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ARNOLD & PORTER

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

(202) 942-5000
FACSIMILE: (202) 942-5999

MARY GABRIELLE SPRAGUE
(202) 942-5773



NEW YORK
DENVER
LOS ANGELES
LONDON

December 13, 1999

BY HAND DELIVERY - Original and 25 Copies

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

ENTERED
Office of the Secretary

DEC 14 1999

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Public Record

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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 --
Negotiated Agreement with City of Tontogany, Ohio**

Dear Secretary Williams:

CSX Corporation and CSX Transportation, Inc. hereby submit a Negotiated Agreement with the City of Tontogany pursuant to Environmental Condition 11 of Decision No. 89 (slip op. at 401-02). This Negotiated Agreement effectuates the Board's preference for privately negotiated solutions stated in Decision No. 89 (slip op. at 153): "[To] give effect to privately negotiated solutions whenever possible, we clarify that negotiated agreements will remain available as an alternative to the local and site-specific mitigation imposed here (for example, specific grade crossing upgrade mitigation, real time monitoring for emergency response delay, or noise mitigation)." Environmental Condition 11 similarly provides that the specific terms of the condition may be superseded by a Negotiated Agreement with the responsible local government that satisfies that community's environmental concerns.

As stated in the enclosed Negotiated Agreement, the parties request that Environmental Condition 11 be amended by deleting Tontogany from the list of communities on the Deshler, OH to Toledo, OH line segment and that Environmental Condition 51 be amended by adding this Negotiated Agreement with the City of Tontogany, dated November 22, 1999, to the list of Negotiated Agreements entered into by CSX.

ARNOLD & PORTER

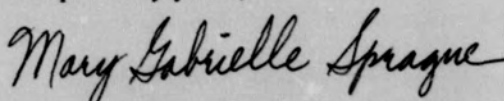
Hon. Vernon A. Williams

December 13, 1999

Page 2

Thank you for your assistance in this matter. Please contact me (202-942-5773) if you have any questions about this submission.

Respectfully yours,

A handwritten signature in cursive script that reads "Mary Gabrielle Sprague".

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

Enclosure

cc: Elaine K. Kaiser
Mayor Melvin Mehring, City of Tontogany

November 22, 1999

Melvin Mehring Mayor
18545 Main Street
Tontogany, Ohio 43565

Re: Negotiated Agreement Relating to CSX Acquisition of Conrail

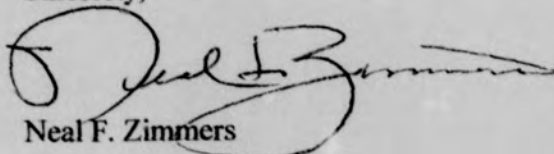
Dear Mayor Mehring:

Thank you for the time you dedicated to the opportunities and environmental issues associated with CSX's operations through your community. CSX consulted with the City of Tontogany regarding the environmental effects identified by the Surface Transportation Board of increased train traffic, including wayside noise, through the City of Tontogany. The City of Tontogany and CSX have jointly developed this Negotiated Agreement to satisfy the City of Tontogany's environmental concerns. CSX will pay the City of Tontogany \$60,000.00. The City of Tontogany agrees to utilize the settlement amount in its sole discretion for the benefit of the citizens of the City of Tontogany, for appropriate public purposes including noise mitigation.

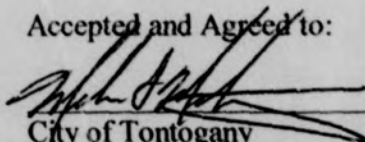
This Negotiated Agreement will be filed with the Surface Transportation Board to document satisfaction of Environmental Condition 11 with respect to the City of Tontogany, and is intended to supersede any other obligations under Environmental Condition 11. The parties jointly request the Board's approval by requesting that this Negotiated Agreement be incorporated into Environmental Condition 51 of Finance Docket No. 33388, Decision No. 89. This Negotiated Agreement will become effective upon an order of the Board accepting this agreement.

Please countersign this letter to indicate your agreement.

Sincerely,


Neal F. Zimmers

Accepted and Agreed to:



City of Tontogany
Mehring, Melvin F., Mayor

Date 11-22-99

STB

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12-06-99

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Robert V. Allen
Chief Environmental Officer

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Office of the Secretary

DEC 06 1999

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500 Water Street - J275
Jacksonville, FL 32202
(904) 359-7502
(FAX) (904) 359-4889

November 30, 1999



BY OVERNIGHT DELIVERY - Original and 25 Copies

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

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

Dear Secretary Williams:

Enclosed are an original and twenty-five (25) copies of Quarterly Report Number 5 for CSX Corporation and CSX Transportation, Inc. on Environmental Condition 8(a): Highway/Rail At-Grade Crossings for filing in the above-referenced docket.

Thank you for your assistance in this matter. Please contact me at (904) 359-7502 if you have any questions.

Respectfully yours,

Robert V. Allen

Enclosure

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
III. Local or Site-Specific Environmental Conditions
Condition 8(A): Highway/Rail At-Grade-Crossings**

**Quarterly Report Number 5 for
CSX Corporation and
CSX Transportation, Inc.**

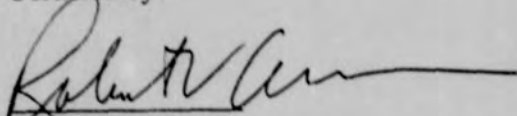
November 30, 1999

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, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby certify that CSX has complied with the requirements of Condition 8(A) with respect to the following ten (10) locations. Highway/rail at-grade crossings in Ohio are governed by the Negotiated Agreement accepted by the Board in Decision No. 129 (served June, 16, 1999). Additions to this report since the previous report are in bold print.

State	Crossing Name, County and City	FRA ID	Rail Line Segment ID	Current Warning Device	Proposed Post- Acquisition Device	Completion Date
OH	Main St., Henry, Deshler	155755Y	C-065	Flashing Lights	Gates	Complete 5/28/99
OH	Kellogg Rd., Wood, Tontogany	155794P	C-065	Passive	Gates	Complete 5/24/99
OH	Middletown, Pike, Wood, Haskins	155804T	C-065	Passive	Flashing Lights	Complete 9/3/98 (flashing lights & gates installed)
OH	Eckel Jct. Rd., Wood, Perrysburg	155818B	C-065	Passive	Flashing Lights	Complete 5/20/98 (flashing lights & gates installed)
OH	Ford Rd., wood, Rossford	155838M	C-065	Passive	Gates	Complete 5/21/98
OH	Roachton Road, Wood, Perrysburg	155814Y	C-065	Passive	Flashing Lights	Complete 11/11/98 (flashing lights & gates installed)
OH	Marsh Road, LaRue	518382H	C-017	Passive	Flashing Lights	Complete 12/10/98 (flashing lights & gates installed)
OH	Townlikne Rd., New London	518488D	C-061	Passive	Gates	Complete 2/8/99
IN	First Rd., Smith, Marshall, Teegarden	155465R	C-066	Passive	Gates	Complete 9/21/99
IN	CR 500W, Noble, Kimmel	155372W	C-066	Passive	Gates	Complete 7/3/99

Certified by:



Robert V. Allen
Chief Environmental Officer

Date: 11/30/99

STB

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12-02-99

K

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Robert V. Allen
Chief Environmental Officer

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November 30, 1999

500 Water Street - J275
Jacksonville, FL 32202
(904) 359-7502
(FAX) (904) 359-4889

196143

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BY OVERNIGHT DELIVERY - Original and 25 Copies

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

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

Dear Secretary Williams:

Enclosed are an original and twenty-five (25) copies of Quarterly Report Number 5 for CSX Corporation and CSX Transportation, Inc. on Environmental Condition 8(a): Highway/Rail At-Grade Crossings for filing in the above-referenced docket.

Thank you for your assistance in this matter. Please contact me at (904) 359-7502 if you have any questions.

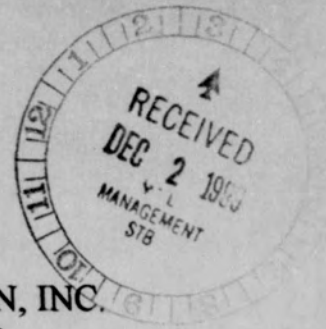
Respectfully yours,

Robert V. Allen

Enclosure

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
III. Local or Site-Specific Environmental Conditions
Condition 8(A): Highway/Rail At-Grade-Crossings**

**Quarterly Report Number 5 for
CSX Corporation and
CSX Transportation, Inc.**

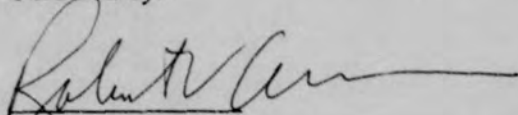
November 30, 1999

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, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby certify that CSX has complied with the requirements of Condition 8(A) with respect to the following ten (10) locations. Highway/rail at-grade crossings in Ohio are governed by the Negotiated Agreement accepted by the Board in Decision No. 129 (served June, 16, 1999). Additions to this report since the previous report are in bold print.

State	Crossing Name, County and City	FRA ID	Rail Line Segment ID	Current Warning Device	Proposed Post-Acquisition Device	Completion Date
OH	Main St., Henry, Deshler	155755Y	C-065	Flashing Lights	Gates	Complete 5/28/99
OH	Kellogg Rd., Wood, Tontogany	155794P	C-065	Passive	Gates	Complete 5/24/99
OH	Middletown, Pike, Wood, Haskins	155804T	C-065	Passive	Flashing Lights	Complete 9/3/98 (flashing lights & gates installed)
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OH	Marsh Road, LaRue	518382H	C-017	Passive	Flashing Lights	Complete 12/10/98 (flashing lights & gates installed)
OH	Townlikne Rd., New London	518488D	C-061	Passive	Gates	Complete 2/8/99
IN	First Rd., Smith, Marshall, Teegarden	155465R	C-066	Passive	Gates	Complete 9/21/99
IN	CR 500W, Noble, Kimmel	155372W	C-066	Passive	Gates	Complete 7/3/99

Certified by:



Robert V. Allen
Chief Environmental Officer

Date: 11/30/99

STB

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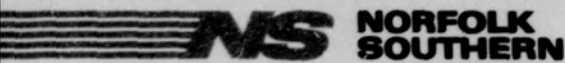
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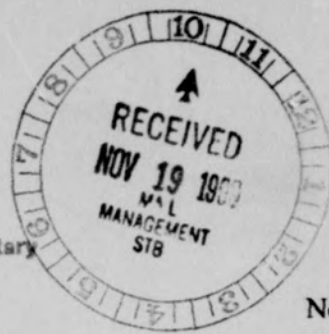
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(96 077)



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)

ENTERED
Office of the Secretary



Bruno Maestri
Assistant Vice President
Public Affairs

November 22, 1999

NOV 19 1999

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Public Record
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 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 5 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 5 for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

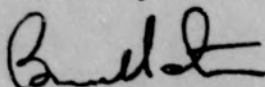
November 22, 1999

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	In Service Date
IN	Olive St, Wabash, Wabash	478313M	N-044	Passive	Gates	10/21/99
OH	Fangboner Road, Sandusky, Kingsway	473726P	N-079	Passive	Flashing Lights	10/21/99
VA	Rockland Rd, Warren, Cedarville	468634S	N-091	Flashing Lights	Gates	11/09/99

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: November 22, 1999

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Robert V. Allen
Chief Environmental Officer

500 Water Street - J275
Jacksonville, FL 32202
(904) 359-7502
(FAX) (904) 359-4889

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

STB Finance Docket No. 33388, (Service Date - July 23, 1998):
CSX Corporation (CSX) and Norfolk Southern Corporation (NS) -
Control and Acquisition of Conrail. Certification of CSX Compliance with
Environmental Condition No.1(A).

Dear Secretary Williams:

Enclosed please find twenty-five (25) hard copies and one electronic copy of certification by CSX Corporation of compliance with Environmental Condition 1(A), in accordance with STB Decision No. 89.

Respectfully yours,

Robert V. Allen

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

ENTERED
Office of the Secretary

SEP - 2 1999

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**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
I. General Environmental Conditions
Condition No. 1(A): Highway/Rail At-Grade Crossings

Certification for
CSX Corporation and
CSX Transportation, Inc.

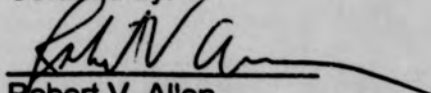
August 31, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 1(A) set forth in Appendix Q to Decision No. 89, of the Surface Transportation Board in Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby certify that CSX has complied with the requirements of Condition 1(A) for affected at-grade crossings on the following rail line segments:

Between (City, State)	And (City, State)	Rail Line Segment
Proposed CSX Rail Line Segments		
Barr Yard, IL	Blue Island Jct., IL	C-010
Adams, IN	Ft. Wayne, IN	C-020
Willow Creek, IN	Pine Jct., IN	C-027
Point of Rocks, MD	Harpers Ferry, WV	C-036
Carleton, MI	Toledo, OH	C-040
Berea, OH	Greenwich, OH	C-061
Bucyrus, OH	Adams, IN	C-062
Crestline, OH	Bucyrus, OH	C-064
Deshler, OH	Toledo, OH	C-065
Deshler, OH	Willow Creek, IN	C-066
Greenwich, OH	Crestline, OH	C-067
Greenwich, OH	Willard, OH	C-068
Marion, OH	Fostoria, OH	C-070
Marion, OH	Ridgeway, OH	C-071
Mayfield, OH	Marcy, OH	C-072
Short, OH	Berea, OH	C-074
Willard, OH	Fostoria, OH	C-075
Rankin Jct., PA	New Castle, PA	C-082
Sinns, PA	Brownsville, PA	C-085
Sinns, PA	Rankin Jct., PA	C-086

Certified By:



Robert V. Allen
Chief Environmental Officer

Date: August 31, 1999

STB FD

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5-20-99

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194559



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

194559

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

May 17, 1999



Original and 25 Copies

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

RE: STB Finance Docket No. 33388, (Service Date - July 23, 1998):
CSX Corporation (CSX) and Norfolk Southern Corporation (NS) –
Control and Acquisition of Conrail

Subject: Certification of CSX Compliance with Environmental Condition 1(B) and
Condition 4(A)

Dear Secretary Williams:

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

ENTERED
Office of the Secretary

MAY 20 1999

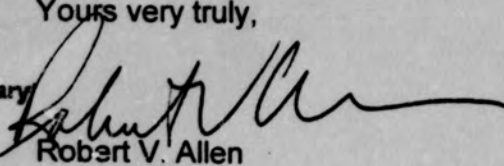
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Yours very truly,

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Office of the Secretary

MAY 20 1999

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Robert V. Allen

cc: 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**

I. General Environmental Conditions

Condition 1(B): Safety: Highway/Rail At-Grade Crossings

Condition 4(A): Safety: Hazardous Materials Transport

**Certification for
CSX Corporation and
CSX Transportation, Inc.**

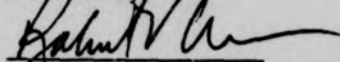
May 17, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 1 (B) set forth in Appendix Q to Decision No. 89, of the Surface Transportation Board in Docket No. 33388, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby certify that CSX has complied with the requirements of Condition 1(B) with respect to the following rail segments:

Rail Line Segment	Segment Description
C-010	Between Barr Yard, IL and Blue Island Jct., IL
C-020	Between Adams, IN and Ft. Wayne, IN
C-027	Between Willow Creek, IN and Pine Jct., IN
C-036	Between Point of Rocks, MD and Harpers Ferry, WV
C-040	Between Carleton, MI and Toledo, OH
C-061	Between Berea, OH and Greenwich, OH
C-062	Between Bucyrus, OH and Adams, IN
C-064	Between Crestline, OH and Bucyrus, OH
C-065	Between Deshler, OH and Toledo, OH
C-066	Between Deshler, OH and Willow Creek, IN
C-067	Between Greenwich, OH and Crestline, OH
C-068	Between Greenwich, OH and Willard, OH
C-070	Between Marion, OH and Fostoria, OH
C-071	Between Marion, OH and Ridgeway, OH
C-072	Between Mayfield, OH and Marcy, OH
C-074	Between Short, OH and Berea, OH
C-075	Between Willard, OH and Fostoria, OH
C-082	Between Rankin Jct., PA and New Castle, PA
C-085	Between Sinns, PA and Brownsville, PA
C-086	Between Sinns, PA and Rankin Jct., PA

Certified By:



Robert V. Allen
GM, Safety Environmental
& Operating Practices

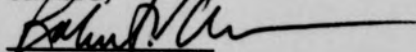
Date: May 17, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 4(A) set forth in Appendix Q to Decision No. 89, of the Surface Transportation Board in Docket No. 33388, CSX Corporation and CSX Transportation, Inc. ("CSX") hereby certify that CSX has complied with the requirements of Condition 4(A) with respect to the following rail segments:

Route and Segment(s)	Rail Line Segment ID
Manchester, Georgia – Parkwood, Alabama	
La Grange, GA to Parkwood, AL	C-376
Manchester, GA to La Grange, GA	C-377
Relay, Maryland-Washington, D.C.	
Relay, MD to Jessup, MD	C-037
Jessup, MD to Alexandria Jct., MD	C-034
Alexandria Jct., MD to Washington, DC	C-031
Trenton, NY to Port Reading, NJ	C-769
Ashley Junction, SC to Yemassee, SC	C-344
Quaker, Ohio-Berea, Ohio	
Quaker, OH to Mayfield, OH	C-073
Mayfield, OH to Marcy, OH	C-072
Marcy, OH to Short, OH	C-069
Short, OH to Berea, OH	C-074
NJ Cabin, KY to Columbus, OH	C-230
Columbus, Ohio-Toledo, Ohio	
Columbus, OH to Marion, OH	C-229
Marion, OH to Fostoria, OH	C-070
Fostoria, OH to Toledo, OH	C-228
Deshler, OH to Toledo, OH	C-065
West Falls, Pennsylvania-Trenton, New Jersey	
West Falls, PA to CP Newton Jct., Pa	C-766
CP Newton Jct., PA to CP Wood, Pa	C-767
CP Wood, PA to Trenton, NJ	C-768

Certified By



Robert V. Allen
GM, Safety Environmental
& Operating Practices

Date: May 17, 1999

STB

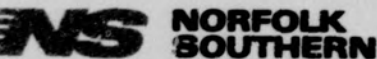
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2-22-99

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193508



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

February 22, 1999



K

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 Condition
37

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 37 in accordance with STB Decision No. 89.

Yours very truly,

Bruno Maestri

ENTERED
Office of the Secretary

FEB 23 1999

Part of
Public Record

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
III. Local or Site-Specific Environmental Conditions
Condition 37: Oxford Township, Ohio**

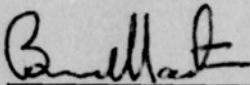
**Certification for
Norfolk Southern Corporation and
Norfolk Southern Railway Company**

February 19, 1999

CERTIFICATION OF PROJECT COMPLETION

In accordance with Environmental Condition 37 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 upgraded its warning devices from passive to flashing light devices at its highway/rail at-grade crossing of Thomas Road in Oxford Township, Ohio. The new flashing light devices have been in service as of December 18, 1998.

Certified by:



Bruno Maestri
Assistant Vice President
Public Affairs

Date: February 19, 1999

STB

FD

33388

2-22-99

K

193495

193495

ARNOLD & PORTER

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

(202) 942-5000
FACSIMILE: (202) 942-5999

MARY GABRIELLE SPRAGUE
(202) 942-5773

NEW YORK
DENVER
LOS ANGELES
LONDON

February 22, 1999

BY HAND DELIVERY - Original and 25 Copies

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

ENTERED
Office of the Secretary

FEB 23 1999

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Public Record



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:

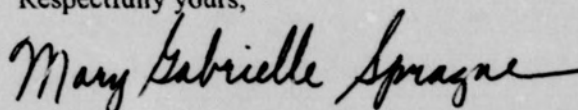
- 193491 1. Quarterly Report Number 2 on Environmental Condition 8(a): Highway/Rail At-Grade Crossings;
- 193492 2. Certification of Compliance with Environmental Conditions 27(A), 29(B), 31(E), 32(A), 34(B), 38(A) and 41(A);
- 193493- 3. Request for Extension of Time for Environmental Condition 29(A);
- 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 fluid and extends to the right.

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

Enclosures

cc: Elaine K. Kaiser
Keith O'Brien



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

193495
500 Water Street - J305
Jacksonville, FL 32202
(904) 359-7502
(FAX) (904) 359-4889

February 16, 1993

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

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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 Report on Environmental Condition 34(A), New London, OH

Dear Secretary Williams:

CSX Corporation and CSX Transportation, Inc. ("CSX") provide this report to the Board regarding Environmental Condition 34(A) of Decision No. 89 (App. Q, p. 413). Condition 34(A) requires CSX to "interconnect the operation of its warning devices at its highway/rail at-grade crossing of State Route 162 in New London, OH, with the device of Wheeling and Lake Erie Railroad at the same location so that the devices on both crossings operate for trains on either rail line."

Subsequent to the date of the Board's Decision, the Wheeling & Lake Erie physically removed its track and warning devices from State Route 162 in New London, OH. The removal of the Wheeling & Lake Erie at-grade crossing eliminates the safety concern underlying Condition 34(A).

This report concludes CSX's response to Environmental Condition 34(A). Please contact me at (904) 359-7502 if you have any questions concerning this report.

Respectfully yours,

Robert V. Allen

cc: Elaine K. Kaiser

STB

FD

33388

2-22-99

K

193491

MARY GABRIELLE SPRAGUE
(202) 942-5773

ARNOLD & PORTER

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

(202) 942-5000
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LONDON

February 22, 1999

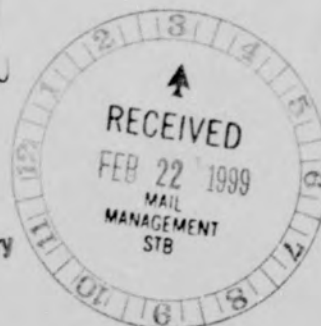
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Secretary, Surface Transportation Board
Mercury Building, Room 700
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Washington, D.C. 20423

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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 --
Submission 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:

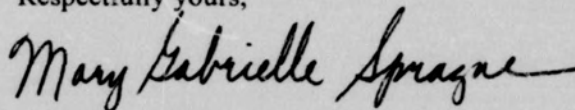
- 193491 1. Quarterly Report Number 2 on Environmental Condition 8(a): Highway/Rail At-Grade Crossings;
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- 193495 5. Report on Environmental Condition 34(A), New London, OH; and
- 193496 6. Status Report on Discussions with Wellington, Ohio Pursuant 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 fluid and extends to the right with a long horizontal stroke.

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

Enclosures

cc: Elaine K. Kaiser
Keith O'Brien



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

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Office of the Secretary

FEB 23 1999

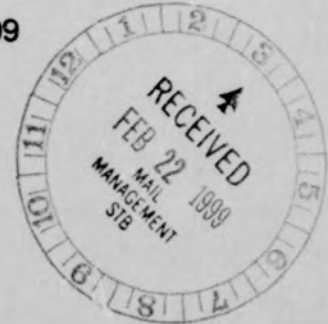
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February 17, 1999

193491
500 Water Street - J305
Jacksonville, FL 32202
(904) 359-7502
(FAX) (904) 359-4889

BY OVERNIGHT DELIVERY - Original and 25 Copies

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

Dear Secretary Williams:

Enclosed are an original and twenty-five (25) copies of Quarterly Report Number 2 for CSX Corporation and CSX Transportation, Inc. on Environmental Condition 8(a): Highway/Rail At-Grade Crossings for filing in the above-referenced docket.

Thank you for your assistance in this matter. Please contact me at (904) 359-7502, if you have any questions.

Respectfully yours,

Robert V. Allen

Enclosure

cc:

Elaine K. Kaiser

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
CSX Corporation and
CSX Transportation, Inc.

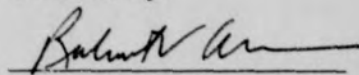
February 19, 1999

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, CSX Corporation and CSX Transportation, Inc., (CSX) hereby certify that CSX has complied with the requirements of Condition 8(A) with respect to the following six (6) locations. Additions to this report since the previous report are shown in **bold print**:

State	Crossing Name, County, and City	FRA ID	Rail Line Segment ID	Current Warning Device	Proposed Post- Acquisition Device	Completion Date
OH	Main St., Henry, Deshler	155755Y	C-065	Flashing Lights	Gates	Complete 5/28/98
OH	Kellogg Rd., Wood, Bowling Green	155794P	C-065	Passive	Gates	Complete 5/24/98
OH	Middletown Pike, Wood, Haskins	155804T	C-065	Passive	Flashing Lights	Complete 9/3/98 (flashing lights and gates installed)
OH	Eckel Jct. Rd., Wood, Perrysburg	155818B	C-065	Passive	Flashing Lights	Complete 5/20/98 (flashing lights and gates installed)
OH	Ford Rd., Wood, Rossford	155838M	C-065	Passive	Gates	Complete 5/21/98
OH	Roachton Road, Wood, Perrysburg	155814Y	C-065	Passive	Flashing lights	Complete 11/11/98 (flashing lights and gates installed)
OH	Marsh Road, Hardin	518382H	C-017	Passive	Flashing lights	Complete 12/10/98 (flashing lights and gates installed)

Certified By:



Robert V. Allen

GM, Safety, Env. & Oper. Practices

Date: February 19, 1999

STB

FD

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2-22-99

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193496

ARNOLD & PORTER

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

(202) 942-5000
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MARY GABRIELLE SPRAGUE
(202) 942-5773

NEW YORK
DENVER
LOS ANGELES
LONDON

February 22, 1999

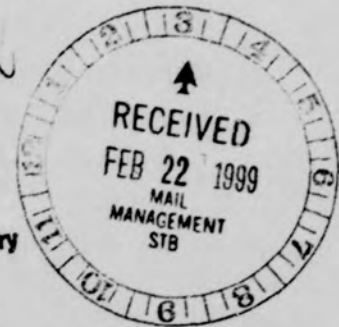
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The Honorable Vernon A. Williams
Secretary, Surface Transportation Board
Mercury Building, Room 700
1925 K Street, N.W.
Washington, D.C. 20423

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Office of the Secretary

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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:

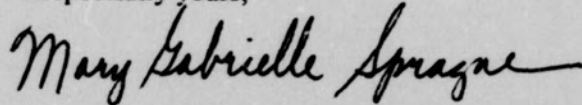
- 193491 1. Quarterly Report Number 2 on Environmental Condition 8(a): Highway/Rail At-Grade Crossings;
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- 193495- 5. Report on Environmental Condition 34(A), New London, OH; and
- 193496- 6. Status Report on Discussions with Wellington, Ohio Pursuant 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 fluid and extends to the right with a long horizontal stroke.

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

Enclosures

cc: Elaine K. Kaiser
Keith O'Brien

193496



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

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

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February 16, 1999



BY OVERNIGHT DELIVERY – Original and 25 Copies

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

Re: Finance Docket No. 33388, CSX Corporation and CSX Transportation, Inc.,
Norfolk Southern Corporation and Norfolk Southern Railway Company -Control
and Operating Leases/Agreements -Conrail Inc. and Consolidated Rail
Corporation – Status Report on Discussions with Wellington, Ohio Pursuant to
Environmental Condition 40

Dear Secretary Williams:

CSX Corporation and CSX Transportation, Inc. ("CSX") provide this report to the Board on our consultations with Wellington, Ohio regarding local environmental concerns, as directed in Environmental Condition 40 of Decision No. 89 (App. Q, p. 415).

On September 15, 1998, CSX representatives Thomas Drake (Regional Vice President-State Relations) and Terry Ludban (Engineer) met with the following representatives of the Village of Wellington, County of Lorain, State of Ohio and United States regarding the local environmental concerns of Wellington, Ohio arising from CSX's proposed operations over the Berea-Greenwich line segment following the acquisition of Conrail:

Fred Alspach, Wellington Village Council
Jeffrey Armbruster, Candidate for the 13th Ohio Senate District
Greg Backus, Superintendent of Wellington Exempted Village Schools
John Bender, State Representative, 62nd Ohio House District
Bill Brumfield, Wellington Businessman
Mary Beth Derikito, President of the Lorain County Association of Township
Trustees and Clerks
Barbara Leiby, Director of the South Lorain County Ambulance District

"Environmentally on Track"

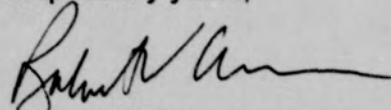
Natalie Mosher, Candidate for the 63rd Ohio House District
Ron Nabakowski, Candidate for the 13th Ohio Senate District
Barbara O'Keefe, Mayor of Wellington
Tom O'Leary, Ohio Rail Development Corporation
Steve Rollins, Chief of Wellington Police
William Taylor, State Representative, 63rd Ohio House District
Bob Walker, Chief of the Wellington Fire District
Everett Woodel, Congressman Paul Gillmor's Office

Among the topics discussed were fire, ambulance, and police response times; school bus delays; general vehicle delays; potential locations and funding mechanisms for a grade separation; and CSX's obligations under Environmental Condition 11 relating to noise mitigation.

It was agreed that a representative of the Village of Wellington would contact Mr. Drake when the Village was prepared for further discussion. Mr. Drake will schedule another meeting for further consultation at a mutually convenient time upon request of the Village of Wellington.

Please contact me at 904-359-7502 if you have any questions about this report.

Respectfully yours,



Robert V. Allen

cc: Elaine K. Kaiser
Fred Alspach, Wellington Village Council

STB

FD-33388

8-19-98

K

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ENVIRONMENTAL DOCUMENT

8.14.98



Ms Elain K. Kaiser, Chief
Section of Environmental Analysis

Office of the Secretary
Case Control Unit
Finance Docket No. 33388
Surface Transportation Board
1925 K. Street, NW
Washington, DC 20423-0001

Dear Ms Kaiser,

Re my letter of September 14, 1998 representing the community of West Jubilee Street, Emmaus, Pa, I understand your completed report concerning Environmental Analysis of the Norfolk Southern and CSX takeover of Conrail was to have been published August 23, 1998.

Is it possible to get a copy of this report as it pertains to the problem discussed in the submitted letter? Rep. Donald Synder would very likely appreciate receiving such data because he has been very much involved working with the people trying to resolve the situation to everyone's satisfaction for over four years.

Thank you very much for your consideration of this request.

Sincerely,

Charles M. Todaro

1250 West Jubilee Street
Emmaus, PA 18049-3525

610-965-9207

STB

FD-33388

7-30-98

K

ID-BUSINESS

**Advisory
Council On
Historic
Preservation**

**ENVIRONMENTAL
DOCUMENT**



The Old Post Office Building
1100 Pennsylvania Avenue, NW, #809
Washington, DC 20004

JUL 29 1998

Ms. Elaine Kaiser *FD33388*
Chief
Surface Transportation Board
Section on Environmental Analysis
1925 K Street
Washington, DC 20423-001

REF: Proposed Conrail Acquisition Project
Abandonment of a Portion of the Enola Branch in
Lancaster and Chester Counties, Pennsylvania

Dear Ms. Kaiser:

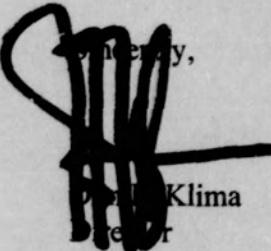
By letter of March 27, 1998, we advised you of our concerns regarding the Section 106 coordination of the referenced undertaking. (see enclosed) To date, STB has not responded to our letter which raised several issues which warranted immediate consideration.

We were recently notified by members of the community that the Office of General Counsel at STB was reviewing a draft Memorandum of Agreement (MOA) prepared by Conrail for this undertaking. Since we were never notified that STB was proceeding with the consultation to develop an MOA, we will not merely review the MOA for acceptance when submitted, but will resume the consultation process set forth in 36 CFR 800.5(e) of our regulations, "Protection of Historic Properties" (36 CFR Part 800). We will ensure that the interested parties who have contacted our office have an opportunity to share their concerns regarding historic preservation as part of our review. Further, we still intend to request the views of the Keeper of the National Register of Historic Places with regard to the eligibility of historic properties within the project's area of potential effects.

We regret that STB did not feel a need to follow up on our letter in a more timely manner. Because of the delay in responding to us, we may not be able to respond to the schedule that we understand you have developed for completion of the Section 106 review.

Should you have any questions or desire to discuss this matter further, please contact Charlene Dwin Vaughn at 202-606-8505.

Sincerely,



David Klima

Director
Office of Planning and Review

Enclosure

Joyce A. Nettke
ATTORNEY AT LAW

P.O. Box 27, Strasburg, PA 17579

PHONE (717) 687-9311

FAX (717) 687-6749

MEMORANDUM

FROM THE OFFICE OF:
JOYCE A. NETTKE, ATTORNEY AT LAW



Date: July 20, 1998

To: Charlene Dwinn-Vaughan

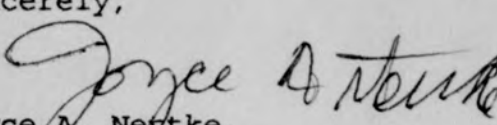
Re: Enola Branch (Conrail) in Lancaster County, PA

I represent Friends of the Atglen-Susquehanna Trail, Inc. (FAST) attempting to preserve the above referenced historic rail line. We've spoken before - you will remember I sent you packets of material concerning the historic rail line, the pending litigation, etc.

Am writing this in great haste, preparing to leave town until 7-24. However, want to express extreme concern on learning an MOA is being concluded between STB, SHPO and Conrail without regulations being followed, and without the case being sent to the Keeper, as there is a dispute over what constitutes the historic property. State, national and local preservation groups all say entire line. Brenda Barrett, SHPO determined whole line. Conrail wants to convey and not do 106 process except for a few bridges. Please, I am urging you to do all in your power to get this matter referred to Keeper, as should rightfully be done.

Thank you so much. Please respond - I'll check messages. Or respond to Randy Harris of Lancaster Historic Preservation Trust.

Sincerely,


Joyce A. Nettke,
Attorney at Law

JN

cc: Randy Harris

Advisory Council On Historic Preservation

The Old Post Office Building
1100 Pennsylvania Avenue, NW, #809
Washington, DC 20004

MAR 27 1998

Ms. Elaine K. Kaiser
Chief
Surface Transportation Board
Section on Environmental Analysis
1925 K Street
Washington, DC 20423-0001

REF: Proposed Conrail Acquisition Project
Finance Docket No. 33388
Abandonment of a Portion of the Enola Branch in
Lancaster and Chester Counties, Pennsylvania

Dear Ms. Kaiser:

The Council has been notified by concerned citizens in Lancaster County regarding the coordination of the Section 106 review process for the referenced undertaking. Specifically, concerns have been raised regarding the evaluation of properties eligible for listing in the National Register of Historic Places and the recent development of a proposed mitigation plan to address adverse effects to historic properties.

