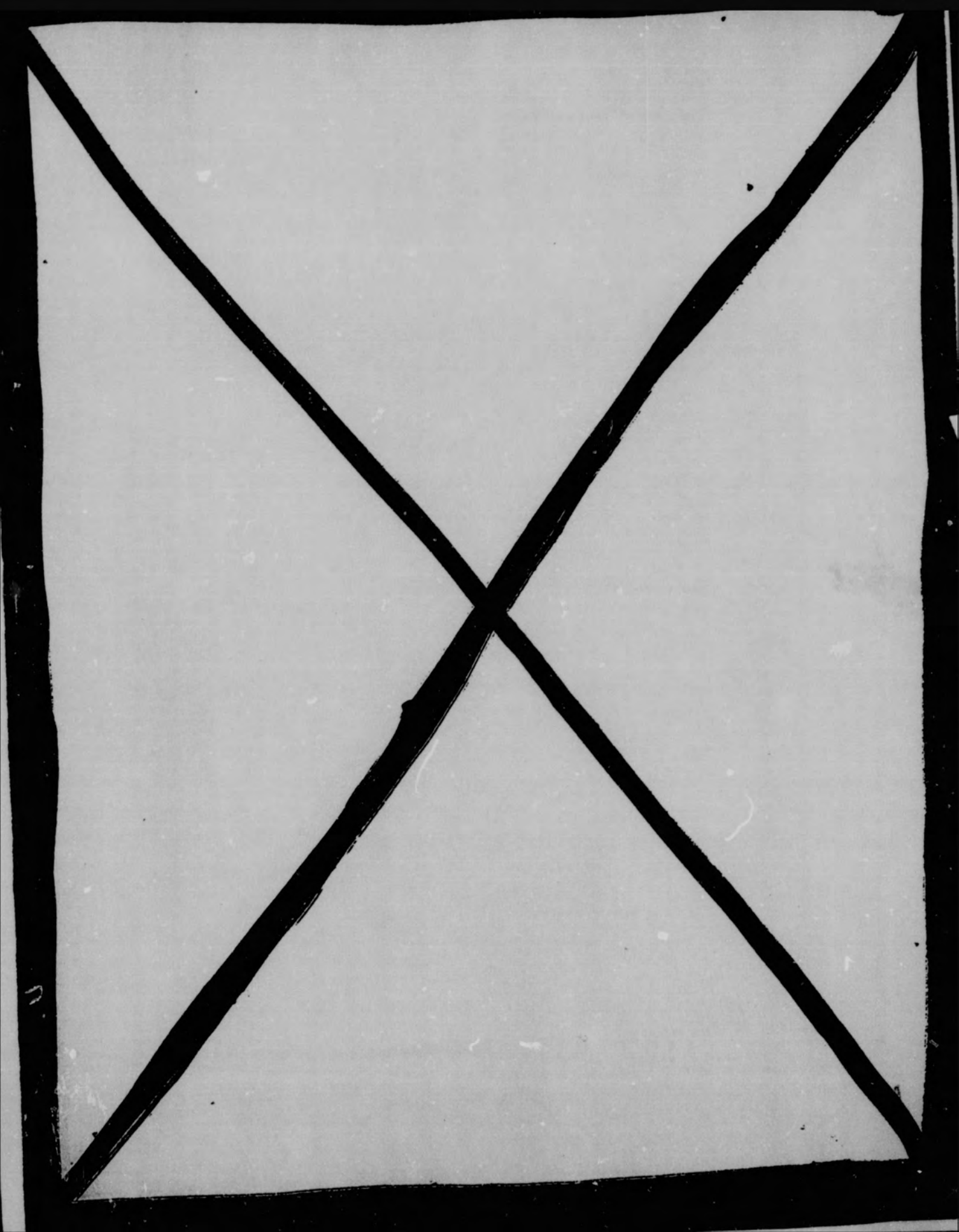
I wish you luck in adapting to the new environment produced by the transaction, and I look forward to continuing to work with you on these important issues.

Sincerely,

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

Linda J. Morgan

CC



STB

FD-33388

1-21-00

J

CHAIR





Office of the Chairman

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

January 21, 2000

Mr. David Goode  
Chairman, President and  
Chief Executive Officer  
Norfolk Southern Corporation  
3 Commercial Place  
Norfolk, Virginia 23510-2191

Re: Service Issues - Shared Assets Areas

Dear Mr. Goode:

As I have indicated previously, I very much appreciate all of the effort that has been expended by you and your company to deal with the customer service issues that have arisen since implementation of the Conrail transaction. From the performance data that the Board receives and the discussions and regular contacts with you and your staff, we are encouraged that service quality overall is improving in the East, and we hope that these improvements will continue.

Nevertheless, areas of service concern remain for the shipping public, as evidenced by communications that we continue to receive and comments made at the recent Conrail Transaction Council Meeting in Philadelphia. Principal among those areas of concern is the operation of the Shared Assets Areas (SAAs). I have written you about this matter previously, and we are aware that significant efforts have been focused on those operations. This letter reflects continuing concern about service involving the SAAs.

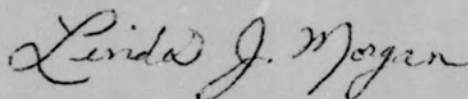
Specifically, we would be interested in efforts that have been undertaken in response to my earlier correspondence in September on this matter, and what further efforts might be necessary to improve service in and around the SAAs. From our review of the performance data that the Board receives concerning the SAA operations, we are particularly concerned about transit delays in the SAAs. For example, while slightly improved, the dwell time at the principal SAA facility, Oak Island Yard, remains at nearly 48 hours. By contrast, major system yard facilities such as Bellevue, Buckeye, Conway, Elkhart, and Harrisburg have reported dwell times respectively of 30.7, 23.7, 33.2, 31.7 and 9.6 hours, as indicated by our January 14<sup>th</sup> filing, and are reported to have improved further since that filing. At the same time, on-time performance of trains departing the SAAs is reported to be between 65 and 70 percent on time or within two hours. All of these data suggest that the great majority of the trains departing the SAAs are doing so promptly, and that the high dwell is likely derived from the length of time cars are

detained in the SAAs. That raises the question of whether the high dwell is due to the operational effectiveness of the SAAs or to increased operational responsibilities of the SAAs since implementation.

We understand that operation of the SAAs requires considerable coordination among the line haul carriers and the Conrail Shared Assets Operator, and that there are many other variables affecting the SAAs, such as chemical plants and other privately operated facilities within the SAAs. We also can appreciate that addressing SAA concerns is not a simple task. Nevertheless, the SAAs are an integral element to realizing the new levels of competition brought about by the Conrail transaction and to important rail service provided to many customers, and thus we must continue to make SAA-related service a priority.

I know that you are focused on improving service throughout the East, and I appreciate your continued cooperation in this effort. However, we remain concerned about the operation of the SAAs and would appreciate a response to this letter as soon as possible.

