

SURFACE TRANSPORTATION BOARD RELEASES DRAFT ENVIRONMENTAL IMPACT STATEMENT FOR PROPOSED "CONRAIL" ACQUISITION

Contact: Elaine K. Kaiser, Mike Dalton

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that a Draft Environmental Impact Statement (EIS) has been issued in the CSX-NS-Conrail CSX Corporation and CSX Transportation, Inc. are referred to collectively as CSX. Norfolk Southern Corporation and Norfolk Southern Railway Company are referred to collectively as NS. Conrail Inc. and Consolidated Rail Corporation are referred to collectively as Conrail. CSX, NS, and Conrail are referred to collectively as applicants. railroad control proceeding Entitled *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*, STB Finance Docket No. 33388.. The Board welcomes public review and comment on the Draft EIS. Written comments are due by **February 2, 1998**.

On June 23, 1997, CSX and NS filed an application requesting authority to acquire control of Conrail and subsequently divide Conrail's assets. The proposed transaction would affect 44,000 miles of rail lines and numerous rail facilities. If approved, it would involve changes in rail operations that would include increases in rail traffic, abandonment of some rail line segments, construction of new rail line segments, and operational modifications at rail yards or intermodal facilities.

The Draft EIS is part of an ongoing evaluation of the potential environmental impacts associated with these changes. It is based on the independent environmental analysis being conducted by the Board's Section of Environmental Analysis (SEA). SEA's analysis has included an extensive public scoping process to identify potential environmental issues, review of public comments, and consultations with public agencies.

Specifically, the Draft EIS provides background information, explains specific technical and environmental analyses, and addresses the potential environmental effects of the proposed transaction on a system-wide basis and for each of the 24 potentially affected states and the District of Columbia. In addition, Volume 2 of the Draft EIS includes copies of the Safety Integration Plans submitted by NS, CSX, and Conrail. Consistent with a request by the U.S. Department of Transportation/Federal Railroad Administration, the Board has specifically directed the applicants to submit these plans to explain how they propose to ensure the safe integration of their separate systems, and to provide the public with an opportunity to comment on the sufficiency of these plans. The Draft EIS also includes SEA's preliminary recommendations for mitigation to address possible environmental effects of the proposed transaction.

SEA invites public comment on the Draft EIS, the Safety Integration Plans, and SEA's proposed mitigation measures as well as possible alternative mitigation. SEA will fully consider all the public comments in preparing the Final EIS. SEA plans to distribute the Final EIS in late May 1998. In making its decision in this case, the Board will consider the entire environmental record, including all public comments, the Draft EIS, the Final EIS, and SEA's final environmental recommendations. The

Board plans to issue its final written decision on July 23, 1998.

The public may comment on the Draft EIS by submitting written comments (an original plus 10 copies) by **February 2, 1998**, at the following address:

Case Control Unit
Finance Docket No. 33388
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Attn: Elaine K. Kaiser
Environmental Project Director
Environmental Filing F.D. 33388

The public is invited to telephone SEA's **toll-free Environmental Hotline at 1-888-869-1997** with any questions regarding the Board's environmental review process. Additional information about the proceeding is available on the Internet at SEA's "Conrail Acquisition Web Page" at **www.conrailmerger.com**

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