In December 1997, we received copies of the *Draft Environmental Impact Statement* (DEIS) issued by the Surface Transportation Board (STB) for the entire Conrail Acquisition Project which is currently before the board for action. The DEIS states that STB applied the Council's "criteria of adverse effect" as set forth in our regulations, "Protection of Historic Properties" (36 CFR Part 800), to all proposed actions to determine which might adversely affect historic properties. The document further states that STB would consult with the SHPO to develop appropriate mitigation, as appropriate.


Pursuant to 36 CFR Section 800.5(e), when the Federal agency determines that an undertaking will adversely affect historic properties, it is required to notify the Council and identify interested parties who should participate in the consultation process. Unfortunately, although STB and Conrail have had discussions with the SHPO since 1989 regarding this undertaking, we have never been formally notified that Section 106 consultation had been initiated. Nor are we aware of how STB has met its responsibility to identify and involve interested persons in the Section 106 consultation process.

The purpose of the notification of adverse effect is to allow the Council to determine whether it should participate in the Section 106 consultation process or allow the Federal agency and SHPO to consult and develop a Memorandum of Agreement (MOA) for submission to the Council for acceptance. In this particular instance, the documentation provided to us by concerned citizens indicates that there is 1) widespread public interest; 2) the potential for several historic properties to be adversely affected; and, 3) a need to clarify how STB defines *appropriate mitigation*. Accordingly, we request that we be included in the Section 106 consultation process for this undertaking and provided all relevant background documentation prepared to date.

We have also received a formal objection from the Historic Preservation Trust of Lancaster County regarding the manner in which historic properties located within the undertaking's area of potential effects have been evaluated for National Register eligibility. In accordance with 36 CFR Section 800.6(e)(3), when a public objection relates to National Register eligibility, the Council is required to refer the matter to the Keeper of the National Register for resolution. Given that we have no records for this undertaking, we request that STB submit detailed background information to us regarding the identification and evaluation of historic properties associated with the entire Enola Branch of the Low Grade Line. Included in this documentation should be an explanation why the Enola Branch is or is not a historic district as opposed to a grouping of individually eligible structures. Upon receipt of this information, we will forward it to the Keeper for review. Pending receipt of the Keepers finding, we would recommend that STB avoid finalizing an MOA.

Should you have any questions or desire to discuss this matter further, please contact Charlene Dwin Vaughn at 202-606-8505. We look forward to receiving background documentation from you soon.

Sincerely,



M. I. Klima
Director

Office of Planning and Review

Enclosure

STB

FD-33388

7-22-98

K

ID-CITY

ENVIRONMENTAL DOCUMENT



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

July 22, 1998

Mr. Thomas F. O'Malley
Director of Law
City of Brooklyn
7619 Memphis Avenue
Brooklyn, OH 44144-2197

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

Dear Mr. O'Malley:

Thank you for your letter dated July 10, 1998, expressing your concerns that the Section of Environmental Analysis (SEA) may have overlooked the Conrail Acquisition-related noise impacts on the City of Brooklyn, Ohio.

On June 8, 1998, the Surface Transportation Board (Board) voted to approve the Conrail Acquisition. As a condition of that approval, the Board voted to impose a number of environmental conditions to address adverse environmental impacts resulting from acquisition-related train traffic increases. These conditions require CSX to implement certain measures to address increased movement of hazardous materials along the Short Line which goes through Brooklyn. While these conditions would require NS to implement certain hazardous material and noise mitigation measures along its rail line between Cloggsville and CP-190 (which also includes Brooklyn), they do not include noise abatement requirements for CSX along the Short Line segment between Marcy and Short. Based on SEA's analysis, this segment did not meet SEA's mitigation threshold for a noise increase of 5 or more decibels. The Brooklyn area would also receive benefit from additional safety-related mitigation measures included in environmental conditions imposed for the Greater Cleveland Area.

SEA addressed this issue in the Final Environmental Impact Statement (EIS). In Volume 3, Chapter 5, on page 5-304, SEA responded to Congressman Kucinich's comment about the noise impacts in Brooklyn explaining that:

SEA considered mitigation for noise sensitive receptors meeting the mitigation criteria of 70 dBA Ldn and 5 dBA increase after the proposed Conrail Acquisition. Sites that do not meet these criteria are not eligible for noise mitigation. The rail line segment (C-069) that runs parallel to

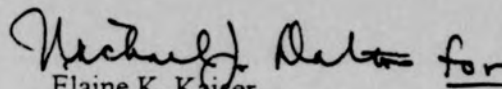
Brookpark Road between Brooklyn and Brook Park and near Idlewood Drive does not meet SEA's criteria for noise mitigation."

The analytical data supporting this conclusion are shown in Appendix J, Noise, on Attachment J-2. Conrail's Short Line is actually divided into four segments. While CSX will operate over the Short Line, post-acquisition, as a complete route with 43.8 trains per day on three of the four segments (Quaker-Mayfield (C-073), Mayfield-Marcy (C-072), Marcy-Short (C-069)) and 47.3 trains on the Short to Berea segment (C-074), Conrail currently carries varying levels of traffic on each segment. Conrail's current activity varies from 3.4 and 6.8 trains per day on the east portion of the line (C-073 and C-072), while operating 13.4 on C-074 and 16.4 on C-069. This results in differing increases in traffic post-acquisition with corresponding differing levels of noise increase. The noise levels must meet both the 70 dBA and 5 dBA increase thresholds to warrant mitigation. While all these segments exceed the 70 dBA threshold, only three of the segments exceed the 5 dBA increase mitigation threshold. Because the Marcy to Short segment will not experience an increase of 5 dBA or more (SEA determined the change would be 4.3 dBA), SEA did not recommend mitigation.

We believe that SEA's noise analysis, which is thoroughly explained in the Final EIS, used accepted industry standards and techniques and is appropriate. The Board stated in the June 8th vote that requests for modifications to the conditions adopted would be considered only on administrative appeal. Petitions for reconsideration would have to be filed within 20 days of the service date of the Board's final decision, which is scheduled for July 23, 1998. These petitions must include a certification that they have been served on all parties of record.

If you have additional questions concerning the environmental review process, please call Mike Dalton, SEA's Project Manager for the Conrail Acquisition, at (202) 565-1530.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Michael Dalton for", is written over the typed name "Elaine K. Kaiser".

Elaine K. Kaiser

Chief,

Section of Environmental Analysis

STB

FD

33388

7-14-98

K

CITY

John M. Coyne
Mayor

CITY OF

BROOKLYN OHIO

COUNCIL:
John E. Frey
Thomas E. Coyne
Gregory L. Frey
Rita M. Brown
Kathleen M. Pucci
Colleen Coyne-Gallagher
Richard H. Balbier

7619 Memphis Avenue, Brooklyn, Ohio 44144-2197 • (216) 351-2133

"Home of the Seatbelt Law"

July 10, 1998

Honorable Vernon A. Williams, Secretary
Office of the Secretary
Case Control Branch
ATTN: STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001



RE: Finance Docket No. 33388, CSX Corp., et al. - Control and Operating Leases/Agreements - Conrail, Inc., et al.

Dear Sir:

The City of Brooklyn, Ohio is aware that the STB is nearing the issuance of its written decision with regard to the Conrail acquisition, and that this decision will include certain conditions. The purpose of this letter is to identify a discrepancy in certain conditions described in the Final Environmental Impact Statement that pertain to the City. It is requested that this issue be clarified in the final written decision. *The City of Brooklyn wishes to emphasize that this is not a request for new or modified conditions.*

The issue in question involves conditions that appear to apply to Brooklyn, Ohio which lies along line segment C-069 from Marcy to Short on the existing Conrail Short Line in the Greater Cleveland area. In specific, the area in question is Idlewood Drive and Summer Lane cul-de-sac, residential streets located parallel to the Short Line near Milepost 15. Condition 11, which deals with noise mitigation, requires noise mitigation on line segments that meet the SEA's noise mitigation criteria and are listed in the table on page 7-33 of the SEA's Recommended Environmental Conditions found in Volume 5, Chapter 7. We have engaged the services of a professional engineering firm, *Parsons Brinckerhoff*, with familiarity with the SEA's criteria for analysis, and believe that, using this methodology for analysis, the criteria for mitigation are clearly met. Additionally, actual field noise measurements and projections were taken which support this.

Letter to Honorable Vernon A. Williams
July 10, 1998

Page 2

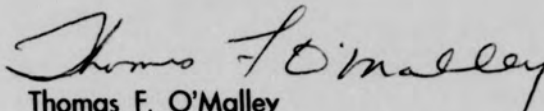
However, the Marcy to Short line segment C-069 is not listed in the referenced table. Interestingly, the segments adjacent to this segment on each side (C-072 Mayfield to Marcy, and C-074 Short to Berea) are listed in the table. These segments all have the same operational characteristics. It appears that the reference to segment C-069 could have either been overlooked or inadvertently omitted.

As previously noted, it is not the City's intent to obtain new conditions or benefits. Throughout the environmental review process for this transaction, the City has relied on the STB and SEA to provide protections for its citizens based on the same criteria used for other areas within Greater Cleveland, which the SEA itself identified as a region with *special characteristics and impacts*. To avoid confusion and uncertainty during the important period during which NS and CSX begin to implement their new operating plans, and to protect the citizens of Brooklyn, it is the City's request that this clarification be specifically provided for in the language of your upcoming decision.

Feel free to call Philip Pasterak of Parsons Brinckerhoff at 216/781-7891 or me at 216/241-7255 with any questions or issues regarding this request.

Very truly yours,

CITY OF BROOKLYN, OHIO



Thomas F. O'Malley
DIRECTOR OF LAW

cc: Elaine K. Kaiser, Esq. Chief Section of Environmental Analysis, Environmental Filing
The Honorable Linda Morgan, Chairman, Surface Transportation Board
The Honorable Dennis J. Kucinich, Member of Congress (District 10-OH)
Mayor John M. Coyne, City of Brooklyn, Ohio
Philip G. Pasterak, P. E., Parsons Brinckhoff

STB

FD33388

7-14-98

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ID-189934

189934

Marcia Marcoux
City Council Member, 2nd Ward
1743 8th Street S.W.
Rochester, MN. 55902
Phone: (507) 288-4263
FAX: (507) 252-1787
EMail: MLMarcoux@aol.com

ENTERED
Office of the Secretary

JUL 17 1998

Part of
Public Record

July 8, 1998



Environmental Section
Surface Transportation Board
1925 K Street N.W.
Washington, D.C. 20423-0001

Re: Docket #33407

Dear Board Members:

As an elected official I am concerned about our City/Community growth, quality of life, and business and therefore try very hard to look at things from a critical and analytical basis. (Dealing with things on an emotional basis might be much easier at times, but not always the best.)

With reference to the proposed DM & E Upgrade through our region, I am voicing my concerns from what I feel is a sound perspective. If I were treating this as a Council Agenda decision item, the following are some of the questions I would raise: (AND I DO PRESENTLY RAISE TO YOU)

1) Is this such a "rehab" or "rebuild" that it actually constitutes a "new construction" and should be evaluated differently?

2) Impact on local transportation plan (esp. emergency vehicle access to hospitals) for flow of vehicular and pedestrian traffic. Not only those commuting to work, but a large number of people from other cities, states and countries traversing our City for Mayo Clinic health related visits. We have a high goal for ease of travel to accommodate those many people here daily who are not familiar with the territory and travel patterns--to keep them safe and get them to their destinations as easily as possible.

3) Mitigation which might be necessary due to this project. Such as sound, vibration, and pollution factors. We strive to keep this community as pollution free as possible for a good quality of life for all, as well as in respect to a strong international health care business - Mayo Clinic, and its many patients.

If this occurs I can see a huge financial impact in mitigation charges by owners of businesses and homes near the track sites. I am sure that we will be hearing from these people asking us for a remedy for them - having ruined their home-lives and property values. WHAT could the \$ cost be? WHO will be responsible for paying this? As a local elected official I cannot see that we should be asked to shoulder this cost. This should be perceived as business impact cost by the railroad.

4) Impact on health and pollution. Again, having been selected the Number 1 and 2 places to live in the United States by Money Magazine in multiple years, makes a statement about Rochester Minnesota and our values.

We are a strong health oriented community where open coal cars with dust loose in the air will not be compatible with the Medical Campus of Mayo Medical Center (not to mention our residents of this community).

My husband has practiced at Mayo Clinic for 32 years as an Allergist (respiratory diseases) and has treated many people from all over the world who have breathing problems that do NOT need to be aggravated by potential coal dust. We have many persons who have taken up permanent or long term residency in Rochester for medical treatment for different diseases, and this would seem very negative to their treatment and general well-being.

5) Safety. Construction modifications for safety along tracks and at crossings. With the multiple crossings within the City and County, WHAT design standards are being used at each crossing and WHO is paying for this design and potential acquisition? Whether it impacts State Highway, County Highway/Road or City Streets - who approves design and pays the costs involved? These questions I feel have NOT been answered.

What are safety standards in existence and what violations have occurred by DM & E? What recourse do we have if there is a violation - who is monitoring agency and what is turn around time response on a complaint?

6) Design and Standards Approval. WHO does this and

where can we fit into process? Is there an inspection and approval process as project moves forward?

How many trains could the maximum potential be for useage on this improved track? Speed parameters, type of product hauled, hours of the day, noise and whistle impacts?

It is my understanding that sidetracks for passing of trains will be designed - WHERE are these proposed?

Will some crossings be closed to motor vehicle traffic?

7) Liability and Emergency Response Procedures. Is there a plan and what type of coverage required?

What is DM & E's financial health?

8) Have alternative options or sites been researched? Require study of alternative route impacts. Look at alternative route around to the south of Rochester.

On a more personal basis and probably somewhat emotional, I have a physician husband who is now disabled and living in a Mayo Clinic owned longterm care facility (Charter House) which is within 1 to 1 1/1 blocks of this railroad track expansion. His room faces the back toward the tracks and this past week while visiting for two hours in the afternoon I heard 4 trains passing by below his window. I can not imagine what it will sound like with more, bigger and faster trains coming through. This facility along with others in the area, is home to many people with health problems. My husband also happens to have a respiratory problem. On nice days I, along with many others, try to get their family members out in wheelchairs or for walks in a small City Park next to Charter House. If this train proposal goes through with the open coal cars, etc. - I along with others will be unable to take our patients outside.

Again, as a Council Member looking at this issue there would be several options available after the above questions are answered and evaluated: a) Deny application b) Continue Hearings for further input c) Table for further consideration d) Approve with conditions

I would personally feel at this point with the "limited" information that we have available and the negative impacts, that the project should be denied.

As a new Minnesota League of Cities Board Member, and being active in a group of cities along Highway 14 (which DM & E impacts in southern Minnesota); I would suggest that it is

VERY important for each and every community to have representation in this Standards and Design Process along the proposed route. NOT just being able to write letters, but an active part.

I would like to thank you for all of the time and effort that you are putting into the review of this proposed project. I do understand how time consuming and frustrating these things can become, but I also know how IMPORTANT these types of decisions are to keeping our vision for a future and those who come after us.

Most Sincerely,

Marcia Marcoux

Marcia Marcoux
City Council Member
Rochester, Minnesota
cc: Minnesota Congressmen
Governor of Minnesota

STB

FD-33388

7-13-98

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ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

FD-33388

July 13, 1998

Mr. Robert P. Bergman
Director
The Cleveland Museum of Art
11150 East Cleveland Blvd.
Cleveland, OH 44106

Dear Mr. Bergman:

Thank you for your letter expressing your opposition to the proposed acquisition of Conrail by Norfolk Southern (NS) and CSX, and your concerns about the potential adverse effect on public safety resulting from the proposed transaction.

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

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

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

Sincerely,

Linda J Morgan
Linda J. Morgan



The Cleveland Museum of Art

Director's Office

FILE IN DOCKET

March 25, 1998

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

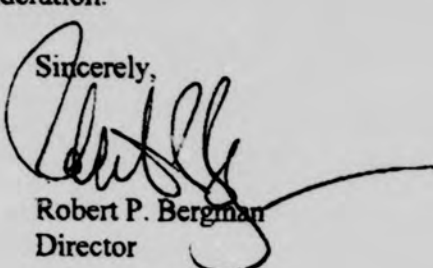
Dear Chairman Morgan,

I am writing to urge you to oppose the current CSX/NS Southern scheme routes which will have a highly negative impact on various Cleveland neighborhoods. As the head of a major public institution in the University Circle area, I am greatly concerned about the proposed increased train traffic and the attendant emergency response delays, safety hazards, noise and congestion. This proposed routing will severely effect the quality of life of the historical and cultural district that comprises the University Circle district. Our community of visitors, numbering over 600,000 annually for our institution alone, will be negatively impacted by the great increase in train traffic. Moreover, the living conditions of thousands of lower-income residents will be negatively impacted.

I ask that you take under serious consideration the City of Cleveland's proposed alternative train routing that seeks to meet the needs of the rail system while preserving the unique character of our neighborhoods.

Many thanks for your consideration.

Sincerely,


Robert P. Bergman
Director

cc: The Honorable Rodney Slater, Secretary, DOT
The Honorable Gus Owens, Vice Chairman, STB
The Honorable Louis Stokes, Ohio Congressman
The Honorable Dennis J. Kucinich, Ohio Congressman
The Honorable Steven Latourette, Ohio Congressman
The Honorable Mike DeWine, Ohio Congressman
The Honorable Michael R. White, Mayor of Cleveland

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FD-33388

7-13-98

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ENVIRONMENTAL DOCUMENT

MARYLAND Office of Planning

Parris N. Glendening
Governor

Ronald M. Kreitner
Director

June 26, 1998

RECEIVED
JUL 13 1998
MAIL
MANAGEMENT
STB

Ms. Elaine K. Kaiser
Environmental Project Director
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

SUMMARY OF REVIEW COMMENTS ON FINAL ENVIRONMENTAL IMPACT STATEMENT (EIS) - PROPOSED CONRAIL ACQUISITION

State Application Identifier: MD980520-0483

Description: Final Environmental Impact Statement - Proposed Conrail Acquisition: CSX Corporation and CSX Transportation, Inc. Norfolk Southern Corporation and Norfolk Southern Railway Company

Applicant: Surface Transportation Board

Location: Nationwide County

Approving Authority: Surface Transportation Board

Dear Ms. Kaiser:

In accordance with Presidential Executive Order 12372 and Code of Maryland Regulation 14.24.04, the State Clearinghouse has coordinated the intergovernmental review of the referenced project. This letter with attachments constitutes the summary of review comments on the Final EIS "Proposed Conrail Acquisition" received to date.

Review comments were requested from the Maryland Departments of Budget and Management, Business and Economic Development, Housing and Community Development including the Maryland Historical Trust, Natural Resources, and Transportation; Allegany, Baltimore, Cecil, Frederick, Harford, Howard, Montgomery, Prince George's, Washington Counties and Baltimore City; Baltimore Metropolitan Council, Maryland National Capital Parks and Planning Commission-Montgomery County, Maryland National Capital Parks and Planning Commission -Prince George's, Metropolitan Washington Council of Governments, Tri-County Council Western Maryland; and the Maryland Office of Planning. As of this date Frederick and Prince George's Counties and the Maryland National Capital Parks and Planning Commission - Montgomery, and the Maryland National Capital Parks and Planning Commission Prince Georges Counties have not responded.

The Maryland Departments of Budget and Management, Natural Resource, and Business and Economic Development and Transportation; Allegany, Baltimore, Ceil, Howard, Washington Counties and Baltimore City; the Baltimore Metropolitan Council, and the Tri-County Council for Western Maryland and the Mryland Office of Planning find the proposal to be consistent with their plans, programs, and objectives.

Ms. Elaine K. Kaiser
June 26, 1998
Page 2

Summary of Comments:

Montgomery County states that the project is generally consistent with its plans, programs, and objectives contingent upon certain actions being taken in the areas of:

- Safety: Highway/Rail At-grade Crossings
- Safety: Passenger Rail Operations
- Safety: Freight Rail Operations
- Transportation: Highway/Rail At-grade Crossing Delay

A complete copy of the County's correspondence is enclosed for your information.

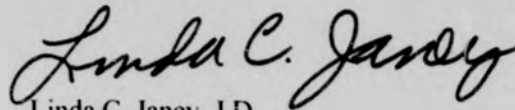
The Maryland Department of Housing and Community Development Maryland Historical Trust has determined that the project will have "no effect" on historic properties and that the federal and/or state historic preservation requirements have been met.

Harford County suggests the following: Provide a 24 hour toll-free emergency telephone number for public use at highway rail crossings at acquisition and at recurring problem areas along the railway in the future.

The Washington Council of Governments (COG) state (in reference to the project): "It does not require COG comments.

If you have any questions about the comments contained in this letter please contact the State Clearinghouse at (410) 767-4490.

Sincerely,



Linda C. Janey, J.D.
Manager, Clearinghouse & Plan Review Unit

LCJ:LG:vh
Enclosures

cc: Charles Richardson - DBM
Sue Hartman - DHCD/MHT
Henry Kay - MDOT
Gloria Griffin - BCIT
Alfred Wein - CECL
Arden Holdrege - HRFD
Scott Reilly - MTGM
Rodney Shoop - WSHG
Jorge Valladares - MNCPPC-MTGM
Jay Langford - MWCOC

Jim Gatto - DBED
Ray Dintaman - DNR
Ben Sansom - ALLG
Al Svhela - BLCO
James Shaw - FRDR
Joe Rutter - HOWD
Beverly Warfield - PGEO
Jack Anderson - BMC
Fern Piret - MNCPPC-PG
Michael Wagoner - TCCWMD



OFFICES OF THE COUNTY EXECUTIVE

Douglas M. Duncan
County Executive

Bruce Romer
Chief Administrative Officer

MEMORANDUM

June 16, 1998

TO: Linda C. Janey, J.D., Manager
Planning Assistance and Review Unit, Maryland Office of Planning

FROM: Scott W. Reilly, Intergovernmental Review Coordinator
Planning Implementation Section, Offices of the County Executive

SUBJECT: Additional Comments on Application MD980520-0483: Final Environmental Impact Statement - Proposed Conrail Acquisition: CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company

Montgomery County forwarded comments on the Draft Environmental Impact Statement regarding the above referenced proposed acquisition to the Surface Transportation Board on February 5, 1998 (attached). We do not believe that the Final Environmental Impact Statement responds satisfactorily to Montgomery County concerns regarding the following sections of the analysis:

- Safety: Highway/Rail At-grade Crossings
- Safety: Passenger Rail Operations
- Safety: Freight Rail Operations
- Transportation: Highway/Rail At-grade Crossing Delay

Of particular concern to Montgomery County is the finding by the Surface Transportation Board Section on Environmental Analysis (SEA) that rail line segment C-003 (the Metropolitan Branch) does not meet SEA's Acquisition-related threshold for environmental analysis. The environmental analysis threshold requires an increase of eight freight trains per day. This rail line segment has an acquisition related increase of seven trains per day. This rail line segment also traverses the busiest at-grade railroad crossing in the State, Randolph Road. We continue to believe that there may be adverse impacts to safety and vehicle delay at this crossing, and that consideration should be given to requiring CSX participation in the costs of constructing a grade separation at this location.

Planning Implementation Section

Linda C. Janey, J.D.
June 16, 1998
Page 2

Rail line segment C-003 also operates for several miles in a common corridor with the Washington Metropolitan Area Transit Authority's Metrorail service. For safety reasons, we continue to recommend that the permissible maximum freight speed of 55 miles per hour in this corridor be lowered to 40 or 45 miles per hour.

For a detailed analysis and recommendations on the Cpnrail/CSX/Norfolk Southern consolidation, please see the attached Review Comments dated January 29, 1998.

Thank you for your consideration of these comments.

Attachment

cc: Graham Norton, Director
Montgomery County Department of Public Works and Transportation

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7-13-98

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PUBLIC

Robert H. Bedwell
922 Minnesota Avenue
Knoxville, TN 37921



July 7, 1998

ENVIRONMENTAL DOCUMENT

Surface Transportation Board Members,

FD33388

Subject: Environmental impacts on human lives and rights after the approval of the sale of Conrail.

In my letter to you dated May 15, 1998, I shared with you the reasons Norfolk Southern should not be allowed to purchase Conrail. I gave you my phone number and told you, if you were concerned, that I would furnish you information on how Norfolk Southern was violating human rights, was not reporting some personal injuries, was falsifying car repair billing, and changing investigation transcripts by deleting and altering words to the detriment of the party charged.

I was disappointed that the S.T.B. Members were not concerned enough to request the information I told you I would furnish regarding the dishonest ways of Norfolk Southern Railroad. I was not surprised you did not request the information. I was told months before I wrote you the first time that CSX and N.S. already had a done deal to purchase Conrail, that the S.T.B. would have little input other than discuss the potential environmental impacts of these changes. The decision by the S.T.B. should be made null and void until an investigation is held by the Attorney General's Office.

Mirror, mirror on the wall, who is the most Harriman Award winner of them all? Mirror, mirror on the wall, has Norfolk Southern told it all?

As of February 1998, there were 731,000 retired employees drawing their railroad retirement checks. Of this number were included 38,000 who are drawing disability payments. As of February 1998, there were only 252,000 paying into the Railroad Retirement System. This means there is one person paying into the retirement system while almost three people are drawing from the system.

The companies project a net reduction of 2,650 employees. This is not really the number of employees who will lose their jobs on Conrail. This does not include the positions and facilities lost on the CSX and NW. When the CXS and N.S. take control of Conrail, they will abolish 10,000 to 15,000 positions. Check what figure the N&W and Southern Railroads gave when they were asked how many jobs would be lost when they merged. Now check how many employees actually lost their jobs. Would you guess below 20,000 or above 20,000 employees who lost their jobs after the merger?

There is already talk about the merger of N.S. and CSX, and, since this

merger will also be a done deal, I would guess 10,000 or 12,000 more jobs lost. One of the main goals of the railroads is to get out of paying into the Railroad Retirement System. One way is to abolish railroad jobs and subcontract their work to people who do not have to pay into the Railroad Retirement System.

What kind of an environment is it when 731,000 retired employees have to worry about losing their retirement checks? Knowing that every time railroads are allowed to merge, thousands of jobs will be abolished, meaning thousands not paying into the retirement system?

The violation of human rights, the general public in danger by allowing trains to run with unsafe brakes, thin flange wheels, low couplers, etc., dishonest ways of car repair billing, not reporting all personal injuries, having employees steal brake shoes and train line air hoses - is this the kind of environment that will be passed on to Conrail when Norfolk Southern takes over the operation of Conrail?

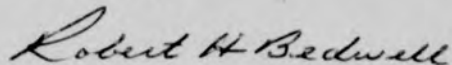
Did the S.T.B. even look at the environment on the N.S. before handing Conrail over to N.S.? Based on the decision to turn Conrail over to CSX and N.S., one would wonder if the environmental impact was even considered. One would wonder, too, what will the consumer gain or how much will the consumer lose? I do not have to wonder what will happen to the employees. I already know. I already know what will happen to the retired employees. Their railroad retirement system will be cut short.

America was built on growth, not downsizing - built on competing, not buying out the competition. Mergers are the result of not knowing how to grow. Downsizing is the result of not knowing how to return a profit other than closing shops and cutting off employees.

With all these mergers that are being approved by board members, I was wondering if the people will ever have a member on the board who will represent them and their views? I can remember years ago that government boards were set up to protect the people from being taken over by big business. It appears now that big business has taken over the people and the government boards that were to protect the people.

May God bless you and yours.

Sincerely,



Robert H. Bedwell

copies:

Janet Reno, Attorney General



July 7, 1998

Robert H. Bedwell
922 Minnesota Avenue
Knoxville, TN 37921

Attorney General Janet Reno
U.S. Department of Justice

Subject: The purchase of Conrail by Norfolk Southern and CSX Railroads.

On May 15, 1998, I wrote the Surface Transportation board giving them the reasons why Norfolk Southern should not be allowed to share in the purchase of Conrail. The reasons are as follows:

1. The violations of human rights.
2. Placing the general public in danger by allowing unsafe trains to run.
3. The dishonest ways of freight car repair billing.
4. And the dishonest ways personal injuries are not reported.

A copy of the May 15th letter to S.T.B. was also mailed to about forty (40) United States Senators, as well as several U.S. Representatives and Transportation Secretary Mr. Rodney Slater.

Everything I will share with you can be backed by records I have or by employees who witness the events. Let me know if you need this information, and I will send it to you. Enclosed herewith are copies of letters I sent to the Surface Transportation Board.

With all these mergers being approved by board members, I was wondering if the people will ever have a board member who will represent them and their views.

What advantage is it for Conrail to be sold? It is not for the consumer, their rates will still go up. It is not for the retired employees, their retirement system will be nearer broke. It is not for the working employees paying into the retirement, it will not be there for them when they retire. It is not for the thousands who will be cut off, they and their families. It is not for the millions who will have unsafe trains running near them.

There are over 36,000 people who are drawing disability payments from the Railroad Retirement Board. Since the merger of Southern and N&W Railroads, the number of employees applying for disability retirement has greatly increased. While some of those applying for disability are doing the honest and right thing, others who are physically able to work are being allowed to draw disability benefits. Many of these people could be working their jobs on the railroad but instead choose to get something for nothing.

The Norfolk Southern Railroad does little to get these people back to work.

It appears that the railroads want most of their employees to retire at an early age. The following is one way the Norfolk Southern Railroad does when a person has been off from work because of personal injury. The railroad tells the employee, who has been released to return to work with some restriction by his doctor, that they do not have this restrictive work for them. The railroad advises some employees to sign up on sick benefits until they meet the requirements to get job disability pension.

This has been for many years the plan, get employees to retire one way or the other in able to brake the retirement system.

How inhumane and immoral it is for the Norfolk Southern Railroad to tell some employees who have been on sick leave or who have been injured, that they cannot return to work with some restrictions. It appears what is being said is that we do not want the disabled, the inferior. I have heard that a madman named Hitler once said, "There is no place for the inferior, shoot the rest if not the best."

Main boss to little boss, "We cut our personal injuries in half this past year."

Little boss to main boss, "We cut our employees in half this past year."

Main boss to little boss, "Oh!"

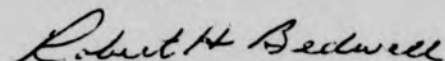
It has been said if you look in a mirror of the past, it will reflect the future. There is a lot of truth in this statement. For example, consider the environment on the railroad after the merger of N.W. and Southern Railroads: an environment of human rights being violated, of not reporting all personal injuries, of the dishonesty in car repair billing, of allowing unsafe trains to run, and of asking and receiving brake valve waivers. Is this the kind of environment a human being is to live in? Will this mirror reflect the same environment on Conrail when turned over to Norfolk Southern? If so, expect trouble ahead.

If the environment was a major part in awarding Conrail to Norfolk Southern, why in the world did the S.T.B. turn Conrail over to Norfolk Southern? Does the S.T.B. have a right to turn over Conrail even if the Norfolk Southern Railroad did not qualify by buying or by merger rules set by our government?

Millions of Americans will be hurt because of the S.T.B. ruling. I am asking with great respect of your office to find out how in the world Americans can be treated in this manner. Thank you most kindly.

May God bless, while keeping you and yours in His everlasting love.

Sincerely,



Robert H. Bedwell

a sample

February 24, 1939

Mr. D. L. Rollings,
As information:

Mr. R. Bedwell called for me on the yard road at 8:40 P.M. and requested I call him at 2044. I called him and he reported that we had an emergency there. I asked what it was and he said a man was hurt. I asked who and he said C. Hawn had marked his finger putting on an air hose. The wrench had slipped off causing him to strike the coupler with his finger. ^{middle Rt. H.}

I asked Hawn if he had injured himself and he said he had not. I then asked if he was wanting to make out a Personal Injury report. He then said he hadn't reported any accident to anyone. He said Bedwell just happened by and insisted he make one out. I told Hawn to let me talk to Bedwell. I told Bedwell, Hawn said that he was not injured. That Hawn said he put a Band-Aid on it and that it was O.K. Bedwell again asked Hawn if he wasn't hurt, Hawn said no. Bedwell asked him if he wanted to make out a Personal Injury report, Hawn said no. Then Bedwell said well I got run off for a lot less when I didn't make one out.

I instructed Bedwell later in private that it's

not our responsibility to make decisions for employees about if their injured and should make out a Personal Injury Report. That they themselves must decide this. And to not force himself upon them to do so.

Mr. Hawn marked off the job at 9:30 PM. this evening and stated he wasn't feeling real good.

I had thought that maybe Bedwell had upset him.

I will talk to Hawn when he comes to work.
2. 28-39

H. M. Haerle
General Foreman

2. 28-39

Mr. Alling,

I talked with Mr. C. Hawn this date and asked him just why he had marked off 2.24-39 and he stated he hadn't been feeling real well all evening.

H. M. Haerle
General Foreman

Knoxville, TN - October 24, 1986

DLR/mm

PERSONAL

ALL CAR FOREMEN - SEVIER YARD

How many hours are you required to work daily for your regular shift?

9(NINE)

Do you report your actual time worked daily on a time card?

PART OF THE TIME, MOST OF THE TIME I WORK MORE THAN 9 HRS + DON'T
PUT EXTRA TIME ON TIME CARD.

Do you sign or initial this time card?

NO

Who is responsible for the accuracy of this information?

I AM

Who approves your time card?

GENERAL FOREMAN ON Duty

Who determines how exceptions to your normal shift are handled; i.e., whether you are docked for less than a full shift or paid extra for more than the required shift?

GENERAL FOREMAN ON Duty

Who is directly responsible for shop performance on your shift?

I AM

Who is responsible for the accuracy of car repair bills (yard and rip)?

FOREMAN ON Duty.

Have you ever been instructed to falsify your repair records?

YES

If so, who instructed?

NOT APPLICABLE

When?

NOT APPLICABLE

Explain.

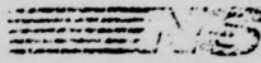
PEOPLE INVOLVED ARE NO LONGER EMPLOYED BY RAILROAD, AND HAVEN'T
BEEN FOR YEARS.

E. L. Loftis

Signature

10/27/86

Date



**NORFOLK
SOUTHERN**

Norfolk Southern Corporation
One Commercial Place
Norfolk, Virginia 23510-2191
804 629-2852

E. B. Burwell
Executive Vice-President
Operations

March 30, 1988
3

Mr. R. H. Bedwell
922 Minnesota Ave.
Knoxville, TN 37921

Dear Mr. Bedwell:

This refers to your letter of March 12, 1988.

It is important that when railroad matters are not handled properly, corrective instruction is given to those responsible. Such was the case in Senior General Foreman Grant's notes to you in February 1988 which are not letters of reprimand.

Other matters to which you refer in your letter of March 12, 1988, were handled with you in accordance with the scheduled agreement of the labor organization to which you belong. Also, any further correspondence by you must be handled in accordance with your labor contract.