Sincerely,

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

Linda J. Morgan



Office of the Chairman

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

January 21, 2000

Mr. John W. Snow  
Chairman, President and  
Chief Executive Officer  
CSX Corporation  
One James Center  
P.O. Box 85629  
Richmond, Virginia 23285-5629

Re: Service Issues - Shared Assets Areas

Dear Mr. Snow:

As I have indicated previously, I very much appreciate all of the effort that has been expended by you and your company to deal with the customer service issues that have arisen since implementation of the Conrail transaction. From the performance data that the Board receives and the discussions and regular contacts with you and your staff, we are encouraged that service quality overall is improving in the East, and we hope that these improvements will continue.

Nevertheless, areas of service concern remain for the shipping public, as evidenced by communications that we continue to receive and comments made at the recent Conrail Transaction Council Meeting in Philadelphia. Principal among those areas of concern is the operation of the Shared Assets Areas (SAAs). I have written you about this matter previously, and we are aware that significant efforts have been focused on those operations. This letter reflects continuing concern about service involving the SAAs.

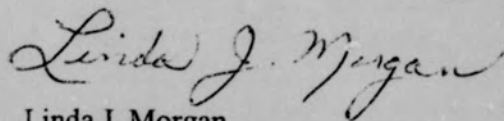
Specifically, we would be interested in efforts that have been undertaken in response to my earlier correspondence in September on this matter, and what further efforts might be necessary to improve service in and around the SAAs. From our review of the performance data that the Board receives concerning the SAA operations, we are particularly concerned about transit delays in the SAAs. For example, while slightly improved, the dwell time at the principal SAA facility, Oak Island Yard, remains at nearly 48 hours. By contrast, major system yard facilities such as Selkirk, Buffalo Frontier, Cincinnati, and Avon in Indianapolis have reported dwell times respectively of 36.4, 38.2, 26.2, and 30.2 hours, as indicated by our January 14<sup>th</sup> filing, and are reported to have improved further since that filing. At the same time, on-time performance of trains departing the SAAs is reported to be between 65 and 70 percent on time or within two hours. All of these data suggest that the great majority of the trains departing the

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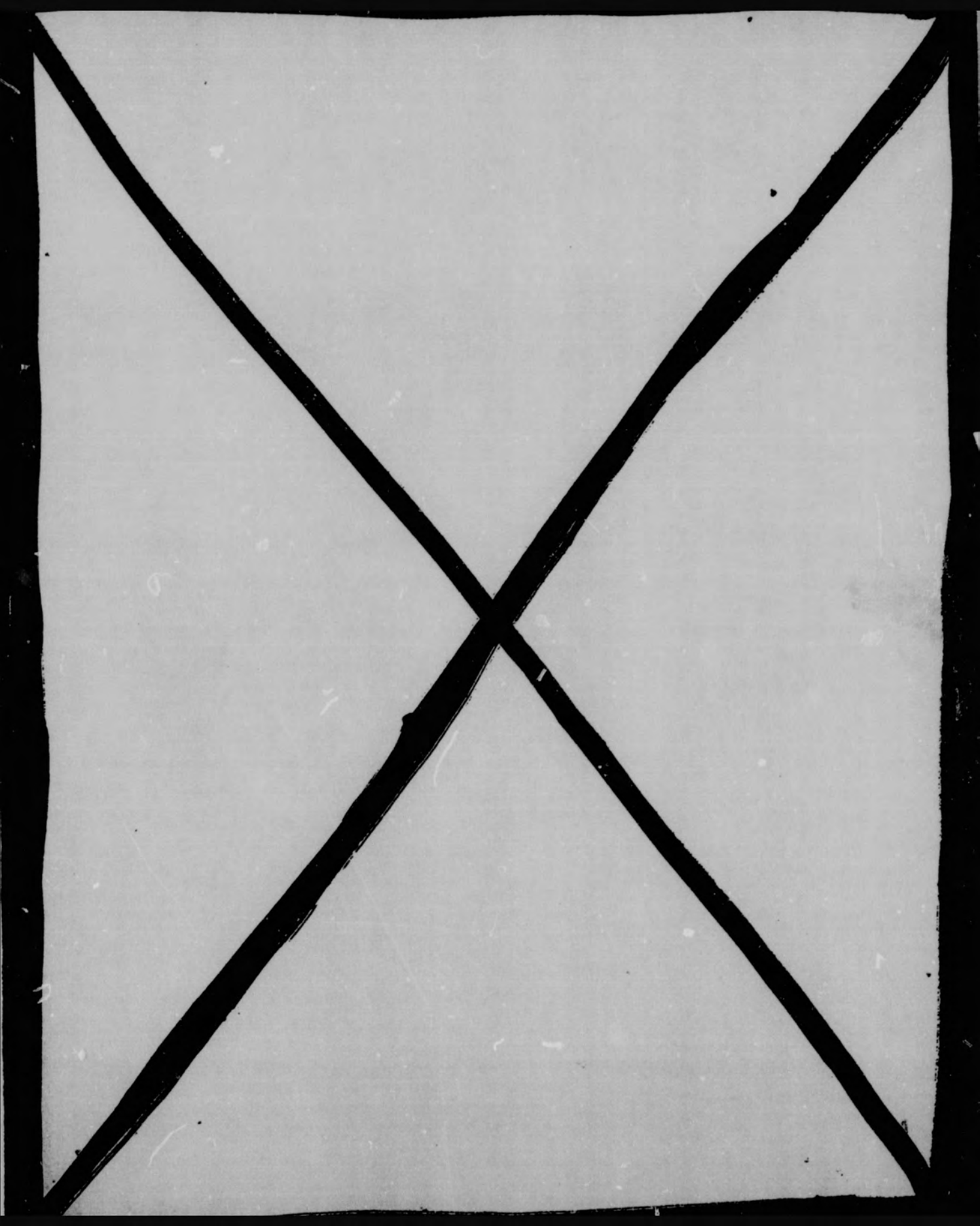
We understand that operation of the SAAs requires considerable coordination among the line haul carriers and the Conrail Shared Assets Operator, and that there are many other variables affecting the SAAs, such as chemical plants and other privately operated facilities within the SAAs. We also can appreciate that addressing SAA concerns is not a simple task. Nevertheless, the SAAs are an integral element to realizing the new levels of competition brought about by the Conrail transaction and to important rail service provided to many customers, and thus we must continue to make SAA-related service a priority.

I know that you are focused on improving service throughout the East, and I appreciate your continued cooperation in this effort. However, we remain concerned about the operation of the SAAs and would appreciate a response to this letter as soon as possible.

Sincerely,

  
Linda J. Morgan







STB

FD-33388

1-21-00

J

MOC



Office of the Chairman

## Surface Transportation Board

Washington, D.C. 20423-0001

FILE IN DOCKET  
FD-33388

January 21, 2000

The Honorable Paul Sarbanes  
United States Senate  
Washington, DC 20510-2002

Dear Senator Sarbanes:

Thank you for your letter regarding your concerns about the problems associated with the transition of services from Conrail to CSX Transportation, Inc. (CSXT) in Maryland. In your letter, you expressed specific concern about the extent of the transitional problems affecting service by CSXT to Chesapeake Specialty Products, Inc. (Chesapeake), in Baltimore, Maryland.

