

STB

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NS NORFOLK SOUTHERN

Norfolk Southern Corporation
1500 K Street, N.W., Suite 375
Washington, D.C. 20005
202 383-4166
202 383-4425 (Direct)
202 383-4018 (Fax)

Bruno Maestri
Assistant Vice President
Public Affairs

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Public Record

March 1, 1999



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Suite 700
1925 K Street, NW
Washington, DC 20423-0001

Re: Finance Docket No. 33388: CSX Corporation and CSX Transportation, Inc. and Norfolk Southern Corporation and Norfolk Southern Railway Corporation -- Control and Acquisition of Conrail, Inc. and Consolidated Rail Corporation

Subject: Submittal of Memorandum of Understanding between Norfolk Southern and the City of Lafayette, Indiana in Satisfaction of Environmental Condition 8(A) [Selected Sites] of Appendix Q to STB Decision No. 89

Dear Secretary Williams:

We have enclosed a copy of the Memorandum of Understanding (MOU) recently signed by Norfolk Southern and the City of Lafayette, Indiana (the City) with respect to the Lafayette Railroad Relocation Project and the obligations of Norfolk Southern pertaining to grade crossing upgrades in the City of Lafayette that were created under Environmental Condition 8(A) of Appendix Q to the Board's Decision No. 89 (Condition 8(A)) in the above-referenced docket. Norfolk Southern requests that the Board adopt the terms of this MOU as a condition of the Board's approval of the Conrail Transaction. Specifically, Norfolk Southern requests that the Board amend Decision No. 89 by adding this MOU to the list of Negotiated Agreements entered into by Norfolk Southern set forth in Environmental Condition 51 of Appendix Q to Decision No. 89. This MOU supersedes that portion of Condition 8(A) which pertains to the following at-grade crossings in the City on Norfolk Southern rail line segment N-046: Smith Street¹; 4th Street/US 231; 5th Street; Romig Street; 7th Street; 8th Street; Union Street; 17th & Salem; 18th Street; and Greenbush Street.

¹ The table in Condition 8(A) erroneously indicates that the Smith Street crossing is located in West Point, Indiana; it is actually located in Lafayette, and is part of the Lafayette MOU.

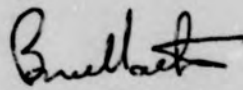
The Honorable Vernon A. Williams
Page 2
March 1, 1999

The MOU provides that Norfolk Southern will make certain cash advances to the City for use in expediting the completion of that portion of the on-going Lafayette Railroad Relocation Project that includes the relocation of 4.6 miles of existing Norfolk Southern track that presently runs through the City (the Norfolk Southern Rail Relocation). The Norfolk Southern track is currently on an alignment that includes twenty-two at-grade crossings in the City, including the ten above-listed at-grade crossings in the City determined by the STB to warrant grade crossing upgrades, as indicated at Condition 8(A). In accordance with the goals of the Lafayette Railroad Relocation Project, the completion of the Norfolk Southern Rail Relocation project will allow the rerouting of all Norfolk Southern rail traffic over new track to be located in a conflict-free alignment away from the center of the City and will allow the existing at-grade crossings to be eliminated.

As stated in the MOU, the City concurs that the commitments of Norfolk Southern set forth in the MOU satisfy Norfolk Southern's obligations under Condition 8(A) with respect to mitigation for highway/ rail at-grade crossings within the City. The City also concurs that no additional grade crossing upgrades are needed. Therefore, Norfolk Southern requests that this MOU be added to the approved Negotiated Agreements of Norfolk Southern listed in Environmental Condition 51 and that Condition 8(A) be amended to remove the ten public highway/ rail at-grade crossings located on Norfolk Southern rail line segment N-046 in the City of Lafayette from the list of at-grade crossings subject to Condition 8(A).

Thank you for your assistance in this matter. Should you have any questions, please contact me at (202) 383-4125.

Sincerely,



Bruno Maestri

Enclosures

cc: Elaine K. Kaiser
Chief, Section of Environmental Analysis
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding, dated as of DECEMBER 4, 1998, sets forth the agreement between Norfolk Southern Railway Company ("NSR"), a corporation organized and validly existing under the laws of the Commonwealth of Virginia, and the City of Lafayette, Indiana ("City"), a municipal corporation under the laws of the State of Indiana, with respect to the matters covered herein.

WHEREAS, NSR owns railroad tracks that run through the City on an alignment with twenty-two at-grade crossings resulting in traffic, safety, maintenance and other problems that both NSR and the City would like to address;

WHEREAS, NSR has acquired the right to use a portion of the railroad system formerly owned by Conrail and such acquisition is projected to increase train traffic through the City;

WHEREAS, NSR and the City and other entities have worked together for almost three decades to develop and implement a plan to relocate NSR's railroad tracks and other railroad tracks to a new conflict-free alignment as a part of the Lafayette Railroad Relocation Project as memorialized in a Memorandum of Agreement dated July 6, 1983. (See Exhibit A for a conceptual presentation of the entire Lafayette Railroad Relocation Project.);

WHEREAS, NSR and the City now desire to undertake that portion of the Lafayette Railroad Relocation Project which will relocate approximately 4.5 miles of double track NSR mainline to a new conflict-free alignment (the "NSR Relocation.") (See Exhibit B for an illustration of the NSR Relocation.);

WHEREAS, the City must undertake the NSR Relocation in cooperation with the Indiana Department of Transportation ("INDOT");

WHEREAS, the City and INDOT will enter into an agreement which will describe the City's responsibilities to provide funds for the NSR Relocation and will describe INDOT's responsibilities to advertise for bids and award a construction contract for the NSR Relocation and to manage the financial aspects of the NSR Relocation by receiving Federal funds on behalf of the City, receiving funds from the City and using such funds to make payments pursuant to the construction contract and related agreements (the "City-State Agreement");

WHEREAS, NSR, the City and INDOT will enter into an agreement which will describe NSR's commitment to provide certain materials and labor for the NSR Relocation and the City's and INDOT's obligation to reimburse NSR for such labor and materials (the "Force Account Agreement");

WHEREAS, INDOT requires that certain funds be on deposit with INDOT prior to awarding contracts for the NSR Relocation;

WHEREAS, Federal legislation designates certain funds for the Lafayette Railroad Relocation Project and such funds are projected to be distributed by the Federal government in annual installments over a six-year period;

WHEREAS, sufficient Federal funds to begin construction will not accumulate until the year 2003 based on established schedules for payment of Federal funds; and

WHEREAS, NSR and the City desire that the NSR Relocation be undertaken as soon as practical and prior to the year 2003 and have worked with INDOT to identify the financial plan described in this Memorandum of Understanding, which provides that NSR will advance certain funds in connection with the City-State Agreement and will accept deferred payment under the Force Account Agreement in order to allow a construction contract for the NSR Relocation to be awarded in early 1999; and

WHEREAS, the City and NSR have in the past and will continue to execute and deliver instruments and documents, provide information, attend public hearings or meetings relating to the NSR Relocation, and take such additional actions as may be reasonably required from time to time in order to accomplish the purposes and objectives of this Memorandum of Understanding;

NOW THEREFORE, NSR and the City hereby agree and represent at follows:

Section 1. NSR Representations and Agreements.