Sincerely,

DELIVER TO KNOXVILL-TN/MDGF

MESSAGE-03565813
FROM KNOXVILL-TN/MDGF
02/01/88 02:24P

A sample

MESSAGE-03565788
FROM KNOXVILL-TN/MDGF
02/01/88 02:21P

MR. R. H. BEDWELL:

SOU 42895 (LOAD OF AUTO PARTS FOR FORD MOTOR CO.) WAS S/O OF #112 2ND. SHIFT 1-31-88, FOR A LOW COUPLER AND DRAFT SILL BENT. 1ST. WHY WAS THERE NO B/O CARD ON THE CAR? 2ND. WHERE IS THE COUPLER LOW? 3RD. WHAT IS UNSAFE ABOUT THE CAR? THE BELL ON THE A END OF THE CAR WAS REWORKED AT HAYNES CAR SHOP ON 6-3-87. GRANTED IT WAS NOT A GOOD JOB AS IT IS ABOUT 3/4 " LOWER THAN THE B END. HOWEVER THERE IS NOTHING UNSAFE ABOUT IT. THE COUPLER IS NOT LOW NOR IS THE BELL BROKEN. FOREMAN MUST USE EXPERIENCE AND GOOD JUDGEMENT AS TO THE SAFETY AND RUNNING ABILITY OF CARS S/O OF THE FORWARDING YARD. APPARENTLY VERY POOR JUDGEMENT WAS USED IN THIS CASE. THIS CAR WILL BE DELAYED 24 HOURS MINIMUM NEEDLESSLY.

J. T. GRANT

EDM @ T61145P 02/01/88 02:27:02P FOR 6112

*R. H. B.
Reply !!*

The attached letters is what I had to do when I set out this bad order car in order to justify what I did was the right thing to do.

Rather than being harassed about setting out bad order cars, some employees will allow bad order cars to run as is.

This is the reason unsafe trains are running all over America by Norfolk Southern.

This is only a sampling of how unsafe cars are being run on the N.S. Railroad.

2-1-88

Mr. J. I. Grant
General Car Foreman
John Sevier, Tennessee

Referring to your attached letter concerning Southern Car 42895 in which was set out of Oakdale Train on January 31, 1988 because of a low coupler and bent draft sill.

In your letter you stated, "Apparently very poor judgement was used in this case". Further saying that, "The coupler is not low nor is the bell broken". Either you did not look at this car or you are not telling the truth about the matter. The knuck on the car was catching about one-third ($\frac{1}{3}$) and the draft sill was bent to the extent that the sill had begin to break. After I was notified the car would be run on the Oakdale today without being repaired, I inspected the car and the draft sill was bent and cracked, the Coupler height was $27\frac{3}{4}$ inches on the A end. The height on the B end was 31 inches. The car in question departed this day with the knuck catching less than half and with a cracked sill.

Good judgement to me would be set these bad order out in the receiving yard before getting to the outbound yard. But then how can this be when there isn't even a pit inspector who could have very easily had this car set out before it got to the forwarding yard.

The Carman that found the low coupler and bent draft sill
did his work and did it right. As foreman I did what I
was suppose to do about the matter. I resent very strongly the most
part of your letter because it is not factual.

Sincerely,
Robert H. Badwell

Copies:

Mr. C. B. Barwell

Mr. C. F. Kuppendorf

Mr. H. L. Montague

Mr. R. L. Rollings

Mr. A. M. Thomas

4
DECEMBER TO KNOXVILL-TN/MDGF

MESSAGE-03333913
FROM KNOXVILL-TN/MDGF
02/01/83 02:24P

MESSAGE-03365788
FROM KNOXVILL-TN/MDGF
02/01/83 02:21P

MR. R. H. BEDWELL:

SOU 42895 (LOAD OF AUTO PARTS FOR FORD MOTOR CO.) WAS S/O OF #112 2ND. SHIFT 1-31-88, FOR A LOW COUPLER AND DRAFT SILL BENT. 1ST. WHY WAS THERE NO B/O CARD ON THE CAR? 2ND. WHERE IS THE COUPLER LOW? 3RD. WHAT IS UNSAFE ABOUT THE CAR? THE BELL ON THE A END OF THE CAR WAS REWORKED AT HAYNES CAR SHOP ON 6-3-87. GRANTED IT WAS NOT A GOOD JOB AS IT IS ABOUT 3/4 " LOWER THAN THE B END. HOWEVER THERE IS NOTHING UNSAFE ABOUT IT. THE COUPLER IS NOT LOW NOR IS THE BELL BROKEN. FOREMAN MUST USE EXPERIENCE AND GOOD JUDGEMENT AS TO THE SAFETY AND RUNNING ABILITY OF CARS S/O OF THE FORWARDING YARD. APPARENTLY VERY POOR JUDGEMENT WAS USED IN THIS CASE. THIS CAR WILL BE DELAYED 24 HOURS MINIMUM NEEDLESSLY.

J. T. GRANT

EOM 6 TO 1149P 02/01/83 02:27:17P FOR 6112

Knoxville, Tn - February 26, 1988

Mr. R. H. Bedwell:

This car was inspected at Sevier by the Master Mechanic, two General Foremen and two Car Foremen. All agree the car was safe to run and should not have been set out, nor could any signs of draft sill being cracked or broken be found. The car moved safely to its destination and was bad ordered at Luther Yard at Mr. Polling's request. The shop forces at Luther Yard measured the coupler height at 30 1/4" on A end and 31 1/4" on the B end and no signs of the draft sill being cracked or broken. As I stated previously this car was delayed 24 hours needlessly and set out of Forwarding Yard with no bad order card. This was a hot load of auto parts and was completely safe to run to destination. Good judgement in this instance was to allow car to deliver the load.

Cy - Performance File

J. T. GRANT
Senior General Foreman

722 Minnesota Avenue
Knoxville, Tennessee 37921

February 11, 1988

Mr. C. B. Burnwell, President
Southern Railway System
1 Commercial Place
Sovran Center
Norfolk, Virginia

Dear Mr. Burnwell:

I am enclosing correspondence I received from General
Carforeman J. F. Grant concerning a car I set out of a
train because of a low coupler and a bent sill. A letter not
short of harassment.

Mr. Burnwell, Mr Grant did not tell the truth about all the
facts of the matter. I am in need of your help.

Yours truly
Robert H. Bealwell

March 12, 1988

Mr. E. B. Burwell
Executive Vice President
Norfolk Southern Corporation
One Commercial Place
Norfolk, Virginia 23510-2191

Dear Mr. Burwell:

This refers to your letter of March 4, 1988 concerning my getting out of Oakdale train Southern 42895 because of a very low coupler. Further advising that Master Mechanic D. I. Rollings and Senior General Car Foreman J. J. Grant inspected the car in question and determined the sill/coupler was not cracked and the knuckle had adequate engagement with a mate knuckle, thereby reflecting that I should develop my skills in car condition and runability.

Mr. Burwell, If the information you requested concerning the low coupler came from Master Mechanic Rollings and General Foreman Grant I can very well understand your position on the matter and your wordings. However, let me remain you, this is the same General Foreman that had a carman on the Rip Track to add time worked on cars where work was not done. This is the same Master Mechanic that did not tell the truth about the changing, deleting, or altering words to my detriment in the official transcript of the investigation given me on June 6, 1986.

I will herein try to enlighten you and tell you the facts about the low coupler. Mr Grant said in attached letter in part, "This car was inspected at [] by Master Mechanic, two General Foreman

(2)

Con't

and two Car-Foremen. All agree. The car was safe to run and should not have been set out, nor could any signs of draft sill being cracked or broken be found.

I did not have the advantage of having a Master Mechanic, two General Foremen and two Car-Foremen to make a decision for me. That night the Carman called me to look at the car. Seeing how low the coupler was and how the sill was bent, without second thought I immediately notified the Updell Master to set the bad order car out. The car was sent to the Rip Track because of a very low coupler and a bent draft sill. Mr Grant did not allow the car to be repaired, allowing the car to run in the Oakdale train the next day following the day I had the car set out.

Mr Grant wrote me in letter dated February 1, 1958, asking, "where is the coupler low? What is unsafe about the car. Adding the coupler is not low, nor is the Bell broken. (Please see attached letter of Mr Grants) I checked the car again when it was placed in Oakdale train the second time. At this time the knuckle was catching less than half a knuckle, the coupler height was $27\frac{3}{4}$ inches. Mr. Grant said in his letter that shop foremen at Luther Updell measured the coupler height at $30\frac{1}{4}$ inches on the A end. What Mr. Grant did not say that the car was empty when the measurement was made at Luther Yard.

The car was under load of close to 50 tons when I had it set out for a low coupler and bent sill. The sill was twisted to the right and bent downward a little over 2" in a .36 inch run. There was no space to shim under the coupler on the A end. However, two $\frac{3}{4}$ inch shims were added under the sill to get the coupler height. I understand the people at Luther did work on both ends of the car in order to get the right coupler heights.

Con't,

It was evident that because of a coupler riding so high on a very low coupler it was causing a downward hammering on the bell part of the sill causing it to bend downward. There was so much misaligned pressure on the coupler that it not only bent and cracked the sill, it caused the coupler plank to crack on top right behind the coupler head.

The car was not bad ordered because of a broken sill. It was set out because of a very low coupler caused in part by a bent sill.

However, I am enclosing herewith photographs showing the shims that were added to raise the coupler along with pictures to show the sill was cracked on the right side on the A-end of the car. The crack is where the bell fits to the center sill. The sill is not as badly broken as it looks in the picture. The crack is only about 2 inches long. Although the pictures do reveal flaking of the metal where where the stress bent is.

I do not think I used poor judgement as Mr. Drent said, the car was judged to be a bad order when the coupler was found extremely low caused by a twisted and bent sill. I believe the extensive work on the car by workmen at Luther tried to raise the sill in order to get the right coupler height proves without doubt that something bad was wrong with the car thus proving I used the right judgement in not running a unsafe dangerous car.

(4)

Con't,

Neither Mr. Rollings or Mr Grant inspected this car in the out-bound yard. They looked at the car on the track leading to the Ripi Track. Mr Rollings and Mr Grant assume the responsibility of running a dangerous un-safe car thus jeopardizing the safety not only railroad workers but also that of the General Public as well. Whether or not they had the right to run the un-safe car is not for me to say. Although, I do know I should not be rebuked for doing my job right. Therefore I am respectfully requesting that these charges be removed from my file.

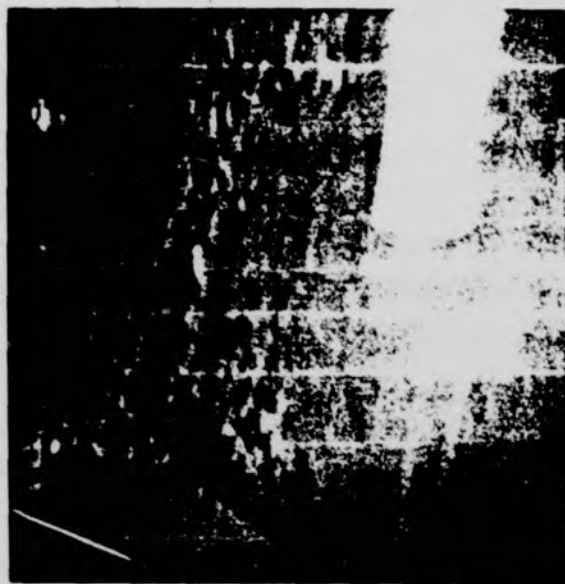
Mr Burnell, it is most difficult to work a job right when half of one's time is answering letters of false charges and the other half is looking over your shoulder.

I need your help.

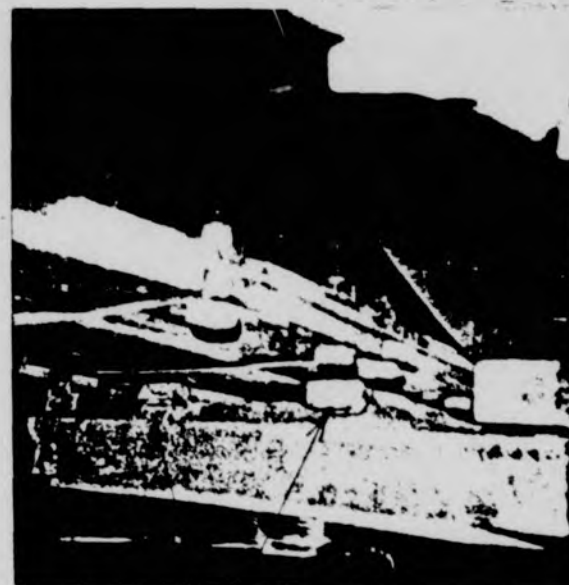
Sincerely,

Robert H Badwell
Car-Foreman

FLARING OF METAL CAUSED
BY TWIST AND BENT SILL
ON RIGHT SIDE OF A-END



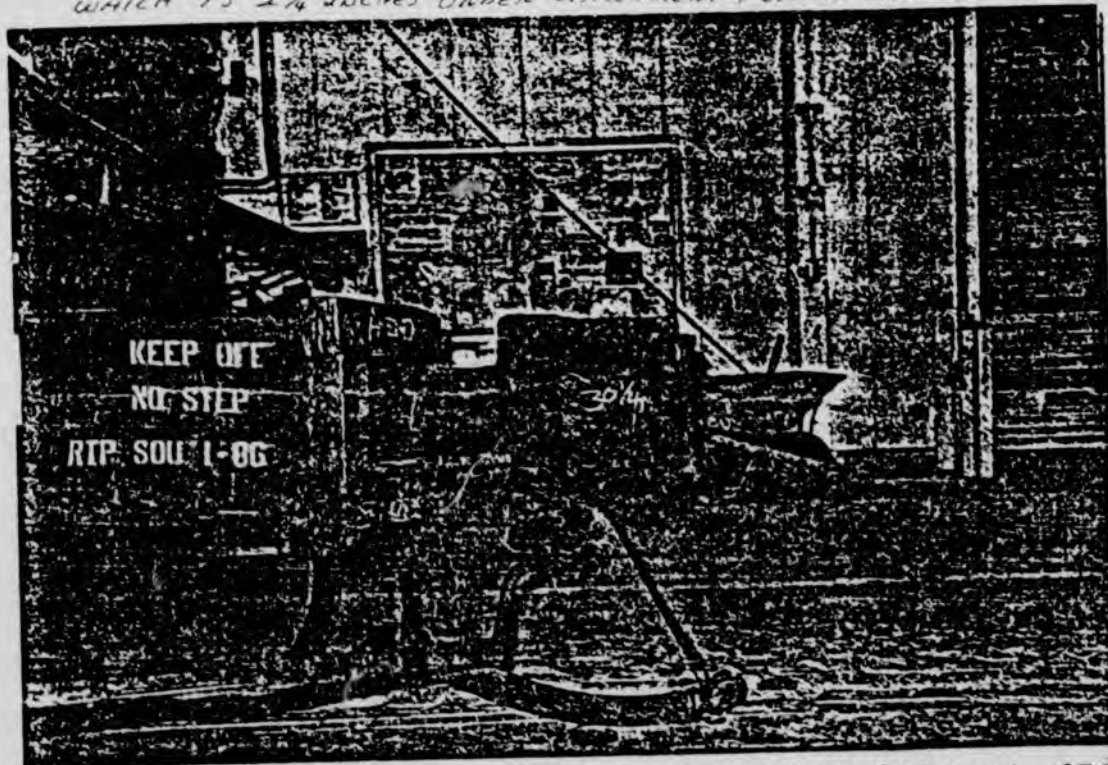
CRACK IN SILL
A-END RIGHT SID



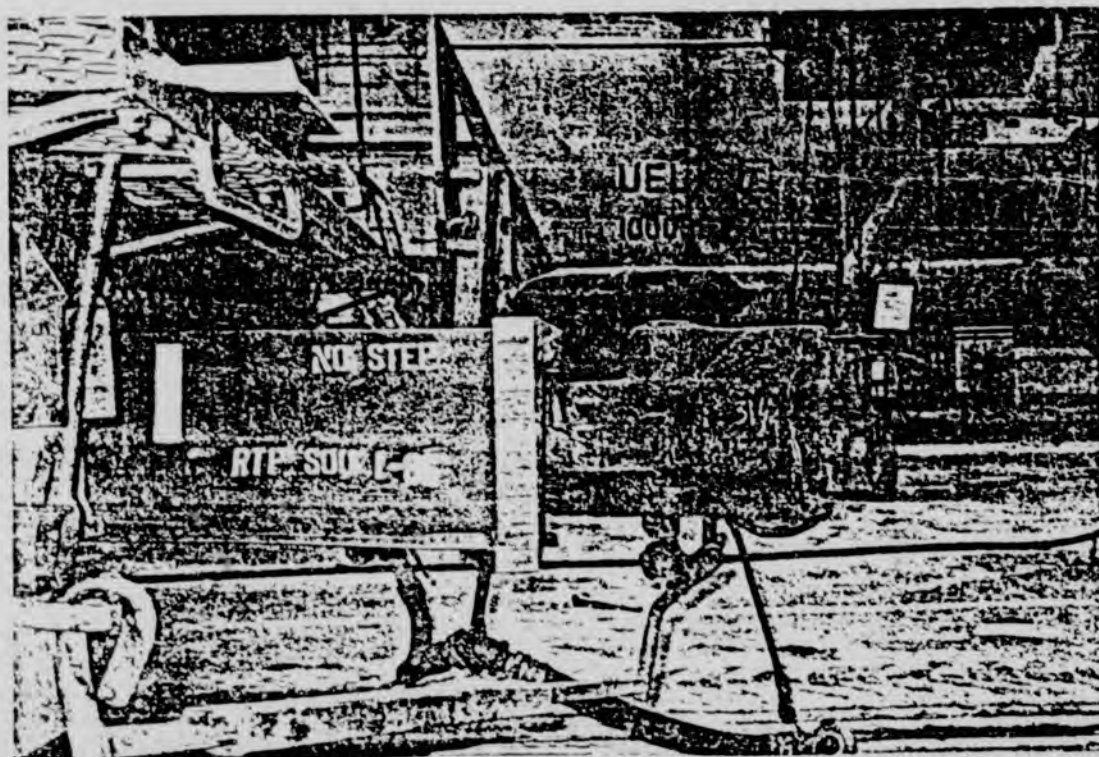
$\frac{3}{4}$ SHIMS THAT WAS ADDED TO
GET CORRECT COUPLER HEIGHT

11
PHOTOS TAKEN AT HUTCHER YARD.

COUPLER HEIGHT ON A-END AFTER CAR WAS UNLOADED WAS $30\frac{1}{4}$ INCHES WHICH IS $2\frac{1}{4}$ INCHES UNDER MINIMUM FOR A EMPTY CAR.



UNDER LOAD AT JOHN SEVIER, THE COUPLER HEIGHT WAS $27\frac{3}{4}$ INCHES $4\frac{3}{4}$ INCHES UNDER THE MINIMUM FOR A LOADED CAR.



A sample

922 Minnesota Avenue
Knoxville, Tennessee 37921
August 13, 1987

Mr. E.B. Burwell, President
Southern Railway System
1 Commercial Place
Sovran Center
Norfolk, Virginia

Dear Mr. Burwell:

Realizing the demand on you, I find it most difficult having to write you of the events that have taken place at John Sevier, Tennessee. I will be as brief as possible, although I am enclosing correspondence of the steps I have already taken.

On March 22, 1986, I was called into the office by General Foreman J.T. Grant because of the 72 percent efficiency that was turned in on the shift I had worked. Since Mr. Grant had not approached me about the matter, I was surprised that Mr. Grant had made arrangements with General Foreman Ross to be a witness. (In a later investigation on June 7, 1986, Mr. Ross said Mr. Grant asked him to stay and keep him calm, because he was very angry with me.) When I arrived, Mr. Grant said we get 105 percent on the Rip Track. My reply was that I only put what work was performed on the foreman's daily report sheet. (See letter dated September 16, 1986, to Mr. Bevins, Superintendent of Motive Power for details.) Afterwards, I was given a preliminary investigation charging me with not performing my foreman duties.

Mr. Grant denied saying anything to me about getting 105 percent. Anticipating Mr. Grant's denial, I had checked some car billing of cars that had been worked on the shift that he worked. In defending my principles and what I said to be the truth, I brought the findings to the attention of Master Mechanic D.L. Rollings, who was conducting the investigation on how Mr. Grant had a employee add time to a car bill when all work was not performed. During the course of the investigation, I tried to enter where work was added to bills where work was not performed. Mr. Rollings would not allow me to enter into the investigation some of my findings on how car billings had been falsified. However, we were able to enter where Mr. Grant had Carman Lemons falsify car billing by adding time on car bills where all work charged for was not performed. (For details, see pages 2 and 3 of the letter dated September 16, 1986.) What General Foreman Grant told Carman Lemons to do was not an isolated incident at Sevier. Mr. Grant was on duty the shift when some thirty uncondemnable air hoses were removed from a 68-car Bristol train.

(Inclosed herewith is consist of Bristol train, repair forms 1042 C of the air hoses that were illegally removed.)

On May 6, 1986, I met with Mr. Rollings in his office in order to get a transcript of the investigation. Mr. Rollings asked me what I wanted with it. I told him I was not treated right during the investigation. I wanted a copy because I was going to file a grievance against him and Mr. Grant, and that I was going to expose what was going on at John Sevier.

Shortly after our meeting, Mr. Rollings notified Special Service to check my residence (property) for railroad crossties. The Special Agents who investigated reported they observed from the street several used crossties in the front yard, which were made into flower beds. No charges were placed against me by Special Service, nor did they tell Mr. Rollings that these crossties belonged to the Southern Railway. Mr. Rollings falsely accused me of stealing crossties because I had some on my property. And this is one of the charges Mr. Rollings had me removed from service for.

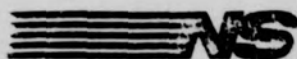
I was also charged with falsification of my time cards. Mr. Grant was on duty on two or more of the days I was charged with falsifying my time. He observed my coming in a few minutes late. He never asked why I was late, and yet the General Foremen are the ones that filled out and OK'd the time slips that I was accused of falsifying.

After reviewing the official transcript of the investigation given me on June 6, 1987, I found alterations of the transcript by changing, deleting, or altering words to my detriment. With the possibility of a serious act being committed, an extensive investigation was conducted. The finding revealed that the so-called errors in the transcript were not errors at all. In fact there is a strong possibility that the transcript was deliberately changed by General Foreman W.L. Smalley after he had received a near accurate transcript that had been furnished him. Master Mechanic D.L. Rollings had the tapes of the investigation in his possession, yet he said in his letter of September 10, 1986, the following: "The transcript and the taped record are in agreement." On page 3 of the same letter, Mr. Rollings accused me of being disrespectful to General Foreman Ross on what had been wrongfully added to the transcript by them. More than once Mr. Rollings did not tell the truth about the transcript. There is no doubt in my mind that Mr. Rollings, Mr. Smalley, and Mr. Grant conspired against me because I would not steal. I suppose they can claim victory in that they have accomplished what they set out to do. But you know, I would rather stand in the ranks of the defeated than to compromise principles. Anyway, what is victory without honor.

Mr. Burwell, I am in need of your help. Please appoint some of your people to investigate these serious wrongdoings. I will be a witness and will furnish additional evidence to support my claims.

Yours truly,

Robert H. Bedwell
Robert H. Bedwell



**NORFOLK
SOUTHERN**

Norfolk Southern Corporation
One Commercial Place
Norfolk, Virginia 23510-2191
804 629-2852

E. B. Burwell
Executive Vice-President
Operations

September 15, 1987

Mr. R. H. Bedwell
922 Minnesota Avenue
Knoxville, TN 37921

Dear Mr. Bedwell:

This refers to your letter of August 13, 1987, wherein you requested my help in investigating wrongdoing at John Sevier Yard, Knoxville, Tennessee.

I have had competent people who are not in the John Sevier organization look into your allegations about improper repairs. Nothing in error was discovered. I assure you that it is our policy to handle such repairs in a businesslike and proper manner.

Your comments about other issues appear to be closely related to disciplinary handling. As you know, the Collective Bargaining Agreement sets forth a procedure for the resolution of such disputes. In fact, I understand that your Union has taken advantage of that procedure. It would be inappropriate given these circumstances for me to comment further about your case.

While differences will arise from time to time, every employee must do his best to help Norfolk Southern compete and survive in today's marketplace. I ask that you make every effort to do so.

Sincerely,

E. B. Burwell

STB FD-33388 7-10-98 K ID-18953/

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DETROIT OFFICE 2800 LIVERNOIS SUITE 220 TROY, MI 48063-1226



ROBERT P. vom EIGEN
(202) 835-8269

July 9, 1998

Honorable Vernon Williams, Secretary
Office of the Secretary
Case Control Branch
Attn: STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

ENTERED
Office of the Secretary

JUL 10 1998

Part of
Public Record

Attention: Elaine K. Kaiser, Chief Section of Environmental Analysis

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

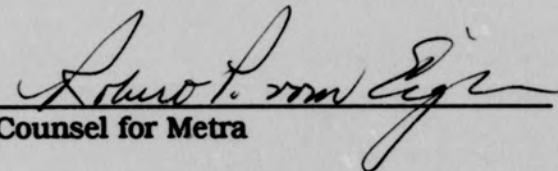
Dear Ms. Kaiser:

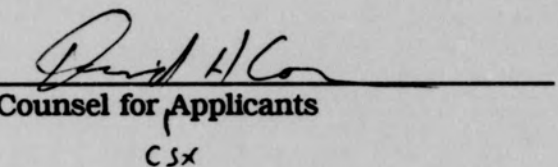
By its Notice of Change in Position (METRA-8) dated February 23, 1998, Metra notified the Board that it no longer was seeking imposition of conditions in this proceeding and that it was filing a letter agreement governing the Forest Hill interlocking and a Joint Review Committee relating to other interlockings in the area that Metra was requesting the Board treat as a representation by CSX to the Board that it will comply with the terms of the agreement. A second letter agreement, which dealt with the contingency in which CSX might at some future time acquire the Indiana Harbor Belt Railroad ("IHB"), was not intended to be filed with the Board, but inadvertently was attached to METRA-8. The Section of Environmental Analysis incorporated both letter agreements in its proposed Condition 18(A) which the Board voted to impose as a condition to its approval of the Application.

Ms. Elaine K. Kaiser
July 9, 1998
Page 2

Metra does not seek imposition of the Forest Hill letter agreement as a condition to the Board's approval. Further, since it was not the intention of the parties to file the letter agreement governing the IHB contingency, Metra and CSX do not believe it is appropriate for the Board to impose that second agreement as a condition to the control transaction. If time permits prior to issuance of the final decision in this proceeding to delete reference to the agreement governing the IHB contingency, we request that reference to it be deleted from any condition that might be imposed. If it is too late to change the text of the final decision, we respectfully request that this letter be treated as a petition to remove such reference subsequent to issuance of the decision. The undersigned counsel for Applicants concurs in this request.

Respectfully submitted,


Counsel for Metra


Counsel for Applicants
CSX

cc: Michael Noland, Esq.
General Counsel, Metra

STB FD-33388 7-10-98 K ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET
JA-33388

July 10, 1998

Mr. David Case
Director - Transportation Logistics
Anchor Glass Container
One Anchor Plaza
4343 Anchor Plaza Pkwy.
Tampa, FL 33634

Dear Mr. Case:

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

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

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

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

Sincerely,

Linda J. Morgan

Linda J. Morgan



One Anchor Plaza
4343 Anchor Plaza Pkwy.
Tampa, FL 33634

FILE IN DOCKET

March 25, 1998

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

Dear Honorable Morgan:

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

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

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

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

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RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 30 5 52 PM '98
CHAIRMAN MORGAN

The Hon. Linda Morgan
Surface Transportation Board
Page 2
March 25, 1998

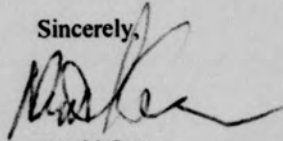
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Thank you for your assistance.

Sincerely,



David Case
Director - Transportation Logistics

cc: The Hon. Rodney Slater - Dept. of Transportation
The Hon. George Voinovich - Governor State of Ohio
The Hon. Jolene Molitoris - Federal Railroad Administration
Mr. John Q. Anderson - Chief Commercial Officer - CSX Transportation

STB

FD-33388

7-10-98/

K

ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

70-33388

July 10, 1998

Mr. Anthony Bono
Vice President of Operations
Alflex Corporation
2630 El Presidio Street
Long Beach, CA 90810

Dear Mr. Bono:

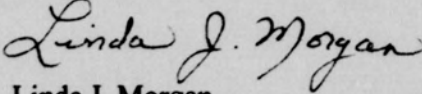
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Sincerely,


Linda J. Morgan



April 15, 1998

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

IN DOCKET

OFFICE OF
CHAIRMAN MORGAN

APR 20 3 03 PM '98

RECEIVED
SURFACE TRANSPORTATION
BOARD

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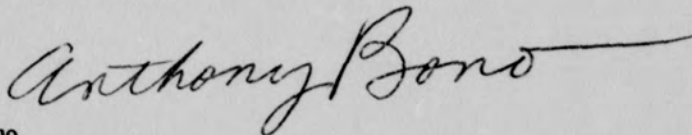
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Thank you for your assistance.

Sincerely,

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Anthony Bono
Vice President of Operations

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

STB

FD-33388

7-10-98

K

ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JS-33388

July 10, 1998

Mr. Jon De Cesare
Vice President - Logistics
Tri-Modal Distribution Service, Inc.
1411 Watson Center Road
Carson, CA 90745

Dear Mr. De Cesare:

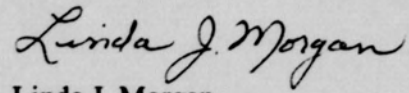
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I will have your letter and my response made a part of the public record for this proceeding. I appreciate your interest in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan". The signature is fluid and elegant, with the first letters of each word being capitalized and prominent.

Linda J. Morgan



FILE IN DOCKET

March 30, 1998

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

Dear Hon. Linda Morgan:

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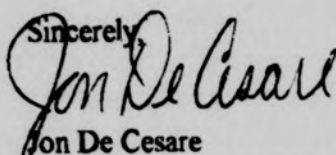
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Sincerely,



Jon De Cesare
Vice President - Logistics
Tri-Modal Distribution Service, Inc.

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

STB FD-33388 7-10-98 K ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

78-33388

July 10, 1998

Mr. Kevin C. Fortier
Director
International Trade and Logistics
Microflex
P.O. Box 32000
Reno, NV 89533-2000

Dear Mr. Fortier:

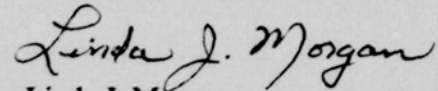
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Linda J. Morgan

April 3, 1998

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

FILE IN DOCKET

OFFICE OF
CHAIRMAN MORGAN

APR 13 5 29 PM '98

RECEIVED
SURFACE TRANSPORTATION
BOARD

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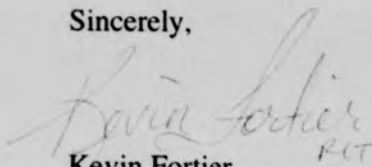
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Sincerely,



Kevin Fortier

Director of International Trade and Logistics

KF:rlt

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

STB FD-33388 7-10-98 K ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET

JD-33388

July 10, 1998

K

Ms. Karen Gruhn
Administrator
Los Angeles Transportation Club
Lloyds Bank Building, Suite 514
6055 E. Washington Blvd.
Los Angeles, CA 90040

Dear Ms. Gruhn:

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Sincerely,

Linda J. Morgan
Linda J. Morgan



Los Angeles Transportation Club

LLOYDS BANK BLDG, SUITE 514
6055 E. WASHINGTON BLVD
LOS ANGELES, CALIFORNIA 90040
TELEPHONE (213) 725-7077

FILE IN DOCKET

April 20, 1998

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

RECEIVED
SURFACE TRANSPORTATION BOARD
APR 23 1 20 PM '98
CHAIRMAN MORGAN

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Hon. Linda Morgan
April 20, 1998
Page two

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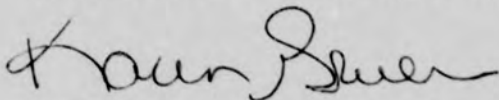
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Thank you for your assistance.

Sincerely,

LOS ANGELES TRANSPORTATION CLUB



Karen Gruhn
Administrator

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

STB FID-33388 7-1098 K ID-BUSINEE



Office of the Chairman

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

FILE IN DOCKET

7D-33388

July 10, 1998

Mr. Robert W. LeGrand
President
Hill Brothers Intermodal Logistics, Inc.
13327 F Street
Omaha, NE 68137

Dear Mr. LeGrand:

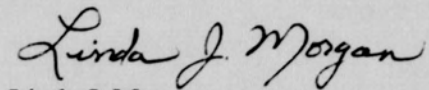
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Linda J. Morgan



Hill Brothers Intermodal Logistics, Inc.
A Hill Brothers Transportation Company
13327 F Street
Omaha, Nebraska 68137

February 20, 1998

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

FILE IN DOCKET

CHAIRMAN MORGAN

APR 20 3 05 PM '98

RECEIVED
SURFACE TRANSPORTATION BOARD

Ms. Morgan:

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

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

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

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

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

nationwide will occur in the East under Cleveland's proposal.

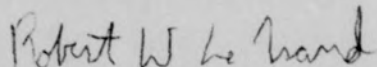
Should the "flip" be adopted and service quality affected, neither railroad will be able to compete as effectively with trucks, resulting in lost opportunity to relieve traffic congestion and make important environmental gains. CSX estimates alone identify more than eight-million truck miles to be diverted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

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

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

Thank you for your assistance.

Sincerely,



Robert W. LeGrand
President

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

STB FD-33388 7-10-98 K ID-BUSINESS



Office of the Chairman

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

FILE IN DOCKET
FD-33388

July 10, 1998

Mr. Thomas K. Middleton
Executive Vice President
GENEX, L.P.
191 Waukegan Road
Northfield, IL 60093

Dear Mr. Middleton:

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

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

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

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

Sincerely,

Linda J. Morgan
Linda J. Morgan



GENEX, L.P.
191 Waukegan Road
Northfield, IL 60093

FILE IN DOCKET

Phone 847-446-0440
Fax 847-446-0557
Toll Free 800-521-0191

March 16, 1998

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

Dear Ms. Morgan,

I am writing to you today to seek your assistance in a very important transportation issue.

As a transportation provider and shipper, our company is deeply concerned about the recent filing of the City of Cleveland regarding the CSX/NS acquisition of ConRail. The proposal by the City of Cleveland for expansion and adjustments to CSX and/or NS trackage pose a serious threat to the flow of traffic at both local and national levels. The cost and duration of the "Cleveland" proposal will create congestion and delays of the same magnitude as the UPSP merger problems in Houston. While we understand the issues raised by the City of Cleveland, their proposal may not be in the best interest of the general public.

We feel that the original proposal filed by CSX and NS is the most cost effective means of achieving and maximizing the intended benefits of the plan. Whatever the solution, it should not be found at the expense of better, faster, and more reliable rail service.