In its decision approving the Conrail transaction, the Board imposed significant reporting responsibilities on CSXT and Norfolk Southern Railway Company (NS) related to the implementation of the transaction. The reporting requirements include a weekly regimen of operational metrics, as well as monthly updates in such areas as Labor, Construction and Capital Projects, Information Technology, and Customer Service. The reports are filed with Mr. Melvin Clemens, the Director of the Board's Office of Compliance and Enforcement (OCE). And, as part of the Board's continuing effort to monitor and evaluate service and operational levels, Director Clemens is in regular contact with senior officials at CSXT and NS to monitor the implementation, verify the metrics, and interface on customer issues as he has done on behalf of Chesapeake.

In addition to Director Clemens' activities, I am in frequent contact with shippers and employees about their concerns, and with the Chief Executives of CSXT and NS to ensure that their principal focus continues to be on improving the services that their companies provide. I also have requested information from the railroads on such issues as plans for handling seasonal traffic flows and cooperative efforts to ease congestion. These contacts and the required reporting provide the Board with valuable information on the service issues that affect the public and on the condition of the former Conrail portions of each system. All of these activities ensure that the Board is able to provide assistance to affected shippers.

With particular respect to Chesapeake, the Board was quick to respond to Chesapeake's concerns, as evidenced by the enclosed copy of Director Clemens' October letter to Chesapeake. In fact, it was Director Clemens' intervention that caused CSXT to offer Chesapeake allowances during the most problematic service period so they could move their shipments by truck and still have the benefit of rail rate levels. CSXT now reports that service has been improved in Baltimore and that Chesapeake's shipments have been returned to rail. Nevertheless, we will continue to monitor the service provided to Chesapeake and other shippers to ensure that service levels are improved.

Clearly there have been start-up problems during the implementation phase of the Conrail transaction that, compounded by increased seasonal traffic flows, have resulted in less-than-adequate service levels for many shippers. However, the Board's continued active and vigilant monitoring of the operations of CSXT and NS, as the carriers implement the Conrail transaction, and the proactive interface of Director Clemens with shippers such as Chesapeake to resolve service issues informally as they are brought to our attention, should help to ensure a successful implementation of the Conrail transaction in the near term.

I appreciate the opportunity to respond to your concerns. Please do not hesitate to contact me further if we can be of help in any area in which you or your constituents may require the Board's assistance.

Sincerely,

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

Linda J. Morgan

Enclosure



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

October 25, 1999

**COPY**  
*Complaint file*

Office of Compliance and Enforcement

1925 K Street, N.W., Suite 780  
Washington, DC 20423-0001

202-565-1573  
FAX 202-565-9011

Don E. Sanchez, President  
Chesapeake Speciality Products, Inc.  
5055 North Point Boulevard  
Baltimore, Maryland 21219

Dear Mr. Sanchez:

This responds to your recent letter to John Snow, Chairman of CSX Corporation, regarding CSX rail service deficiencies at your facility, which was copied to Chairman Linda Morgan. Chairman Morgan has asked me to respond.

Your letter to Chairman Snow confirms my earlier discussions with you regarding your rail service concerns and my subsequent discussions with the railroad. Your letter was quite thorough and informative, and should assist the railroad in evaluating your service issues. Even though your letter was written directly to Chairman Snow at CSX, we have faxed a copy to their marketing department to ensure a prompt review of your concerns. You should expect CSX to be in contact with you regarding the service issues that you have raised.

Please do not hesitate to contact me if you do not hear from CSX regarding your service issues, or if there is another rail service matter with which I might be helpful.

Sincerely,

Melvin F. Clemens, Jr.  
Director

cc: Chairman Linda Morgan

United States Senate  
WASHINGTON, DC 20510-2002

FILE IN DOCKET

December 21, 1999

Honorable Linda Morgan  
Chair  
Surface Transportation Board  
U.S. Department of Transportation  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423

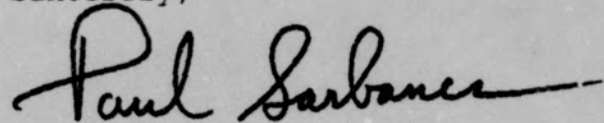
Dear Linda:

Enclosed is a copy of a letter I received from my constituent, Don Sanchez, President of Chesapeake Specialty Products, regarding problems his company has experienced with CSX since the Conrail takeover.

I urge your full and careful attention to this matter and look forward to your response.

With best regards,

Sincerely,



Paul Sarbanes  
United States Senator

PSS/njo  
Enclosure





**CHESAPEAKE SPECIALTY PRODUCTS, INC.**

5055 NORTH POINT BLVD./ BALTIMORE, MD 21219  
(410) 388-5055 FAX: (410) 388-5194

DON E. SANCHEZ  
President

November 30, 1999

The Honorable Paul S. Sarbanes  
United States Senator  
309 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Sarbanes:

Thank you for taking your time to become involved with the rail transportation problems my company has experienced since the Conrail takeover by CSX and NS Railroads.

Both NS and CSX senior management promised a seamless transition. Neither CSX nor NS will acknowledge the gravity of the situation. Railroad employees in the field told me they are working 12 and 16-hour work day's seven days per week attempting to straighten out yard congestion problems.

Cars are misrouted and diverted from the logical, shortest route to circuitous routes just to keep the yards fluid. Our private cars shipped from Chicago to Baltimore have moved through Brunswick, Maryland on to North Carolina and Alabama before moving back North to Baltimore. Transit time for the one way loaded moves have taken one month and numerous phone calls on our part to redirect the cars. We had three empty private cars in Chicago sitting over 12 days waiting to get placed for loading then incredulously, two of the cars were run out of town empty to Willard, Ohio.

My company is not the only one suffering from the Conrail breakup. Many companies are working around the problem by purchasing offshore, carrying larger inventories and relying on fuel guzzling trucks, all at great cost to the consumer and the U.S. economy. Thanks to your help, the railroad agreed to reimburse us for the extra cost of using trucks in lieu of rail. Still, we have incurred huge operating costs because we have been forced to use higher cost, lower quality imported raw material instead of U.S. sources for which we also deserve compensation.

Adding to the problem, the railroads are providing priority services to certain customers at the expense of the small shipper. We have been told that Intermodal trains and UPS, for example, get priority. We can not get railroad furnished open top hopper cars because coal companies get priority.

It appears to us that the situation is not improving.

Sincerely,



**CHESAPEAKE SPECIALTY PRODUCTS, INC.**

5055 NORTH POINT BLVD./ BALTIMORE, MD 21219  
(410) 388-5055 FAX: (410) 388-5194

DON E. SANCHEZ  
President

November 23, 1999

Mr. Wayne Efford, Director Marketing  
CSX Transportation  
500 Water Street  
501 Jacksonville, FL 32202

Dear Mr. Efford:

Thank you for returning the signed agreement which stipulates that CSX will reimburse Chesapeake Specialty Products, Inc. for the differential in cost of using substitute trucking in lieu of CSX rail transportation of our raw material from Chicago to Baltimore, MD. This reimbursement is necessitated by the service deficiencies created by the acquisition of Conrail assets. While the reimbursement is helpful, substitute trucking is not the simple answer. The Eastern Railroad snafu is straining the capacity of the motor carrier industry and we are finding it difficult to find trucks.