A. Cash Advance. NSR will provide a cumulative total not to exceed \$3,500,000 in one or more payments to the City for the City to deposit with INDOT pursuant to the City-State Agreement (the "Cash Advance"). When the City is required to make payments to INDOT under the City-State Agreement, the City will send NSR a written request that such payment be made to the City by a specified date. That payment date, however, shall be not less than 30 days from the date of any such request and none of such payment dates shall be before June 1, 1999. The City will send one or more such requests in the same amount that the City is to pay to INDOT. NSR will make such payments to the City as requested. The cumulative total of all such payments from NSR to the City shall not exceed \$3,500,000.

B. Deferred Payment. Under the Force Account Agreement, NSR will submit monthly invoices for materials supplied and work performed. NSR will accept deferred payment for 80% of each invoice up to \$6,100,000 of such deferred amounts (the "Deferred Payment"), based on an invoice amount of up to \$7,625,000 (100% of the invoice amount). The Force Account Agreement will describe the specific terms of this commitment.

Section 2. City Representations and Agreements

A. Deposit of Cash Advance. The City will send the requests for the Cash Advance as described in Section 1A above. Under the City-State Agreement, the City will pay to INDOT the Cash Advance as the City receives the Cash Advance from NSR.

B. Reimbursement. The City will reimburse NSR for the Cash Advance from Federal funds that the City receives as reimbursement under the City-State Agreement. It is anticipated that such federal funds will be available and will be reimbursed through the City to NSR no later than January 31, 2003. Likewise, it is anticipated that sufficient Federal funds will be available for INDOT to pay NSR for the Deferred Payment no later than January 31, 2003. However, federal funds may be available prior to this time which may allow NSR to be reimbursed in full for the Cash Advance and in part for the Deferred Payment by January 31, 2002.

In the event that Federal funds are not available for any reason to provide reimbursement to NSR for the Cash Advance and the Deferred Payment by January 31, 2003, then the City shall reimburse NSR from other funds of the City for any amount not already reimbursed. The City will make such reimbursement to NSR no later than March 31, 2003.

Section 3. General Considerations and Agreements.

A. Satisfaction of Obligations. The City and NSR agree that the commitments in this Memorandum of Understanding shall be in satisfaction of NSR's obligations pursuant to STB Finance Docket No. 33388, Decision No. 89, Appendix Q, Environmental Condition 8(A), in respect of mitigation at highway/rail at-grade crossings within the City and no additional upgrades will be necessary in connection with the matters and geographic areas addressed in that document.

B. Other Agreements. In the event there is any conflict between this Memorandum of Understanding and the City-State Agreement or the Force Account Agreement, then the City-State Agreement or the Force Account Agreement, respectively, will control.

C. Future Actions. The City and NSR acknowledge and understand that the City, NSR and the State must take future actions to implement this Memorandum of Understanding and that the City's representations, covenants and agreements are subject to and contingent upon the compliance with and completion of applicable statutory procedures, including, without limitation, any applicable public notice and public hearing requirements and any appeal rights, which compliance and completion at all times the City shall undertake in good faith.

D. Severability. If any of the covenants or agreements contained in this Memorandum of Understanding should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or agreement shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Memorandum of Understanding.

E. Governing Law. This Memorandum of Understanding shall be construed and enforced under the laws of the State of Indiana, without regard to conflict of law principles.

F. Counterparts. This Memorandum of Understanding may be executed in several counterparts, all of which shall be regarded for all purposes as original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, NSR has caused its name to be hereunto subscribed by its _____
Vice President and the City of Lafayette has caused its name to be hereunto subscribed by its
Mayor, as of the date first written above.

NORFOLK SOUTHERN RAILWAY COMPANY

By: Willis J. Roming

CITY OF LAFAYETTE, INDIANA

By: Dave Heath
Dave Heath, Mayor

Attest:

Lisa Decker
Lisa Decker, City Clerk

INDS01 MBB 290261

Construction Segments

EXHIBIT

A



Old Big Four Depot

Photo Courtesy of Tippecanoe Co. Historical Assoc.



LAFAYETTE
RAILROAD
RELOCATION

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Norfolk Southern Corporation
 1500 K Street, N.W., Suite 375
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 202 383-4166
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Bruno Maestri
 Assistant Vice President
 Public Affairs

February 22 1999

193507

By Hand Delivery - Original and 25 Copies

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

Re: STB Finance Docket No. 33388 (Service Date - July 23, 1998):
CSX and NS - Control and Acquisition of Conrail

Subject: Report on Consultation with the Town of North Ridgeville, OH
As Required by Environmental Condition No. 35

Dear Secretary Williams:

Environmental Condition No. 35 requires that Norfolk Southern (NS) "...consult with the town of North Ridgeville, Ohio and report to the Board in writing on its progress to resolve local concerns within 6 months of the effective date of the Board's decision." This letter will serve to notify the Board of NS's compliance with the requirements of this condition. The following summarizes the concerns raised by North Ridgeville, and discusses NS's response to these issues.

Concerns of the community of North Ridgeville were summarized by Congressman Sherrod Brown and submitted as testimony before the Surface Transportation Board (STB) on June 4, 1998 in the above-referenced docket. Congressman Brown expressed concerns that the Conrail transaction would result in increased freight traffic and exacerbate associated public safety and environmental problems. Of particular concern were public safety issues at highway/rail at-grade crossings, specifically the SR-83 crossing on NS rail segment N-293d in North Ridgeville.

To address the concerns of the community, NS has participated in a series of meetings in North Ridgeville. These were held on:

- August 26, 1998
- September 15, 1998

- December 9, 1998
- January 29, 1999

Participants in these meetings (at one time or another) included Mayor Deanna Hill and various members of her staff, Congressman Brown, Mr. Tom O'Leary and Ms. Susan Kirkland of the Ohio Rail Development Commission, and State Senator Jeff Armbruster. Participating from NS were Mr. Mike Scime, who serves as Conrail's community affairs contact, Mr. Pat McCune (Resident Vice President for Ohio) and other NS personnel from its Operating Division. The primary topic of discussion has been public safety at the SR-83 crossing, specifically the potential for grade separation at this crossing.

As you know, the Section of Environmental Analysis (SEA) of the STB used certain criteria to assess the safety implications to roadway users from increased train operations projected to result from the Conrail transaction. To conduct its analysis, SEA used databases maintained by the Federal Railroad Administration (FRA) containing information about train-vehicle accidents, along with data supplied by NS containing information on anticipated post-acquisition changes in the level of activity on particular rail line segments. Using FRA methods and formulas, SEA calculated the potential for accidents at highway/rail at-grade crossings on rail segments where the number of trains is projected to increase by eight or more per day. SEA's analysis considered crossing-specific factors, such as the type of warning device, the accident history at the highway/rail at-grade crossing, the daily number of trains, train speeds, and the roadway average daily traffic volumes.