Thank you for your time and consideration in this matter!

Sincerely,

Thomas K. Middleton
Executive Vice President

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

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

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

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

CHAIRMAN MORGAN

MAR 30 5 52 PM '98

RECEIVED
SURFACE TRANSPORTATION

STB

FD-33388

7-10-98

K

ID-CITY



MONTACHUSETT

REGIONAL PLANNING COMMISSION

R1427 Water St., Fitchburg, Massachusetts 01420
(978) 345-7376 FAX (978) 345-9867 email: mrpc@mrpc.org

July 6, 1998

Office of the Secretary
Case Control Unit
Finance Docket No. 33388
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Attention: Elaine K. Kaiser
Environmental Project Director
Environmental Filing

Dear Ms. Kaiser:

At the Montachusett Regional Planning Commission (MRPC) meeting held on Tuesday, June 30, 1998 members found that the Final Environmental Impact Statement (FEIS) concerning the proposed Conrail acquisition is in conformity with regional goals, policies and objectives. According to the EIS, the consolidation will not adversely affect environmental quality or transportation in the Montachusett Region. It was indicated that there were no proposed new construction or abandonment's and that there would be no increased traffic or activity that meets the Board's thresholds for environmental analysis. CSX will operate all Conrail lines and facilities post-acquisition.

If you have any questions or desire further information please contact John Hume at (978) 343-9667.

Very truly yours,

A handwritten signature in dark ink, appearing to read "David Jarvenpaa".

David Jarvenpaa
Chairman, MRPC

DJ/jh



STB

FD-33388

7-9-98

K

ID-GOV



ENVIRONMENTAL DOCUMENT

COMMONWEALTH of VIRGINIA

James S. Gilmore, III
Governor

DEPARTMENT OF ENVIRONMENTAL QUALITY

Street address: 629 East Main Street, Richmond, Virginia 23219

Mailing address: P.O. Box 10009, Richmond, Virginia 23240

Fax (804) 698-4500 TDD (804) 698-4021

<http://www.deq.state.va.us>

Dennis H. Treacy
Director

(804) 698-4000

1-800-592-5482

John Paul Woodley, Jr.
Secretary of Natural Resources

July 2, 1998



Office of the Secretary
Case Control Unit
Finance Docket Number 33388
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Attention: Elaine K. Kaiser
Environmental Project Director
Environmental Filing

RE: Final Environmental Impact Statement on Proposed Conrail
Acquisition

Dear Ms. Kaiser:

The Commonwealth of Virginia Agencies have completed their review of the final environmental impact statement (FEIS) for the noted action. The Department of Environmental Quality (DEQ) is responsible for coordinating Virginia's review of federal environmental documents and responding to the appropriate officials on behalf of the Commonwealth. The following agencies participated in this review:

Department of Conservation and Recreation; and
Department of Environmental Quality.

In addition, the Department of Historic Resources was invited to comment through the Department of Environmental Quality.

The proposed project is the resulting operations of the assets of the acquisition of Conrail by CSX and Norfolk Southern (NS). Under the proposal, the existing CSX and NS systems would be expanded and would substitute two competing railroads for the existing Conrail system in the Northeast (including Virginia) and upper Midwest.

The Commonwealth offers the following comments and recommendations:

1. **Air Quality.** DEQ's Office of Air Data Analysis offers the following comments:

- We maintain that rerouting and realignment of freight train operations in Virginia by the CSX and NS railroads are anticipated to pose a noticeable air quality impact locally and regionally within Virginia;
- We maintain that a demonstration of conformity to the State Implementation Plan (SIP) is required of a federal action occurring in an ozone nonattainment area (Clean Air Act Amendments of 1990, Section 176(c), 40 CFR, Parts 6,51 and 93) regardless of the screening criteria established for this DEIS;
- We reiterate our concerns with the increase in NOx emissions along several of our Class I Air Quality areas. A Class I area is much more sensitive (i.e., has a lower pollutant threshold level) than a nonattainment area. Therefore, the emissions from additional operations may pose greater impact to a pristine area than other areas; and
- For specific details please refer to the attached June 29, 1998, memo from Dona Huang. Also, refer to Ms. Huang's February 6, 1998, letter included in the FEIS in Volume 6A on page A-608.

Please contact Dona Huang, DEQ's Office of Air Data Analysis, concerning the demonstration of conformity. She can be reached at (804) 698-4405.

2. **Erosion and Sediment Control and Stormwater Management.** If any construction and abandonment activities disturbs over 10,000 square feet of land, an erosion and sediment control plan will be needed. If the total land disturbance for the project exceeds one acre, a separate stormwater management plan may also be required. The federal agency is required to comply with the Erosion and Sediment Control Law/Regulations and Stormwater Management Law and Regulations. The plan(s) shall comply with the guidelines set forth in Chapter VI of the Virginia Erosion and Sediment Control Handbook and be reviewed and approved by the Department's appropriate field office.

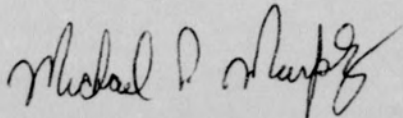
3. **Wetlands.** Due to the extensive area affected by the

Finance Docket Number 33388
July 2, 1998
Page Three

proposal, it is difficult to determine if actual wetlands are to be impacted by the proposed construction and abandonment activities. Because this information is not clear, it is especially important that the recommendations found in Chapter 7, pages 58 and 59, are followed.

Thank you for the opportunity to comment on the concerns we have on the FEIS for the proposed activity. The comments of the reviewing agency are attached for your review and consideration.

Sincerely,



Michael P. Murphy
Customer Service Director

Attachments

cc: John Davy, DCR
Dona Huang, DEQ-Air
Sheri Kattan, DEQ-TRO
Clint Boschen, DEQ-WCRO

James S. Gilmore, III
Governor



David G. Brickley
Director

John Paul Woodley, Jr.
Secretary of Natural
Resources

COMMONWEALTH of VIRGINIA

DEPARTMENT OF CONSERVATION AND RECREATION

203 Governor Street, Suite 326

TDD (804) 786-2121

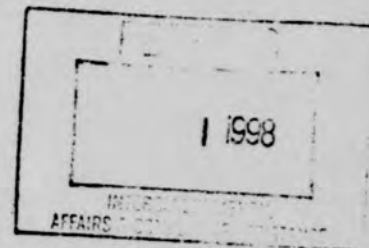
Richmond, Virginia 23219-2010

(804) 786-2556

FAX (804) 371-7899

MEMORANDUM

DATE: June 25, 1998
TO: Thomas M. Felvey, Department of Environmental Quality
FROM: John R. Davy, Jr., Planning Bureau Manager
SUBJECT: FEIS for the "Proposed Conrail Acquisition"



Comments are provided herein on the above referenced project.

DIVISION OF NATURAL HERITAGE

The Department of Conservation and Recreation (DCR) has searched its Biological and Conservation Data System (BCD) for occurrences of natural heritage resources from the area outlined on the submitted map. Natural heritage resources are defined as the habitat of rare, threatened, or endangered plant and animal species, unique or exemplary natural communities, and significant geologic formations.

According to the information currently in our files, natural heritage resources have not been documented in the project area. The absence of data may indicate that the project area has not been surveyed, rather than confirm that the area lacks natural heritage resources.

New and updated information is continually added to BCD. Please contact DCR for an update on this natural heritage information if a significant amount of time passes before it is utilized.

DIVISION OF SOIL AND WATER CONSERVATION

If any land-disturbing activities of 10,000 square feet or more are proposed as part of the acquisition of the facility, an erosion and sediment control plan must be developed consistent with the Virginia erosion and Sediment Control Law and Regulations. A separate stormwater management plan will also be needed if one acre of land is disturbed.

DIVISION OF PLANNING AND RECREATION RESOURCES

The proposed project is not anticipated to have any adverse impacts on existing or planned recreational facilities nor will it impact any streams on the National Park Service Nationwide Inventory, Final List of Rivers, potential Scenic Rivers or existing or potential State Scenic Byways.

Thank you for the opportunity to comment on this project.

/saw

To: Thomas M. Felvey@OCS@DEQ
Cc:
Bcc:
From: Sheryl A. Kattan@VABC1@DEQ
Subject: FEIS - Conrail
Date: Wednesday, July 1, 1998 9:02:36 EDT
Attach:
Certify: N
Forwarded by:

Tom,

We have reviewed the FEIS for the proposed Conrail Acquisition. No comments or concerns have been generated. However, the document was quite massive and hard to follow. The draft EIS was referenced frequently but it did not appear to be included in any of the 8 volumes (I don't believe a draft was ever received at TRO). I was particularly interested in reading over Chapter 5 of the Draft EIS (referenced in the FEIS Appendix L-3), "State Settings, Impacts and Proposed Mitigation" where SEA's wetland and natural resources analysis for the proposed abandonment and construction sites was discussed. While Chapter 4, page 86 of the FEIS states that no mitigation is required provided BMPs are followed, it does not appear to be clearly stated anywhere if actual wetlands are to be impacted by the proposed construction and abandonment activities. Because this information is not clear, it is especially important that the recommendations found in Chapter 7, pages 58 & 59 are followed.

We appreciate the opportunity to comment.

Sheri

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF AIR DATA ANALYSIS

MEMORANDUM

TO: Thomas Felvey, Office of Environmental Impact Review

FROM: Dona Huang, Sr. Environmental Engineer *DRH*

SUBJECT: Final Environmental Impact Statement on the Proposed Conrail Acquisition

DATE: June 29, 1998

The Office of Air Data Analysis has reviewed the Final EIS and has these comments to offer:

1. This office disagrees with the Surface Transportation Board's interpretation that the general conformity rules do not apply to the Board's approval of the proposed project. The Federal Aviation Administration (FAA) frequently approves and funds runway extensions and/or terminal expansions at major airports. It is obligated to apply conformity to its approval process, even though it has no programmatic control over the number and kind of aircraft that can benefit from the runway extension or passenger enplanement. The type and number of aircraft used to serve passenger and parcel delivery are determined by individual carriers and market forces, and yet the FAA has continuously applied the general conformity determination to its approval process.
2. This office does not agree with the air quality analysis approach required by the STB-SEA. The threshold values established for attainment or nonattainment areas are based on operational activity level. We understand the necessity to establish threshold levels for this magnitude of study. However, one size does not fit all. The downside of this approach is that there are local differences (even among nonattainment areas), and it is possible that additional train operation may not exceed the SEA threshold level but may contribute to or help to exceed the existing threshold of aggravation experienced by the locality. This kind of situation has not been addressed by this study and should be done. It would be unthinkable for a Federal Highway project to be approved if it would further degrade the level of service (LOS) in some feeder roadways given the already unacceptable LOS condition.

Vehicles at many of the at-grade crossings in the Virginia nonattainment or maintenance areas have already experienced unacceptable delay/congestion (see DEQ's DEIS comments). An

increase in even one additional train operation may contribute to the existing congestion and air quality problem.

3. This office further believes that much of the data regarding at-grade crossings such as ADT; number of vehicular delay; and speed and length of the train, in the affected areas of Virginia, are worst than estimated. Since our initial comment on this issue, we contacted the Virginia Department of Transportation (VDOT) for review of the data. Based on conversation with VDOT, their 1996 ADT and average number of trains per day do not match the data shown in DEIS Table 5-VA-7. VDOT's 1996 data were significantly higher (sometime two folds higher) than the DEIS data.

4. The arguments offered by the SEA in Appendix I, Section I.2.1, paragraphs 2 and 3 regarding NO_x are erroneous. To quote the FEIS, "Local NO_x emissions control efforts do not have a significant impact on reducing local ozone concentrations." Ozone precursors have both local and regional impact. Many urban airshed modelings have indicated that emissions from on- and off-road mobile sources (ozone precursor pollutants) tend to be low-level (near the ground); therefore, they tend to contribute to ozone formation locally. Whereas, point source emissions from smoke stacks have greater potential to be transported. It is correct to say that a reduction of NO_x on a larger, regional scale is necessary to reduce the **transport** of the ozone. However, the ozone transport problem is a separate issue from the locally generated ozone. This is one of the reasons why many nonattainment and maintenance areas have implemented voluntary ozone episodic control programs which emphasize mobile source controls. In Virginia, an Ozone Alert program is in place in the Northern Virginia, Richmond and the Hampton Roads areas.

5. As a follow-up to the argument in Item 4, this office would like to counter the SEA's response regarding DEQ's suggestion for analyzing at-grade crossing effects using peak commuting hour data (page 5-409, Vol. 3). This office believes that by using peak commuting hour traffic data, this EIS would provide representation of the worst case scenario (most conservative evaluation) possible.

6. Again, the double counting of truck diversion needs to be addressed and clarified. If the truck diversion projection is only an estimation and the freight related emissions may increase or decrease due to market forces (see SEA comments page 5-409), then the truck diversion estimates must be calculated as conservatively as possible and be free of double counting. Since the truck diversion benefits have played a major role in claiming air quality benefits, it would be prudent to tighten-up the projection with reasonable assumptions. Please send us a corrected truck diversion data for our emission inventory purposes.

7. This office would like to reiterate our concerns with the increase in NO_x emissions along several of our Class I Air Quality areas. The SEA indicates in the FEIS that "...the Class 1 areas are generally in relatively undeveloped, rural areas", and the emissions from highway/rail at-grade crossing delay is not expected to be significant along rail lines proximal to or in a Class 1 area. Despite that argument, a Class 1 area is much more sensitive (i.e., has a lower pollutant threshold level) than a nonattainment area; therefore, the emissions from additional train

operations may pose greater impact to a pristine area than a dirtier area. This point becomes even more important when a majority of the growth to be seen from this acquisition will occur in the Virginia's Shenandoah Valley region where the Class 1 areas are located.

Since the beginning of this year's ozone monitoring season, there have been three 8-hour ozone exceedances in the Big Meadows, Shenandoah National Park, Page County, a Class 1 area. The last one was recorded (not officially certified yet) on June 20, 1998. In light of the new federal ozone and $PM_{2.5}$ standards, and future classification of localities based on monitoring records, the project proponent is encouraged to do everything feasible to minimize impact to the Class 1 areas.

This concludes the Virginia DEQ's comments on the air quality evaluation. If you or the project sponsor has any questions regarding these comments, please feel free to contact me at (804) 698-4405. Thank you for coordinating this review.

cc: Kirit Chaudhari, Director, Office of Air Data Analysis

STB

Fd 33388

7-7-98

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUL 6 1998



Office of the Secretary
Case Control Unit
STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Attention: Elaine K. Kaiser
Chief, Section of Environmental Analysis
Environmental Filing

ENTERED
Office of the Secretary

JUL - 7 1998

Part of
Public Record

Dear Ms. Kaiser:

In accordance with the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act (CAA), the Environmental Protection Agency (EPA) is providing comments to you on the "Final Environmental Impact Statement (EIS) for the Proposed Conrail Acquisition." Our comments are intended to build upon our previous scoping and draft EIS comments as well as our technical assistance provided in 1997.

EPA continues to be concerned with a number of substantive environmental issues raised in our previous comments. EPA has tried to apply a measure of reasonableness when approaching the question of whether and to what extent the CAA General Conformity (40CFR93.150 and 160) rules apply to the proposed action and have concluded that we believe both that general conformity applies and that the Surface Transportation Board (STB) has adequately demonstrated that the proposed action will decrease overall nitrogen oxides (NO_x) emissions within the project area enough for the action to be considered de minimis. (See enclosed technical comments.)

Additionally, EPA believes that the noise analysis provided in the final EIS continues to lack the degree of analysis and subsequent mitigation application which may be warranted by some of the increased noise levels presented in the documentation.

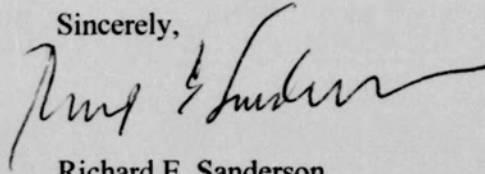
Comments issued by EPA on the draft EIS stated that many minority or low income communities were identified by the STB but that thus far there was little effort to mitigate potential impacts. The final EIS presented some additional information including the most critical steps of the environmental justice (EJ) analysis, completed after the draft, which include the determination of whether potentially high and adverse environmental effects would

disproportionately affect minority and low-income populations in the absence of mitigation measures. This determination is the step with which we have concerns because it is the basis for deciding which communities will have the opportunity to negotiate mitigation with the applicants. EPA believes that, because of the statistical analysis employed, certain communities may be mistakenly left out of that opportunity for mitigation.

We have also included specific wetlands comments provided by our office in Chicago.

Thank you for the opportunity to review and provide comments on the final EIS for this acquisition and division. If you have any questions, please contact Patricia Haman of my staff at 202-564-7152.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. E. Sanderson", with a long, sweeping horizontal line extending to the right.

Richard E. Sanderson
Director
Office of Federal Activities

Enclosure

Technical Comments

Air Quality

In the final EIS, the STB states that the proposed action was not covered by the general conformity regulations for three reasons:

- (1) No direct emissions are caused by their approval of the acquisition of the Conrail system;
- (2) The STB does not retain a continuing program responsibility for the activities generating the indirect emissions; and
- (3) The General Conformity Regulations (40 C.F.R. 93.153(c)(2)(xiv) exempt "transfer of ownership, interests, and titles in land, facilities, and real and personal properties regardless of the form or method of the transfer" from its requirements.

In addition, the STB noted that to conduct a conformity determination would require them to exceed their Congressionally mandated 15-month time period for action.

We do not believe that the reasons stated above justify the exemption of this action from the general conformity regulations. Although we agree that there are no direct emissions from the STB approval of the Conrail acquisition, the conformity regulations apply to the total direct and indirect emissions caused by the action. Section 93.152 defines indirect emissions as "those emissions of a criteria pollutant or its precursors that:

- (1) are caused by the Federal action but may occur later in time and/or may be further removed in distance from the action itself but are still reasonably foreseeable; and
- (2) The Federal agency can practicably control and will maintain control over due to a continuing program responsibility of the Federal agency."

The approval of the acquisition and route changes will result in increased rail traffic with its resulting potential increases in indirect emissions which would not occur if the STB does not approve the acquisition. Since the STB has the right to condition the approval of the acquisition and route changes, we believe they have the ability to control the indirect emissions and retain continuing program responsibility for the emission generating activities. The approval of the acquisition goes beyond the mere transfer of title of the Conrail property. It also involves, for example, the approval of route changes. Finally, if the STB had proposed their conformity determination at the time it released its draft EIS, then there would have been sufficient time for action.

In this case, however, we believe that these points are moot. The STB predicts an overall reduction in NO_x emissions will result from the acquisition. The EIS indicates that any increase

in NO_x emissions resulting from the increase in rail traffic will be mitigated by (1) the reduction in truck traffic on roadways and (2) the use of new equipment meeting the EPA's new locomotive emission standards. The EPA recognizes that the control of ozone in the eastern United States will require the regional control of NO_x emissions. In November 1997, EPA issued a proposed call for revisions in the state implementation plans (SIPs) to achieve NO_x emission reductions over an area approximately the same as covered by the three rail systems in order to attain and maintain the ozone national ambient air quality standard throughout the area (NO_x SIP call). Since the STB predicts an overall NO_x emissions reduction in an area consistent with the NO_x SIP call, we believe that they have met the de minimis test for the general conformity regulations and, thus, a determination is not necessary.

Noise

EPA continues to believe that the noise impact analysis presented by STB is not complete and is inconsistent with basic noise impact analysis principles developed by other Federal agencies. In particular, the well known characteristic of increasing noise sensitivity as a function of increasing absolute noise values has either been misunderstood or completely ignored by the STB. The STB mitigation criterion in this acquisition action is a DNL (Day-Night Sound Level) 5 dB increase at or above DNL 70 dB. The point made in our comment letter of February 2, 1998, was that a DNL 5 dB increase at DNL 80 dB has more impact than a DNL 5 dB increase at DNL 70 dB. EPA's reference to Section 3.4 of the Federal Agency Review of Selected Airport Noise Analysis Issues (showing that a DNL 3 dB increase at DNL 60 dB represents the same impact as a DNL 1.5 dB increase at DNL 65 dB) was included to illustrate the fact that as the absolute noise exposure level increases an equivalent level of community annoyance will occur with smaller increases of noise. The relationship between people being highly annoyed and DNL is well documented and is best presented in the "Schultz Curve" which remains the best available source of empirical dosage-effect information to predict community response to transportation noise.

In addition, we do not believe that the STB has adequately disclosed to the reader the significant impact that is associated with a DNL 5 dB increase at levels of DNL 70 dB. We believe that these issues need to be resolved and suggest that STB technical staff discuss these concepts with other Federal agency staff who are familiar with railroad noise issues (e.g., the Federal Railroad Administration and the Federal Transit Administration) and provide technical justification for the proposed noise mitigation criterion before making final STB mitigation decisions. Without additional technical justification EPA continues to believe that a DNL 5 dB increase at DNL 70 dB artificially limits the appropriate application of mitigation.

Environmental Justice

We believe that the analysis undertaken by the STB to analyze EJ in the EIS was unnecessarily weakened by the statistical methods used. As a result, the analysis may not have accurately identified communities which will experience disproportionate effects in the absence

of mitigation. We suggest that revisions to this analysis be made in order to properly characterize, avoid and mitigate disproportionate effects.

Specifically, the statistical analysis in the EJ section of the final EIS does not provide a strong statistical measure of the disproportionateness of impacts among low-income and/or high minority groups. The statistical methods applied for the EJ analysis weakens the significance of the original data that are linked to the individual rail line segments. The magnitude of the disproportionateness of impacts among the EJ groups needs to be better demonstrated. The recommended statistical approaches detailed below will increase the strength and significance of all statistical tests.

- (1) The original rail line segment data for noise, hazardous materials transport, safety and delay were changed to ordinal categories, averaged and then aggregated to nominal categories. The changes imposed on the data resulted in a loss of information for specific impacts along individual rail line segments.
- (2) Since the minimum sample size for Areas of Potential Effect was identified as 70 block groups, the use of a nonparametric statistical method should be replaced with a stronger parametric statistical procedure.
- (3) A regression model should be used to estimate the Multiple Resource Score (MRS). Variables for the regression equation should include continuous data for noise, hazardous materials transport, and safety and traffic delay. Any existing ordinal and/or nominal data should be coded with binary or dummy variables.
- (4) The Multiple Resource Scores (MRS) should be reported to two decimal places instead of an integer format.
- (5) Analysis of variance should be utilized to estimate the disproportionateness of each impact category.
- (6) The EJ analysis should apply an interval estimation procedure (as opposed to the mean ratio test used in the final EIS) to determine the magnitude of excessively high MRS for individual rail line segments.
- (7) Complete results for each statistical test at the rail line segment and block group level should be presented in a table format in the final EIS. The statistical results presented should include but not be limited to coefficient values, standard deviation, sum of squares, degrees of freedom, f statistic, r-squared, correlation and variance-covariance matrices, and number of observations.

Wetlands

Based on the information and analysis provided in the draft and final EISs, it appears that, for the stated purpose and need, portions of the project are not adequately supported by a rigorous examination of alternatives. In particular, EPA's Region 5 (Chicago) office believe that the construction and abandonment activities listed below require further NEPA documentation because they have the potential to significantly impact wetlands. Wetland losses were not properly documented in the final EIS. To fully demonstrate that no practicable alternative exists that would avoid or minimize wetland impacts we recommend that further NEPA documentation

be conducted for the following projects:

<u>State</u>	<u>Activity</u>
Illinois	Exermont Connection
Illinois	Paris-Danville Abandonment
Illinois	Lincoln Avenue Chicago Connection
Illinois	59th Street Intermodal Facility
Indiana	Butler Connection
Indiana	South Bend to Dillion Junction abandonment
Ohio	Oak Harbor, Ottawa County
Ohio	Willard Fueling, Huron/Seneca Counties
Ohio	Vermillion Connection, Erie County
Ohio	Toledo to Maumee abandonment, Lucas County
Ohio	Columbus Connection, Franklin County
Ohio	Toledo Pivot bridge abandonment, Lucas County
Ohio	Collinwood New Intermodal Facility, Cleveland, Cuyahoga County

STB

FD-33388

7-6-98

K

ID-GOV

Ohio Historic Preservation Office

567 East Hudson Street
Columbus, Ohio 43211-1030
614/ 297-2470 Fax: 614/ 297-2496

Visit us at www.ohiohistory.org/resource/histpres/



**OHIO
HISTORICAL
SOCIETY**
SINCE 1885

June 29, 1998

**ENVIRONMENTAL
DOCUMENT**

Elaine K. Kaiser
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Re: Final Environmental Impact Statement, Proposed Conrail Acquisition
Finance Docket No. 33388, Ohio

Dear Ms. Kaiser,

This is in response to correspondence from your office dated May 29, 1998 (received June 1) regarding the above referenced project. The comments of the Ohio Historic Preservation Office (OHPO) are submitted in accordance with provisions of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470 [36 CFR 800]).

The Environmental Impact Statement presents a very large amount of information for a large project with one of the primary areas of emphasis placed on safety considerations. Our review of the information on cultural resources several concerns and we hope that in raising these questions we can be of assistance in finding appropriate treatments for historic properties.

We feel that there remain several issues concerning historic properties in Ohio. In Columbus, we agree with the provisions for protecting elements of the Glen Echo Historic District during construction between Hudson Street and Weber Road. Given these agreed upon restrictions, we agree that this construction will have no effect on the listed Glen Echo Historic District. We agree that the results of the ongoing archaeological surveys should be coordinated with this office. In the Toledo area, it is our opinion that this undertaking will have an effect on the Toledo Pivot Bridge, a property determined eligible for inclusion in the National Register of Historic Places. We disagree with the conclusions in the Final Environmental Impact Statement that this property is no longer part of the undertaking. Further coordination with this office is recommended for this property. We suggest that it may be useful to condition the changes in the Toledo area to require further coordination with the Ohio Historic Preservation Office prior to initiation of any changes to the Toledo Pivot Bridge. In the Cleveland area, we agree with the provisions to record the Collinwood Yard, and we are involved with ongoing coordination to develop a plan to document this facility, a property determined eligible for inclusion in the National Register of Historic Places. We are concerned that there could be direct effects on contributing elements to Collinwood Yard from this undertaking in addition to the ongoing demolition of contributing elements which lie outside of the scope of this undertaking. We recommend that further consideration be given to the development of a long-term preservation plan for

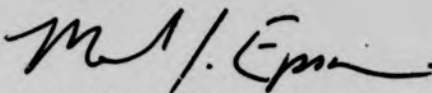
Ms. Elaine K. Kaiser
June 29, 1998
Page 2

the still-standing contributing elements in Collinwood Yard. Also, in the Cleveland area, we are concerned about how proposed new alignments will affect historic districts (see below).

In particular, we wish to record our concerns regarding consideration of effects on historic properties in the greater Cleveland area. In places, it appears to us that the large amount of information compiled for the Final Environmental Impact Statement is not well integrated into the conclusions and recommendations. We feel that the document is inconsistent in defining the Area of Potential Effects for Section 106 purposes much more narrowly than for the impact and mitigation areas for Noise Impact and Environmental Justice concerns. Specifically, treatments are being proposed that would involve modifications to structures (receptors) outside of the areas evaluated for historic properties. The condition (added as an after-thought) to include historic preservation review for noise mitigation misses the essential requirement to include consideration of historic properties in the review of the entire impact of the proposed project. We disagree with the assertion that the Area of Potential Effects doesn't include changes that can occur to neighborhoods from increasing rail traffic given the findings that impacts can occur from other considered environmental factors in these neighborhoods. We also are concerned that the process of including information specifically on impacts to historic properties from interested parties seems truncated. As part of the compilation of information for the Draft Environmental Impact Statement, information was presented by several communities raising concerns for the preservation of historic properties. These concerns focused immediately on the one proposed route. Subsequently, several additional routes have been identified, but it doesn't appear to us that the communities that will see increasing levels of impact from the shifts have been asked if these shifts raise concerns for historic preservation. We feel that the process needs to be followed consistently and that further coordination with the different interested parties in the greater Cleveland area is needed to ensure a careful consideration and comparison of how different routes could affect historic properties.

Any questions concerning this matter should be addressed to David Snyder at (614) 297-2470, between the hours of 8 am. to 5 pm. Thank you for your cooperation.

Sincerely,

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

Mark J. Epstein, Department Head
Resource Protection and Review

MJE:DMS/ds

xc: Laura Henley Dean, ACHP
Richard Starzak, Myra L. Frank & Associates

STB

FD-33388

6-25-98

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ID-PUBLIC

June 4, 1998

Elaine K. Kaiser Chief
Section of Environmental
Analysis
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423

CENTRAL ADMINISTRATIVE UNIT

REC'D:

DOCUMENT # 6-25-98 10:33:41am

Dear Ms. Kaiser:

This letter and contents enclosed are about the planned increase in railroad traffic and delays that will affect my area if the takeover of Conrail between CSX and Norfolk-Southern railroads takes effect. My area is Lake County, Indiana which is located in the Northwest part of the state and borders Chicago, Illinois.

As a longtime resident of this area, I am AGAINST any more increased railroad traffic in my location.

For the last several years, the CSX and Norfolk Southern railroads have caused big massive delays in this region. They have blocked railroad crossings at grade level crossing with long trains, some that are well over a mile long. Many of these trains creep at a slow speed allowing car and truck traffic to build up into large traffic congestion. These trains have blocked crossings for sometimes over an hour causing traffic to turn around and detour because they could not get thru. And this was done on main highways. Many times ambulances, police, and firetrucks had to turn around and go another way because of stopped trains.

I drive a semi-dump truck for a living and have done so for over 25 years, all loc in this area. Every day and I mean every day, I lose time and money for myself and company because of these trains blocking the crossings. The two biggest offenders of all the railroads in this area are the CSX and Norfolk Southern. And they want to increase more trains in this area? No way! They have become very arrogant and uncaring toward the population and public.

Lawyers for the most affected towns in this location will be meeting with you to stop an increase in these trains. The cities are Whiting, Hammond, Gary, And East Chicago, I They are known as the Four Cities Consortium.

I fully support their views and action.

Please oppose the railroads plan to bring more train traffic in this area. We cannot handle any more in this area.

Sincerely,

Jeffrey K Myers
Jeffrey K Myers
2006 Lincoln Ave
Whiting, IN 46394

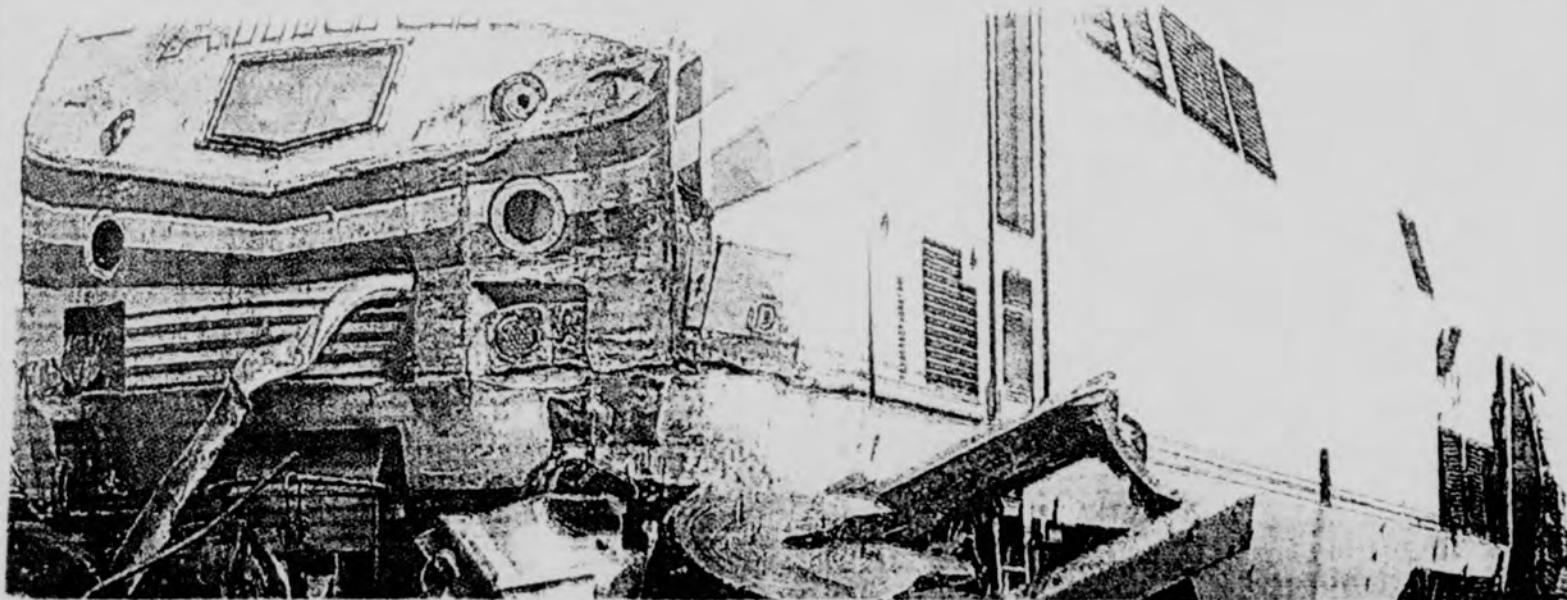
GARY

Post-Tribune

Tuesday, September 16, 1997

50 cents

Amtrak train, truck collide; Lake Station driver is killed



■ Witnesses said the truck driver ignored flashing lights and lowered gates.