As we discussed on the phone, CSP can not accept the November 30 termination noted on the agreement, if CSX service does not achieve reasonable service levels by month end. I regret to advise that service has not improved. In fact it has gotten worse! Virtually all of our private cars that were loaded November 2 & 3 have been circuitously routed and mis-directed. Our private cars, under load, that were routed from Chicago to Baltimore the 2<sup>nd</sup> and 3<sup>rd</sup> of November are now scattered in places as remote as Birmingham and Montgomery, AL and Atlanta GA. We have had cars as close as Brunswick, MD, that got diverted on to North Carolina and points South to "Avoid congestion in Baltimore." We have had our cars routed through Michigan because of congestion in Chicago. Simply pushing cars out of congested yards to areas of less congestion, but out of route, acerbates the problem. Every car seems to be a crisis. The double handling of cars, outlawing of train crews and misrouting of cars can destroy the viability of the railroad and bankrupt shippers dependent upon rail.

It seems that CSX has ignored Baltimore in its service lane considerations. For the first time ever, due to higher costs attributed to the unavailability of our primary source of raw materials, my company operated in the red for the month of October.

We still are waiting for the additional 15 CSX bathtub cars that were promised over one month ago and now we must have even more CSX hopper cars while our cars continue to bounce pillar to post.

Please review the attached and get our service straightened out.

Sincerely,

ELMU.ELUV

INVENTORY INQUIRY SYSTEM

DATE: 11-30-99

PAGE: 1

\*\*FIRST 3 : AAR CAR TYPE = 'H350'  
 \*\*SELECTION : CSX POOL = '5524'  
 \*\*CRITERIA : UMLER FLAG NOT IN ('D','N','A')

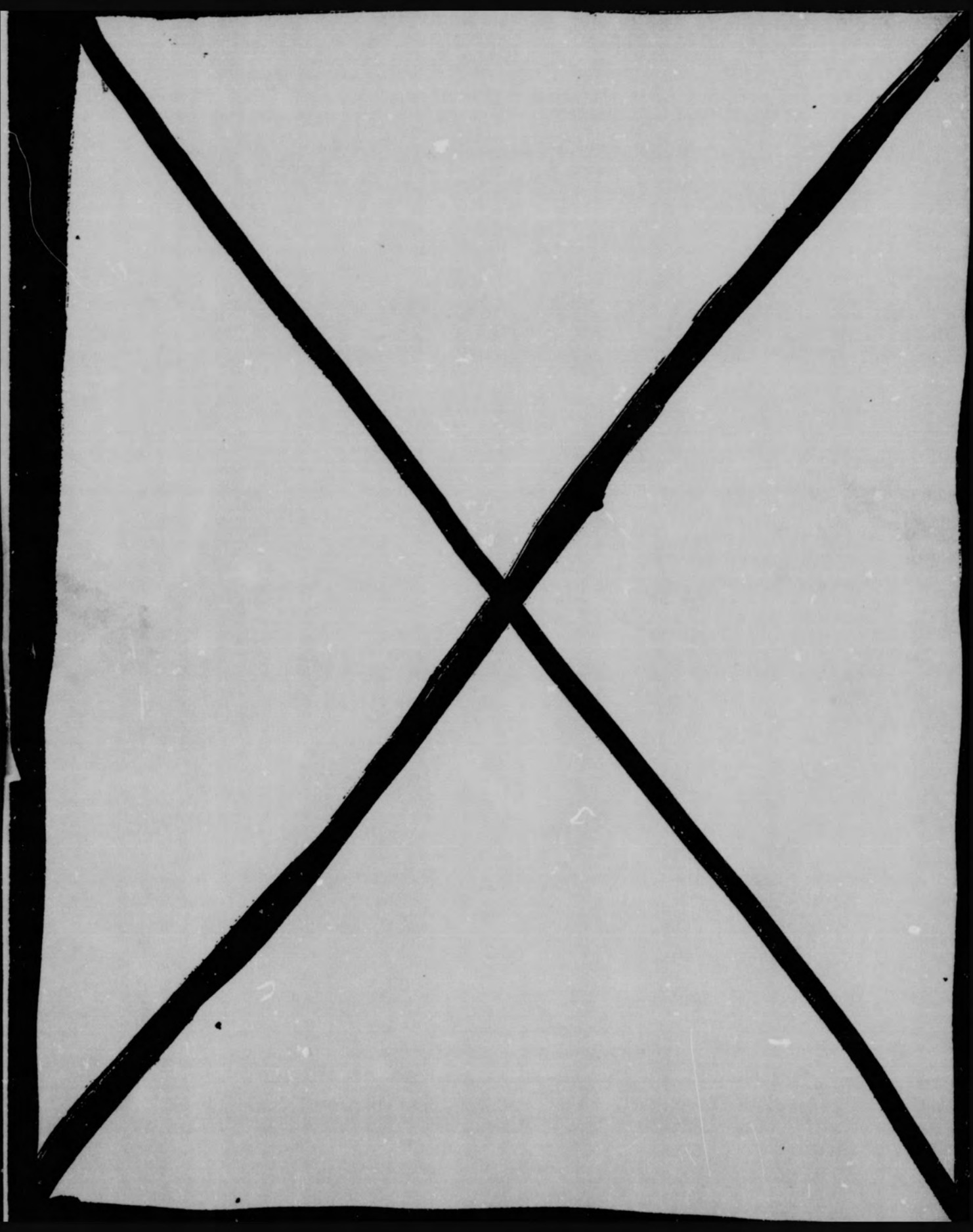
CAR	CAR	L	AAR	CSX	MOVE	DAYS	CURR	DEST	ST
INIT	NUMBER	E	TYPE	POOL	TYPE	TRAIN ID	ON	CITY	CITY
							HAND		ST
CSPX	108	L	H350	5524	ARRV	Y50229	0000	BALBAYVIE	MD
HLMX	35180	L	H350	5524	ARRV	Y50229	0000	BALBAYVIE	MD
HLMX	35181	L	H350	5524	ARRV	Y50229	0000	BALBAYVIE	MD
CSPX	105	L	H350	5524	DEL	Y32816	0013	BALSPAPOI	MD
CSPX	107	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
CSPX	109	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
HLMX	35178	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
HLMX	35179	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
HLMX	35182	L	H350	5524	DEL	Y32816	0013	BALSPAPOI	MD
HLMX	35183	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
HLMX	35184	L	H350	5524	DEL	Y32822	0007	BALSPAPOI	MD
HLMX	191468	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
HLMX	827808	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
HPJX	23003	L	H350	5524	DEL	Y32828	0001	BALSPAPOI	MD
CSPX	102	E	H350	5524	REC		0001	CHICAGO	IL
CSPX	104	E	H350	5524	REC		0001	CHICAGO	IL
CSPX	106	E	H350	5524	REC		0001	CHICAGO	IL
HLMX	35185	E	H350	5524	REC		0001	CHICAGO	IL
HLMX	35186	E	H350	5524	REC		0001	CHICAGO	IL
HLMX	35187	E	H350	5524	REC		0001	CHICAGO	IL
CSPX	103	E	H350	5524	PLCD	J70127	0003	GARY	IN
HLMX	827809	L	H350	5524	ARRV	Q41229	0001	OAKISLAND	NJ
CSPX	101	E	H350	5524	DEPT	K31029	0001	WILLARD	OH
HPJX	23005	E	H350	5524	DEPT	K31029	0001	WILLARD	OH

