

Surface Transportation Board Directs "Norfolk Southern" To Show Why Board Should Not Order It To Cancel Proposed Sept. 1 Closing of Its Hollidaysburg, PA, Railcar Shops

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has issued a decision directing the Norfolk Southern Corporation and the Norfolk Southern Railway Company (referred to collectively as "NS") to show why the Board should not order NS to cancel its proposed closing of its Hollidaysburg Car Shops ("Car Shops," located in or near Hollidaysburg, Pennsylvania) and to keep them open at least at present capacity for a significant period of time beyond September 1, 2001.

The Board issued its decision in view of assurances NS had given in 1997-1998 in connection with its application to acquire a substantial portion of the rail system formerly operated by Conrail Inc. and the Consolidated Rail Corporation (referred to collectively as "Conrail"). The Board noted that NS had indicated at numerous times--in administrative filings with the agency, in news releases issued to the public and, on at least one occasion, in testimony before a U.S. Senate subcommittee--that it intended to retain Conrail's former Car Shops and to keep them operating. The Board concluded that, in view of these statements, upon which people clearly relied in formulating positions of support for the Conrail acquisition, and in view of NS's present determination to close the Car Shops on or about September 1, 2001, there is reason to explore more specifically whether the closing at this point in time would violate representations that NS had made during the course of the Conrail acquisition proceeding before the agency. The Board also noted that, given those commitments by NS, it is not clear why the closure of the Car Shops should be at the forefront of its current plans to cut costs or increase profitability. The Board thus directed NS to show, through a pleading to be filed by **June 11, 2001**, why the agency should not order NS to cancel the proposed closing of its Car Shops.

The Board issued its decision today in Decision No. 186 in the case 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. Commissioner Burkes dissented with a separate expression. A printed copy of the decision is available for a fee by contacting **D~To~D~ Office Solutions, Room 405, 1925 K Street, NW, Washington, DC 20006, telephone (202) 756-1649**, or via [http://Da_To_Da@Hotmail.com](mailto:Da_To_Da@Hotmail.com). The decision also is available for viewing and downloading via the Board's Website at <http://www.stb.dot.gov>.

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