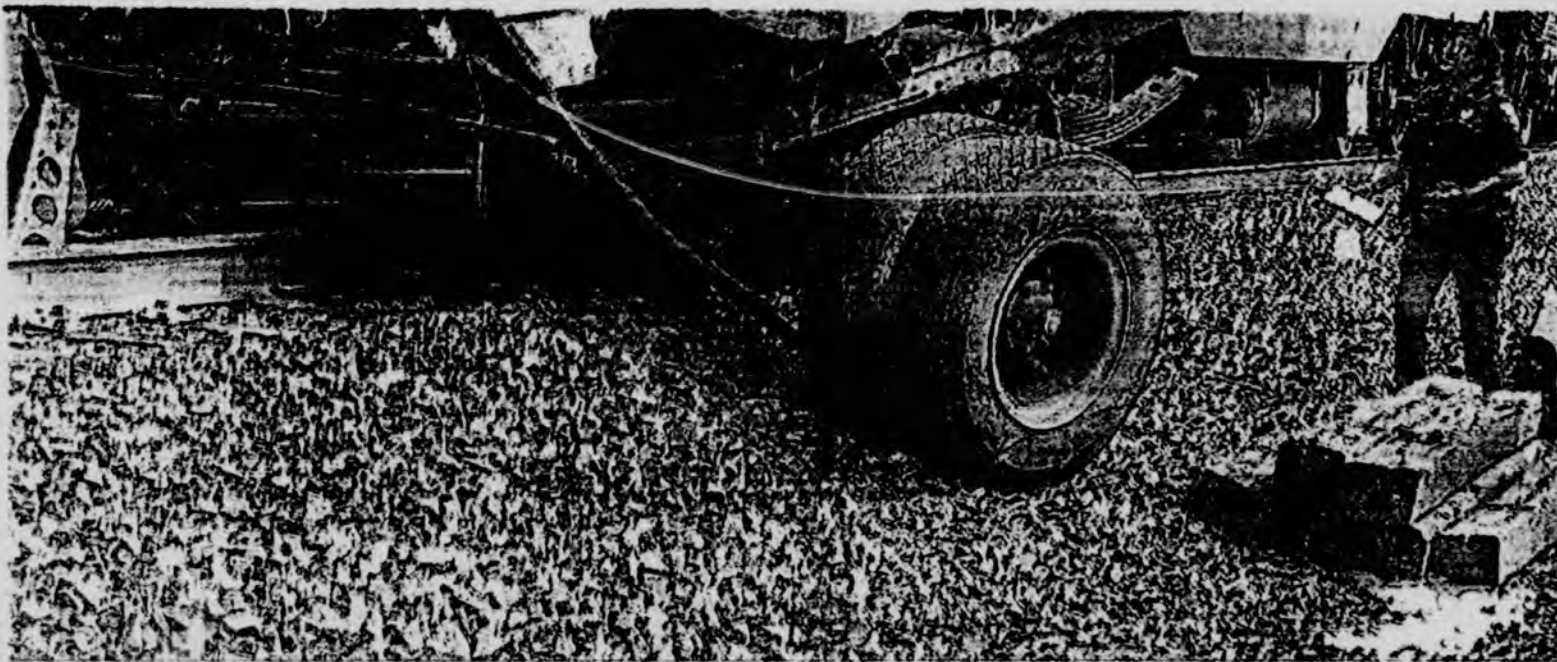
BY LORI CALDWELL

Staff Writer

GARY — An Amtrak train collided with a tractor-trailer loaded with grain on Monday morning, killing a Lake Station truck driver and injuring seven rail passengers.

It was the second accident in four days involving a passenger train and a truck at the series of crossings on North Clark Road, police said.

Wayne Hibbard, 34, of Lake Station, a driver for L.L.D. Trucking of Hammond, ignored flashing lights and lowered gates as he proceeded through the truck crossing in



LOUI CALDWELL/Press Tribune Pictures

traffic patrolman Agnes Roberts views damage to an Amtrak passenger train that struck a tractor trailer Monday morning on North Clark Road

and lowered gates as he proceeded across the multi-track crossing in the industrialized area about 10 a.m., witnesses said.

Hibbard was hauling ore for Jack Gray Transport Inc., of Gary. Patrolman Agnes Roberts said.

"The engineer saw the truck on the track, put on the brake and just laid down," Roberts said. "That's really all you can do."

Engineer David Renz of Chicago was not injured in the crash, police said.

The Pere Marquette passenger train originated in Grand Rapids, Mich., and was scheduled to arrive at Union Station in Chicago about 10:30 a.m.

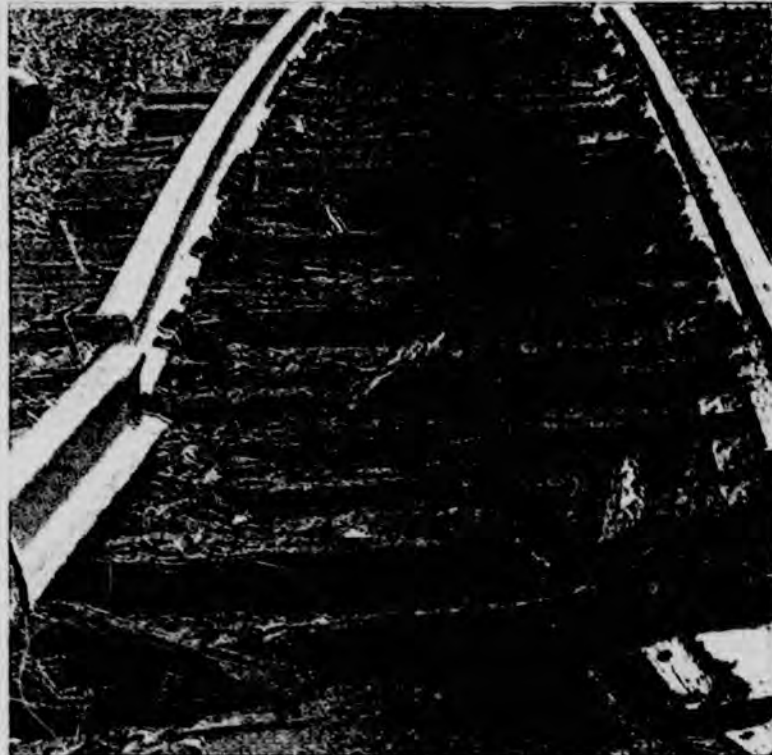
Seven passengers were treated for bumps and bruises at The Methodist Hospitals Northlake Campus, which saw 47 of the passengers.

Another 16 passengers were

Please see Crash, Page A6



emergency workers look at the mangled trailer, which tinned when it was struck by the Amtrak train



The track was damaged in several places as a result of the collision.

Crash

Truck driver was killed instantly in crash

Continued from Page A1

taken to St. Catherine Hospital in East Chicago for evaluation, but none were injured, a spokeswoman said.

Amtrak arranged for alternate transportation for its customers, who were all taken to the Genesis Center after being checked at the hospitals, Chief John Roby said.

The impact ripped apart the truck, sending large rocks and pieces of the cab and engine flying down the track.

Hibbard's body was thrown about 200 feet. He was killed instantly, police said. A Lake County deputy coroner pronounced him dead at 11:34 a.m.

Witnesses told Roberts that Hibbard had stopped at the crossing gate, then proceeded across. There are three sets of multiple track between the gates, with short pieces of road between the groupings.

The passenger train was west-bound on a track maintained by Conrail.

The rail corridor has been identified by the Indiana Department of Transportation as one of the most dangerous in the area. Indiana ranks fourth in the nation in crossing deaths.

On Friday morning, an Amtrak passenger train struck a tractor-trailer at a nearby crossing on North Clark Road, Roberts said.

In that accident, the truck driver was trapped in the truck, but sustained only minor injuries, she said. No one on the train was injured.

"He was extremely lucky," Roberts said of the truck driver involved in that accident.

Passenger Dave Betlejewski was in the last car of the train Monday

"The train just bounced. That lasted about 30 seconds. The biggest thing was we would see debris flying past the windows. I'm just amazed the train is still on the track."

The authorized speed through the area is 79 mph, said Amtrak spokesman Rob Dellenger.

Although the train did derail, it remained upright after the collision, dragging parts of the truck west-bound for almost 900 feet before it stopped.

The metal track was severed in two places during the collision. Several of the railroad ties were damaged as well.

The collision caused some delays in rail traffic, but full service was expected to resume late Monday night, Dellenger said.

For New Yorker Sikha Sarkan, the crash was more than an inconvenience.

"It was my first time on Amtrak, and probably my last," she said.

Sarkan was on her way to Chicago to visit with her youngest son, Arjun, a freshman at Northwestern University.

She was scheduled to fly back to New York Monday evening.

"Everything was flying, the seats were torn out. All I could think was I didn't say goodbye to my sons," she said tearfully as she left the scene.

THE TIMES
MUNSTER, IN 6-1-98
RAILROAD NEGOTIATIONS 6-1-98
THE TIMES

6-1-98
NW INDIANA

Pact may lead to rail traffic explosion

■ Local mayors want a solution to planned increase in railroad traffic and delays and they're headed to Washington looking for answers.

BY ROBIN BIESEN
Times Staff Writer

An impasse in negotiations between a pair of railroads and north Lake County's cities will send both sides to Washington this week in search of a solution.

At stake is a multi-billion dollar deal to cannibalize one of the nation's newest railroads.

But also at stake is the negative impact the deal could have on Northwest Indiana - massively increased rail traffic, more and lengthier auto traffic tie-ups at rail crossings and potentially more train/car accidents.

Lawyers for the mayors of Gary, Hammond, East Chicago and Whiting - joined as the Four Cities Consortium - and attorneys representing CSX and Norfolk Southern corporations will argue Thursday before the Sur-

face Transportation Board, formerly known as the Interstate Commerce Commission.

The Four Cities group became embroiled in the discussion between CSX and Norfolk Southern railroads on how to route trains through Northwest Indiana after the breakup of Consolidated Rail Corp., commonly known as Conrail.

While the consortium fights to protect the cities, the mayors say they are also battling on behalf of the region - from Calumet City through Porter County - and communities they say will feel the pinch if the railroads are allowed to proceed. The region is considered by the railroads to be the gateway between Chicago and points east.

The rail conglomerates agreed about a year ago to spend about \$11 billion - about \$4.5 billion by CSX and \$6 billion by Norfolk Southern - to acquire and divide the assets of Conrail, including rail tracks that crisscross Northwest Indiana.

Conrail developed as a private corporation established by the federal government in the wake of the 1973 reorganization of railroads to guarantee adequate rail service in the Northeast and Midwest.

All that stands between the railroads and making the Conrail breakup final is a decision by the federal transportation board, which must weigh opposition from local officials against the wishes of the rail titans.

Gary Mayor Scott King says the plan by the rail conglomerates is not sensitive to the impact the rail industry has on local communities.

The mayors collectively oppose

the plan, saying it would mean a 74 percent increase in train traffic along a grid of rail lines that bisect the four cities.

In addition, the rail proposal calls for an idle Conrail line extending diagonally through the heart of Gary to be returned to service, a decision that would reactivate 23 additional street-level crossings.

The proposal before the federal board calls for an increase in the number and length of daily freight trains through the cities on rail lines that consist primarily of street-level crossings.

Curtis Wiley, commissioner of the Indiana Department of Transportation, said since the state ranked near the top of the nation for rail crossing accidents, there was no underestimating the negative impact the increased train traffic could have on the region.

Indiana currently ranks fourth in the nation for rail crossing accidents. In the last five years, Gary has logged nearly 40 car-train accidents.

Rail officials say their plan to increase the speed of trains, upgrade the timing systems at grade crossings and improve educational outreach efforts will lessen the impact of increased rail traffic.

J. Randall Evans, vice president of acquisition development for CSX, promotes moving cargo by rail as an environmentally friendly alternative to semi-tractor trailer that will ultimately act as a reliever for the interstate highway system.

"We are trying to compete - to move freight off of the highways," Evans said.

Hammond lawyer Justin Murphy, who is representing the mayors, says the appeal to the Surface Transportation Board also

Inside

■ What's on the line: a map showing the CSX and Four Cities Consortium proposals. **A-7**

■ A list of the public cost for the current project and rail traffic in the four cities. **A-7**

■ How to give your opinion to the federal Surface Transportation Board. **A-7**

THE TIMES 6-1-98 MUNSTER, IN NW INDIANA

claims the proposal would have a negative impact Northwest Indiana because it would:

- Add to the existing air pollution problems because of delays at rail crossings.

- Hamper the ability of the area to redevelop.

- Negatively impact the quality of life for people in Northwest Indiana.

As an alternate to the plan pending before the federal board, the cities have proposed diverting all new and some existing rail traffic from the CSX line that parallels Chicago Avenue to an existing track that has fewer street-level crossings.

Evans says the cities' plan was unworkable because it calls for CSX to divert train traffic from tracks it owns to those owned by its competitors. If the consortium or the state was serious about an alternate route, Evans says it should offer money to help defray the additional cost.

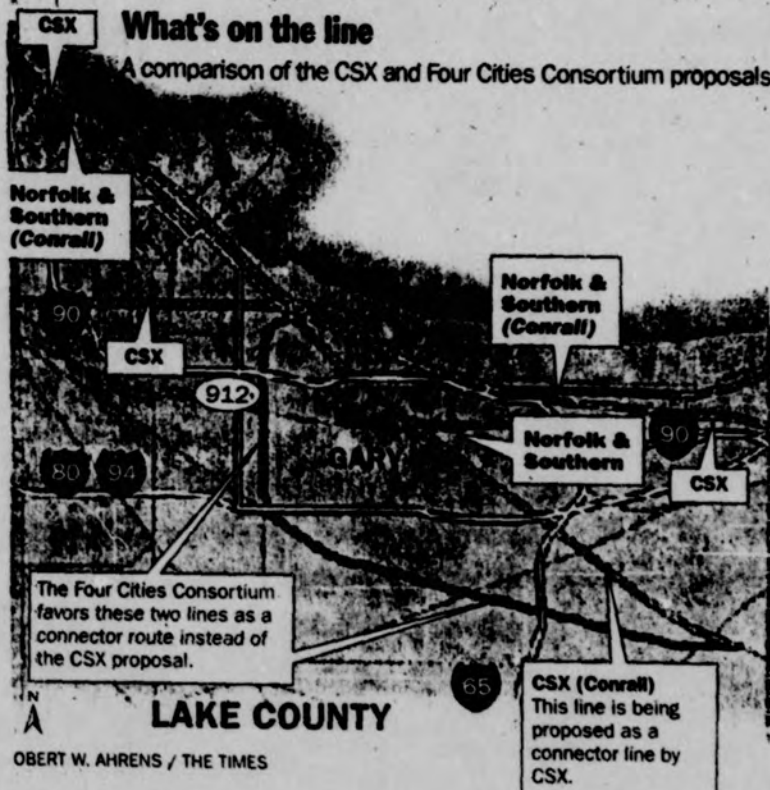
Wiley said the alternate rout-

ing proposal was beneficial because it would increase train traffic at a fraction of the street-level crossings that would be affected by the CSX/Norfolk Southern proposal.

King said the railroads should seize the opportunity to consolidate the train tracks that quilt the region into a shared network. That move could save money for the rail industry and at the same time could open economic opportunities for the region along the Lake Michigan shore.

East Chicago Mayor Robert Pastrick said the railroads had turned side-by-side rail lines just south of the city's marina into a holding area for unused rail cars.

"Just when we're trying to develop our lakeshore, the railroads are here dumping rail cars there," Pastrick said. "It looks unsightly and impacts our ability to attract development to the lakefront."



THE PUBLIC COST

A study done for the Four City Consortium detailed the public costs for current and project rail traffic in the four cities.

Item	Current traffic	Projected traffic	Difference
Vehicle delay hours	242,353	588,278	345,925
Lost productivity	\$3,730,191	\$8,994,527	\$5,264,336
Fuel and oil consumption	\$210,954	\$510,920	\$299,966
Emission of pollutants	\$418,402	\$1,133,111	\$714,709
Accident Costs	\$1,090,845	\$1,599,046	\$508,201
Total Cost to the Public	\$5,450,392	\$12,237,604	\$6,787,212

1-28-98

Rail monitoring group sets up shop

■ Mayors want to reduce crossing problems from Illinois line to Gary.

BY DEBRA GRUSZECKI
Times Staff Writer

HAMMOND - The Four Cities Consortium became official Tuesday.

The group approved a set of bylaws during a meeting at City Hall, and assigned staff positions from a pool of city workers who will report to Hammond lawyer Justin Murphy, who was named chief of staff.

The group's executive board is composed of the mayors of Hammond, Gary, East Chicago and Whiting.

The consortium also approved payment of \$249,000 in bills that have accumulated to tackle its primary objective: to acquire land for economic and recreational development along the shore and prevent time-consuming delays at rail crossings.

The mayors agreed to form the consortium last July after learning Norfolk Southern Corp. and CSX Transportation Co. would buy Consolidated Rail Corp. and the Indiana Harbor Belt Railroad.

The consolidation is expected to greatly increase train traffic on those routes.

Gary, East Chicago and Ham-

State of the city

Hammond Mayor Duane Dedelow Jr. cites accomplishments, goals for the city. **B-2**

mond agreed to contribute \$25,000 each in start-up money, and pledged more as needed. Whiting agreed to contribute up to \$10,000.

Gary Mayor Scott King said during Tuesday's summit that he is pleased with the group's progress.

The consortium has hired L.E. Peabody and Associates of Alexandria, Va., to assess the rail acquisition's impact on Northwest Indiana.

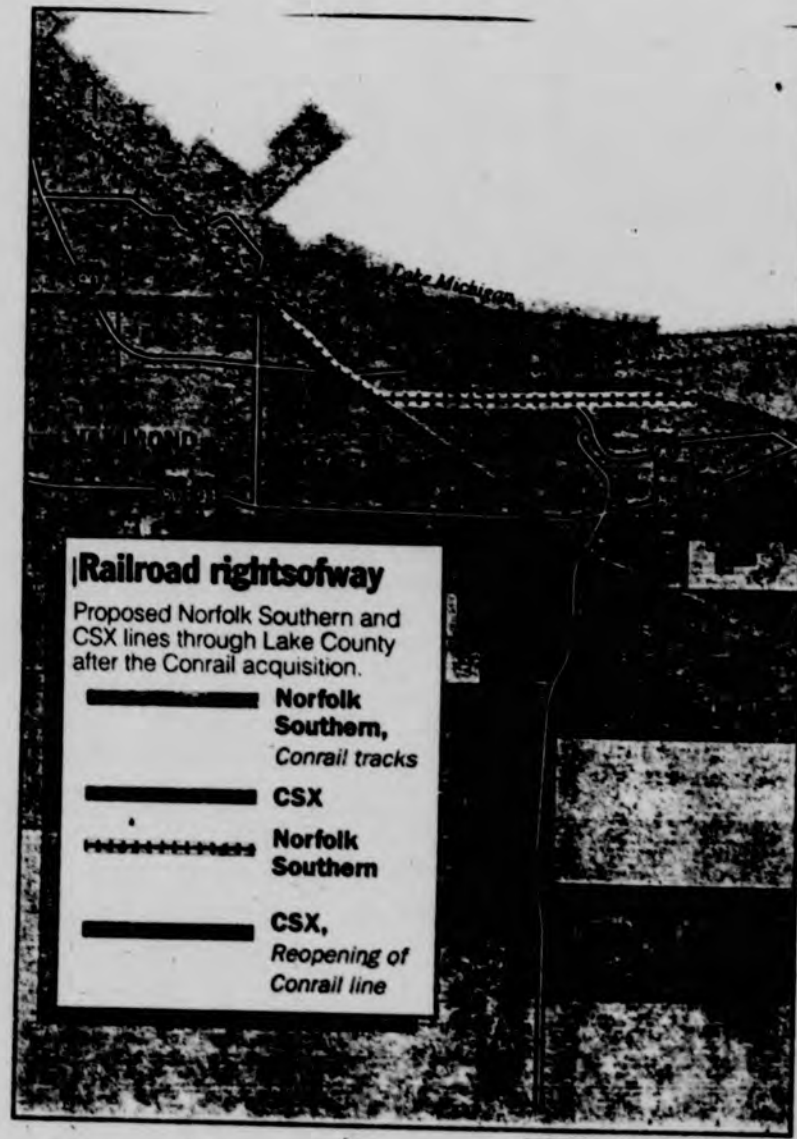
Its findings, coupled with the results of a rail crossing study, were incorporated into a report filed Oct. 21 with the federal Surface Transportation Board in Washington, D.C.

Peabody determined that delays at 12 crossings account for \$3.7 million a year in lost productivity. Fuel expenses for idling cars and trucks amounted to \$210,000 a year.

The firm also predicted a 143 percent increase in delays under the rail acquisition and that increased train traffic would aggravate an existing problem with blocked streets.

In 1996 alone, the Surface Transportation Board was told, there were 966 emergency medical service vehicle delays and nearly 9,690 police vehicle delays.

LAKE COUNTY
NW INDIANA



ROBERT W. AHRENS / THE TIMES

Conrail breakup could worsen crossing delays

BY BOB TITA
Times Staff Writer

If it seems like you've spent years of your life waiting at railroad crossings, you have plenty of company.

A study this fall of a dozen crossings in Hammond, Whiting, East Chicago and Gary found motorists were delayed by a combined time of 664 hours a day.

If you weren't waiting at crossings, what would you be doing?

Earning money, perhaps. A Virginia economic consulting firm determined that delays at the crossings studied accounted for \$3.7 million a year in lost productivity, while fuel expenses for cars and trucks idling at the crossings totaled \$210,000 a year.

Local officials hope these dreary statistics convince federal transportation regulators to reject an attempt by two railroads to significantly increase area rail traffic.

Norfolk Southern Corp. and CSX Corp. want to divide Conrail's routes as part of their acquisition of the Philadelphia-based railroad next year.

As a result, some of the most heavily traveled rail lines in the area would become even more burdened with trains, while other routes that have been dormant for years would again be bustling with freight trains.

At the 12 crossings monitored this fall, delays would increase by a total of 143 percent, according to L.E. Peabody and Associates of Alexandria, Va., which was hired by Hammond, Whiting, East Chicago and Gary to conduct the crossing study.

Most of these crossings are along a CSX line that runs parallel with Chicago Avenue in Hammond and East Chicago before merging with other CSX tracks on the west side of Gary.

CSX also wants to re-establish train traffic on an inactive line that stretches diagonally through Gary from Hobart to north of the Gary-Chicago Regional Airport. The four cities have submitted numerous documents and affidavits countering the railroads' plans.

Kimberly Gordon, East Chicago's director of planning and business development, noted that all north-south thoroughfares in the city, except Cline Avenue, are bisected by CSX's right of way just north of Chicago Avenue.

Increasing the number of trains on the line from 27 a day to 30 would aggravate a problem with blocked streets that is particularly acute during emergency situations, she said.

"There were a total of 966 crossing delays in the case of (emergency medical service) vehicles and 9,688 delays in the case of police vehicles in 1996," Gordon said in statement to the federal Surface Transportation Board.

CSX also has applied for permission to increase the speed of its trains from 25 mph to 40 mph.

Given the propensity of motorists for driving around lowered crossing gates, Gordon predicted more car-train collisions are inevitable with faster trains.

"We've got a problem in East Chicago with people who automatically drive around the gates," she said. "It's like a standard thing."

During a week-long observation of crossings, L.E. Peabody projected that 2,972 vehicles went around gates at the CSX crossing on Indianapolis Boulevard, while an estimated 1,044 vehicles disregarded the gates at the Kennedy Avenue crossing.

As an alternative to more street-level train traffic, the four cities want only westbound trains to use the CSX line north of

Chicago Avenue. Eastbound trains would be rerouted to nearby tracks belonging to Indiana Harbor Belt railroad, which could come under CSX and Norfolk Southern's control as part of the Conrail acquisition.

Officials contend the Harbor Belt corridor through Hammond, East Chicago and Gary could easily accommodate more trains and is mostly separated from street crossings, thanks to a \$25 million investment in street overpasses during last decade.

Diverting more trains to low-traffic tracks also was recommended by the cities as an alternative to reopening nearly 12 miles of track

LAKE COUNTY

NW INDIANA

through Gary with 23 street crossings, including Fifth Avenue.

CSX wants to reopen a former Pennsylvania Railroad line from Hobart to north of the Gary airport. The line would provide CSX with another route to U.S. Steel Group's Gary Works, but would cost the railroad \$7 million for new tracks and signals.

Mike Cervay, Gary's planning and community development director, believes CSX trains could achieve the same access to Gary Works for less money by building a short connector between Norfolk Southern's east-west route through Glen Park and a north-south line in Black Oak belonging to the Elgin Joliet and Eastern railroad.

"Railroads use each other's tracks all the time," Cervay said.

CSX and Norfolk Southern haven't responded to the cities' proposals. Representatives from the railroads said comments would be issued through the Surface Transportation Board, possibly as soon as this week.

"The indication we're getting is that the railroads are looking at it seriously," Cervay said. "It's clear they're not blowing us off, which I see as a good sign."

Michael Loftus, a Washington, D.C., lawyer representing the four cities before the board, declined to speculate on the railroads' reaction to the alternative routing proposals.

He anticipates the Surface Transportation Board, which is expected to rule on the Conrail breakup plan in spring, will give thorough consideration to cities' recommendations because the board is eager to avoid the train traffic bottlenecks caused by the Union Pacific's recent acquisition of the Southern Pacific railroad.



Police program trades on trust

Trading cards featuring Crown Point police officers a big public relations boost for community. **Region/B-3**

Story tip or comment? Call Times West Lake Editor Joe Puchek, (219) 933-3250; or e-mail, puchek@howpubs.com

East Chicago opposed to more trains

Conrail breakup plan would bring more trains through region

BY BOB TITA
Times Staff Writer

EAST CHICAGO - Motorists in northern Lake County will see more frequent delays at railroad crossings if the federal government approves a plan to carve up Conrail.

Officials from Hammond, Whiting, East

Chicago and Gary have joined forces to oppose the plan, which is expected to increase train traffic in the region by up to 50 percent.

CSX Corp. of Richmond, Va., and Norfolk Southern Corp. of Norfolk, Va., have asked the federal Surface Transportation Board for permission to divide the routes now operated by Consolidated Rail Corp.

The Indiana Harbor Belt Railroad also would be affected by the breakup because Philadelphia-based Conrail is the majority owner of the short-haul railroad.

"All they're talking about is taking Conrail and IHB's tracks and increasing the traffic," said lawyer Justin Murphy, who is coordinating the four cities' response to the Conrail breakup plan.

Along with additional trains, Murphy predicted there would be more block crossings in Lake County as engines idle their trains while waiting for tracks clear in Chicago, already the nation's largest switching center.

The breakup plan also asks the Surface Transportation Board for permission to increase train speeds on tracks in the region. Murphy said trains that now crawl through East Chicago at 10 or 20 mph

See TRAINS, 1

Continued from B-1

would be allowed to travel 40 mph.

Murphy said the speed increase would pose a safety risk for motorists now accustomed to driving around lowered crossing gates to avoid a slow-moving train. Murphy said a recent study of CSX's Indianapolis Boulevard crossing near City Hall found that 10,000 motorists a day disregard the flashing red lights and crossing gates.

"They're used to trains going 25 mph," he said. "At 40 mph, they wouldn't even see it."

The City Council on Friday approved a cooperation agreement with Hammond, Whiting

and Gary so the four cities can submit a counterproposal for the Conrail breakup to the transportation board.

The centerpiece of the cities' plan calls for diverting the anticipated increase in train traffic to the railroad right of way under the nine-span bridge on Indianapolis Boulevard and rights of way under bridges on Cline, Calumet and Hohman avenues.

The transportation board is expected to decide next spring on CSX and Norfolk Southern's dismantling of the 45,000-mile Conrail system.

"It's an acquisition that will go forward," Murphy said. "We just want East Chicago to have sufficient input and not stand alone."

LAKE COUNTY
NW INDIANA

8-31-97

Police, school officials concerned with train stoppages

BY DANIEL J. YOVICH
Times Staff Writer

HAMMOND - City police are mounting an intensive campaign against stopped or slow-moving freight trains.

The issue of blocked intersections along the Norfolk and Southern Railway line in the city's Hessville section is older than many residents.

For years, motorcycle police have played a cat-and-mouse game with conductors, ticketing them and leaving the railroad companies liable for up to \$1,000 in fines for every 10 minutes a train halts traffic.

Munster, Griffith and East Chicago officials

say trains have posed traffic and sometimes safety problems in their communities.

Lt. Edward Samuels of the East Chicago police said delays at city crossings have been minimized through an ongoing dialogue with rail operators.

Munster police Chief William Sudberry said delays at the Calumet Avenue crossing at 45th Avenue occasionally result in Dyer police having to respond to emergencies in the southern part of town.

"It's gotten to be an ongoing problem and has reached the point where I had to confer with the prosecutor to make sure each and every ticket is settled for the maximum fine," he said.

What is new, and frightening, is that Hammond police and city officials have witnessed school-age children in recent days climbing under freight cars at intersections on Parrish and Grand avenues.

Police Chief Fred Behrens said conductors have told police the reason for the delays is a problem at a switching station near Indianapolis Boulevard.

Behrens said he isn't sure if that explanation is true. Late last week, a Hammond police officer ticketed a Norfolk and Southern train five times in one hour after the conductor was found eating lunch at a Hessville restaurant as his

See CROSSINGS, B-2

train blocked traffic along 169th Street just east of Kennedy Avenue.

"I have personally seen trains on those tracks block traffic for 45 minutes," Behrens said. "What has really escalated our concern is that kids are climbing over these trains. It's only a matter of time until something very tragic happens."

City Councilman Robert Golec, D-6th, said the fines imposed in court have made no impact.

The conductors are not ticketed. Instead, police write the ticket against the railroad companies and a corporate lawyer appears in court monthly to settle the matter.

"The ideal solution is for them to relocate the line. We've been talking to them about that for years but nothing has ever come of it," Golec said. "The fines are really a joke. The money comes from the company, not the conductor, so it has little impact. One of these days a real tragedy will take place and that is when people will say that something has got to be done."

Scott Middle School Principal Frank Lentvorsky said the school year began for new sixth graders with a special safety briefing that explained to children the dangers of trying to go over or under a stopped train. The school tardy policy has been adjusted and children are no longer marked late for school if a train has delayed their arrival.

"It is, unfortunately, a real temptation for the kids when a train is stopped," Lentvorsky said. "We tell them, if you're 12 years old, you're going to live another 50 years. But that is going to be kind of tough without a pair of legs."

Susan Terpay, Norfolk and Southern spokeswoman, said conductors are instructed not to halt trains in Hammond, but to wait outside the city if switching or other problems occur.

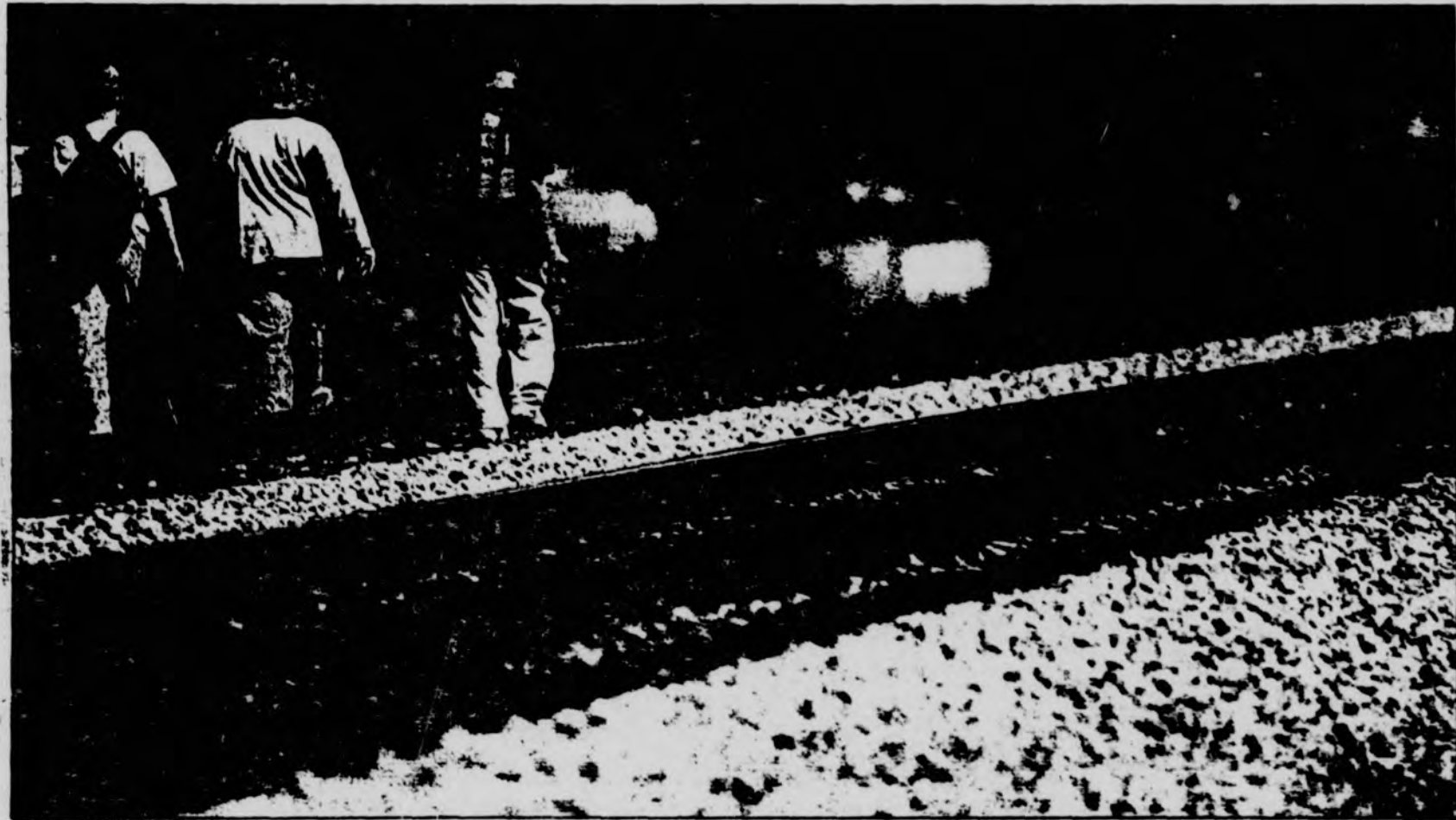
There are times that is impossible because a signal light will unexpectedly glow red, indicating a problem has developed that could lead to a derailment if a train is not stopped, Terpay said.

"Our police will immediately set up surveillance of these areas and get out and talk to the kids," Terpay said. "What's important to remember here is that when a train is stopped, it can begin moving at any time. Potentially, it can be a very dangerous situation."

LAKE COUNTY
NW INDIANA

STOPPED TRAINS A CONCERN IN HAMMOND, INDIANA 8-31-97

RAILING *at* CROSSINGS



WILL POWERS / THE TIMES

Students from Morton High School and Scott Middle School use the railroad tracks south of 173rd Street as a shortcut to their homes. The principal of Scott Middle School said the school year began for new sixth-graders with a safety briefing about the dangers of trying to go over or under a stopped train.

LAKE COUNTY
NW INDIANA

STB

FD-33388

6-22-98

K

ID-COUNTY



Edward H. McNamara
County Executive



CENTRAL ADMINISTRATIVE UNIT
REC'D: 7/6/98
DOCUMENT # 7-6-98 4:13:58pm

June 12, 1998

Surface Transportation Board
U.S. Department of Transportation
Section of Environmental Analysis
1925 K Street, NW
Washington, D.C. 20423-0001

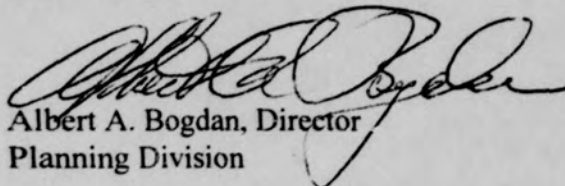
Attention: Elaine Kaiser

Subject: Final Environmental Impact Statement (Finance Docket No. 33388) - Proposed
CONRAIL Acquisition

Dear Ms. Kaiser,

The Wayne County Planning Division is pleased to support the Surface Transportation Board, U.S. Department of Transportation application to the U.S. Department of Transportation/Surface Transportation Board. We strongly urge the U.S. Department of Transportation to give your project positive consideration based on the sound merits of your application.