Shipped 11/12 + 11/13.  
 ONE Month - LOADED  
 Transit Time. CAR  
 moved from Chicago to  
 Brunswick to Rocky Mount,  
 to Montgomery AL + back  
 to Baltimore

Shipped 11/1, Delivered 11/18

Misroute Load Passed by BGV.  
 IN Misroute (was in Chicago) moving  
 IN Misroute  
 Eastbound Empty

TOTAL CARS RETRIEVED: 24



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FD-33388

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J





Office of the Chairman

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

FILE IN DOCKET

JD-33388

January 20, 2000

The Honorable Michael J. Bragman  
The Assembly - State of New York  
Room 436  
Capitol Building  
Albany, New York 12224

Dear Assemblyman Bragman:

Thank you for your letter of December 15, 1999, expressing your concern about issues in New York related to the awarding of a contract for restoration of a highway bridge over a former Conrail line in Warners, New York, which was acquired by CSX Transportation, Inc. (CSXT). In your letter, you discuss an apparent lack of cooperation between CSXT and the New York State Department of Transportation (NYSDOT). You also discuss your concern about the implementation of the Conrail Transaction by CSXT and the Norfolk Southern Railway Company (NS).

I share your concerns regarding service issues that have been present since the service transition began on June 1<sup>st</sup> over the former Conrail properties. In this regard, the Board continues to actively monitor the operational aspects of the Conrail transaction through regular data reporting and other pertinent information, and through daily contacts with railroads, shippers, and railroad employees.

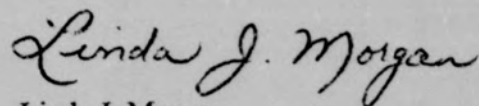
In addition, the Board has developed an informal process to address specific service complaints. As part of this process, the Board's Office of Compliance and Enforcement (OCE) has established an open line of communication with senior railroad officials, and OCE immediately forwards service complaints brought to it informally by shippers seeking assistance. OCE then follows up on each complaint to ensure that it is being addressed appropriately. In some cases, OCE staff may review the steps that the carrier is taking, and may recommend alternatives. Handling shippers' individual service issues informally, we believe, provides a prompt and effective way for the Board to facilitate real solutions to shippers' service concerns. In this regard, please feel free to encourage your constituents to bring any rail service issue to OCE Director Melvin Clemens. Director Clemens can be reached at 202-565-1573 or by fax at 202-565-9011.

Regarding the bridge issue, we immediately brought your concerns to the attention of CSXT. On January 12<sup>th</sup>, Michael Ruehling, Vice President-State Relations, responded to NYSDOT Commissioner Boardman (copy enclosed), indicating that all safety and other issues regarding this project are current, and assuring him of the railroad's desire to work closely with the NYSDOT on any issue involving CSXT's operations in the State of New York.

The Board will continue to monitor the implementation of the Conrail transaction and work with interested parties to ensure that service is improved as expeditiously as possible. I am confident that issues involving the transition of operations by CSXT and NS can be resolved promptly through our joint efforts. In this regard, I look forward to working with you on rail transportation matters affecting New York shippers.

Please do not hesitate to contact me on any issue with which I can be of assistance.

Sincerely,

  
Linda J. Morgan

Enclosure



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

Michael J. Ruehling  
Vice President  
State Relations

January 12, 2000

FILE IN DOCKET

RECEIVED  
SURFACE TRANSPORTATION  
BOARD  
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JAN 12 2000

The Honorable Joseph Boardman  
Commissioner  
New York State Department of Transportation  
State Campus, Building 5  
Albany, New York 12232

Dear Commissioner Boardman:

Just before the holidays you received a letter from Assemblyman Michael J. Bragman regarding a bridge project involving CSX and the New York State Department of Transportation in Warners, New York. Related correspondence also was sent to Surface Transportation Board Chairman Linda Morgan, Secretary of Transportation Rodney Slater, NYSDOT Transportation Regional Director Jon Edinger and statewide media.

Concerns were raised in this letter that public safety might have been compromised by delays with the project for which CSX reportedly was responsible. Charges such as this obviously are taken very seriously since CSX has no higher priority than the safety of our employees and the communities where we operate. As soon as we learned of these allegations, we immediately interviewed both the CSX and NYSDOT officials involved with this project.

Based on this inquiry, we have determined that neither CSX nor NYSDOT was, or is, aware of any discussion to post the bridge for reduced weight levels. Furthermore, we can find no indication that the timetable anticipated jointly by your department and the railroad for undertaking the construction ever was jeopardized. Finally, as best we can determine, an open dialogue has been maintained between CSX and your department on matters pertaining to this and other structures, and all necessary maintenance has been performed on this bridge based on consultation with your department.

Since we are a new entity in New York and do not have the long-standing contractual relationship that your department had with Conrail, there was a need to modify the standard NYSDOT format to include CSXT's requirements. This required a detailed review of the documents and the exchange of correspondence between your department and CSX. It is our understanding that these discussions were amicable and professional, and that they did not cause any delay on the construction dates or related preparatory work with the bridge project at Warners.

Commissioner Boardman  
January 12, 2000  
Page Two

We appreciate the opportunity to clarify this matter and we urge you to contact us directly whenever you or your staff has questions about CSX activities in New York. We want to have a long and productive working relationship with New York in the months and years ahead, and we look forward to working with you toward that end.

Sincerely,

*Mike Ruckelshaus*

mt

cc: The Honorable Michael J. Bragman  
Mr. Jon Edinger  
The Honorable Linda Morgan  
The Honorable Rodney Slater





MICHAEL J. BRAGMAN  
MAJORITY LEADER

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

District Office  
☐ 305 South Main Street  
North Syracuse, New York 13212  
(315) 452-1044  
  
☐ Room 926  
Legislative Office Building  
Albany, New York 12248  
(518) 455-4567  
  
☐ Room 436  
Capitol Building  
Albany, New York 12224  
(518) 455-4225

December 15, 1999

Linda Morgan  
Chairperson  
Surface Transportation Board  
K Street Northwest  
Washington, DC 20423

Dear Chairperson Morgan:

Please refer to the enclosed copies of my December 15, 1999 letters to Jon Edinger, Regional Director of the New York State Department of Transportation and Joseph Boardman, Commissioner of the New York State Department of Transportation regarding the delay in awarding a bridge project in Onondaga County, New York.

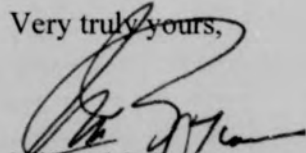
The purpose of this letter is to bring this matter to your attention and to let you know how very concerned I am about this situation. As I stated in my letter to Mr. Edinger, this is a public safety issue — people's lives could be placed in danger because certain bridges in New York State are not being rehabilitated or replaced as scheduled.

