

STATEMENT  
and  
VOTE

GUS A. OWEN  
VICE-CHAIRMAN

SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

CSX/NS/CONRAIL MERGER

June 8, 1998

Since 1920 it has been the public policy of this nation to encourage railroad mergers that are in the public interest. The “public interest”, just what does that expression mean. We are instructed, via the statute, agency precedent, and the courts, that in the context of a proposed merger, that expression should mean increased competitive options and reasonable rail service for shippers. For railroads, it should mean growth, better returns on investments, greater and efficient use of assets, and infrastructure improvements. For labor it should mean fair working conditions, wages, and enhanced job security. And last, but not least, for impacted communities, it should mean fair and equitable arrangements in enhancement of the environment and the quality of life.

I find that in the context of this proposed merger, that in view of the quality of the arguments and evidence, that this is indeed a proposed merger in the public interest. I vote to approve it.

With everything being said and done, I cannot help but conclude that the public benefits are compelling. Chiefly among which is that, in my opinion, this merger, as approved and conditioned, approximates as closely as possible what was envisioned as far back as the final system plan for viable two carrier competition in the East.

I believe that the public overall should be pleased as a result of what we do here today. Conrail has been replaced by two viable, efficient, and quality carriers, who, promise to compete vigorously. Such competition cannot help but ensure to the public benefit and interests. Concomitantly, the nation's communities and highways will be rid of hundreds if not thousands, of trucks.

Is it a perfect plan, perhaps not. Will there be some competitive harm, or economic dislocation in important market, perhaps so. But I find overall that the evidence is compelling that the approval of this merger, as a condition, will ease, and in some cases, completely eliminate the harm of a competitive imbalance that has gone on for too long.

I am thankful that the debate consisted of many diverse views. But I truly believe that what we do here today will in the long run achieve the greatest good with a minimum amount of harm. In this regard, I would commend the applicants and the National Transportation League, and the United Transportation Union, among others, for sitting down at the table in advance of these proceedings, pursuing meaningful dialogue, and reaching exceptional and novel resolutions. That was truly an example of the private market place regulating itself better than any governmental body could do.

I would also commend the role of other federal agencies, such as the FRA in matters of safety, and DOT and DOJ, for their valuable input regarding some of the competitive and operational issues, in advancement of the process.

Let me stress to the skeptics, however, that this agency intends on being an alert watch dog. We will not hesitate for a moment to exercise our authority to come back into this merger and grant competitive and or operational relief when necessary. I can assure you that this agency is predisposed to doing just that, without pause. Accordingly, I will hold the applicants'

to their promises and commitments. Keep and fulfill them, please.

Lastly, I would be remised, if I did not take a moment here and thank the Board's Staff. I must admit, I came here from the private sector three years ago with some of the same negative stereotypical perceptions of civil servants shared by some many others. However, I am here to tell you, that the civil servants here at the STB, at least, are some of the most dedicated, talented, and committed to be found anywhere in the federal workforce. This agency possesses some of the finest and competent transportation specialist in the world. I thank them all, the merger team, the Chairman and her staff, and last but not least my staff, for fulfilling their responsibilities in the highest tradition of service. I thank them all for a job well done.