For the SR-83 crossing, the projected change in train traffic is less than the criteria established by SEA (i.e., eight trains or more per day) that would warrant further analysis for potential mitigation. The post-acquisition number of freight trains (daily average) is projected to be 55.1. This contrasts with an average of 60.8 freight trains, the actual number of trains currently using rail segment N-293d¹. Thus, based on data collected beginning in September of 1998, the post-acquisition traffic would actually be approximately 10% less than the current levels.

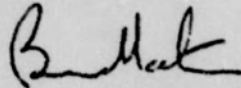
Nonetheless, in an effort to satisfy the concerns of North Ridgeville, NS has agreed to pay \$600,000 toward a grade separation project for the SR-83 crossing. Based on preliminary estimates by Ohio officials, this amount is more than the statutory minimum of 5% of the project's total capital cost that is typically contributed by a railroad. Although NS has agreed to pay \$600,000 toward this project, NS and the City of North Ridgeville both recognize that the remainder of the cost of the project must be obtained from a combination of Federal, State, and local funding. NS will make its contribution only after a project has been fully defined and appropriately funded. NS participation will be in accordance with customary practice for highway bridge projects.

¹ The projected train count of 55.1 was taken from the Finance Docket 33388, *Final Environmental Impact Statement*, Volume 7, Table AD-1. The actual train counts are provided as part of the monthly reports to Cleveland, which began in September of 1998.

The Honorable Vernon A. Williams
February 22, 1999
Page 3

The above-described measures satisfy the obligations of NS with respect to Environmental Condition No. 35. Should you have any questions about this matter, please contact me at (202) 383-4166.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruno Maestri". The signature is fluid and cursive, with the first name "Bruno" being more prominent than the last name "Maestri".

Bruno Maestri

cc: Ms. Elaine K. Kaiser (5 copies)

STB

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2-22-99

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Norfolk Southern Corporation
 1500 K Street, N.W., Suite 375
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Bruno Maestri
 Assistant Vice President
 Public Affairs

193506

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FEB 23 1999

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February 22, 1999

By Hand Delivery - Original and 25 copies



K

The Honorable Vernon A. Williams
 Secretary
 Surface Transportation Board
 Suite 700
 1925 K Street, NW
 Washington, DC 20423-0001

Re: Finance Docket No. 33388: CSX Corporation and CSX Transportation, Inc. and Norfolk Southern Corporation and Norfolk Southern Railway Corporation -- Control and Acquisition of Conrail, Inc. and Consolidated Rail Corporation

Subject: Petition for Extension of Time for Completion by Norfolk Southern for Compliance with Conditions 27(A) and 30(A) of Appendix Q of STB Decision No. 89

Dear Secretary Williams:

The above-referenced Conditions included in Appendix Q of Decision No. 89, dated July 23, 1998, of the Surface Transportation Board in Finance Docket No. 33388 require Norfolk Southern to comply within six months of the effective date of Decision No. 89 with certain local emergency response planning measures.

Specifically, Norfolk Southern is required, with respect to Conditions 27(A), and 30(A) "with the advice and consent" of the relevant local governmental entity to "adapt and modify the local component of their required Hazardous Materials Emergency Response Plan to account for the special needs of minority and low-income populations in the vicinity of their rail line segment(s)" in that locale.

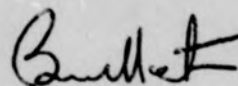
The Honorable Vernon A. Williams
February 22, 1999
Page 2

As required by Conditions 27(A) and 30(A), Norfolk Southern has adapted and modified its Hazardous Materials Emergency Response Plans for the subject communities (Cleveland Heights, OH and Euclid, OH). The Plans were submitted to the affected communities in November of 1998. At this time, Norfolk Southern is actively soliciting input from the communities for modifications to the locale-specific portions of the Plans.

Norfolk Southern has met the substantive requirements of Part (A) of Conditions 27, and 30 by developing local Hazardous Emergency Response Plans and soliciting community input. However, before certifying compliance with these conditions, additional time is required to respond to any comments from the communities on the Plans. To allow sufficient time to address the site-specific needs of these communities, Norfolk Southern requests an additional two months beyond the specified deadline of February 22, 1999. The projected date for "Day One" of the transfer of operations from Conrail to CSX and Norfolk Southern is now June 1, 1999; accordingly, no prejudice will occur as a result of this extension of time until April 22, 1999 for completion of compliance with these Conditions.

Therefore, Norfolk Southern respectfully requests that the deadline for compliance with Conditions 27(A) and 30(A) be extended by two months until April 22, 1999.

Sincerely,



Bruno Maestri

cc: Ms. Elaine K. Kaiser (5 copies)

STB

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2-22-99

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Norfolk Southern Corporation
1500 K Street, N.W., Suite 375
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Bruno Maestri
Assistant Vice President
Public Affairs

February 22, 1999

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

FEB 23 1999

Part of
Public Record

K

Re: STB Finance Docket No. 33380 (Service Date – July 23, 1998):
CSX and NS – Control and Acquisition of Conrail

Subject: Certification of Norfolk Southern's Compliance with Environmental Condition
27(B)

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of a certification by Norfolk Southern of compliance with Environmental Condition 27(B), pertaining to Cleveland Heights, Ohio, certifying compliance in accordance with STB Decision No. 89.

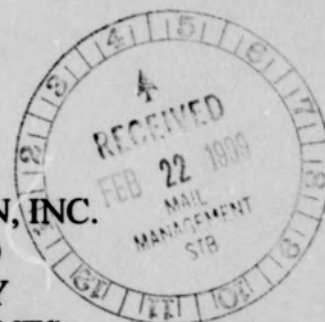
Yours very truly,

Bruno Maestri

Enclosures

cc: Ms. Elaine K. Kaiser (5 copies)

**SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388**



**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASE AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

**Decision 89, as Amended by Decision 96
Appendix Q, Environmental Conditions
III. Local or Site-Specific Environmental Conditions
Condition 27(B): Cleveland Heights, Ohio**

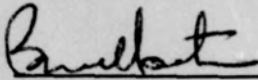
**Certification for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 27(B) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern provided and installed, including necessary computer hardware and training, Operation Respond software at the local emergency response center serving minority and low-income populations adjacent to or in the immediate vicinity of its rail line segments in Cleveland Heights, Ohio.

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

STB

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2-22-99

K

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Norfolk Southern Corporation
1500 K Street, N.W., Suite 375
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FEB 23 1999

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193504
Bruno Maestri
Assistant Vice President
Public Affairs

February 22, 1999



By Hand Delivery – Original and 25 Copies

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

Re: STB Finance Docket No. 33388 (Service Date – July 23, 1998);
CSX and NS – Control and Acquisition of Conrail

Subject: Certification of Norfolk Southern's Compliance with Environmental Conditions
4(B), 4(C), and 5(A)

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of three separate documents: a certification of Norfolk Southern's compliance with Environmental Condition No. 4(B), a certification of Norfolk Southern's compliance with Environmental Condition No. 4(C), and a certification of Norfolk Southern's compliance with Environmental Condition No. 5(A). These certifications are submitted in accordance with STB Decision No. 89.