I am very concerned about the apparent lack of cooperation by CSX officials and their inability to address such important issues in an efficient and effective manner. This is not the only problem that has been brought to my attention since the CSX/Norfolk Southern breakup of Conrail. As a result of the mounting concerns expressed by shippers, businesses, municipalities and residents across New York since the split date, it is my intention to co-chair a statewide hearing in the near future to specifically address these concerns. In the interim, the safety of residents living in this area necessitates immediate action.

Would you please review this matter and provide me with your comments and recommendations. Subsequent to receiving your input and a response from state officials, I will be able to determine what further action on my part is necessary and appropriate.

Best wishes.

Very truly yours,



Michael J. Bragman  
Majority Leader

MJB/jlf

Enclosure

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SURFACE TRANSPORTATION  
BOARD  
DEC 20 12 27 PM '99





MICHAEL J. BRAGMAN  
MAJORITY LEADER

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

District Office  
☐ 305 South Main Street  
North Syracuse, New York 13212  
(315) 452-1044  
  
☐ Room 926  
Legislative Office Building  
Albany, New York 12248  
(518) 455-4567  
  
☐ Room 436  
Capitol Building  
Albany, New York 12224  
(518) 455-4225

December 15, 1999

Jon Edinger  
Regional Director  
New York State Department of Transportation  
333 East Washington Street  
Syracuse, New York 13202

Dear Jon:

I have received a request for assistance from Dennis Kiteveles, Chief of the Warners Volunteer Fire Department.

Dennis has informed me of his concern about the delay in the project to replace the bridge over the CSX railroad tracks on Route 173/Canton Street in Warners. He told me that the bridge is in very poor condition, and he believes that it may be necessary to impose a weight limit on the bridge if work does not commence in the immediate future. If this should happen, fire apparatus and other emergency vehicles would be prevented from using the bridge, and Dennis estimates this would result in a delay of 15 minutes or longer in responding to emergencies for approximately half of the district served by his department.

When we discussed this matter last week, you indicated your understanding that this project had to be placed "on hold" because the CSX Corporation was not willing to accept the standard contract language used by Conrail and CSX representatives were requesting changes in the billing process. Further, until negotiations between CSX and NYSDOT are concluded, the project cannot be awarded and materials that have been ordered for the project cannot be utilized. I am also advised that there are other projects throughout New York State that have been similarly affected.

Jon, this situation is having a serious impact on the people of our community and state, and we simply cannot allow it to continue. First and foremost, we must be concerned about the safety of those traveling over the bridge and of those who depend upon the bridge for essential services, such as fire protection, ambulance services, fuel delivery and transporting children on our school buses. Certainly, it is imperative that the project commence immediately, and I want you to know that I will be taking all possible action to ensure that the needs of Central New Yorkers are met.

(continued)

December 15, 1999

Jon Edinger

Page 2

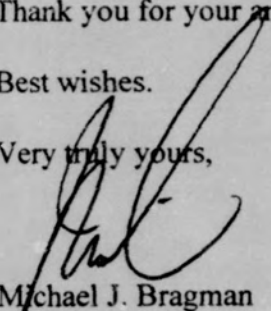
In this regard, would you please provide me with a report on the status of this project, and how the schedule has been affected. Please also inform me of the current condition of the bridge and if your department has any plan to place weight restrictions on the bridge. Finally, I would like to know if there are any other projects in your region which are being negatively affected by the NYSDOT/CSX negotiations.

Subsequent to receiving your response, I will be able to determine what further action on my part is necessary and appropriate.

Thank you for your anticipated cooperation.

Best wishes.

Very truly yours,



Michael J. Bragman  
Majority Leader

MJB/lrp

cc: Joseph Boardman  
Dennis Kiteveles  
Interested Individuals



MICHAEL J. BRAGMAN  
MAJORITY LEADER

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

District Office  
☐ 305 South Main Street  
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☐ Room 436  
Capitol Building  
Albany, New York 12224  
(518) 455-4225

December 15, 1999

Joseph Boardman  
Commissioner  
New York State Department of Transportation  
State Campus, Building 5  
Albany, New York 12232

Dear Joe:

Please refer to the enclosed copy of my December 15, 1999 letter to Jon Edinger, Regional Director of the New York State Department of Transportation (NYSDOT), regarding the delay in awarding a bridge project in Onondaga County.

The purpose of this letter is to bring this matter to your attention and to let you know how very concerned I am about this entire situation. In this regard, I would like to know how many other projects are being held up as a result of on-going negotiations between NYSDOT and the CSX Corporation.

As I stated in my letter to Mr. Edinger, this is a safety issue—people's lives could be placed in danger because certain bridges in our state are not being rehabilitated or replaced as scheduled. I also believe this delay is a hardship for the contractors who bid on the projects in good faith and for the employees they hired to do the work.

I am very concerned about the apparent lack of cooperation by CSX officials and their inability to address such important issues in an efficient and effective manner. In this regard, would you please respond to the following questions and provide me with your comments:

1. What is the status of the NYSDOT negotiations with CSX and how do these negotiations differ from previous negotiations with Conrail?
2. Please advise me of the number of projects throughout New York State that are being delayed as a result of CSX's negotiations with your department and where each project is located. I would also like to know how the schedule for each project has been impacted.
3. What action is being taken by NYSDOT to ensure that the bridges awaiting rehabilitation/replacement remain safe for vehicular traffic?
4. What action is being taken to bring the negotiations with CSX to a conclusion?

(continued)

December 15, 1999  
Joseph Boardman  
Page 2

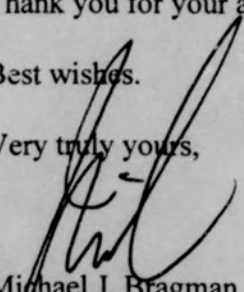
This is not the only problem that has been brought to my attention since the CSX/Norfolk Southern breakup of Conrail. As a result of the mounting concerns expressed by shippers, businesses, municipalities and residents across New York since the split date, it is my intention to co-chair a statewide hearing in the near future to specifically address these concerns. In the interim, the safety of residents living in the Route 173/Canton Street area in Warners necessitates immediate action.

I look forward to receiving your report at the earliest possible time. Please be advised that I will be contacting federal officials, including the Surface Transportation Board, to seek their assistance. Subsequent to receiving your report and input from the federal officials, I will be able to determine what further action on my part is necessary and appropriate.

Thank you for your anticipated cooperation.

Best wishes.