Sincerely,


Albert A. Bogdan, Director
Planning Division

AB/kb

cc: R. Pfaff, Jr.

DEPARTMENT OF JOBS & ECONOMIC DEVELOPMENT • PLANNING DIVISION
L-14 WAYNE COUNTY BUILDING • 600 RANDOLPH • DETROIT, MICHIGAN 48226
PHONE: (313) 224-5018 • FAX: (313) 224-7450

STB

FD-33388

6-22-98

J

ID-~~18840~~

188840

188840

ARNOLD & PORTER

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

(202) 942-5000
FACSIMILE (202) 942-5999

MARY GABRIELLE SPRAGUE
(202) 942-5773

NEW YORK
DENVER
LOS ANGELES
LONDON

June 22, 1998

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Mercury Building
1925 K Street, N.W.
Washington, D.C. 20423-001



ENTERED
Office of the Secretary

JUN 23 1998

Part of
Public Record

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 Secretary Williams:

At the voting conference on June 8, 1998, Chairman Morgan stated that the parties to an agreement relating to environmental matters could advise the Board within two weeks if they do not want the agreement imposed as a condition. Transcript page 127. CSX is writing to direct the Board's attention to the agreement between CSX and Chicago Metra and the agreement among CSX, NS and the New Jersey Department of Transportation/New Jersey Transit Corporation which were previously submitted to the Board.

Chicago Metra. After CSX and Chicago Metra entered into an agreement dated February 19, 1998, counsel for Chicago Metra filed the Notice of Change of Position on Behalf of Chicago Metra with the Board on February 23, 1998. That Notice states as follows (at page 2):

Although the Letter Agreement does not result in the imposition of a formal condition upon the Board's approval of this transaction, Metra and CSXT request that the Board confirm in its decision approving the transaction the understanding of the parties that the contents of the Letter Agreement will be considered by the Board as representations to the Board that the parties will comply with the terms of the Letter Agreement. *See, Union Pacific*

ARNOLD & PORTER

Chairman Linda S. Morgan
June 22, 1998
Page 2

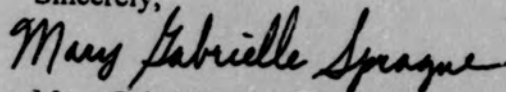
*Corporation, et al. - Control and Merger - Southern
Pacific Railroad Company, Finance Docket No. 32760,
Decision No. 44, served August 12, 1996, at 12, n. 14.*

New Jersey Department of Transportation/New Jersey Transit Corporation
("NJDOT/NJT"). Counsel for Applicants submitted the agreement among CSX, NS and
NJDOT/NJT dated March 20, 1998 to the Board on April 20, 1998. The agreement
(Part I, page 1) states that NJDOT/NJT "agrees to withdraw its request for conditions."
The cover letter states as follows (at pages 1-2):

Applicants understand that although the attached agreement
does not provide for the imposition of any conditions by the
Board, the submission of this agreement may be considered
by the Board as a representation by the applicants that they
will comply with its terms. See UP/SP, Finance Docket
No. 32760, Decision No. 44, served Aug. 12, 1996 at 12,
n. 14.

Although the cover letter was signed only by counsel for Applicants, counsel for
Applicants had consulted with NJDOT/NJT regarding the wording of the cover letter, and
had obtained the consent of NJDOT/NJT to the wording of the cover letter.

Sincerely,



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

cc: All Parties of Record

STB

FD-33388

6-19-98

J

ID-188747

168747

LAW OFFICES

REA, CROSS & AUCHINCLOSS

SUITE 570

1707 L STREET, N.W.

WASHINGTON, D. C. 20036

(202) 785-3700

FACSIMILE: (202) 659-4934

THOMAS M. AUCHINCLOSS, JR.

LEO C. FRANEY

JOHN D. HEFFNER

KEITH G. O'BRIEN

BRYCE REA, JR.

BRIAN L. TROIANO

ROBERT J. WILSON

DONALD E. CROSS (1923-1986)

Office of the Secretary
Entered

JUN 19 1998

Part of
Public Record

June 19, 1998



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

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

Dear Mr. Williams:

The State of Ohio and its participating agencies are very much aware that the Board has committed to impose conditions intended to promote competitive options and to further regional development in Ohio. In this regard, Ohio appreciates assurances made during the voting conference that the Wheeling & Lake Erie Railway Company (W&LE) and other smaller railroads providing essential service in the Ohio region will be viable and will continue to be able to compete post merger. Ohio also appreciates the Board's commitment to Ohio aggregate shippers that they are not to be disadvantaged by division of Conrail lines between CSXT and NS.

The participating Ohio agencies have received copies of filings submitted on behalf of W&LE and aggregate shippers Wyandot Dolomite and National Lime and Stone company, all of which seek clarification as to the nature and scope of specific conditions the Board intends to impose to accomplish objectives as stated during the voting conference on June 8, 1998. Throughout those proceeding Ohio has insisted on the importance of keeping W & LE viable and on maintaining availability of single line service for Ohio aggregate shippers.

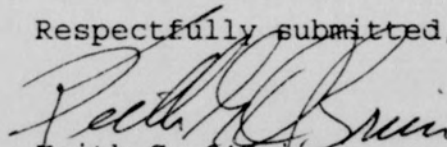
Ohio strongly supports these requests for relief and clarification as they will serve to confirm that Ohio aggregate shippers will have permanent single line access to markets in

Mr. Vernon A. Williams
June 19, 1998
Page Two

which they are now competitive and to otherwise clarify new competitive service options that W&LE will be able to provide aggregate shippers. In addition, the clarifications sought by W&LE will serve to confirm commitment to its viability and to expedite negotiations among the affected rail parties in the interest of all who are concerned with continuing availability of rail service from the W&LE.

For all the above stated reasons Ohio urges the Board to act expeditiously in granting the relief and clarification sought by W&LE, Wyandot Dolomite and National Lime and Stone Company.

Respectfully submitted,



Keith G. O'Brien
Counsel for Ohio Attorney
General, Ohio Rail
Development Commission
and Public Utilities
Commission of Ohio

cc: All Parties of Record

STB

FD-33388

6-8-98

K

ID-PUBLIC

Elaine K. Kaiser, Chief
Section of Environmental Analysis
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423



ENVIRONMENTAL DOCUMENT

June 1, 1998

Dear Ms. Kaiser:

As a resident of Northwest Indiana, I feel I must comment on the proposed plan by the Four Cities Consortium, to divert trains away from at-grade crossings on heavily-traveled roads. Also, as a registered nurse, my input is health-oriented, with the goal of improving the quality of life for area residents. The plan by the CSX and the Norfolk Southern railroads, if put into effect, would greatly jeopardize the health of the area.

It is vital to the health of the population of this area that your board strongly considers the plan of the consortium of mayors. Currently, railroads already tie up traffic much too long on a daily basis. This creates problems for ambulances and other emergency vehicles; incidents of "road rage;" and incite way too many drivers to try to "dodge" the trains as they are coming down the tracks, in order to avoid a long wait. The study done for the Four City Consortium indicates that these problems (and others, e.g., pollution, fuel and oil consumption, and lost productivity) will increase exponentially if the railroads have their way. If anything, "there oughta be a law" that trains using at-grade crossings tie up traffic for a maximum of five minutes per crossing. This would decrease all the aforementioned problems.

Perhaps you are aware of *Healthy People 2000*, a group of health initiatives developed by the U.S. Department of Health and Human Services to increase our nation's health by the year 2000. Well, the proposed plan of the railroads would set this plan back in all three of its target areas. The target areas are 1) prevention, 2) health protection, and 3) health promotion.

Allow me to explain. The increased railroad traffic would greatly increase blood pressure levels of the residents who are delayed by the trains (prevention). An increase in traffic would also affect health protection in that it would cause a large increase in traffic accidents and toxic agents. And it would affect health promotion in that stress would increase to a very high degree. It just might make our area unliveable.

I beg you to listen to the Consortium. DO NOT LET the railroads win this one.

Very sincerely,

Rose M. Nishimura, R.N.
1014 Holly Lane
Munster, IN 46321

STB

FD-33388

6-8-98

K

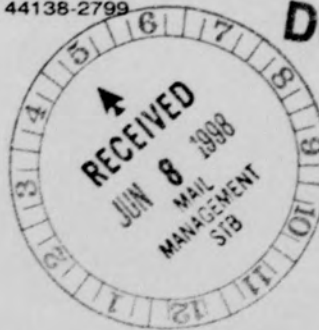
ID-CITY

City of Olmsted Falls

FOUNDED IN 1814
9722 COLUMBIA ROAD
OLMSTED FALLS, OHIO 44138-2799

ADMINISTRATION BUILDING
(440)235-5550

ENVIRONMENTAL
DOCUMENT



June 3, 1998

Elaine K. Kaiser
Environmental Project Director
Surface Transportation Board
1925K Street, NW
Washington, D.C. 20423-0001

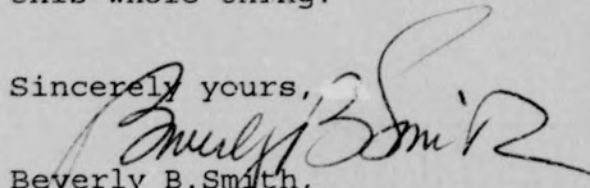
Dear Ms. Kaiser:

We have received the final Environmental Impact Statement on the proposed ConRail Acquisition. Just to let you know that your work is not in vain...I have been scanning through it.

One minor boo-boo occurs in Volume 7, Page AD-A-55 where you list Lewis Road as belonging to Berea when in truth it belongs to Olmsted Falls. It is the last entry on the page. Just to make your day there streets of Bronson, Stearns and Fitch are located in Olmsted Township rather than the City of Olmsted Falls but that is not a hill to die on. However giving our roadway to Berea is!

Do you send out additional bottles of Murine to those who read this whole thing?

Sincerely yours,


Beverly B. Smith,
President of Council
City of Olmsted Falls
(who lives on Lewis Road)

STB

FD-33388

6-8-98

K

ID-GOV



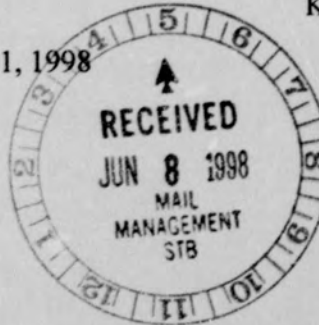
North Carolina
Department of Administration

ENVIRONMENTAL
DOCUMENT

James B. Hunt, Jr., Governor

Katie G. Dorsett, Secretary

June 1, 1998



Ms. Elaine Kaiser
Surface Transportation Board
Office of the Secretary
Case Control Unit, Fin. Doc. 33388
1925 K Street, N.W.
Washington DC 20423-0001

Dear Ms. Kaiser:

Subject: Final Environmental Impact Statement - Proposed Acquisition of Conrail by Norfolk
Southern Railroad and CSX Railroad

The N. C. State Clearinghouse has received the above project for intergovernmental review. This project has been assigned State Application Number 98-E-0000-0780. Please use this number with all inquiries or correspondence with this office.

Review of this project should be completed on or before 06/25/1998. Should you have any questions, please call (919)733-7232.

Sincerely,

Ms. Jeanette Furney
Administrative Assistant

STB

FD-33388

6-8-98

K

ID-PUBLIC

CENTRAL ADMINISTRATIVE UNIT

REC'D: 6-8-98

DOCUMENT # 6-26-98 10:35:39am

MONDAY, JUNE 1, 1998

A-7

Mrs R C Chlebowski
6719 New Hampshire Ave
Hammond, IN 46323-1957

Dear Ms Kaiser - I am enclosing an article from our Hammond Times paper regarding the Railroads plans to increase both number & length of the trains in Hammond.

I tell you right now it would be an ugly situation. I live in a section called Hessville, Ind. With 1 train long as sitting, 12 to 14 crossings are trapped. You cannot move cross town.

School kids go thru the cars to get to school on time, the schools are on different ends of town, many of them cars pile up and idle, funerals are stopped, ambulances wait, no car can move. idling motors are speeding exhaust for up to 20 min.

I hope you will consider our situation and pay close attention to what the gentlemen tell you. If this happens, more cars will also go thru the gates rather than wait.

Thank you,

Mrs. Rosemary Chlebowski

PUBLIC INPUT

When the Railroads Consortium travels to Washington D.C. on Thursday, they know they will be lacking one key piece of information the Surface Transportation Board is seeking: public comment.

Hammond lawyer Justin Murphy said the federal agency wants written proof that citizens in Northwest Indiana are behind the consortium's plan to divert trains away from at-grade crossings on heavily traveled roads.

Anyone wishing to contact the agency should write within the next two weeks to:

Elaine K. Kaiser, Chief
Section of Environmental
Analysis
Surface Transportation
Board

1925 K Street NW
Washington D.C. 20003

Those who oppose the railroad's plans to increase train length and speed must be talking directly to the Surface Transportation Board and not the Railroads Consortium.

The agency has a deadline of June 15 to receive public comments on the proposed changes.

Murphy said the agency wants written proof that citizens in Northwest Indiana are behind the consortium's plan to divert trains away from at-grade crossings on heavily traveled roads.

A study of a proposed crossing at the Hammond area of the Chicago and North Western Railroad is being conducted by the Surface Transportation Board.

The study is being conducted by the Surface Transportation Board and the Railroads Consortium. The study will be completed by June 15.

ELAINE K. KAISER CHIEF
SECTION OF ENVIRONMENTAL

June 2, 1994
CENTRAL ADMINISTRATIVE UNIT
REC'D: 6-8-98
DOCUMENT # ~~6-26-98~~ 10.21.22a

I AM BEHIND ANY EFFORT TO
STOP THE TRAINS AT STREET CROSSINGS,
& THE POLLUTION CAUSED BY THEM.

THE TRAINS CURRENTLY RUN BEHIND
US & SOMETIMES SIT FOR HOURS --
THIS IS BAD ENOUGH. BUT MORE
TRAINS & HEAVY LOADS WILL PROBABLY
JUST ABOUT RUIN OUR RESIDENTIAL
AREA.

THE SMELL & DIRT THE WAY IT IS
NOW IS SOMETIMES TOO MUCH.

AFTER 3 TRAINS GO BY I'M
EITHER IN THE HOUSE OR LEAVE.

THIS IS OUR HOME. WE BOUGHT
IT BRAND NEW, & IT COST US
A LOT TO LIVE HERE. HOPEFULLY,
THE RAILROAD WON'T BE ALLOWED
TO RUIN THAT & OTHER PROPERTIES.

Rhonda J. Hoffman
2513 Patricia St., Fortney 204636

CENTRAL ADMINISTRATIVE UNIT

REC'D: 6-8-98

DOCUMENT # 6-26-98 9:59:18am

June 1, 1998

326.3600 Sheffield

Hammock Dr. 463:

I'm behind the plan to divert
trains at heavily traveled roads. (Hammock
Ave)

We in N. Hammock are caught
(going south) by very long trains. The
traffic is backed up almost to
Michigan St.

The day last month, (coming home)
I was stuck for 45 min. The
train wasn't moving - No police,
nothing in paper. I'm still wanting
to know why police didn't break the
cars. Every crossing from Columbia
to Wabash Ave. was blocked.

Sincerely
Mrs. Maryjoy Lukowicz



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

JUN 09 1998

CENTRAL ADMINISTRATIVE UNIT

REC'D:

DOCUMENT # 624-98 12:09:44 pm

Barbara A. Aguilar
1134 Bannard Street
Cinnaminson, New Jersey 08077

Dear Ms. Aguilar:

This is in response to your April 15, 1998 letter concerning New Jersey Transit's (NJT) plan to introduce commuter rail service on an existing Conrail freight line between Camden and Trenton, New Jersey. Your letter enclosed an April 11, 1998 letter you sent to the Surface Transportation Board expressing concern about various issues related to the project, and requested assistance from the Environmental Protection Agency (EPA) in addressing your concerns.

Your letter indicates that the proposed project would involve considerable development, including construction in and over wetlands adjacent to the Delaware River and its tributaries. Based on our conversations with NJT, we understand that it is evaluating obtaining trackage rights in order to provide commuter service. Because the project would be entirely state-funded, EPA would have little authority to formally review or intervene in the proceedings of the project. However, it is our understanding that, as part of its permitting process, NJDEP will require the preparation of a state environmental impact statement, and will conduct public hearings on the project. Accordingly, we believe there are sufficient mechanisms in place to ensure that your concerns are addressed.

For specific information on permit requirements and associated environmental analyses for the project, you may wish to contact either the NJDEP at (609) 984-0288, or the NJT at (973) 491-8226.

Your interest in protecting the environment is greatly appreciated.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Robert W. Hargrove", is written over the typed name.

Robert W. Hargrove, Chief
Strategic Planning and Multi-Media Programs Branch

cc: E. Kaiser, STB ✓
R. Ehinger, NJDEP
P. Elston, NJT

STB

FD-33388

6-5-98

K

ID-CITY



CITY OF NEW YORK

ENVIRONMENTAL DOCUMENT

PRESIDENT OF THE BOROUGH OF BROOKLYN

BOROUGH HALL 209 JORALEMON STREET, BROOKLYN, N.Y. 11201

1-718/802-3700

FAX: 1-718/802-3778

HOWARD GOLDEN
PRESIDENT

June 3, 1998

Ms. Elaine Kaiser
Chief, Section of Environmental Analysis
Surface Transportation Board
Office of the Secretary
Case Control Unit
1925 K Street, NW
Washington, DC 20423-0001



Re: Finance Docket # 33388 Environmental Filing
ConRail Acquisition by CSX and Norfolk
Southern Draft Environmental Impact Statement

Dear Ms. Kaiser:

I am writing to you with my comments on the above referenced Draft Environmental Impact Statement (DEIS). I am including suggestions on mitigation measures that would address potential impacts that are likely to result from the proposed ConRail Acquisition by the CSX and Norfolk Southern railroads. My comments speak to both procedure as well as technical substance.

In my view, development of the DEIS did not provide sufficient opportunity for public input into the scoping process. Area-wide public participation would have helped identify locally relevant issues for further investigation. In addition, the subject document is not in compliance with the full disclosure requirement of the National Environmental Policy Act as it does not identify local impacts.

Brooklyn, as well as the entire New York metropolitan region east of the Hudson River, is dependent on trucks for the movement of 97 percent of its goods. Brooklyn and the surrounding region are part of the largest consumer market in the United States and have become truck dependent for two main reasons:



Ms. Elaine Kaiser
June 3, 1998
Page 2

- 1) ConRail, in exercising its monopoly, failed to extend direct rail service into New York City, but maintains two inefficient, time consuming and costly methods to move rail freight across the Hudson River:
 - via the limited-capacity Cross Harbor Rail Road train car float operation from Brooklyn to Greenville, NJ and onto the national rail system;
 - via a circuitous route up the west bank of the Hudson to Selkirk, NY across the Hudson, and down the east side of the Hudson;
- 2) the Port Authority of New York and New Jersey refused to implement its own Comprehensive Plan approved by New Jersey and New York in 1922, which included the proposal to build a Cross-Harbor Rail Tunnel.

On several occasions during the proceeding, representatives of CSX and Norfolk Southern indicated that they were eager not only to serve our region but to aggressively compete against trucks. A fulfillment of this promise would be quantified by a change in truck volumes over the George Washington and Verrazano Narrows Bridges, and via the cross harbor rail float barge operation. Implementing such a change would be a beneficial out-growth of the Proposed Acquisition by reducing truck traffic on major regional highways. However, changes in rail hauling of commodities to and from Brooklyn and the region east of the Hudson do not appear to be documented in the DEIS. Unless the Acquisition results in a documented decrease in this region's truck dependency, there will be no distinct change from the old ConRail monopoly and therefore little benefit to the consumers and communities in this region.

I have enclosed more extensive comments with additional recommendations for a more effective railroad service to New York City, and for inclusion in the public record. An effective ConRail acquisition is needed not only to make the railroads more competitive with trucks, but to reestablish the Surface Transportation Board as an independent railroad regulator.

Thank you for the opportunity to comment on an event that could have a profound impact on the people and environment of Brooklyn. I look forward to contributing to the formulation of an action plan that would enable me to support the Acquisition in the months ahead.

Sincerely,


Howard Golden

Enc.

Ms. Elaine Kaiser
June 3, 1998
Page 3

cc: Honorable George Pataki
Governor of New York State
Honorable Rudolph Giuliani
Mayor of New York City
Honorable Jerrold Nadler
United States Representative
Rodney Slater, Secretary of Transportation
United States Department of Transportation
Honorable Guy Molinari
Borough President of Staten Island
John Guinan, Director of Passenger and Freight Transportation
New York State Department of Transportation
Richard Maitino, Regional Director
New York State Department of Transportation
Robert Boyle, Executive Director
Port Authority of New York and New Jersey
Charles Millard, President
Economic Development Corporation
James Harris, Executive Director
New York Metropolitan Transportation Council

**PRESIDENT OF THE BOROUGH OF BROOKLYN**

BOROUGH HALL 209 JORALEMON STREET, BROOKLYN, N.Y. 11201

1-718/802-3700

FAX: 1-718/802-3778

HOWARD GOLDEN
PRESIDENT**COMMENTS TO THE SURFACE TRANSPORTATION BOARD
BY HOWARD GOLDEN
BROOKLYN BOROUGH PRESIDENT
REGARDING THE PROPOSED CONRAIL ACQUISITION**

ConRail, the largest rail freight provider in the Northeast, serves the New York metropolitan area, the largest consumer market in the United States. Any proposed redistribution of its assets must include provisions to increase direct rail freight access to the New York City area. It is vital to Brooklyn and New York's economic health that rail freight play a larger role in the metropolitan area transportation infrastructure. My comments focus on:

- o the implications of this merger for economic development and job creation and retention in Brooklyn and the region;
- o the agreement's effect on purchase costs to New York City consumers;
- o the possible effects of this development on chronic traffic congestion and pollution burdening the city; and
- o the effect of this merger on the viability and maintenance of the borough's and the region's infrastructure.

ECONOMIC ASPECTS OF RAIL FREIGHT

The history of rail freight in Brooklyn and New York City is directly linked to the operations of the Port of New York. As rail use declined locally due to rail infrastructure neglect and abandonment in favor of vehicular transport, containership operations began to dominate world commerce. The lack of direct rail access into New York City resulted in the port facilities in New York Harbor being allowed to decline. Port activities migrated to other ports and to New Jersey, where nationwide rail access terminated and new facilities were developed under the auspices of the Port Authority of New York and New Jersey.



A cross-harbor rail tunnel, which was part of the Port Authority's founding mandate, never materialized. Trucks were increasingly utilized to transfer freight across the Hudson. Currently, 97% of the freight entering New York City is transported to warehouses, distribution centers and other locations by truck. Rail freight in New York City accounts for only 2.8% of total freight tonnage, whereas the rest of the nation averages over 26%. Thus, while ConRail exercised a monopoly over freight traffic in the Northeast, New York City became almost exclusively truck dependent.

Although ConRail serves other cities in the Northeast directly, the existing rail freight network provides access to New York City by three indirect routes:

- o Via a connection from Cranford, New Jersey over a lift bridge across the Kill Van Kull on the Staten Island Railway terminating at St. George. Current plans to improve this route will not provide access to Brooklyn and the rest of the city.
- o Via a connection to the New York Cross Harbor Rail Road (NYCHRR) at the Greenville, New Jersey, rail yard. From there, NYCHRR provides rail car float barge transport to three Brooklyn facilities: the South Brooklyn Marine Terminal, Bush Terminal, and the 65th Street Yard. Use of NYCHRR requires the physical transfer of rail cars on and off float barges, a system of limited capacity.
- o Via a long and circuitous route over a rail bridge, south of Albany across the Hudson, to the Hudson Line at Selkirk, New York. This line currently terminates at the Oak Point Yard, in the Bronx. This is ConRail's primary classification facility in the city.

The inefficiency and added cost of these indirect connections has resulted in a minimal rail freight market share of cargo shipments into New York City. The inherent cost savings of rail transportation are thus denied to New York City consumers. Improvements to the rail freight system and its operations are being reevaluated and slowly implemented:

- o The 65th Street Rail Yard, owned by New York City Economic Development Corporation (EDC), is being turned over to Metropolitan Transit Authority-Long Island Rail Road (MTA-LIRR) for operations. This terminal has yet to be completed. The yard will be utilized for intermodal linkages (rail/truck and rail/barge) after the new rail car float bridge is completed.
- o The LIRR recently privatized its operations by leasing rights to its freight tracks and facilities to the Anacostia and Pacific Railroad and its New York and Atlantic subsidiary, to make rail cargo service in this system profitable.

- o In the late 1970's, ConRail filed a Unified Port Tariff establishing equal rail freight cost to both sides of the Port of New York. This provision was implemented by the Port Authority through a New York State subsidy, with cross-harbor service being provided at the time by the NY Dock Railroad. Although the tariff and the subsidy are no longer in effect, the rail car float service is still provided by NYCHRR which is seeking to upgrade its operations.
- o In the 1970's the New York State Legislature initiated the Full Freight Access Program which included the following initiatives:
 - * Improvement of headroom clearance on existing rail lines by raising overhead bridges and lowering tracks. This effort was confined largely to areas north of New York City and has had no effect on rail infrastructure in Brooklyn, Queens and Long Island.
 - * Construction of the Oak Point Link, an 1.9-mile freight rail link between the Oak Point and the Harlem River Yards, that would remove cargo trains from the "zig-zag" route that presently traverses busy passenger train lines in the Bronx. This link is complete.
 - * Conversion of the Harlem River Yard into an adequately sized intermodal transportation facility that would make it possible to move truck trailers or ship containers onto rail flatcars. The construction program of the Harlem River Yard intermodal facility has begun. It remains to be seen whether the yard staging areas dedicated exclusively to rail operations are sufficient to accommodate current and future intermodal activities.

However, all of these initiatives have not significantly increased rail freight access to New York City to date. More is needed to make rail truly competitive with trucking.

TRAFFIC AND POLLUTION

The economy of the city is dependent on an evolving and growing cargo transport network. The growth of infrastructure carrying trucks, however, has reached a limit within the city's dense urban environment. This has imposed constraints on the city's economy and has contributed to higher consumer costs.

The future importance of rail freight access to Brooklyn and the city is underscored by the current negative environmental effects of trucking on our communities. Chronic traffic congestion and non-compliance with federal clean air regulations result in significant safety deficiencies, health problems and added economic costs.

In turn, increasing congestion and rising real estate prices in the city have forced most trucking operations to locate their terminals in suburban areas, thus contributing to the further growth of truck traffic into and out of our borough. Degradation of air quality,

hidden health costs, multiplying costs of street and highway maintenance and reconstruction, and a rising cost of living are a legacy of the region's dependence on high-cost truck traffic that makes it imperative to reduce truck volumes in the city.

Roadway deficiencies will become more acute as the national trend to larger trucks accelerates. Current efforts to address highway capacity problems include the proposed "twinning" of the Goethals Bridge and the widening of the Staten Island Expressway. However, these actions will not address the shortcomings of the rest of New York City's highways and, in fact, may make them worse. Insufficient vertical and horizontal clearances at the Brooklyn Battery Tunnel and the Kosciuszko Bridge and structural deficiencies in the Gowanus Expressway and the Shore Parkway exacerbate truck access difficulties. The artificial traffic and economic conditions engendered by the westbound-only Verrazano Narrows Bridge toll configuration cause additional, avoidable congestion and economic losses in this transportation corridor.

It is my view that the region cannot build itself out of these problems with additional local highway capacity. Part of the solution lies in the future of New York's excellent harbor.

PORT CONSIDERATIONS

Past disinvestment in the city's port facilities and the development of a new generation of container ships with a draft of 50 feet resulted in increased competition from the ports of Halifax, Nova Scotia and Norfolk. Should New York Harbor lose the race as a major destination of these ships, 90,000 port-generated jobs in this region would be at risk.

The lack of direct rail access into New York City helped give birth to the Newark and Elizabeth containerports. For the new generation of containerhips to reach the New Jersey containerports, however, the Kill Van Kull channel must be blasted to a new depth of 50 feet at a cost of \$2 billion over the next 15 years. The resulting channel would still be too narrow for the simultaneous passage of two ships heading in opposite directions.

The Brooklyn waterfront, on the other hand, has been identified as a feasible port facility for the larger ships. It has naturally deep water, requiring only limited maintenance dredging rather than blasting. Its modernization along with the construction of a new rail tunnel crossing the harbor and various ancillary port improvements would attract and retain the new containerhips in New York.

In response to this need, EDC analyzed nine potential harbor-crossings for improved rail freight access into the city. Of these, the alternatives with the greatest potential for truck volume reduction include a 2.5-mile, \$854 million rail freight tunnel from Greenville, N.J. to Brooklyn and a 2.8-mile, \$909 million rail freight tunnel from Staten Island to Brooklyn. The next step for these proposals would be their evaluation under major investment studies, currently underway.

RECOMMENDATIONS

Rail freight service to Brooklyn and New York City, must be enhanced as part of the actions disposing of ConRail assets. To that end, I make the following recommendations:

- o The sale of ConRail should be completed expeditiously in order to avoid interruption or delays in the process of operating and improving rail freight in the region.
- o The sale should result in a competitive, balanced system with true seamless access to other transcontinental railroads, instead of a new version of the old monopoly. To achieve this, both carriers should retain New York City access through track rights to the Greenville and the Selkirk facilities, from both sides of the Hudson.
- o The reconfigured carriers should be obligated to provide or preserve necessary links and spurs to regional rail connections across the Hudson to the city and Brooklyn, including the proposed rail tunnel.
- o Contracts assigning ConRail assets and services should require freight rates to be subject to competition. Furthermore, a mechanism for reinstating the single shipping rate for delivery of goods to either side of the Port of New York should be developed.
- o The assignment contracts should mandate the retention of cross harbor rail car float barge transport delivery by the rail carriers, free of state and local subsidies.
- o The reconfigured carriers should be required to propose and develop, in coordination with New York State, New York City and local officials, a comprehensive regional rail freight plan that would include seamless connections to rail infrastructure on both sides of the Hudson River. This plan would also identify needed infrastructure and operational improvements within the Borough of Brooklyn, the city and Long Island. Implementation of this plan would be evaluated for use of funds from the forthcoming Building Efficient Surface Transportation and Equity Act (BESTEA), and from the possible participation of public/private partnerships to be formed for this purpose.

- o The state and the city should pursue the formation of similar public/private partnerships to configure and implement the proposed cross-harbor rail tunnel.

Taking advantage of this rare opportunity to reconfigure the transportation system in this region will result in considerable, achievable benefits to the consumers and inhabitants of these dense urban and suburban communities.

STB

FD-33388

6-4-98

K

ID-PUBLIC

ENVIRONMENTAL DOCUMENT

Elaine K. Kaiser, Chief
Section of Environmental Analysis
Surface Transportation Board
1925 K Street NW
Washington, D.C. 20423



6909 McCook Ave.
Hammond, IN 46323
June 1, 1998

Dear Madam:

FD 33388

I am writing in agreement with the Four Cities Consortium from Northwest Indiana, which is in favor of diverting trains away from at-grade crossings on heavily traveled roads.

I am strongly opposed to the railroad's plan to increase the number and length of trains coming through Northwest Indiana and Suburban Chicago. Actually, I am appalled at the thought that rail traffic would become any heavier, and more frequent than it is now.

I live in Hessville, IN, the southeast corner of Hammond and a part of that city, and am located within the triangular area bordered by CSX and Norfolk Southern. Both of these rail lines impact greatly on the traffic, noise, pollution and loss of mobility to all who live here. Even though I am retired, I am an active volunteer in the community and need to be able to get around without long waits at train crossings.

I cannot voice my opposition to the railroad's plan strongly enough, unless I invite you to come and live in my house for a period of time, and experience first hand the impact that trains already have on the environment in Northwest Indiana.

Sincerely yours,

Helen Wing
Helen Wing

ENVIRONMENTAL
DOCUMENT

June 1, 1998

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



Re: Conrail merger and the Borough of Bound Brook, NJ

Dear Chairman Morgan,

The Borough of Bound Brook is little more than a square mile in size. Its southern section has two stretches of Conrail right of way, one along the NJT Raritan Valley line, the other along the Raritan River on a line running from Bound Brook to West Trenton. Since the announcement of the Conrail merger, both these lines have seen a marked increase in activity. This has had profound environmental effect in Bound Brook in the following ways:

- a) freight activity on the Raritan Valley line takes place at night when NJT passenger trains are not running. Increased traffic entails increases in diesel and shunting noise in what remains a predominantly residential area. (Increased train whistles mentioned below.)
- b) increased use of the West Trenton line has meant increased closure of the grade-level crossing used by a spur of this line at the county highway leading across the Raritan River to South Bound Brook. When this crossing is closed, traffic backs up throughout both boroughs. Air and noise pollution are greatly increased. Emergency vehicles become trapped in the traffic.
- c) three grade-level crossings and a station are located within Bound Brook's small area. Another station and additional grade-level crossings are located in Bridgewater, immediately adjacent to Bound Brook, on both the Raritan Valley Line and the West Trenton Line. Increased freight traffic means increased use of air whistles at these crossings and stations. Since Bound Brook is already bombarded by thousands of whistles every day and night from passenger and freight trains, any increase in traffic resulting from the merger is an environmental disaster for the Borough.

Bound Brook is probably typical of many small communities which is already being impacted by the proposed merger, but which is too small to have the sorts of agencies required to monitor environmental impact and to make a submission to your Board. As a condition of the proposed merger, the Board might require that Norfolk/CSX develop a community liaison procedure to monitor and to mitigate local environmental problems like these. Note should be made that the sorts of problems experienced by Bound Brook seem to be unduly concentrated in minority areas.

With thanks for your attention to this matter, I am

Yours truly

Cameron McEwen
338 W Main St
Bound Brook, NJ 08805

cc: Elaine Kaiser, Chief/Environmental Section

Regards Wm

STB

FD-33388

5-26-98

K

ID-PUBLIC

Mrs. Elaine Kaiser,



ENVIRONMENTAL DOCUMENT

I am writing to inform you of my opposition to the proposed railroad merger. My home is located adjacent to the railroad tracks on Bagley Road in Berea Ohio. Currently there are 14 trains a day on these tracks. The noise literally shakes my home. However, at approximately one train every two hours, it is tolerable and the house remains sturdy. Increasing the train traffic to more than 50 trains a day, nearly a 400% increase, is unacceptable.

First and foremost, I fear for the safety of my children. My property value will plummet. My family will no longer be able to enjoy the outdoors. "Mitigation" in the form of sound-proofing our home will force us to live in virtual seclusion, hiding out from the unbearable noise and pollution of the trains. A wall or mound of earth would tower over my house do to the current elevation of the Railroad tracks.