Yours very truly,

Bruno Maestri

Enclosures

cc: Ms. Elaine K. Kaiser (5 copies)



**SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET 33388**

**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASE AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

**Decision 89, as Amended by Decision 96
Appendix Q, Environmental Conditions
II. Regional Environmental Conditions
Conditions 4(B), 4(C), and 5(A): Hazardous Materials Transport**

**Certification for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

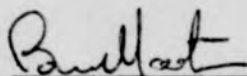
February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 4(B) set forth in Appendix Q to Decision No. 89, as modified by Appendix B to Decision No. 96, of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern has complied with the requirements of Condition 4(B) with respect to the following routes and segments:

Route	Rail Line Segment ID
Salisbury, NC to Asheville, NC	N-360
Asheville, NC to Leadvale, TN	N-361
New Line, TN to Leadvale, TN	N-392
Bulls Gap, TN to Frisco, TN	N-399
Frisco, TN to Kingsport, TN	N-406
Suffern, NY to Campbell Hall, NY	N-062
Campbell Hall, NY to Port Jervis, NY	N-063
Port Jervis, NY to Binghamton, NY	N-245
Binghamton, NY to Waverly, NY	N-246
Waverly, NY to Corning, NY	N-247
Corning, NY to Buffalo, NY	N-065
Ebenezer Jct., NY to Buffalo, NY	N-061
Butler, IN to Fort Wayne, IN	N-041
Alexandria, IN to Muncie, IN	N-040
Moberly, MO to CA Junction, MO	N-478
Buffalo FW, NY to Ashtabula, OH	N-070
Ashtabula, OH to Cleveland (Cloggsville), OH	N-075
Cleveland (Cloggsville), OH to CP-190, OH	N-074
Vermilion, OH to Bellevue, OH	N-072
Oak Harbor, OH to Bellevue, OH	N-079
Bethlehem, PA to Allentown, PA	N-203
Reading, PA to Reading Belt Jct., PA	N-216
Poe ML, VA to Petersburg, VA	N-432
Croxton, NJ to Ridgewood Jct., NJ	N-050
Ridgewood Jct., NJ to Suffern, NY	N-064
Fort Wayne, IN to Peru, IN	N-044
Peru, IN to Lafayette Jct., IN	N-046
Lafayette Jct., IN to Tilton, IL	N-045
White, OH to Cleveland, OH	N-081

Certified By:



Bruno Maestri
Assistant Vice President
Public Affairs

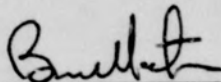
Date: February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 4(C) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern has complied with the requirements of Condition 4(C) with respect to the following routes and segments:

Route	Rail Line Segment ID
Butler, IN to Fort Wayne, IN	N-041
Fort Wayne, IN to Peru, IN	N-044
Peru, IN to Lafayette Jct., IN	N-046
Lafayette Jct., IN to Tilton, IL	N-045
Buffalo FW, NY to Ashtabula, OH	N-070
Ashtabula, OH to Cleveland (Cloggsville), OH	N-075
Cleveland (Cloggsville), OH to CP-190, OH	N-074
Oak Harbor, OH to Bellevue, OH	N-079
White, OH to Cleveland, OH	N-081

Certified By:



Bruno Maestri
Assistant Vice President
Public Affairs

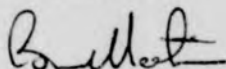
Date: February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 5(A) set forth in Appendix Q to Decision No. 89, as modified by Appendix B to Decision No. 96, of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern has complied with the requirements of Condition 5(A) with respect to the following routes and segments:

Route	Rail Line Segment ID
Salisbury, NC to Asheville, NC	N-360
Asheville, NC to Leadvale, TN	N-361
New Line, TN to Leadvale, TN	N-392
Bulls Gap, TN to Frisco, TN	N-399
Frisco, TN to Kingsport, TN	N-406
Suffern, NY to Campbell Hall, NY	N-062
Campbell Hall, NY to Port Jervis, NY	N-063
Port Jervis, NY to Binghamton, NY	N-245
Binghamton, NY to Waverly, NY	N-246
Waverly, NY to Corning, NY	N-247
Corning, NY to Buffalo, NY	N-065
Ebenezer Jct., NY to Buffalo, NY	N-061
Butler, IN to Fort Wayne, IN	N-041
Alexandria, IN to Muncie, IN	N-040
Moberly, MO to CA Junction, MO	N-478
Buffalo FW, NY to Ashtabula, OH	N-070
Ashtabula, OH to Cleveland (Cloggsville), OH	N-075
Cleveland (Cloggsville), OH to CP-190, OH	N-074
Vermilion, OH to Bellevue, OH	N-072
Oak Harbor, OH to Bellevue, OH	N-079
Bethlehem, PA to Allentown, PA	N-203
Reading, PA to Reading Belt Jct., PA	N-216
Poe ML, VA to Petersburg, VA	N-432
Croxtan, NJ to Ridgewood Jct., NJ	N-050
Ridgewood Jct., NJ to Suffern, NY	N-064
Fort Wayne, IN to Peru, IN	N-044
Peru, IN to Lafayette Jct., IN	N-046
Lafayette Jct., IN to Tilton, IL	N-045
White, OH to Cleveland, OH	N-081

Certified By:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

STB

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K

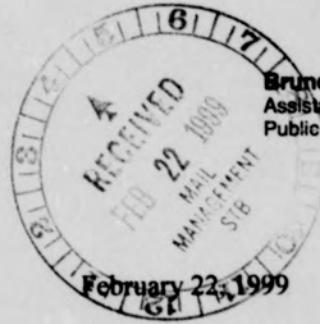
193503



Norfolk Southern Corporation
1500 K Street, N.W., Suite 375 of the Secretary
Washington, D.C. 20005
202 383-4166
202 383-4425 (Direct)
202 383-4018 (Fax)

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Assistant Vice President
Public Affairs

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

Re: STB Finance Docket No. 33388 (Service Date – July 23, 1998):
CSX and NS – Control and Acquisition of Conrail

Subject: Certification of Norfolk Southern Compliance with Environmental Condition
8(A)

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of Quarterly Report Number 2 for the subject environmental condition certifying compliance in accordance with STB Decision No. 89.

Yours very truly,

Bruno Maestri

Enclosures

cc: Ms. Elaine K. Kaiser (5 copies)

**SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388**



**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASE AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

**Decision 89, as Amended by Decision 96
Appendix Q, Environmental Conditions
III. Local or Site-Specific Environmental Conditions
Condition 8(A): Highway/Rail At-Grade Crossings**

**Quarterly Report Number 2 for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

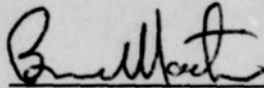
February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 8(A) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern has complied with the requirements of Condition 8(A) with respect to the following locations:

State	Crossing Name, County, and City	FRA ID	Rail Line Segment ID	Current Warning Device	Proposed Post-Acquisition Device	Completion Date and Comments
IN	Briant St., Huntington, Huntington	478270W	N-044	Flashing Lights	Gate	12/9/98 - Gates and updated cantilevers
VA	Rockland Rd., Warren, Winchester	468634S	N-091	Flashing Lights	Gates	11/11/98 - Gates

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

STB

FD

33388

2-22-99

K

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1500 K Street, N.W., Suite 375
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Bruno Maestri
Assistant Vice President
Public Affairs

February 22, 1999

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

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Re: STB Finance Docket No. 33388 (Service Date - July 23, 1998):
CSX and NS - Control and Acquisition of Conrail

Subject: Certification of Norfolk Southern's Compliance with Environmental Conditions
20(A) and 20(B)

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of a certification by Norfolk Southern of compliance with Environmental Conditions 20(A) and 20(B), pertaining to Attica, Indiana, certifying compliance in accordance with STB Decision No. 89.