Very truly yours,



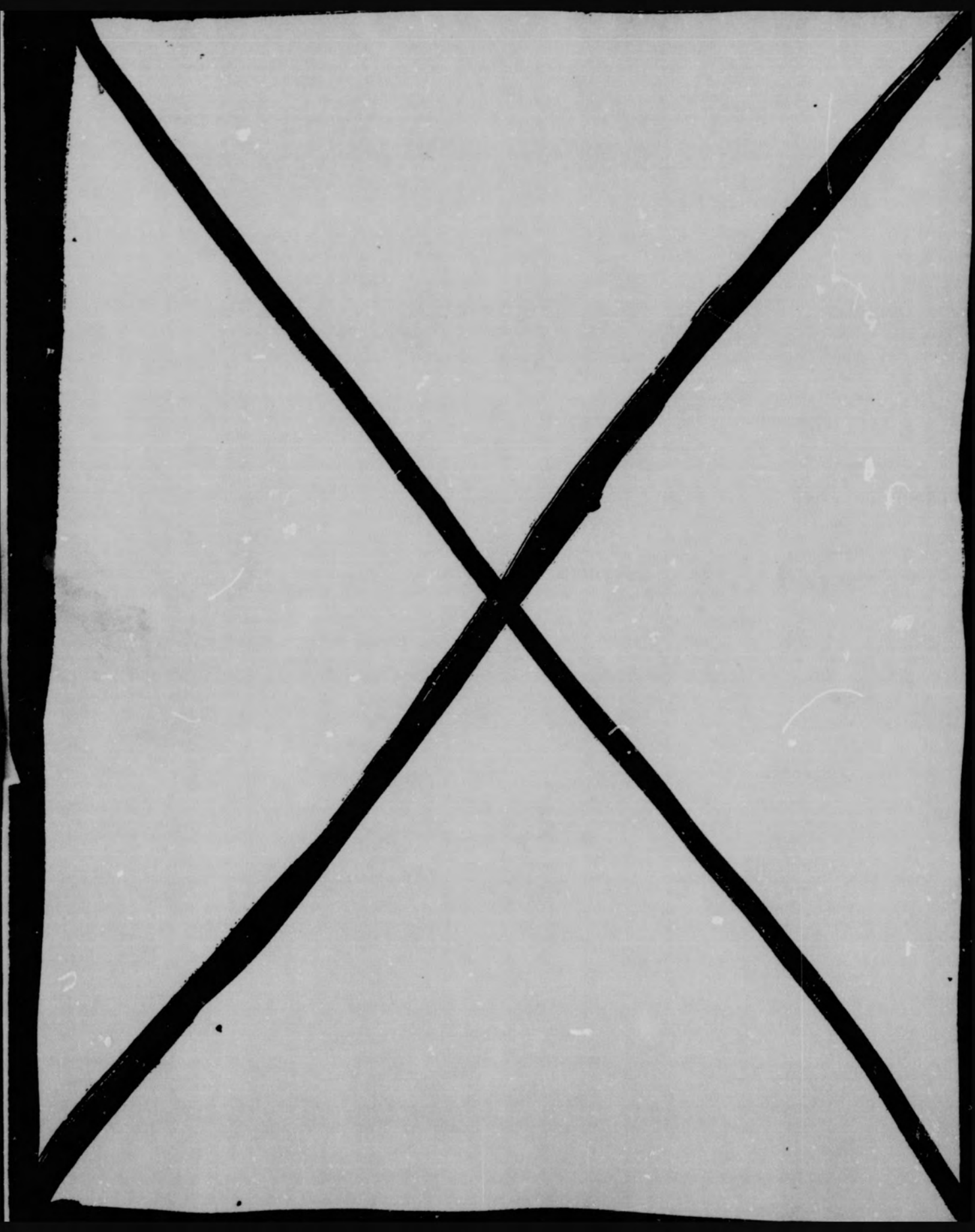
Michael J. Bragman  
Majority Leader

MJB/lrp

Enclosure

cc: Jon Edinger  
Interested Individuals







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1-20-00

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STATELEG



Office of the Chairman

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

FILE IN DOCKET

JD-33388

January 20, 2000

The Honorable Robert W. Singer  
New Jersey Senate  
2110 West County Line Road  
Jackson, New Jersey 08527

Dear Senator Singer:

This responds to your recent letter regarding your concern about the level of rail service being provided to Woodhaven Lumber Company in Lakewood, New Jersey. You indicate that since the acquisition of Conrail by CSX Transportation, Inc (CSXT) and Norfolk Southern Railway (NS), Woodhaven has experienced rail service problems.

I certainly understand and appreciate the concerns you have raised regarding the rail service that has been provided since the split of Conrail between CSXT and NS. In this regard, among other initiatives, the Board, through its Office of Compliance and Enforcement (OCE), has been working directly with shippers in an effort to help resolve service issues informally. OCE has established an open line of communication to bring specific service issues to the attention of senior railroad officials, with whom we are in contact almost daily. I encourage you to have your shipper constituents contact OCE Director Clemens at 202-565-1573, or by fax at 202-565-9011 regarding their particular rail service issues.

The Board remains committed to ensuring improved and more responsive rail service in the Northeast. Please do not hesitate to contact me again if we can be of further assistance.

Sincerely,

Linda J. Morgan



NEW JERSEY SENATE

ROBERT W. SINGER  
ASSISTANT MAJORITY LEADER  
SENATOR, DISTRICT 30

COMMITTEES  
VICE-CHAIRMAN, COMMERCE  
MEMBER, HEALTH

FILE IN DOCKET

PARTS OF MONMOUTH-OCEAN-  
BURLINGTON COUNTIES  
2110 WEST COUNTY LINE ROAD  
JACKSON, NEW JERSEY 08527  
(732) 901-0702  
FAX: (732) 901-0587

246 ROUTE 130 SOUTH  
BORDENTOWN, N.J. 08505  
(609) 298-6250  
FAX: (609) 298-6359

December 15, 1999

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

Dear Chairperson Morgan:

I am writing to you about a problem that was brought to my attention by the Woodhaven Lumber Company which is located in Lakewood.

It seems that since Conrail was closed and service was split with the CSX and NS railroad they have experienced a major problem with service. I was directed to you by William Herkner from the New Jersey Transit Corporation in the hopes that you might be able to alleviate this situation.

The lumber industry is suffering from this lack of service at a time when building in this area is at an all time high.

I would appreciate it if you could look into this situation and get back to me with your response.

Thank you for your attention to this important matter.