I strongly oppose the merger of the Railroads. However, in the event the merger is approved, I would insist that my home be purchased for fair market value and my family be relocated. This is a minor expense for the profit the Railroad will reap from the merger and the resulting demolition of my property values and quality of life.

Thank You for your attention in this matter.

Troy J Brandt
and family
556 Abbeyshire Dr.
Berea Oh. 44017

STB

FD-33388

5-19-98

K

ID-BUSINESS



**LAFAYETTE
RAILROAD
RELOCATION**

*Reifers Center, Suite No. 2
839 Main Street
Lafayette, Indiana
47901-1461
765-476-8438
Fax: 765-742-8798*

**ENVIRONMENTAL
DOCUMENT**

May 14, 1998

Office of the Secretary
Case Control Unit
Finance Docket No. 33388
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001



Attn: Elaine K. Kaiser
Environmental Project Director
Environmental Filing

Re: Support of Norfolk Southern Acquisition of Conrail

Dear Ms. Kaiser:

On February 18th in Lafayette, Indiana, and on March 24th and 25th in Washington, I and other members of the Greater Lafayette community met with officials from Norfolk Southern Corporation. We have another meeting scheduled next Tuesday in Washington. We understand that these meetings are part of the public outreach effort to provide information on the Conrail transaction, but they are also part of the three decade tradition of cooperation between the City of Lafayette and the railroads, both Norfolk Southern and CSX, to implement the Lafayette Railroad Relocation Project.

I write on behalf of the City of Lafayette to reiterate the support I have previously expressed (letters of 1/30/98 and 5/6/97) for the proposed Conrail acquisition by Norfolk Southern and CSX Transportation.

We agree that the impact of the increased train traffic through our community will be mitigated by the project. To achieve that mitigation in a timely manner, two important steps must occur. Congress must provide the federal funding for the last contract which will relocate Norfolk Southern into a conflict free corridor through our central city. And then, assuming that full federal funding is provided, we must find a way to accelerate its availability so that NS Relocation can begin early in 1999 and be finished in late 2000 rather than wait an additional four years as the anticipated pay-out schedule would dictate.

We are confident that Norfolk Southern will do everything in its power to address these two concerns.

Sincerely,

Dave Heath, Mayor
City of Lafayette, Indiana



STB

FD-33388

5-15-98

K

ID-PUBLIC

548 Abbyshire Drive
Berea, Ohio 44017
May 13, 1998

Ms. Elaine Kaiser
Chief Environmental Analysis
Surface Transportation Board
1925 K Street NW, Suite 500
Washington, D.C. 20423-0001

ENVIRONMENTAL DOCUMENT



Dear Ms. Kaiser:

We are writing to inform you of our strong opposition to the proposed Railroad merger. We live in Berea, a community to the southwest of Cleveland on a small street named Abbyshire. Abbyshire is located adjacent to the railroad tracks. These tracks currently have approximately ten to fourteen trains a day. The merger will increase the train traffic to 52 trains a day, a completely unacceptable increase.

A train every half hour will now be running through our backyards. I cannot begin to tell you how that will change our quality of life. There is, of course, the noise, and although the railroads are discussing "noise mitigation," we cannot conceive of anything - wall, trees or both - that would effectively dampen the noise, the vibration, and the dirt from trains constantly running so close to our home. We would find ourselves prisoners in our homes, unable to venture in our backyards because of the unrelenting trains. Then there is the issue of hazardous wastes being transported on these tracks. Of course, no one ever foresees an accident, but with the increase of trains, the chance of accidents rises exponentially and safety becomes a major concern. There are other issues as well such as increased pollution.

While the railroads stand to gain a billion dollars a year because of the increased traffic, this merger is threatening to destroy everything we have worked for, everything we take pride in.

We are asking the railroads to not give us money for "noise mitigation." We are asking the railroads to purchase our homes at a fair market value so that we can move on with our lives. While everyone is looking to make a profit, we are asking only for what is rightfully ours, what we have earned through hard work and sacrifice.

Thank you for taking the time for careful consideration of our concerns.

Sincerely yours,

Mark & Karen Pilarowski
Mark and Karen Pilarowski

ENVIRONMENTAL DOCUMENT

Thomas A. Hughes
Margaret A. Hughes
21220 Maplewood Ave
Rocky River OH 441

May 13, 1998



Federal Surface Transportation Board,
Section of Environmental Analysis
1925 K St. NW
Washington DC 20423

RE: Doc. FD33388

As neighbors of the Norfolk Southern's Cleveland-Vermilion line, which would suffer a serious increase in rail traffic according to some plans resulting from a proposed merger, we are much concerned about safety aspects of the plans. The increase in traffic over grade crossings in our community would among other things:

- Seriously limit our access to police, fire, and EMS services.
- Increase the risk for many elementary and high school children who must traverse those crossings every day.
- Increase road traffic problems in primarily residential areas.

Moreover, the potential for problems created by derailments, spills, and other accidents would increase dramatically – all in the name of “efficiency” which, in this case, means “unilateral increase in railroad profits.”

Please prevent more traffic on Norfolk Southern's Cleveland-Vermilion line without penalizing other communities.

Thomas A. Hughes

Margaret A. Hughes

Thursday, May 7, 1998

Ms. Elaine Kaiser
Chief, Environmental Analysis
Surface Transportation Board
1925 K Street NW Suite 500
Washington, D.C. 20423-0001

ENVIRONMENTAL DOCUMENT



Dear Ms. Kaiser,

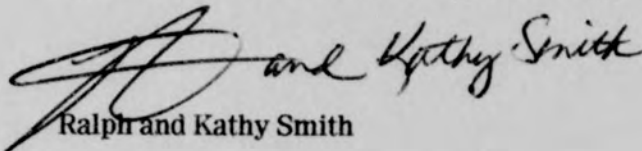
We are writing to inform you of our opposition to the proposed merger of Conrail with CSX and Norfolk Southern.

Our home is located adjacent to the railroad tracks near Bagley Road in Berea, Ohio, where currently approximately 14 trains a day pass by. While the trains are loud, one every two hours is tolerable. However, CSX has proposed increasing this traffic 400%, to over 50 trains a day. While the noise of 50 trains is a major concern, what is more of a concern is the shaking of the earth from those trains, the added dust and diesel fumes, and the increased risk of an accident (i.e. derailment). Our houses are approximately 50 feet from the tracks. The increased traffic would make our backyard an unsafe play area for our children.

Mitigation, as it has been explained to us, would normally come in the form of sound proofing our home. This would require us to live indoors and would ruin the neighborhood we have tried to build. The building of a wall or mound of dirt would put our house in a "cave". Turning the 30 or so houses on the track side of the street into a park (with a hill as a sound barrier) would, however, seem to benefit all involved.

We don't claim to know enough of the economical impact of the proposed merger, or whether it would improve competition or create a monopoly in the markets. We do know that it will directly affect our lives, health, and property value. We are asking that you please look at our small street before making any recommendations on this merger.

Thank you for your attention in this matter,


Ralph and Kathy Smith

cc Michael J. Ruehling
Stephen L. Watson
Dennis J. Kucinich
Stanely J. Trupo

STB

FD-33388

5-14-98

K

ID-PUBLIC

ENVIRONMENTAL DOCUMENT

Dear Ms. Kaiser,

I am a resident of Wellington, Ohio and am writing you to express my concern about how my village will be adversely affected by the increased train traffic if the CSX/Conrail merger goes through.

According to a CSX representative, the crossings in Wellington are the busiest along the proposed new route on which we are located. Yet CSX plans to do nothing to alleviate the traffic problems we will incur when we have a 400% increase in train traffic. We need a grade separation, probably in the form of an underpass. Our safety and the safety of our children is at stake. We have a volunteer fire department, which would be greatly hampered in responding to emergencies with the increased train traffic. We have schools on both sides of the tracks and buses which already have trouble getting across the tracks to get the children to school and back home on time.

Please, as the only agency with the authority to require CSX to build a grade separation, I ask you on behalf of our town to help us.

Sincerely,

Cynthia J. Snyder
223 Millie Dr.
Wellington, Oh 44090



May, 8, 1998

Office of the Secretary
Case Control Unit
STB Finance Docket No. 33388
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423 0001
ATTN: Elaine K. Kaiser



ENVIRONMENTAL DOCUMENT

Re: Proposed Railroad Merger

I presently own a home at 572 Abbyshire in Berea, Ohio which my Daughter and her family occupy. I have visited her on numerous occasions over the years and tried to sleep there and found it near impossible. You have to become accustomed to the noise created by the passing trains day and night. I understand that there is one train every two hours. 50 trains a day, a 400% increase would make the property valueless!

My greatest concern is for the safety of my daughter and her family. When visiting I noticed that they had abandoned the back yard already to the Railroads. The picnic table and the swing set are set up on the side yard. My daughter used to garden in the rear yard but that has now gone to weeds. In the evening they now sit in lawn chairs in the driveway in front of their home. What right does a private enterprise, the Railroads, have to drive them from their Private Property?

I am in opposition to the Merger of the Railroads. If this merger is approved, I will insist that this home be purchased for fair market value and my daughter and her family be relocated. This has been done in the past by Railroads, Expressways and Airport expansion.

Sincerely,

Richard A. Bauerlein

8829 Mano's Circle

New Port Richey, FL. 34655

ENVIRONMENTAL
DOCUMENT

May 1, 1998

FD 33388



Office of the Secretary, Case Control Unit
Finance Docket #33388
Service Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Attention: Elaine K. Kaiser

Dear Ms. Kaiser:

I would like to express my opposition to the proposed acquisition of Conrail by CSX Transportation, Inc. and Norfolk Southern Railroad.

This would entail a 400% rail traffic increase in our small village of Wellington, Ohio, at times cutting off access to the nearest hospital and making it impossible to respond to emergency calls from our local EMT squad and volunteer fire department. The additional rail traffic would have a considerable disruptive effect on our business district which is within a block of the rail crossing. While I am still opposed to the additional traffic, an overpass/underpass at State Route 58 would at least allow our Health and Safety Departments to continue to function efficiently.

Thank you,

Mary Ann Hartman
25801 Clark Rd.
Wellington, OH

ENVIRONMENTAL
DOCUMENT

May 1, 1998

FD 33388



Office of the Secretary, Case Control Unit
Finance Docket #33388
Service Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Attention: Elaine K. Kaiser

Dear Ms. Kaiser:

I would like to express my opposition to the proposed acquisition of Conrail by CSX Transportation, Inc. and Norfolk Southern Railroad.

This would entail a 400% rail traffic increase in our small village of Wellington, Ohio, at times cutting off access to the nearest hospital and making it impossible to respond to emergency calls from our local EMT squad and volunteer fire department. The additional rail traffic would have a considerable disruptive effect on our business district which is within a block of the rail crossing. While I am still opposed to the additional traffic, an overpass/underpass at State Route 58 would at least allow our Health and Safety Departments to continue to function efficiently.

Thank you,

David G. Hartman
Julia M. Hartman

STB

FD-33388

3-27-98

K

ID-STBSEA



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

February 27, 1998

Bruno Maestri
System Director, Environmental Protection
Norfolk Southern Corporation
1500 K Street, Suite 375
Washington D.C. 20005

CENTRAL ADMINISTRATIVE UNIT
REC'D: _____
DOCUMENT # 3-27-98 11:47:45am

Peter J. Shutz
General Counsel
CSX Transportation
3 Foxmere Drive
Richmond, VA 23233

Re: Finance Docket No. 33388: CSX and Norfolk Southern -- Control and
Acquisition -- Conrail: Safety Integration Plans for the Conrail Shared Assets
Organization

Dear Messrs. Maestri and Shutz:

I would like to thank CSX and Norfolk Southern for your joint participation in the February 11, 1998 meeting with the Section of Environmental Analysis (SEA) to clarify and respond to questions regarding the Safety Integration Plan for the Conrail Shared Assets Organization (CSAO). SEA appreciated the discussion of CSX and Norfolk Southern's individual and collective integration efforts, and of progress made since submitting the Safety Integration Plans.

During the meeting CSX and Norfolk Southern agreed to provide further clarification and documentation on certain issues, and to hold additional discussions over the next few months. These additional exchanges of information will allow SEA to respond to public comments on the Safety Integration Plans.

The public comments that have been submitted to SEA address five key Safety Integration Plan areas:

1. Planning and scheduling.
2. Staffing and workload.
3. Public safety.
4. Railroad operations.
5. Plants and equipment.

SEA requests that CSX and Norfolk Southern prepare a joint, written, informal response to several questions raised at the February 11 meeting. Your prompt attention to this matter will allow SEA to begin formulating preliminary responses to public comments. SEA understands that CSX and Norfolk Southern may revise these informal comments in any formal addenda to the Safety Integration Plan that either CSX or Norfolk Southern may provide in March.

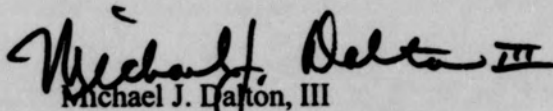
SEA's questions are as follows:

1. What is the budgeting process for capital and operating funds, especially where there is a difference of opinion between CSX and NS as to the actual criticality of a particular item? Also, what degree of autonomy will CSAO management have in redirecting budgeted funds to respond to urgent safety-related needs?
2. How are CSX and Norfolk Southern staffing CSAO specific integration efforts? Include a discussion of both the new senior hires and those in other critical support positions. When will they assume their responsibilities? Will CSX and Norfolk Southern hire or assign additional management personnel to the training function and, if so, where will they be based?
3. How are CSX and Norfolk Southern coordinating preparation for Day 1? How will CSX and Norfolk Southern establish the final date for Day 1? What is the specific role of CSAO management in this process?
4. What is your process to select either CSX or Norfolk Southern information technology systems for operations in a Shared Assets Area? When will CSX and Norfolk Southern make the actual decisions? Who will customize these systems for CSAO?
5. How will CSX and Norfolk Southern coordinate the existing information technology systems for Day 1, before bringing new systems on line? Are there critical systems to modify before Day 1 to avoid conflicts?
6. What discussions are underway with other parties, particularly regarding safety-related aspects of the interface between freight and passenger operations? What is the general nature of the settlement agreements achieved by CSX and Norfolk Southern to date?
7. Which implementing agreements with labor unions are essential for safe implementation of the merger, especially regarding Day 1 changes?
8. What is your timeline and critical path for filling critical management and rank-and-file staff positions, taking into account the terms of implementing agreements, possible retirements, the need to train new staff, and similar matters?

9. Please describe your efforts to identify and reconcile railroad cultural differences.
10. What provisions have you established to avoid priority conflicts between CSX and Norfolk Southern for maintenance, scheduling, etc.?

Brief responses, similar to our discussions on February 11, 1998, are sufficient at this time. SEA requests CSX and Norfolk Southern's joint response by March 9, 1998. Thank you again for your cooperation. Please feel free to contact me at (202) 565-1530 if you have any questions.

Sincerely yours,



Michael J. Dalton, III

Program Manager

Section of Environmental Analysis

STB

FD-33388

2-16-98

K

ID-BUSINESS

STEPTOE & JOHNSON ^{INT'L} CENTRAL ADMINISTRATIVE UNIT

ATTORNEYS AT LAW

1330 CONNECTICUT AVENUE, N.W.
WASHINGTON, D.C. 20036-1795

(202) 429-3000

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REC'D: 2/10/98
DOCUMENT # 2/10/98 4:27/1

STEPTOE & JOHNSON INTERNATIONAL
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PHOENIX, ARIZONA
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DAVID H. COBURN
(202) 429-8063
dcoburn@steptoe.com

February 13, 1998

Via HAND DELIVERY

Elaine K. Kaiser
Chief
Section of Environmental Analysis
Surface Transportation Board
Washington, D.C. 20423

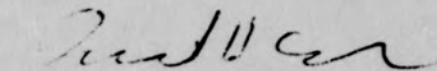
RE: Finance Docket No. 33388

Dear Elaine:

I have attached a copy of Pete Shudtz's letter responding to your February 6, 1998 letter concerning the CSX Safety Integration Plans. I am also forwarding a copy of the letter, and its various attachments, to Lisa Bendixen at A.D. Little. Further, I have attached a copy of a press release announcing the appointment of the management team for the CSAO. As you will see, these appointments were announced the same day as our last meeting on SIP matters.

We trust the attachments are responsive to your questions.

Sincerely,



David H. Coburn

cc: Lisa M. Bendixen

Enter.

Copy to: Mac
Phil
Barry
Mike Johnson
Mike Dalton

Done



One James Center
Richmond, Virginia 23219
(804) 783-1343

Peter J. Shultz
Vice President-Law
and General Counsel

February 13, 1998

Ms. Elaine Kaiser
Chief, Section of Environmental Analysis
Surface Transportation Board
Washington, DC 20423

Re: Response to Letter of 6 February

Dear Ms. Kaiser:

This responds to your letter of February 6 requesting brief informal responses to 11 questions relating to CSX's Safety Integration Plan ("SIP"). It is worth noting that these responses may be revised in the addendum that may be provided to the Safety Integration Plan. The responses follow your questions, which have been reproduced in italicized text below. We look forward to addressing any additional questions SEA may have concerning safety matters and issues raised by the public comments as they relate to safety and other matters.

1. How are the safety critical issues within the railroad's broader integration planning (schedule delays, technical problems, etc.) identified and tracked? Have all the safety-related "give-to's" and "get-from's" been reviewed by the safety integration officer?

We have put in place a process to identify safety issues within the broader planning process, and subsequently track those issues. Safety-related issues are explicitly flagged in the computer-based work plans that are used both to guide and monitor the progress of the integration. Critical tasks -- we call them "Critical Milestones" and "Showstoppers" -- are tracked weekly by CSXT's Program Management Office ("PMO"). CSXT's integration planning process and the functioning of the PMO have been discussed in detail in two supplemental documents which you will find enclosed. These are:

- **Attachment 1:** *The Rebuttal Verified Statement of Michael J. Ward*, leader of CSX's Integration team, describing the implementation process. This Statement was finalized December 15, subsequent to the completion of the SIP, and represents a clear and consolidated view of CSXT's process.

CSXT CONFIDENTIAL -- Contains Proprietary Business Information

• Post Office Box 85829, Richmond, Virginia 23285-5629 •
• FAX (804) 783-1355 •

Page 1

Response to SEA Letter of February 6, 1998**February 13, 1998**

- **Attachment 2: Description of the Conrail Integration Program Management Process.** This is our best available in context description of the functioning of the PMO. This document discusses in detail how task interdependencies are identified, addressed, and signed off on, and how critical path planning issues are prioritized and resolved on an ongoing basis.

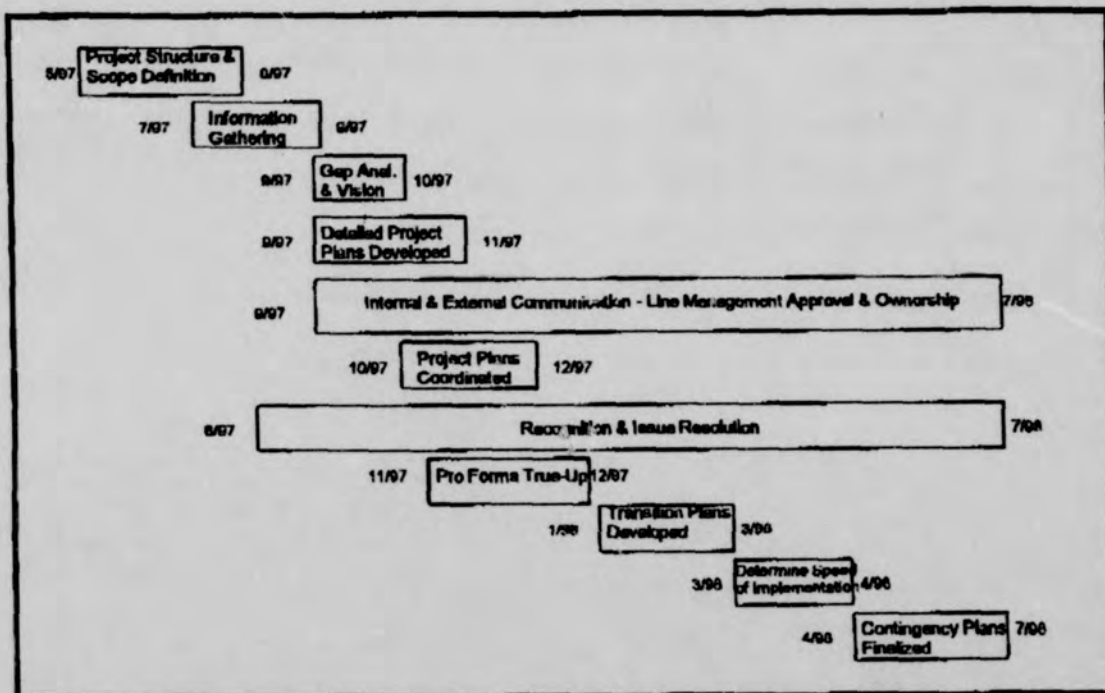
In addition, any safety-related issues that arise subsequent to completion of the detailed work plans are then integrated into those plans through the change management process.

2. What is your process for reviewing the reasonableness of the transition schedule, and are you on schedule, considering progress made to date?

As shown in Exhibit 1 (excerpted from Attachment 2), the overall planning timeline calls for transition plans to be developed through the period 1/98-3/98, with a subsequent determination of the speed of implementation. As described further below, the reasonableness of both the overall planning timeline and the 'transition plans' are ensured through the application of several guiding principles that have been developed through careful study of prior mergers.

In terms of the overall planning timeline, yes we are on schedule. For example, the almost \$200 million project to double track the former B&O line was ahead of schedule as of year-end 1997. As for what we are calling 'transition plans,' we are tracking towards our scheduled completion date of spring 1998.

Exhibit 1 Overall Planning Timeline



CSXT has explicit guiding principles to ensure that safety considerations will be integral to both the development of the transition plans and the determination of the rapidity of the implementation. We are confident that the application of these principles -- which have been widely communicated and fully accepted internally -- will result in a transition plan that is both prudent and practical. CSXT's integration planning principles include:

- **Safety Is Paramount.** The integration of the Conrail lines and assets allocated into the CSXT system must be done safely. This message must be constantly conveyed during this entire integration process to both CSXT and Conrail employees.
- **Integration with Deliberation.** This is accomplished by using a detailed planning process that integrates the necessary changes in a careful and deliberate manner. Effective integration over the long term takes precedence over short term gains.
- **Ensure the Essential Prerequisites.** No amount of planning or management can lead to a successful integration unless certain items have been addressed prior to the start of combined operations. In the case of the Conrail allocation, CSXT believes that the following points must be addressed prior to our beginning to operate the Conrail properties that are to be allocated to us:

- Sufficient Labor Agreements Are in Place: Implementing agreements with certain unions are considered essential for a smooth implementation. These agreements are necessary to allow us to make the various changes outlined in the Application, and to split the existing Conrail workforce between CSXT, NS and the Shared Asset Areas of Conrail.
- Sufficient Personnel Are Available: This includes both management and agreement-covered employees as are necessary for CSXT operations on the Conrail lines to be allocated to CSXT and for CSXT operations in the Shared Asset Areas.
- Important Capital Improvements Are Completed: Various capital projects have been identified by CSXT as important to the efficient operation of the integrated CSXT and Conrail territories. These improvements should be substantially completed prior to implementation.
- Information Technology Is Installed: The merging of information will be essential. Maintaining our principle of keeping change to a minimum, the information technology must coincide with our implementation strategies for all other integration teams.
- Sufficient Locomotives Are Available and Distributed: The operating plan will continue to be refined as additional commercial data becomes available. This operating plan continues to refine the resource requirements necessary, including locomotives.
- Employees Are Properly Trained: The necessary resources must also be trained in new systems and procedures. A dedicated team is charged with determining and prioritizing all training requirements. Until these requirements are met, implementation will not proceed.
- Necessary Issues Are Coordinated with NS: NS and CSXT meet on a regular basis to make sure our implementation plans are compatible. Both parties understand how critical this issue is for a successful integration.

3. *What significant changes in operations do you plan for Day 1 versus for other key milestone dates? Please provide a specific list (e.g., Conrail and CSX engineer seniority rosters for "Division X" combined, CSX issuing all bills of lading and train lists from Jacksonville, specific IT systems cut over, etc.).*

As reflected in CSXT's guiding principles for integration planning noted above, one of the key lessons learned by examining prior mergers is not to try to do everything at once. Although CSXT will begin to operate the allocated Conrail lines on Day 1, we recognize that some portions of the implementation will have to be done in stages, particularly with

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regard to the new operating plan and field transportation systems. Thus, major Day 1 changes are limited, but include the following:

- Single Waybill. It is anticipated that a common waybill will be used on Day 1. CSXT's waybilling system will create a single record that will drive train documents. Bills of Lading will be used to create the waybills for all intermodal and rail shipments.
- Single Customer Interface. CSXT will be the single interface to the customer, providing dock-to-dock tracking and tracing on Day 1. CSXT will perform pricing, rating and billing for allocated Conrail customers. By taking responsibility for waybilling and revenue processes, the chance for confusion and duplication of effort will be reduced, since CSXT will be the single interface to customers.
- Back Office Information Systems. Many back office information systems, such as G&A, will be operational across CSXT/Conrail on Day 1. These systems will be required to pay employees and suppliers, manage financial assets or bill and collect payment from customers. This approach allows CSXT to more efficiently roll out systems to the field.
- Mechanical Dept. Systems. CSXT mechanical department computer systems will be installed and ready to go "on-line" on Day 1. All appropriate Conrail field forces will be trained in the use of these CSXT systems well prior to Day 1.

4. Have any specific issues, which may impact safety, been identified that could result from going forward too slowly? What are these and how are they being managed?

We are of course working to avoid too rapid an implementation plan. However, concern has also been raised about Conrail managers' levels of motivation and attention to safety issues if Day 1 were to be inordinately delayed. However, if such a delay was necessary to maintain safety, e.g., if one or more of the "Essential Prerequisites" discussed in the response to question 1 were not yet in place, measures would be taken to mitigate any potential morale or motivational shortcomings.

While specific plans to address such a possibility will be completed during the contingency plan finalization phase (4/98 - 7/98, as shown in Exhibit 1), we have already embarked on a wide array of programs to communicate CSXT's interest in embracing and retaining Conrail's institutional knowledge base. These programs together communicate the "meta-message" that CSXT is listening to and cares about Conrail employees - both managers and the field workforce. And, there is some evidence that this message is beginning to be received. For example, after a recent "town meeting" held by CSXT at Conrail corporate headquarters, a Conrail AVP was quoted as saying "When you're interested in us, we're interested in you."

Some of the steps that are helping to communicate CSXT's deep interest in Conrail's knowledge base include:

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- Hiring Senior Conrail Managers. CSXT has hired two key senior Conrail managers that are now helping to lead our integration planning efforts: Gerry Gates, and Les Passa. Gerry is our Day 1 Team Leader. That means he is responsible for planning and implementing the actions necessary to prepare for the first day of railroad operations for the enlarged CSXT system and the shared asset areas. Gerry's first-hand knowledge of Conrail is irreplaceable. He constantly provides the Day 1 Team with doses of reality that lend prudence to the plans. Les Passa has a background in intermodal, automotive, and customer service at Conrail, and is now the CEO of CSX Intermodal Inc., and also heads up the Commercial Integration Planning Team for CSXT.
- Retaining Field Employees. We have every intention of maintaining existing Conrail operations and operating personnel in place on Day 1. We need their hands on expertise, and we admire their talent. As important, we understand how jarring these types of changes can be, and believe that maintaining current personnel will make the transition easier and smoother.
- Identifying Conrail Best Practices. Our approach to planning (see Attachment 1 for additional detail), explicitly seeks to identify differences between CSXT and Conrail, functional area by functional area, process by process. Where there are differences, we then seek to understand which approach works better and why. In some cases, we plan to run parallel operations to gain more experience with the CR approach prior to drawing conclusions. In no case has the CR approach been summarily dismissed or disregarded.
- Meeting with and Listening to Conrail Employees. Late last fall, we held a series of "Town Hall" meetings in Philadelphia attended by Conrail HQ employees, then a Dec. 12th Town Hall in Indianapolis, and in January, meetings in Pittsburgh, Dearborn, and at the Tech Center near Philadelphia. In February, we are holding a town hall meeting in Philadelphia for Division employees.
- Demonstrating Senior Management Interest. Last June 26th and 27th, CSX Chairman and CEO John Snow and CSXT President and CEO Pete Carpenter visited Indianapolis, Cleveland, Buffalo, and Albany (The "Steel Wheels Tour"), and on Feb. 2nd and 3rd a delegation of top CSXT Operating Management visited Buffalo, Syracuse, Albany, and Boston.
- Establishing Regular Status Updates. CSXT's transaction status newsletter, "On Track," premiered in January. This 2-page biweekly is distributed to all CSXT employees, and faxed to Conrail locations that would be allocated to CSXT if the transaction is approved. Among other items, the Safety Integration Plan was highlighted in the premier issue.

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5. How are you coordinating your preparation for Day 1 with NS, and how will you establish the final date for Day 1? What other coordination is occurring with NS?

NS and CSX are closely coordinating with respect to Shared Assets Areas integration, as explained at our February 11 meeting. As noted in response to question 2, the two railroads are also meeting regularly to ensure compatibility of their implementation efforts. NS and CSX will obtain the necessary labor implementing agreements prior to Day 1 and will advise the STB when that has been accomplished. NS and CSX will, consistent with safe and efficient rail operations and the completion of necessary labor implementing agreements, implement the transaction as soon after Control Date as possible. The determination of Day 1 will be made on a joint basis. In addition, prior to Day 1, NS and CSX will ensure that management information systems designed to manage operations on the former Conrail system within the Shared Assets Areas and interchanges between the NS/Conrail and CSX/Conrail systems, including necessary car tracking capabilities, are in place. As noted below in response to question 6, the STB will be advised when management information systems are in place prior to Day 1.

6. What discussions are underway with other parties (e.g., NITL League, labor unions, etc.) and what is the general nature of the settlement agreements you have already achieved?

CSX and NS have entered into a partial settlement with the National Industrial Transportation League ("NITL"). A copy of the settlement agreement has been submitted to the Board for approval and will be forwarded to you. As it relates to safety, the agreement provides for the establishment of a "Conrail Transaction Council" consisting of representatives of CSX, NS, NITL, and other organizations adhering to the terms of the agreement or representing affected rail users. The Council is designed to serve as a forum for constructive dialogue between interested parties on implementation issues. In addition, pursuant to the NITL settlement, summary descriptions of operations planned for the Shared Assets Areas have been provided to the Council. These summaries provide information on the interrelationship between the two railroads, dispatching controls, and other matters. Further, the settlement also requires that CSX and NS will advise the Board prior to Day 1 (a) that management information systems are in place to manage operations on the former Conrail system, the Shared Assets Areas, and at interchanges between the CSX/Conrail and NS/Conrail systems, and (b) that all necessary labor implementing agreements are in place. The NITL settlement also contemplates three years of Board oversight of the implementation of the transaction.

CSX has also settled with the State of New Jersey. Details of that settlement, which includes a resolution of all the issues raised by New Jersey Transit ("NJT"), will be provided. CSX remains in discussion with other states, localities, and interested parties and we will report on these as settlements are reached.

CSX has also reached an agreement with the United Transportation Union ("UTU"), which has notified the Board of its support for the Transaction. A copy of UTU's January

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23 submission, which recites the commitments that the parties have made to each other, will be supplied to SEA. Discussions continue with other rail unions and we will report on these as settlements are reached.

7. *Has the matrix with start/end dates and critical resources been presented to FRA yet? If it has, would you provide SEA with a copy?*

SIP Accountability Worksheets have been provided at the request of FRA, in conjunction with an ongoing process of consultation. The limited set of tasks shown on these worksheets address particular areas of interest identified by FRA. We are concerned about maintaining the confidentiality of the SIP Accountability Worksheets because they contain proprietary business plans and can not be disclosed to third parties. These worksheets are also in draft form and subject to regular changes and updates. If the confidentiality of these worksheets can be protected, we would not object to disclosing them to appropriate SEA consultants as an exhibit that assists them in understanding the consultation process between CSXT and FRA.

8. *Please describe your efforts to identify and resolve railroad cultural differences.*

One of the key lessons learned from prior mergers was the critical nature of retaining institutional knowledge. This is so important that we maintain as one of the key principles guiding the integration the following:

- Welcome Conrail's Employees and their Expertise. CSXT will welcome and value the Conrail employees that are to become CSXT employees. Although CSXT has carefully studied the Conrail property that will be allocated, and we have had extensive meetings with Conrail employees, we do not have their "hands on" experience of operating it. However, the Conrail employees do, and we plan to embrace their expertise. This message will be emphasized to the Conrail employees during the integration process.

And, as noted in the response to question 4, we have already embarked on a wide array of programs to communicate CSXT's interest in embracing and retaining Conrail's institutional knowledge base. These programs lay the foundation for open lines of communication that are the conduit along which a common safety culture will evolve. By opening dialogue, they also will help to expose cultural differences where they exist, and will foster resolution of differences. It is also important to note from the outset that both CSXT and Conrail have strong safety cultures, as evidenced by trends towards decreased personal injuries and train accidents, and also by the strong hazmat programs in place at both carriers.

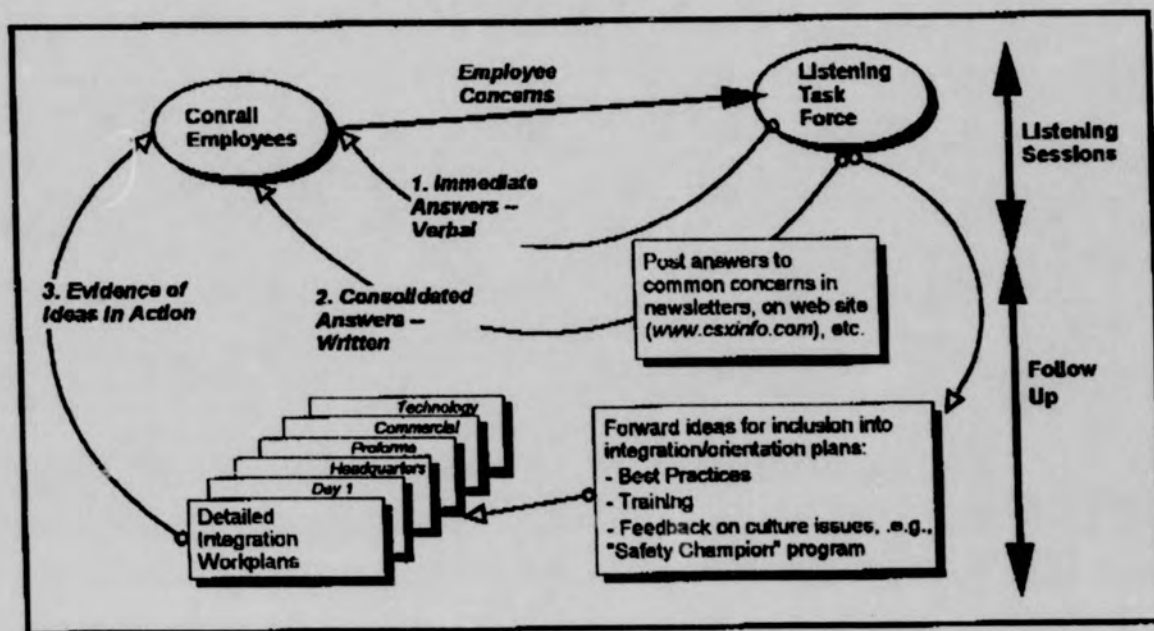
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Some of the steps that are helping to communicate CSXT's deep interest in Conrail's knowledge base include those detailed in the response to question 4:

- Hiring Senior Conrail Managers.
- Retaining Field Employees.
- Identifying Conrail Best Practices.
- Meeting with and Listening to Conrail Employees.
- Demonstrating Senior Management Interest.
- Establishing Regular Status Updates.