Yours very truly,

Bruno Maestri

Enclosures

cc: Ms. Elaine K. Kaiser (5 copies)

**SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388**



**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASE AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

- Decision 89, as Amended by Decision 96
Appendix Q, Environmental Conditions**
- III. Local or Site-Specific Environmental Conditions
Condition 20(A) and 20(B): Attica, Indiana**

**Certification for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

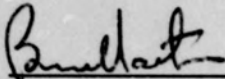
February 19, 1999

. . .

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 20(A) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern adapted and modified the local component of its required Hazardous Materials Emergency Response Plan to account for the special needs of minority and low-income populations adjacent to or in the immediate vicinity of its rail line segment(s) in Attica, Indiana.

Certified by:



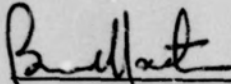
Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 20(B) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern provided and installed, including necessary computer hardware and training, Operation Respond software at the local emergency response center serving minority and low-income populations adjacent to or in the immediate vicinity of its rail line segment(s) in Attica, Indiana.

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

STB

FD

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Norfolk Southern Corporation
1500 K Street, N.W., Suite 375
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Bruno Maestri
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Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

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Re: STB Finance Docket No. 33388 (Service Date – July 23, 1998);
CSX and NS – Control and Acquisition of Conrail

Subject: Certification of Norfolk Southern's Compliance with Environmental Conditions
22(A) and 22(B)

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of a certification by Norfolk Southern of compliance with Environmental Conditions 22(A) and 22(B), pertaining to Lafayette, Indiana, certifying compliance in accordance with STB Decision No. 89.

Yours very truly,

Bruno Maestri

Enclosures

cc: Ms. Elaine K. Kaiser (5 copies)

**SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388**



**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASE AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

**Decision 89, as Amended by Decision 96
Appendix Q, Environmental Conditions
III. Local or Site-Specific Environmental Conditions
Condition 22(A) and 22(B): Lafayette, Indiana**

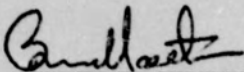
**Certification for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 22(A) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern adapted and modified the local component of its required Hazardous Materials Emergency Response Plan to account for the special needs of minority and low-income populations adjacent to or in the immediate vicinity of its rail line segment(s) in Lafayette, Indiana.

Certified by:



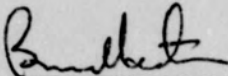
Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 22(B) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern provided and installed, including necessary computer hardware and training, Operation Respond software at the local emergency response center serving minority and low-income populations adjacent to or in the immediate vicinity of its rail line segment(s) in Lafayette, Indiana.

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

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Norfolk Southern Corporation
1500 K Street, N.W., Suite 375
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202 383-4013 (Fax)

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Assistant Vice President
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The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Re: STB Finance Docket No. 33388 (Service Date – July 23, 1998);
CSX and NS – Control and Acquisition of Conrail

Subject: Certification of Norfolk Southern's Compliance with Environmental Condition
30(B)

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of a certification by Norfolk Southern of compliance with Environmental Condition 30(B), pertaining to Euclid, Ohio, certifying compliance in accordance with STB Decision No. 89.

Yours very truly,

Bruno Maestri

Enclosures

cc: Ms. Elaine K. Kaiser (5 copies)

193500



**SURFACE TRANSPORTATION BOARD
STB FINANCE DOCKET NO. 33388**

**CSX CORPORATION AND CSX TRANSPORTATION, INC.
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASE AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION**

**Decision 89, as Amended by Decision 96
Appendix Q, Environmental Conditions
III. Local or Site-Specific Environmental Conditions
Condition 30(B): Euclid, Ohio**

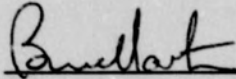
**Certification for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 30(B) set forth in Appendix Q to Decision No. 89 of the Surface Transportation Board in Docket No. 33388, Norfolk Southern Corporation and Norfolk Southern Railway Company ("Norfolk Southern") hereby certify that Norfolk Southern provided and installed, including necessary computer hardware and training, Operation Respond software at the local emergency response center serving minority and low-income populations adjacent to or in the immediate vicinity of its rail line segment(s) in Euclid, Ohio.

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

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193494

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FACSIMILE: (202) 942-5999

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LOS ANGELES
LONDON

MARY GABRIELLE SPRAGUE
(202) 942-5773

February 22, 1999

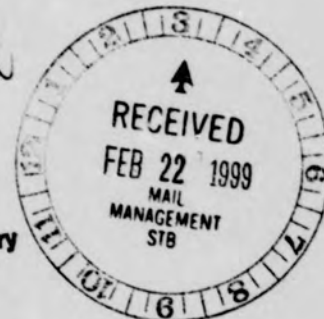
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Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, N.W.
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed are the following reports, certification of compliance, and requests for extension of time by CSX Corporation and CSX Transportation, Inc. with respect to a number of Environmental Conditions:

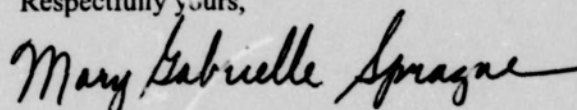
- 193491 1. Quarterly Report Number 2 on Environmental Condition 8(a): Highway/Rail At-Grade Crossings;
- 193492 2. Certification of Compliance with Environmental Conditions 27(A), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A);
- 193493 - 3. Request for Extension of Time for Environmental Condition 29(A);
- 193494 - 4. Request for Extension of Time for Completion of Environmental Conditions 29(C), 31(F), 32(B), 34(C), 38(B) and 41(B);
- 193495 - 5. Report on Environmental Condition 34(A), New London, OH; and
- 193496 - 6. Status Report on Discussions with Wellington, Ohio Pursuant to Environmental Condition 40.

ARNOLD & PORTER

The Honorable Vernon A. Williams
February 22, 1999
Page 2

Please contact me (202-942-5773) or Robert V. Allen (904-359-7502) if you have any questions about these matters.

Respectfully yours,



Mary Gabrielle Sprague
*Counsel for: CSX Corporation and
CSX Transportation, Inc.*

Enclosures

cc: Elaine K. Kaiser
Keith O'Brien

193494

ARNOLD & PORTER

555 TWELFTH STREET, N.W.
WASHINGTON, D.C. 20004-1202

(202) 942-5000
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(202) 942-5773

February 22, 1999

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Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, N.W.
Washington, D.C. 20423

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Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation -- Request for Extension of Time for Completion of Environmental Conditions 29(C), 31(F), 32(B), 34(C), 38(B) and 41(B)

Dear Secretary Williams:

The above-referenced Environmental Conditions included in Finance Docket No. 33388, Decision No. 89, Appendix Q, require CSX, within six months of the effective date of Decision No. 89 (by February 22, 1999), to "provide and install, including any necessary computer hardware and training, Operation Respond software at the local emergency response center serving minority and low-income populations in the vicinity of their rail line segment(s)" in the following Ohio communities: Defiance, Fostoria, Holgate, New London, Tiffin and Willard.