Sincerely,

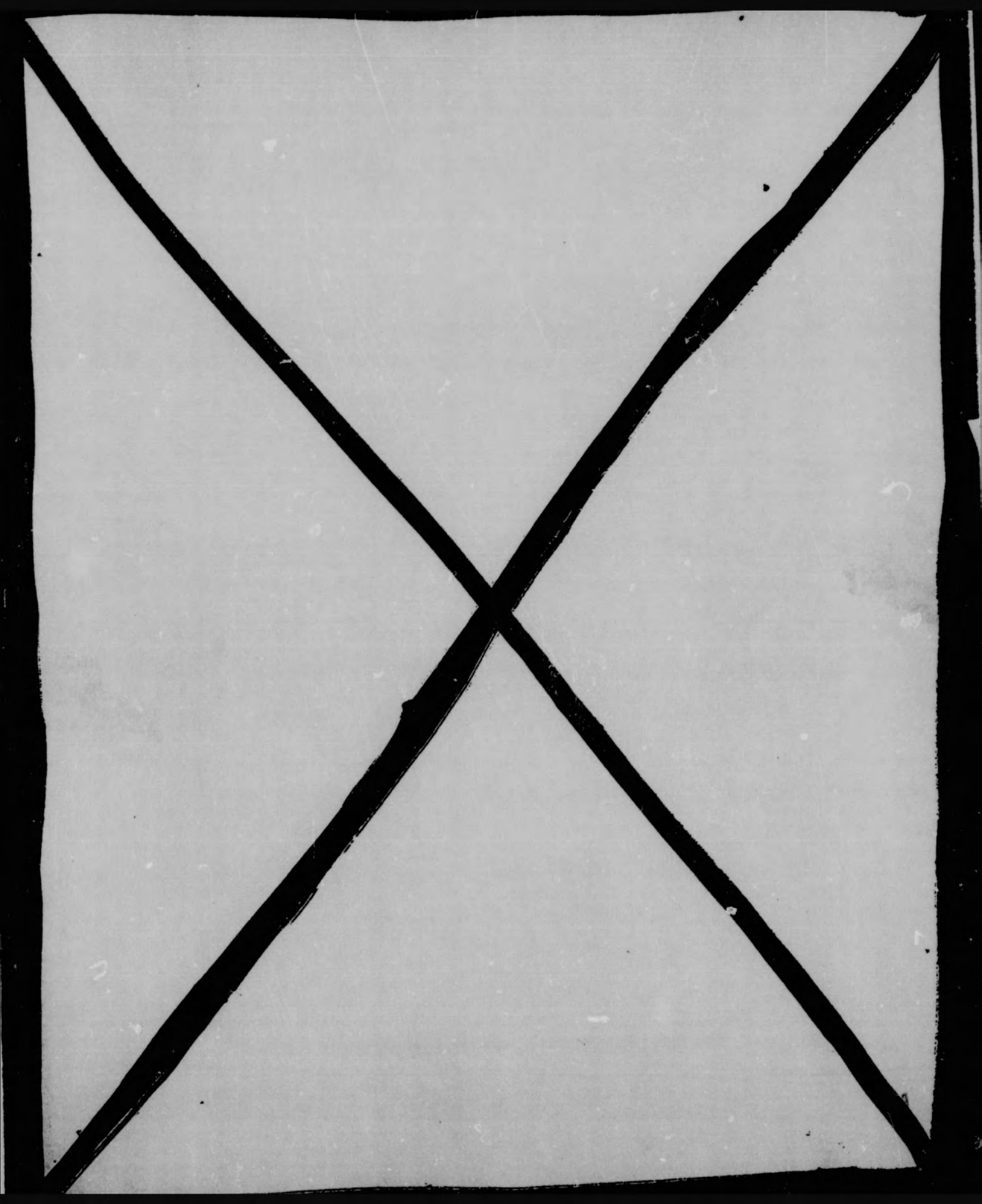
Robert W. Singer  
Senator  
District 30

RWS/mf  
c: David Robinson/Woodhaven Lumber

CHAIRMAN MORGAN

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BOARD



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BUSINESS





Office of the Chairman

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

FILE IN DOCKET

JN-33388

January 20, 2000

Mr. John W. Snow  
Chairman, President and  
Chief Executive Officer  
CSX Corporation  
One James Center  
P.O. Box 85629  
Richmond, VA 23285-5629

Dear Mr. Snow:

Enclosed is a letter that I received from Mr. Frank W. Keane, General Manager of the Albany Port District Commission. While originally supportive of the Conrail transaction, he now expresses concern over adverse impacts experienced by the Port of Albany, New York, following the implementation of the transaction.

Given the interest of all parties, including the Board, in the successful implementation of the Conrail transaction, I have advised Mr. Keane that I would be asking you to respond to the concerns that he has raised. Please assist the Board by responding to us as soon as possible.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

Enclosure



Office of the Chairman

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

FILE IN DOCKET

January 20, 2000

Mr. Frank W. Keane  
General Manager  
Albany Port District Commission  
Albany, NY 12202

Dear Mr. Keane:

Thank you for your letter regarding the acquisition of Conrail by CSX and Norfolk Southern. While you originally supported the transaction, you now express concerns over adverse impacts experienced by the Port of Albany, New York, following that implementation of the acquisition transaction.

I have forwarded your letter to Mr. John Snow, Chairman, President, and Chief Executive Officer of CSX Corporation. After I have received his response, I will be back in touch with you.

I appreciate your interest in this matter. I will have your letter, my response, and any correspondence I receive from Mr. Snow made a part of the public docket for this proceeding.

Sincerely,

*Linda J. Morgan*  
Linda J. Morgan

# **ALBANY PORT DISTRICT COMMISSION**

ALBANY — RENSSELAER

December 27, 1999

FRANK W. KEANE, GENERAL MANAGER

TERRENCE P. HURLEY  
CHAIRMAN

FILE IN DOCKET

The Honorable Linda Morgan  
Chairperson  
Surface Transportation Board  
12<sup>th</sup> and Constitution Avenue, N.W.  
Washington, DC 20423

Dear Chairperson Morgan:

In September 1997 I wrote a letter on behalf of the Albany Port District Commission urging the Surface Transportation Board to approve the purchase of Conrail by CSX and the Norfolk Southern. In that letter we supported features mentioned by CSX such as new transportation options, faster service, and improved equipment availability which would benefit New York's maritime, manufacturing, and agricultural interests.

To date what has been experienced includes:

- Routine empty boxcar delivery for loading woodpulp which under Conrail took three days now takes up to twelve days. In some instances no delivery is made and the woodpulp moves by truck or via another port range which means a loss of business for Albany.
- Port of Albany tenants, particularly those shipping or receiving scrap and grain, experience similar equipment and service problems, which equates to customer dissatisfaction.
- Rates for new business take weeks to be developed, if at all. Prospects for new business become disenchanted and opportunities are lost.
- New business is discouraged. Specifically CSXI in Jacksonville told representatives of the Port's stevedore and terminal operating company that they were uninterested in



**PORT OF ALBANY**

ALBANY, N. Y. 12202 • (518) 463-8763  
FAX NO. (518) 463-8767

# **ALBANY PORT DISTRICT COMMISSION**

ALBANY — RENSSELAER

FRANK W. KEANE, GENERAL MANAGER

TERRENCE P. HURLEY  
CHAIRMAN

Honorable Linda Morgan

Page #2

December 27, 1999

- providing a rate or equipment for an intermodal movement of cocoa from Elizabeth, New Jersey to the Port of Albany.
- Inbound rail shipments of domestic steel, which took ten days now take up to three weeks to deliver.

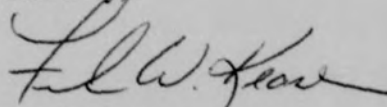
The above instances reflect a misrepresentation in what CSX told State and Federal Governments, Port Authorities, and shipper's groups prior to the acquisition of Conrail. In fact, due to the size of the CSX railcar fleet, equipment availability was supposedly far superior to that of Conrail, small shippers and commodity cargo would be a priority, and new business opportunities were to be encouraged. The reality, it seems, is a far cry from the picture painted by CSX prior to the acquisition or in their many informational memos.

On behalf of the Port of Albany, I would appreciate your suggestions on how these problems can be addressed.

Should you have any questions or need further information please do not hesitate to contact me.

Thank you for your assistance.

Sincerely,



Frank W. Keane  
General Manager

Cc: Assemblyman Michael Bragman  
Senator Joseph Bruno  
Assemblyman Ronald Canestrari  
Mayor Gerald D. Jennings  
Assemblyman John McEneny  
Congressman Michael McNulty  
Governor George Pataki  
Congressman John Sweeney



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PORT OF ALBANY

ALBANY, N. Y. 12202 • (518) 463-8763  
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