In addition, we also intend to hold a series of "listening sessions" designed to capture, document, and respond to employee concerns. While the details on these sessions are currently being developed, the concept behind them is shown in Exhibit 2.

Exhibit 2
Concept for Listening Sessions



The plan and rationale behind the listening sessions is further described in Attachment 3: *Description of the CSXT Draft Plan for Listening*. Worth noting is that we have created a web site specifically to address employee and potential employees questions about the integration at www.csxinfo.com.

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9. Please describe the particular safety-relevant railroad functions or processes for which you have conducted simulations, and the staff involved (position or role) as referenced in our meeting.

CSXT plans a series of "simulations" to further test its integration plans. The simulation process is planned to evolve in three Phases, has recently begun, and is expected to continue through the spring and early summer; to date no simulations have been performed. Phase I will assure alignment of team visions and deliverables. Phase II will develop a detailed critical path plan integrated across all teams. In Phase III, we will gather experts from each area and work through possible scenarios that might occur during implementation. As the process evolves, the details of which functions and processes to be included will be determined, as will the composition of the teams. The objectives of the simulation process are to:

- Provide an opportunity to continue to grow line department acceptance, refinement & ownership of the work plans and overall integration efforts
- Build on earlier successful efforts to surface issues, audit interdependencies, and broaden perspectives -- expanding on what is inherent in the plan development process and what was previously done as part of the "Day-in-the-Life" sessions
- Help us reassess the Program-level quality and integrity of our work plans - "We have the detailed stuff nailed!" - "Are there any remaining high-level disconnects...?"
- Further enhance our trust in the work plans or provoke focused "repairs"
- Provide an opportunity to detect potential gaps between reality and desired states on certain key dates
- Provide a forum to further ingrain a meaningful consensus vision of CSXT operations on certain key dates
- Develop and memorialize operational policies to address various possible situations which might develop during actual operations
- Ensure that sufficient time will be available if necessary for the implementation and execution of contingency plans - "early-warning system for rolling out 'Plan B'"
- Reinforce the transition from "PLAN" to "DO"

10. What are your plans for the involvement of craft employees in the implementation of the Safety Integration Plans (SIPs)?

Implementation of a large number of the SIP components will entail craft employee involvement. Craft employees participate in most of the safety initiatives described in pages 28-30 of the CSXT SIP, and in most of the training programs described throughout the SIP. Recently the United Transportation Union and the Brotherhood of Locomotive Engineers have taken greater responsibility for the content and implementation of CSXT safety programs. Craft employees also participate in the design of the procedures used to conduct operational testing both in the field and at the CSXT Operations Center. Craft employees direct the Operation Redblock drug and alcohol abuse prevention program.

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11. *How do you provide incentives or mechanisms to encourage prompt notification of safety problems in situations where safety priorities may conflict with schedule pressures?*

There are at least two aspects to this question, a planning aspect and an operational aspect. In the planning stages, we are in complete internal agreement to abide by the principles we have distilled through our study of other mergers:

- Safety Is Paramount. The integration of the Conrail lines and assets allocated into the CSXT system must be done safely. This message must be constantly conveyed during this entire integration process to both CSXT and Conrail employees.
- Integration with Deliberation. This is accomplished by using a detailed planning process that integrates the necessary changes in a careful and deliberate manner. Effective integration over the long term takes precedence over short term gains.

From an operational perspective, CSXT encourages employees to identify safety problems by empowering them not to perform any task which can not be accomplished safely, by recognizing safe behavior, and by providing hotlines and other means of communications to promptly raise safety issues. CSXT demonstrates its commitment to these safety empowerment and responsibility principles by eschewing expedient unsafe behavior in favor of following safe work practices and procedures. As described in the SIP, CSXT's required job briefings reinforce on a daily basis the company's commitment to these safe practices. These examples are set daily in our locomotive and car shops, at our train dispatching center and at every terminal throughout the system.

Very truly yours,

Robert V. Allen for
Peter J. Shultz *Peter J. Shultz*
Vice President - Law & General Counsel

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ENVIRONMENTAL DOCUMENT

Eraine K. Kaiser, Chief
Section of Environmental Analysis
Surface Transportation Board
Washington, D.C. 20423

Re: Finance Docket No. 33388: CSX and NS - Control
and Acquisition - Conrail: Safety Integration Plans

Dear Ms. Kaiser:

This responds to your letter of February 6, 1998, requesting brief and informal responses on several issues associated with Norfolk Southern's Safety Integration Plan and the overall safety implementation process. As you have noted, the implementation process is dynamic and most of the information provided with this letter reflects a "snap shot" of where we are today in the Conrail implementation planning process. While the formal addenda we have discussed also will provide a "snap shot," it is likely to include revisions reflecting the most updated information available.

Our responses to your questions are set forth below:

1. How are the safety critical issues within the railroad's broader integration planning (schedule delays, technical problems, etc.) identified and tracked? Please describe the role of KPMG or others in monitoring the safety integration issues.

Executive Management at NS has direct oversight of the implementation process. NS has a vice president and assistant vice president who head a team with full-time responsibilities for implementation planning. This team is receiving the further assistance of KPMG Peat Marwick with implementation program management. There are 119 teams and sub-teams working actively on Conrail implementation planning and projects. Each team has identified project definitions and has outlined goals, deliverables and project milestones.

Centrally, Norfolk Southern, assisted by its consultant, KPMG Peat Marwick, is using sophisticated program management tools to guide and monitor its Conrail implementation planning process. One aspect of program management is identification, assessment, and elimination/mitigation of risks associated with every aspect of the transaction. Norfolk Southern's risk management program is focused upon risks falling within four categories: safety, service, realization of economic benefits, and avoidance of delays. Among these four areas of risk, safety and service are given highest ranking and attention.

The NS process for addressing risk is identical for each of the four principal areas of risk. Initial risk identification occurs on two levels. So-called "macro" risks affect the entire implementation

program and often are generated from sources external to Norfolk Southern. For example lengthening the duration of the STB's procedural schedule is considered by Norfolk Southern to be a macro risk. The majority of threats to successful implementation of the Conrail acquisition are associated with a particular NS implementation team or individual business process; we refer to these as "team" risks. A risk faced by many teams is delayed receipt of Conrail data because of concerns about confidentiality and premature control.

Norfolk Southern's risk management efforts formally began only recently and are in the identification stage. For initial identification of implementation risks, principal sources are our implementation team leaders, the KPMG and NS implementation staff coordinators who work closely with each team, and certain members of Norfolk Southern's Strategic Planning Department.

The next stage -- assessment of risks -- will begin soon. The Norfolk Southern implementation staff group, working with KPMG, will gather the necessary information about each risk from the teams and other sources within and outside Norfolk Southern. Risk assessment will be followed by decisions upon the approach to each risk; abatement, contingency planning, continued monitoring, and acceptance are among the possible options for addressing each risk.

2. **What is your process for reviewing the reasonableness of the transition schedule, and are you on schedule, considering progress made to date?**

The implementation teams update their progress weekly, and regular meetings are conducted with team leaders to gauge progress and identify any new situations that may alter the critical paths. Dependencies are closely monitored to assure implementation planning proceeds without delay. Scheduling is generally divided into three phases: from now to the Control Date, the Control Date to the Closing Date, and after the Closing Date. Teams plan to complete as many activities as possible before the Control Date. Among other events triggered by that date, all external constraints upon access to Conrail data will be eliminated. Therefore, activities that require confidential data cannot be completed until after the Control Date. Between the Control Date and the Closing Date, many activities will occur to enable Conrail to be split into NS Operations, CSXT Operations and Shared Assets Areas Operations on the Closing Date.

Norfolk Southern's program management tools offer the opportunity constantly to monitor and evaluate the progress of our implementation

planning for the Conrail acquisition. To date, we have identified no significant scheduling difficulties. If a particular implementation team or department were to fall behind its schedule and appear to be unable quickly to regain schedule compliance, we would consider adding additional resources, adjusting the team or overall schedule, and other potential solutions to the individual scheduling problem.

3. What significant changes in operations do you plan for Day One versus those for other key milestones? Please provide a specific list (e.g., Conrail and NS engineer seniority rosters for "Division X" combined, NS issuing all Bills of Lading and Train Lists, specific IT systems/applications cutover, etc.)?

Norfolk Southern's implementation teams are currently in the process of determining these types of operational details. In view of the fact that such changes have not yet been finalized (except to the extent that any operational changes as of Day One were discussed in the Operating Plan and/or in the Safety Integration Plan), and given the fact that such decisions necessarily involve input and review from a number of different departments and officials within the company, it is premature to provide the kind of details sought by this question.

4. Have any specific issues which may affect safety been identified that could result from going forward too slowly? What are these and how are they being managed?

As noted in response to Question No. 2, Norfolk Southern has not encountered any significant scheduling delays to date. Because we believe that the internal schedule under which we are operating is realistic and achievable, we do not anticipate major delays. Of course were the STB once again to extend its procedural schedule, an unnecessary and unexpected delay would be incurred.

Among the issues raised by such an external delay are: (1) adverse effects upon Conrail employee morale; (2) Year 2000 compliance of Conrail systems; (3) Conrail's ability to continue to maintain its current excellent safety and service performances; (4) deterioration of the U.S. and global economy at the time of or soon after startup, thus threatening realization of anticipated transaction benefits; (5) sufficiency of STB staff numbers to complete evaluation of the Conrail acquisition while beginning analysis of the recently announced CN-IC merger. Most of these and other possible results of delay could

indirectly affect safety. Depending upon NS' ultimate assessment of the risk of delay from various sources, internal and external, contingency plans will be developed.

5. How are you coordinating your preparation for Day One with CSX, and how will you establish the final date for Day One? What other coordination is occurring with CSX?

CSXT and NS implementation efforts are closely coordinated. Both NS and CSXT teams are well aware of the importance of a coordinated approach on various transition issues. In many cases, there are direct dependencies between these parallel teams, and in some cases, team actions must be accomplished simultaneously. At the highest level the NS and CSXT implementation leadership hold monthly conference calls or meetings to share information and address specific current issues; informal contacts between the two implementation groups occur on a regular basis. The implementation leadership initially agreed upon a hypothetical target Closing Date, for internal planning purposes only, used by both Norfolk Southern and CSXT teams. If the need arises to adjust that date, the recommendation to the senior managements of Norfolk Southern and CSX will emanate jointly from the implementation leaders.

Many NS implementation teams have comparable teams at CSXT. As necessary, depending upon the particular responsibilities of each team, the teams meet jointly to coordinate their efforts and make joint decisions. Formal and informal communication between such teams occurs on a regular basis. The Shared Assets Areas teams and the teams responsible for allocation of Conrail equipment are two examples of the NS and CSXT implementation teams that are working closely to address mutual issues.

As we have discussed, both CSXT and NS believe that the achievement of implementing agreements with certain labor organizations will be necessary for Day 1. In addition, it is important to note that many of the teams do not complete their activity until after full integration is achieved. Therefore, teams will continue directing and monitoring functional aspects of their team's project beyond Day 1.

6. What discussions are underway with other parties (e.g., NIT League, labor unions) and what is the general nature of the settlement agreements you have already achieved?

For several months, the Applicants have been conducting discussions with the labor organizations which will be involved with this transaction. While the status of these negotiations is confidential, we do note the January 15 announcement by the United Transportation Union that they will support the joint acquisition of Conrail by NS and CSXT.

As you know, Applicants entered into a very significant settlement with the National Industrial Transportation League ("NITL") in December 1997. This settlement was described in Applicants' Rebuttal filing, CSX/NS-176.

Among the other parties with which NS has reached agreements are the following states--New Jersey, Maryland, Pennsylvania and Michigan; major carriers and commuter operators--Canadian Pacific, Buffalo & Pittsburgh, Wisconsin Central, Illinois Central and New Jersey Transit; and other parties including the Port of Philadelphia, the City of Philadelphia and Pennsylvania Power & Light.

Applicants are continuing to have discussions with a number of other parties, and will keep SEA advised as these discussions progress.

7. Has the matrix with start/end dates and critical resources been presented to FRA yet? If so, would you provide SEA with a copy?

A limited matrix of start and completion dates and some critical resources (called "SIP Accountability Worksheets") was presented to FRA prior to its filing of comments on the DEIS. This information was limited to specific areas of interest identified by FRA and was accomplished informally with FRA's commitment to maintain the confidentiality of the document. FRA reflected its understanding that many of the start and completion dates are projections at this time and will change as new information is gathered and circumstances are altered. We are concerned about maintaining the confidentiality of the matrix because it contains proprietary business plans. In order to release this matrix to SEA, we would request the same level of commitment to confidentiality as that provided by FRA.

8. Please describe your efforts to identify and resolve railroad cultural differences.

Norfolk Southern is encouraged by the increasing realization that the similarities between Norfolk Southern and Conrail greatly exceed the dissimilarities. As contacts between Norfolk Southern and Conrail people increase, the areas of commonality are becoming more apparent. Norfolk Southern's focus is upon creating a common culture for the new Norfolk Southern, not identification of differences.

Both Conrail and Norfolk Southern are the product of earlier consolidations of multiple railroads, each of which were former competitors with unique cultures. Therefore, both companies and their employees are familiar with the requirements and challenges of combining rail operations and employees.

Each NS implementation team has a Conrail liaison, appointed by Conrail at NS' request. While team contacts are by no means limited to the single liaison, that person plays an invaluable role in steering data inquiries to the correct source within Conrail, responding to NS questions, and myriad other forms of cooperation already in place between the two companies at a working level.

The implementation leadership of Conrail and Norfolk Southern are in daily contact on a myriad of issues. On any one day numerous E-mail messages and telephone calls are exchanged. In addition the leaders meet regularly in Philadelphia and elsewhere on Conrail.

As the STB is well-aware, many of Norfolk Southern's principal consultants in developing its control application were former Conrail employees. Working with these people provided Norfolk Southern with useful insights into the Conrail culture from the outset, and some of these people continue to advise Norfolk Southern in important areas of implementation planning.

In addition, Norfolk Southern recently hired six Conrail employees to assume positions of strategic significance within the Norfolk Southern organization (including as Director of Safety for NS); additional offers to certain Conrail employees can be expected in the near future. These new Norfolk Southern employees are helping NS to build strong bridges to employees remaining at Conrail and provide excellent insight into the best approaches to assure smooth, relatively painless implementation.

Norfolk Southern uses several methods to communicate directly with all Conrail employees. Our weekly report to NS employees on Conrail

implementation -- the *Implementation Update* -- also is distributed widely within Conrail. A recent video by Norfolk Southern's implementation leadership answering questions about the transaction posed by a Conrail interviewer will be available to all Conrail employees and likely will be followed by additional videos as more answers to questions become available. Other periodical communications are distributed within Conrail and Norfolk Southern.

Norfolk Southern's Training Department is preparing an orientation program for both current and new Norfolk Southern employees. This program will focus specifically upon integration of the two cultures.

To further supplement the discussion in Section V of the NS Safety Integration Plan filed with the STB, I enclose a letter recently provided to FRA addressing our further thoughts regarding the manner in which and processes by which "team building" and safety culture integration will be fostered during the consolidation of NS and Conrail Management and work forces.

9. How do you provide incentives or mechanisms to encourage prompt notification of safety problems in situations where safety priorities may conflict with schedule pressures?

Norfolk Southern has made it clear to its employees over the years that safety is the company's highest priority. A strong and visible management commitment to safety has created a work environment--a safety culture--in which agreement employees and supervision all believe that safety is the top priority for all activities undertaken on the railroad. This safety-dominated orientation provides assurance to employees that management will support actions that prevent accidents and injuries and further enhance NS' safety process and goals. There are often schedule pressures when one is trying to run an efficient transportation business. NS makes it clear to everyone in the company that safety must take precedence over a schedule.

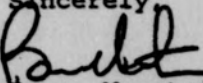
NS has a number of mechanisms in place to encourage prompt notification of safety problems. NS explains its commitment to safety in its Six Point Safety Action Plan and its Six Tenets of Safety. NS' operating rules and safety and general conduct rules provide avenues for reporting unsafe matters and ensuring correction. NS has an Internal Control Plan, a complaint procedure for accident/incident reporting, and requires complete and accurate reporting of all accidents, incidents and occupational illnesses arising from the operating of the railroad. Safety suggestion boxes and hot lines are provided throughout the system. Safety committees provide an avenue for the exchange of

Elaine K. Kaiser
February 13, 1998
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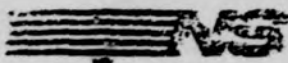
information, discussion of safety issues and reporting of unsafe acts and safety problems. NS provides recognition for safety achievement, through, among other things, safety banquets and award ceremonies, stock incentive programs, and family activities.

Finally, NS subscribes to the belief, which it imparts to its employees, that no job is so important and no task so urgent that an employee cannot take the necessary time to perform his or her work safely.

We appreciate this opportunity to respond to SEA's questions.

Sincerely,

Bruno Maestri

Enclosure



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January 26, 1998

Ronald R. Newman
Staff Director
Motive Power and Equipment
U.S. Department of Transportation
Federal Railroad Administration
Office of Safety Assurance & Compliance
RRS-14, Mail Stop 25
400 Seventh Street, SW
Washington, D.C. 20509

Dear Mr. Newman:

In follow-up to discussions at Norfolk Southern's meeting with you of January 14, 1998 regarding the NS Safety Integration Plan ("SIP"), we are writing to provide FRA with our further thoughts regarding the manner in which and processes by which "team building" and safety culture integration will be fostered during the consolidation of NS and Conrail management and workforces. We note that Section V of the SIP, "The NS-Conrail Safety Integration Process," discusses a number of initiatives in this area. We are herein providing some additional and updated information, as well as reiterating some of the information discussed in the SIP and elsewhere in the Control Application filed with the Surface Transportation Board ("STB").

We begin by highlighting the fact that NS has recently hired six Conrail management officials for important leadership positions at NS, most of which will have direct bearing on the safe and efficient integration of NS and Conrail operations and personnel.

- John M. Samuels, Conrail's Vice President Operating Assets, has been appointed, effective January 16, 1998, as Vice President Operations Planning and Budget in NS' operating division. Mr. Samuels worked in a variety of executive positions at Conrail since 1978. Mr. Samuels has relocated to NS' headquarters in Norfolk, Virginia. In his new position, Mr. Samuels brings substantial background and understanding of Conrail's operating practices to a high level position at the new NS. Mr. Samuels will be directly involved in the development of future Operations budgets.

• William L. Barringer, Jr., Conrail's Director of Safety, has been hired, effective January 16, 1998, to become Director of Safety at NS. Mr. Barringer has worked for Conrail and its predecessor (Penn Central) for some 24 years, and has been Conrail's Director of Safety since 1990. Mr. Barringer is relocating to Roanoke, Virginia, the site of NS' Environmental and Safety Office. As Director of Safety for NS, Mr. Barringer will be in a position to directly assist in the assessment and development of the best safety practices on the expanded NS. Mr. Barringer's responsibilities will cover the entire NS system. However, given Mr. Barringer's intimate knowledge of Conrail and its safety processes, he is expected to play a key role in the safety integration process.

• Daniel M. Mazur, Conrail's Assistant Vice President Asset Management and Development, Unit Train Service Group, has been hired, effective January 12, 1998, as Assistant Vice President Strategic Planning for NS. Mr. Mazur has over 25 years of railroad sales and marketing experience. He was Penn Central's Director Planning and Control when it became part of Conrail in 1976, so he brings with him more than 20 years of experience at Conrail and its predecessor lines.

• Joseph E. Arsenault, Conrail's Director-Systems Development, has been appointed Director-Systems Development for NS, effective February 1, 1998. Mr. Arsenault has worked for Conrail since 1985, advancing from a computer programmer position to positions of increasing responsibility in the information systems area. Mr. Arsenault will carry out his NS position in offices in Philadelphia, and will be directly involved in the process of integrating Conrail and NS information systems in order to support the requirements of the expanded NS.

• Richard J. Davison, Director-Selection and Placement in Conrail's Human Resources department, has been hired as Director-Selection and Placement for NS, effective February 1, 1998. Mr. Davison has been in his current Conrail position since 1996, and has worked for Conrail since 1977. Mr. Davison's knowledge of Conrail personnel will be a valuable asset in the selection, assignment and integration of Conrail personnel into the expanded NS.

• James Newton, President of Conrail's multi-modal subsidiary ConrailDirect, was appointed as President of Triple Crown Services ("TCS") in November 1997. Newton had been with Conrail in a variety of commercial and marketing positions for 20 years. TCS operates bimodal RoadRailer

units which combine the functionality of conventional highway trailers with the capability of riding directly on the rails. TCS was created by NS in 1986, but since 1993 it has been operated as a 50/50 joint venture between NS and Conrail. Following the acquisition of Conrail by NS and CSX, TCS will be wholly owned by NS. TCS plays an important role in NS' intermodal marketing and service, which role will be even more important as the NS system expands into new service territories.

NS has been judicious in the pre-control hiring of Conrail managers, since it is obviously in NS' long-term interest that Conrail continue to be operated effectively pre-control by an experienced managerial staff. It is no accident that most of the Conrail officials hired by NS to date have experience in and will serve in areas of particular importance to the integration effort. As explained in NS' SIP, NS places great value on the knowledge and experience of Conrail's managers and employees. The hiring of the above individuals is a prominent illustration of NS' determination to draw upon that knowledge and experience. It also manifests NS' view that "team building" will be fostered by having former Conrail and NS managers working together in positions of responsibility at the "new" NS. These early appointments will help NS move more quickly and effectively down the path toward integration.

As we also explained in the SIP, NS and Conrail representatives have been meeting frequently for months in a variety of functional areas. Many of these meetings have been formal, like the joint operating divisions meetings of November 1997 described at Page 42 of the SIP. But there have also been a large number of informal contacts, many on a one-to-one basis, between NS and Conrail personnel. Members of the NS transition teams have been working diligently to learn as much as possible about Conrail's operations, policies, procedures and people, and have had informational contacts with their counterparts at Conrail in the field, by telephone and through other means of communication. These contacts have not been one-sided; not only has NS been learning about Conrail, but Conrail officials and employees have also been learning about NS. While the more formalized programs and meetings are valuable, the informal one-to-one contacts between NS and Conrail employees may well be the most effective means of furthering the integration process and enabling employees to become comfortable with each other and with the future expanded NS.

The nature of the anticipated consolidation of NS and Conrail operations encourages the retention of Conrail's institutional knowledge. This consolidation involves personnel

of two companies with a history of working cooperatively. The largely end-to-end nature of the NS and Conrail systems has made it mutually beneficial for NS and Conrail to work together over the years to develop and maintain efficient and competitive interline service. NS and Conrail have also been equal partners in operating TCS. There is thus a history of mutual respect and cooperation rather than a history of substantial head-to-head competition. NS and Conrail are not historical rivals like the Pennsylvania and New York Central or the Union Pacific and Southern Pacific (to use only two examples). There is no ingrained "us" versus "them" mentality at the two companies. This will greatly enhance the ability of Conrail managers and employees to become integrated with their NS counterparts.

Moreover, the essentially end-to-end nature of this consolidation means that NS will be operating in some entirely new geographic areas. NS has been carefully studying these areas, which will be new to its system, but still has much to learn about them. NS recognizes that it would be counterproductive to fail to take advantage of the experience and expertise of Conrail managers and employees with regard to these territories. Indeed, it is anticipated that on Day 1 (the date of the "split" of Conrail operations between NS and CSX), the Conrail lines and facilities being allocated to NS will be operated on a day-to-day basis by virtually the same individuals who operate them today.

In its filings to the STB, NS has indicated that this transaction will not result in large-scale reductions in personnel. Indeed, in some of the operating areas that are viewed as critical to safety, such as train and engine service and dispatching, it is anticipated there will be no net loss of job positions whatsoever. As reflected in the labor impact statement submitted with the Control Application, the projected job loss over three years is only 3.6% of total 1996 employment at CSX, NS and Conrail. Such a job loss rate is actually below the national average attrition rate for railroads.

While there will be some reductions in some managerial areas, particularly in redundant support operations, NS plans to offer employment to a large number of current Conrail managers post-control. In order to facilitate this process, and to provide information to Conrail's management employees about it, NS (as well as CSX) has taken a number of actions. In September 1997, NS and CSX held two weeks of informational sessions in Philadelphia for Conrail nonagreement personnel. In October and November, 1997, the respective Human Resource Departments of NS and CSX conducted preliminary interviews with Conrail non-agreement employees. In December, 1997, NS and CSX jointly

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announced to Conrail non-agreement employees the structure and timetable for the employment process that would be followed after the first of the year. The process will include several months of interviews by individual NS departments (NS' Information Technology Department began interviews with Conrail non-agreement employees on January 19, 1998, and the remaining departments are scheduled for such interviews through March). Employment offers will be made on or after May 1, 1998, to be effective on the control date and thereafter.

NS also has taken steps to resolve differences between various policies, practices and programs of particular interest to non-agreement employees. For example, in November 1997, NS' Board of Directors took steps to amend NS' Retirement Plan to provide that Conrail employees who join NS can get credit for their Conrail non-agreement service (and can get credit for agreement service after five years of non-agreement service). NS is also reviewing its various benefit plans, policies and programs, from vacation to short-term salary continuance to 401(k) participation, with the goal of modifying these to remove length of service requirements that would otherwise bar participation by Conrail employees who join NS. Additionally, NS has modified its relocation package in order to make it sufficient enough to relieve Conrail employees of many of the worries and concerns related to relocation. Taking these steps not only increases the likelihood that Conrail employees will join the new NS, but also, by addressing their personal transition concerns, conveys to them NS' commitment to making them part of the "team."

Naturally, hiring sufficient employees mandates that such employees receive adequate training and development. NS has established a corporate training team, and each transaction team that has responsibility for integration of functions is participating, insofar as training needs are identified, with respect to establishment of timetables and allocation of resources necessary to accomplish the training subsequent to control date, but prior to closing, as conditions warrant. It is anticipated that the expanded NS will continue to utilize training facilities at Conrail as appropriate. Furthermore, as the SIP indicates, NS will continue to operate Conrail activities until such time as NS is confident that a changeover can be successfully implemented.

NS has taken steps to establish lines of communication with Conrail employees. For example, as mentioned in the SIP, NS has been distributing its company magazine, Thoroughbred Paces, to most Conrail employees since early 1997. NS has also made a concerted effort to keep its own employees informed about the

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Conrail transaction and to educate them about Conrail. NS has been distributing a weekly Implementation Update newsletter. Articles or items about Conrail and its heritage are regularly included in these publications. NS is considering other actions and activities to foster communication and cultural integration. Included in this is consideration of a two-way mentoring program, in which Conrail and NS employees would mentor each other as part of the integration process.

In short, throughout the entire planning process, NS has given recognition to the word "integration"--i.e., "to bring together or give equal opportunity and consideration to a group, to meld with"--this is the essence of creating a smooth transition to the "new" NS. We hope that the above information assists you in further understanding NS' approach to these important safety integration issues. Please do not hesitate to contact the undersigned if you have any questions about these matters.

Very truly yours,

Roger Petersen / ANP

Roger A. Petersen
General Attorney

Charles Wehrmeister / ANP

Charles J. Wehrmeister
Assistant Vice President-
Safety and Environmental

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bcc: S. C. Tobias
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C. J. Wehrmeister
D. A. Brown

STB

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SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

February 6, 1998

Bruno Maestri, System Director
Environmental Protection
Norfolk Southern Corporation
1500 K Street, N.W., Suite 375
Washington, DC 20005

CENTRAL ADMINISTRATIVE UNIT

REC'D: _____

DOCUMENT # 3-27-98 11:35:32pm

Re: Finance Docket No. 33388: CSX and NS -- Control and Acquisition --
Conrail: Safety Integration Plans

Dear Mr. Maestri:

First, let me thank you for NS's participation in the meeting with SEA on January 22, 1998 to clarify and answer questions pertaining to your Safety Integration Plan. We appreciate your discussions of NS's overall integration efforts and of the progress you have made since the submittal of the Safety Integration Plans. During the meeting you agreed to provide further clarification and documentation on certain issues and to hold additional discussions over the next few months. These additional exchanges of information will allow SEA to respond to comments on the Safety Integration Plans.

Key areas that we expect will be covered in the comments submitted to SEA include:

- Planning and scheduling;
- Staffing and workload;
- Public safety;
- Railroad operations; and
- Plant and equipment.

At this point, SEA requests a brief, written informal response to several questions raised at the meeting. Your prompt response will allow us to begin formulating preliminary responses to anticipated comments to SEA. We understand that these informal comments may be revised by you in any formal addenda that you may provide to your Safety Integration Plan in March.

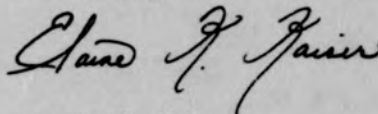
The questions are:

1. How are the safety critical issues within the railroad's broader integration planning (schedule delays, technical problems, etc.) identified and tracked? Please describe the role of KPMG or others in monitoring the safety integration issues.
2. What is your process for reviewing the reasonableness of the transition schedule, and are you on schedule, considering progress made to date?
3. What significant changes in operations do you plan for Day One versus those for other key milestones? Please provide a specific list (e.g., Conrail and NS engineer seniority rosters for "Division X" combined, NS issuing all Bills of Lading and Train Lists, specific IT systems/applications cutover, etc.)?
4. Have any specific issues which may affect safety been identified that could result from going forward too slowly? What are these and how are they being managed?
5. How are you coordinating your preparation for Day One with CSX, and how will you establish the final date for Day One? What other coordination is occurring with CSX?
6. What discussions are underway with other parties (e.g., NIT League, labor unions) and what is the general nature of the settlement agreements you have already achieved?
7. Has the matrix with start/end dates and critical resources been presented to FRA yet? If so, would you provide SEA with a copy?
8. Please describe your efforts to identify and resolve railroad cultural differences.
9. How do you provide incentives or mechanisms to encourage prompt notification of safety problems in situations where safety priorities may conflict with schedule pressures?

Brief responses along the lines of our discussions on January 22, 1998 are sufficient at this point. We request your response by February 13, 1998.

Thank you again for your cooperation. Please feel free to contact me at (202) 565-1538 or Mike Dalton at (202) 565-1530 if you have any questions.

Sincerely yours,



Elaine K. Kaiser
Chief

Section of Environmental Analysis



CENTRAL ADMINISTRATIVE UNIT
REC'D: _____

DOCUMENT # 2/27/98 11:38:42 AM

SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Section of Environmental Analysis

February 6, 1998

Peter J. Shudtz
General Counsel
CSX Transportation
3 Foxmere Drive
Richmond, VA 23233

Re: Finance Docket No. 33388: CSX and NS -- Control and Acquisition --
Conrail: Safety Integration Plans

Dear Mr. Shudtz:

First, let me thank you for CSX's participation in the meeting with SEA on January 20, 1998 for the purpose of clarifying and answering questions pertaining to your Safety Integration Plan. We particularly appreciate your discussions of CSX's overall integration efforts and of the progress you have made since the submittal of the Safety Integration Plans. During the meeting you agreed to provide further clarification and documentation on certain issues and to hold additional discussions over the next few months. These additional exchanges of information will allow SEA to respond to comments on the Safety Integration Plans.

Key areas that we expect will be covered in the comments submitted to SEA include:

- Planning and scheduling;
- Staffing and workload;
- Public safety;
- Railroad operations; and
- Plant and equipment.

At this point, SEA requests a brief, informal response to several questions raised at the meeting. Your prompt response will allow us to begin formulating preliminary responses to anticipated comments to SEA. We understand that these informal comments may be revised by you in any formal addenda that you may provide to your Safety Integration Plan in March.

The questions are:

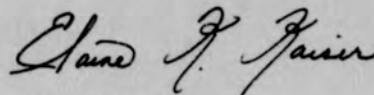
1. How are the safety critical issues within the railroad's broader integration planning (schedule delays, technical problems, etc.) identified and tracked? Have all the safety-related "give-to's" and "get-from's" been reviewed by the safety integration officer?

-
2. What is your process for reviewing the reasonableness of the transition schedule, and are you on schedule, considering progress made to date?
 3. What significant changes in operations do you plan for Day One versus for other key milestones? Please provide a specific list (e.g., Conrail and CSX engineer seniority rosters for "Division X" combined, CSX issuing all Bills of Lading and Train Lists from Jacksonville, specific IT systems/applications cutover, etc.)?
 4. Have any specific issues, which may impact safety, been identified that could result from going forward too slowly? What are these and how are they being managed?
 5. How are you coordinating your preparation for Day One with NS, and how will you establish the final date for Day One? What other coordination is occurring with NS?
 6. What discussions are underway with other parties (e.g., NIT League, labor unions, etc.) and what is the general nature of the settlement agreements you have already achieved?
 7. Has the matrix with start/end dates and critical resources been presented to FRA yet? If it has, would you provide SEA with a copy?
 8. Please describe your efforts to identify and resolve railroad cultural differences.
 9. Please describe the particular safety-relevant railroad functions or processes for which you have conducted simulations, and the staff involved (position or role) as referenced in our meeting.
 10. What are your plans for involvement of craft employees in the implementation of the Safety Integration Plans?
 11. How do you provide incentives or mechanisms to encourage prompt notification of safety problems in situations where safety priorities may conflict with schedule pressures?

Brief responses along the lines of our discussions on January 20, 1998 are sufficient at this point. We request your response to this set of questions by February 13, 1998.

Thank you again for your cooperation. Please feel free to contact me at (202) 565-1538 or Mike Dalton at (202) 565-1530 if you have any questions.

Sincerely yours,



Elaine K. Kaiser
Chief
Section of Environmental Analysis

STB

FD

33388

10-29-97

K

PUBLIC



1370 Slave #812
Lakewood OH 44107

I wish to register
my vehement objections
to the possibility of an
increase in the trains
through Lakewood.

Sincerely,

ENVIRONMENTAL *Caroline M. Sims*
DOCUMENT
CAROLINE M SIMS