As directed, in January and February 1999, CSXT Hazardous Materials Managers consulted with the emergency response officials responsible for these communities regarding their need for hardware and training assistance to assist in the use of Operation Respond software. CSX has ordered the required hardware and software, but has not yet delivered it to the emergency response officials. Compliance with these Environmental Conditions is thus well underway, but is not finally completed as of February 22, 1999. Therefore, CSX requests an additional two months (until April 22, 1999) in which to deliver the computer hardware and Operation Respond software and to provide any required training. As the projected date for "Day One" of the transfer of operations from Conrail to CSX and Norfolk Southern is now June 1, 1999, no prejudice will occur as a result of this extension of time.

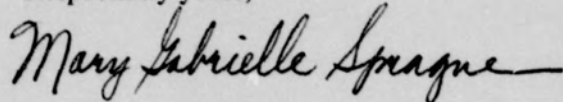
CSX respectfully requests that the deadline for compliance with Environmental Conditions 29(C), 31(F), 32(B), 34(C), 38(B) and 41(B) be extended by two months until April 22, 1999.

ARNOLD & PORTER

The Honorable Vernon A. Williams
February 22, 1999
Page 2

Please contact me at (202) 942-5773 if you have any questions about this request.

Respectfully yours,



Mary Gabrielle Sprague
*Counsel for CSX Corporation and
CSX Transportation, Inc.*

cc: Elaine K. Kaiser, SEA
William L. Ommert, Emergency Coordinator, Huron County
Jim Ratliff, Fire Chief, Willard, OH
Russell C. Rife, Fire Chief, City of Fostoria
Ned A. Speiser, CEM Director, City of Defiance
Daniel L. Stahl, Administrator, City of Tiffin
Tim Weaver, EMA Director, Henry County

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(202) 942-5773

February 22, 1999

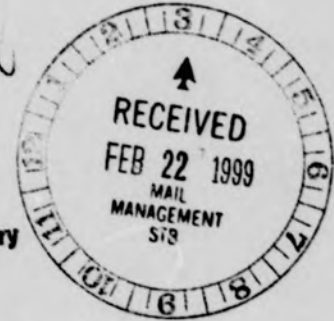
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The Honorable Vernon A. Williams
Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, N.W.
Washington, D.C. 20423

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

Dear Secretary Williams:

Enclosed are the following reports, certification of compliance, and requests for extension of time by CSX Corporation and CSX Transportation, Inc. with respect to a number of Environmental Conditions:

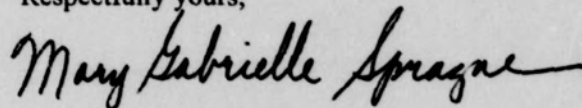
- 193491 1. Quarterly Report Number 2 on Environmental Condition 8(a): Highway/Rail At-Grade Crossings;
- 193492 2. Certification of Compliance with Environmental Conditions 27(A), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A);
- ~~193493~~ 3. Request for Extension of Time for Environmental Condition 29(A);
- 193494 4. Request for Extension of Time for Completion of Environmental Conditions 29(C), 31(F), 32(B), 34(C), 38(B) and 41(B);
- 193495 5. Report on Environmental Condition 34(A), New London, OH; and
- 193496 6. Status Report on Discussions with Wellington, Ohio Pursuant to Environmental Condition 40.

ARNOLD & PORTER

The Honorable Vernon A. Williams
February 22, 1999
Page 2

Please contact me (202-942-5773) or Robert V. Allen (904-359-7502) if you have any questions about these matters.

Respectfully yours,

A handwritten signature in cursive script that reads "Mary Gabrielle Sprague". The signature is written in black ink and is positioned above the typed name and title.

Mary Gabrielle Sprague
*Counsel for CSX Corporation and
CSX Transportation, Inc.*

Enclosures

cc: Elaine K. Kaiser
Keith O'Brien

193493

ARNOLD & PORTER

555 TWELFTH STREET, N.W.
WASHINGTON, D.C. 20004-1202

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MARY GABRIELLE SPRAGUE
(202) 942-5773

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February 19, 1999

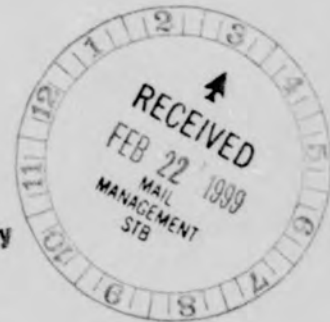
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Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, N.W.
Washington, D.C. 20423

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Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company -- Control and Operating Leases/Agreements -- Conrail Inc. and Consolidated Rail Corporation – Request for Extension of Time for Environmental Condition 29(A)

Dear Secretary Williams:

Environmental Condition 29(A) of Decision No. 89 (App. Q, p. 410) requires CSX to “install warning signs with a flashing hazard light to notify motorists in advance that they are approaching the highway/rail at-grade crossing at U.S. Route 24.” Condition 29(A) directs CSX to certify compliance with this condition within six months of the effective date of Decision No. 89 (by February 22, 1999).

CSX Transportation, Inc. submitted a permit request to the Ohio Department of Transportation (“ODOT”) for installation of continuous flashing yellow warning signs in advance of U.S. Route 24, in furtherance of its obligations under Environmental Condition 29(A). On February 10, 1999, ODOT advised CSX that these devices not be installed, citing its specific concerns as to why these warning devices might not in fact promote the safety objective of the STB. ODOT suggested that further analysis of the matter was warranted.

Accordingly, CSX requests a three-month extension of time to permit the further analysis and consultation recommended by ODOT. The State of Ohio concurs in this

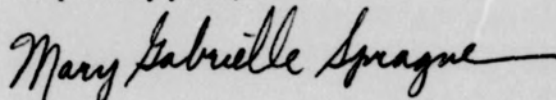
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The Honorable Vernon A. Williams
February 19, 1999
Page 2

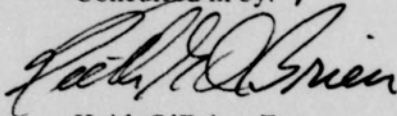
request. Please call me at 202-942-5773 or Mr. O'Brien at 202-785-3700 if you have any questions about this request for extension.

Respectfully yours,



Mary Gabrielle Sprague
Counsel for CSX Corporation and
CSX Transportation, Inc.

Concurred in by:



Keith O'Brien, Esq.
Rea, Cross & Auchincloss
Counsel for the State of Ohio

cc: Elaine K. Kaiser

STB

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33388

2-22-99

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193492

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MARY GABRIELLE SPRAGUE
(202) 942-5773

February 22, 1999

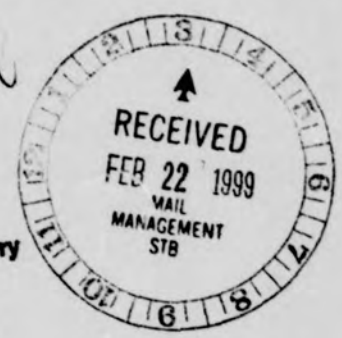
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Secretary, Surface Transportation Board
Mercury Building, Room 700
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Washington, D.C. 20423

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

Dear Secretary Williams:

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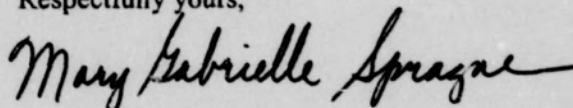
- 193491 1. Quarterly Report Number 2 on Environmental Condition 8(a): Highway/Rail At-Grade Crossings;
- 193492 2. Certification of Compliance with Environmental Conditions 27(A), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A);
- 193493 - 3. Request for Extension of Time for Environmental Condition 29(A);
- 193494 4. Request for Extension of Time for Completion of Environmental Conditions 29(C), 31(F), 32(B), 34(C), 38(B) and 41(B);
- 193495 - 5. Report on Environmental Condition 34(A), New London, OH; and
- 193496 - 6. Status Report on Discussions with Wellington, Ohio Pursuant to Environmental Condition 40.

ARNOLD & PORTER

The Honorable Vernon A. Williams
February 22, 1999
Page 2

Please contact me (202-942-5773) or Robert V. Allen (904-359-7502) if you have any questions about these matters.

Respectfully yours,

A handwritten signature in cursive script that reads "Mary Gabrielle Sprague". The signature is written in dark ink and is positioned to the right of the typed name.

Mary Gabrielle Sprague
*Counsel for CSX Corporation and
CSX Transportation, Inc.*

Enclosures

cc: Elaine K. Kaiser
Keith O'Brien

193492



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Office of the Secretary

FEB 23 1999

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Public Record

500 Water Street - J305
Jacksonville, FL 32202
(904) 359-7502
(FAX) (904) 359-4889

Robert V. Allen
General Manager-
Safety, Environmental & Opr. Practices

February 19, 1999



The Honorable Vernon A. Williams
Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, NW
Washington, DC 20423

Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company – Control and Operating Leases/Agreements – Conrail Inc. and Consolidated Rail Corporation Certification of Compliance with Environmental Conditions 27(A), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A)

Dear Secretary Williams:

CSX Corporation and CSX Transportation, Inc. ("CSX") hereby certify compliance with Environmental Conditions 27(A), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A) of Decision No. 89 (App. Q).

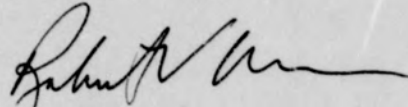
These Environmental Conditions required CSX, "with the advice and consent" of the relevant local governmental entities to "adapt and modify the local component of their required Hazardous Materials Emergency Response Plan to account for the special needs of minority and low-income populations in the vicinity of their rail line segment(s)" in the following Ohio communities: Cleveland Heights, Defiance, Fostoria, Holgate, New London, Tiffin and Willard.

As directed, in January and February 1999, CSXT Hazardous Materials Managers met with the emergency response officials responsible for these communities, either in person or by telephone, and consulted with them regarding the needs of their minority and low-income populations. In response to the advice presented by these emergency response officials, CSXT developed two audiotapes, one in English and one in Spanish, providing shelter-in-place instructions in the event of a chemical emergency. CSXT has provided these audiotapes to the emergency response officials responsible for each of the communities. The instructions are also being provided in writing as an appendix to the CSXT Hazardous Materials Emergency Response Plan.

The Honorable Vernon A. Williams
February 19, 1999
Page 2

This report concludes CSX's response to Environmental Conditions 27(B), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A). Please contact me at (904) 359-7502 if you have any questions concerning this certification.

Yours very truly,



Robert V. Allen

cc:

Elaine K. Kaiser, Section Chief, SEA
William L. Ommert, Emergency Coordinator, Huron County
S.J. Powalski, Fire Chief, City of Cleveland Heights
Russell C. Rife, Fire Chief, City of Fostoria
Ned A. Speiser, CEM Director, City of Defiance
Daniel L. Stahl, Administrator, City of Tiffin
Tim Weaver, EMA Director, Henry County

"Environmentally on Track"

STB

FD

33388

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ENTERED
Office of the Secretary

Village of Wellington

115 Willard Memorial Square

Wellington, Ohio 44090-1342

Phone: 440-647-4626

Fax: 440-647-2220

FEB 08 1999

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Public Record

FD 33388

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Mayor:
Barbara O'Keefe

Clerk-Treas.:
Karen Webb

Solicitor:
Frank Ashbaugh

Council:
Harold Sumpter - Pres.
Fred Alspach
Dan Haldeman
Al Kimmich
Joseph McQuaid
Guy E. Wells

Eiaine K. Kaiser, Chief
Surface Transportation Board
Section of Environmental Analysis
1925 K Street NW
Washington, DC 20423-0001

January 31, 1999



Dear Ms. Kaiser:

Previously, we have had correspondence between one another regarding the acquisition of Conrail by Norfolk Southern Railroad and CSX Railroad and the impact it would have on the Village of Wellington. After many phone calls, much correspondence and many public meetings, it became apparent that we could not stop the increased train traffic through our community.

The next strategy was to at least try and protect the residents and address and minimize any associated problems and safety issues surrounding these circumstances. Naturally, everyone was trying to appease us, but the fact remained that this situation was without a doubt very problematic.

I cite the following incident to further substantiate our concerns. On Saturday, January 30th, 1999 the Village of Wellington was at a complete standstill. A train was stopped blocking the crossings in town and remained as such for approximately 30 minutes. During that time there was a request for the Fire Department to assist another local department and needless to say their timeliness was greatly hampered by the blocked crossings.

Safety of course, is our primary concern, but the inconvenience caused by this situation impacts the residents and the entire Village as well.

I'm sure that you understand that in my position as Mayor, I receive all the associated complaints whenever such a situation occurs. I implore you to advise me what type recourse we have against CSX and how this situation can be remedied in the future. I appreciate your time and consideration in reviewing this matter.

Sincerely,

Barbara O'Keefe

Barbara O'Keefe
Mayor

STB

FD-33388

2-18-98

K

ID-CITIES

Baltimore Metropolitan Council



601 North Howard Street
Baltimore, Maryland 21201-4585

Telephone: (410) 333-1750
Facsimile: (410) 659-1260

PAUL FARRAGUT
Executive Director

Anne Arundel County
Baltimore City
Baltimore County
Carroll County
Harford County
Howard County

ENVIRONMENTAL
DOCUMENT



January 30, 1998

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

Re. CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company—Control and Operating Leases/Agreements—Conrail, Inc. and Consolidated Rail Corporation. (Surface Transportation Board Finance Docket No. 33388)

Dear Mr. Williams:

On behalf of the Transportation Steering Committee (TSC), the metropolitan planning organization (MPO) for the Baltimore region, I am responding to your request to review the Surface Transportation Board's Draft Environmental Impact Statement.

The following comment is submitted for your consideration. Volume 3A of the report includes a comprehensive section on the State of Maryland. Included in this section is an analysis of the proposed Norfolk Southern Triple Crown Service that will be constructed in Baltimore City. From our review, the report does not, however, mention the improved clearances for 20' 2" double stack service that Norfolk Southern has proposed via Amtrak's Northeast Corridor to Perryville or the impacts that construction would have on the Perryville community. The double stack clearances were mentioned in the Governor's October 2, 1997 letter to the STB, which is attached.

Thank you for the opportunity to comment on this important matter. If you have any questions, please contact me at 410/269-0064.

Sincerely,

Jon Arason, Chairman
Transportation Steering Committee

Attachment

cc: TSC members
Freight Movement Task Force



October 2, 1997

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building
Suite 700
1925 K Street, NW
Washington DC 20006



PARRIS N. GLENDENING
GOVERNOR

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TDD (410) 333-3098

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

Dear Mr. Williams:

Since last fall when the proposed merger of Conrail was first announced, the State of Maryland has been in continuous contact with both CSX and Norfolk Southern to ensure that any transaction that might result from a combination of railroads serving the State would protect the competitiveness of Maryland shippers and the interests of all Maryland citizens. At the outset, we established five major goals:

1. Preserve competition by having at least two Class I carriers serve the State.
2. Ensure the continuation of existing service and rail rates (for example, on the Eastern Shore of Maryland).
3. Maintain or increase rail employment in the State.
4. Secure commitments to specific infrastructure improvements necessary to achieve the purported benefits of the merger.
5. Preserve and enhance commuter rail service

After months of negotiating with CSX and Norfolk Southern, we are pleased to say that the State has largely achieved these goals and has concluded letter agreements with both carriers that are attached hereto that ensure the following:

Enhanced Competition. The State will continue to be served by two Class I railroads that have substantially more market access to the Eastern and Midwestern United States than the two railroads currently serving Maryland. Thus, Maryland shippers and the Port of Baltimore will have access to superior single line service to both existing and new markets and improve their current ability to ship goods efficiently at competitive rates.

Improved Service. At the request of the State, both Norfolk Southern and CSX have committed to providing enhanced service after the transaction has been completed and these commitments have been included in the Operating Plans submitted to the STB with the Application. In particular, Norfolk Southern has agreed to provide, among other things: 1) new scheduled bimodal Triple Crown RoadRailer® service between the Baltimore area and Southeastern and Midwestern United States over Amtrak's Northeast Corridor ("NEC"); 2) regular intermodal and conventional freight service between the Baltimore area and the Southeastern and Midwestern United States; 3) regular high cube international and domestic double stack train service (including 20'2" double stacks) between the Baltimore area and Chicago, Illinois and other Midwestern gateways via Perryville, Maryland and Harrisburg, Pennsylvania; 4) regular train service for the automobile distribution terminal in the Baltimore area; and 5) service to the Eastern Shore that is at least as equitable and of high quality as is provided today. CSX, in turn, will streamline interchanges, extend and broaden its routes in order to provide single-line service between the State and several Northeastern and Midwestern markets that it currently serves only on an interline basis as well as use its reasonable efforts to 1) avoid significant congestion and late deliveries with respect to coal shipments originating and terminating in the State; 2) assist in marketing aggressively coal mined in the State to potential customers that will have single-line service provided by CSX after STB approval of the Application as well as other potential customers; and 3) identify and market single-line coal haulage efficiencies to receivers in Southern Maryland

Increased Rail Employment: The railroads have indicated in their Operating Plans that there will, in fact, be an increase in rail jobs in Maryland. In particular, CSX has said that it will: 1) maintain the shops and yards at Cumberland, Maryland; 2) continue to base the Cumberland Coal Business Unit in Cumberland; and 3) keep a Service Lane Headquarters in Baltimore. Norfolk Southern has said that it will open a new Sales/Marketing office in the Baltimore area and that, overall, the transaction will result in a net increase in Maryland rail jobs during the three-year planning horizon of the Operating Plan.

Improved Infrastructure. At our request, the railroads have included in their Operating Plans commitments to make substantial investments in their infrastructure that will directly benefit Maryland. In particular, Norfolk Southern's Operating Plan provides for them to, among other things: 1) improve clearances on the NEC to enable Norfolk Southern to provide 20'2" double stack intermodal service to and from the Port of Baltimore via Perryville, Maryland and

Harrisburg, Pennsylvania; 2) construct, reopen or convert an automobile distribution terminal in the Baltimore area, 3) expand or improve a conventional intermodal facility in Maryland; 4) construct a new Triple Crown RoadRailer® intermodal terminal in the Baltimore area; and 5) improve the track connection at Hagerstown, Maryland to facilitate the flow of traffic. CSX's Operating Plan includes investments benefiting the State of Maryland, including among others: 1) improvements on the former B&O line between the Port of Baltimore and Chicago, Illinois that will result in raising the track capacity west of Cumberland, Maryland to 50 trains per day and the operating speeds up to 70 miles per hour on most segments; and 2) improvements in the rail service to the auto distribution terminal in Jessup, Maryland (including, but not limited to increasing the clearance of the Virginia Avenue Tunnel) to permit service by tri-level auto rack cars.

Commitment to Commuter Rail Service. Both CSX and Norfolk Southern have assured the State that each will work with the State of Maryland to maintain (and, with respect to CSX, to enhance) commuter rail service for Maryland's citizens and honor all operating agreements that they may now, or in the future, have with the Mass Transit Administration. Norfolk Southern has also agreed to participate in a Northeast Corridor Advisory Team which will include as members, among others, the MASS TRANSIT ADMINISTRATION Freight Manager and the MARC Service Director.

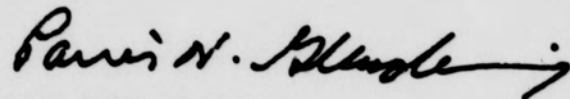
While the State has accomplished most of its goals with respect to rail competition, service, employment, infrastructure and commuter service, there are still some issues of concern. The State will continue to work with CSX and Norfolk Southern to address these issues, which include assurances that: 1) the Port of Baltimore and Maryland shippers and coal producers will not be put at a competitive disadvantage as a direct result of the transaction or related conditions or agreements, and 2) NEC improvements and proposed operations will adequately address congestion, as well as speed and weight concerns.

In addition, the State may have concerns with issues that arise in the course of this proceeding; thus, it reserves the right to file additional comments on these and other matters. The State appreciates comments from the representatives of both railroads assuring the smooth integration of Conrail into the two railroads and commitments to assure the rapid delivery of the full benefits of the transaction. It is our expectation and understanding that commitments made by the railroads in their Operating Plans, as approved by the STB, will be subject to future enforcement via the STB.

Honorable Vernon A. Williams
Page Four

After extensive discussions with the affected interests in the State of Maryland and with the subsequent commitments made by the railroads in the letter agreements, we have concluded that the proposed acquisition and division of Conrail by CSX and Norfolk Southern will clearly benefit the public. Because of these benefits, the State of Maryland supports the transaction and urges the STB to approve the Application in these proceedings. We look forward to working with both CSX and Norfolk Southern in forging long-term and mutually beneficial partnerships.

Sincerely,

A handwritten signature in cursive script, reading "Parris N. Glendening". The signature is written in black ink and is positioned above the printed name and title.

Parris N. Glendening
Governor