

**SURFACE TRANSPORTATION BOARD ISSUES NOTICE OF PREFILING NOTIFICATION,  
GRANTS PROTECTIVE ORDER, SEEKS COMMENT ON PROPOSED PROCEDURAL  
SCHEDULE CONCERNING PROPOSED "CSX-NORFOLK SOUTHERN-CONRAIL"  
RAILROAD CONTROL TRANSACTION**

FOR RELEASE: i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½  
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Tuesday, April 22, 1997 i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½ i:½  
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**SURFACE TRANSPORTATION BOARD  
ISSUES NOTICE OF PREFILING NOTIFICATION, GRANTS PROTECTIVE ORDER,  
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PROPOSED "CSX-NORFOLK SOUTHERN-CONRAIL"  
RAILROAD CONTROL TRANSACTION**

Surface Transportation Board (Board) Chairman Linda J. Morgan today announced that the Board has issued a notice to the public that, on April 10, 1997, the CSX Corporation (CSXC), and CSX Transportation, Inc. (CSXT) (collectively referred to as CSX), Norfolk Southern Corporation (NSC) and Norfolk Southern Railway Company (NSR) (collectively referred to as NS), and Conrail, Inc. (CRI) and Consolidated Rail Corporation (CRC) (collectively referred to as Conrail), filed a notice of their intent to file a joint application CSX, NS, and Conrail are collectively referred to as "applicants." with the Board In a decision issued to the public on April 16, 1997, the Board discontinued prior separate proceedings in which CSX and Conrail had filed a notice of intent to file an application to merge (in STB Finance Docket No. 33220) and in which NS had filed a notice of intent to file an application to acquire control of Conrail (in STB Finance Docket No. 33286).--on or before **July 10, 1997**--seeking authority for:

- (1) the acquisition of control, by CSX and NS, of CRI, which is to be jointly owned by CSXC and NSC, by and through a special-purpose, limited liability company (LLC) and LLC's wholly owned subsidiary, Green Acquisition Corporation (Acquisition); and
- (2) should the Board grant such authorization and exercise of control, the division of Conrail's assets into:
  - (a) certain assets that will continue to be held by CRI and CRC, or their subsidiaries, and operated for the account of Conrail and its stockholders;
  - (b) certain assets that will be the subject of separate long-term

operating agreements, operating leases, or other operating arrangements with CSX and NS, respectively; and

(c) certain assets that will be separately owned by CSX and NS.

In addition, as part of the overall proposed transaction, CSXT will acquire an NSR (formerly Conrail) rail line between Ft. Wayne, Indiana, and the Chicago, Illinois, metropolitan area.

The Board also advised the public that the applicants concurrently filed: (1) a petition requesting that the Board grant a protective order to protect confidential, highly confidential, and proprietary information, including contract terms, shipper-specific traffic data, and other traffic data to be filed with the Board that could cause serious competitive injury to the parties; (2) a petition requesting that the Board waive the requirements of Title 49, Code of Federal Regulations [49 CFR 1180.4(b) (1)] (concerning prefiling notification) so that the applicants need not wait three months before filing their proposed primary application; and (3) a proposed procedural schedule for the Board's consideration of the control proposal. The Board granted the requested protective order on April 16, 1997. In its decision issued on April 21, 1997, the Board gave public notice of the filing of the control application, granted the applicants' petition for waiver of the "prefiling requirement" concerning public notice. In granting a waiver of the prefiling requirement rule, the Board found that the public has been given sufficient notice of the proposed control proceeding and that a waiver would not create uncertainty or be prejudicial to any party., and invited public comment--**due May 1, 1997, with the applicants' reply due by May 8, 1997**--on the applicants' proposed procedural schedule.

The applicants' proposed schedule is as follows:

#### **PROPOSED PROCEDURAL SCHEDULE**

##### **Date**

**(With "F" indicating date merger application is filed with the Board) Material Due/Action Taken**

**30 days before F Applicants' preliminary environmental report on impacts of control proposal, including all supporting documents**

**F Primary control application (including the environmental report) and related applications (e.g., requests for rail line abandonment, line construction, etc.)**

**F + 30 days Board's notice of acceptance of primary and related applications (i.e., petitions and official notices) is published in Federal Register, including notice of any transaction-related rail line abandonment proposals.**

**F + 45 days Notification to Board of persons' or parties' intent to participate in the control proceeding are due, including notices of intent to participate in abandonment proceedings.**

**F + 60 days Parties' description of anticipated inconsistent applications (i.e. alternative proposals inconsistent with the primary application) and responsive applications (e.g., seeking to lessen perceived anticompetitive effects by trackage rights, etc.), and petitions for Board waiver or clarification of such applications are due.**

**F + 120 days Inconsistent and responsive applications are due. All comments, protests, requests for conditions to be applied to the control**

proposal, and other opposition evidence and argument due. Comments by U.S. Dept. Of Justice and U.S. Dept. Of Transportation are due. Relative to all transaction-related line abandonments: opposition submissions, requests for public use (of railroad right-of-way) conditions, and National Trails Systems Act (Trails Act) requests (relative to recreational use of right-of-way) are due.

**F + 135 days Notice of Board's acceptance (if required) of inconsistent and responsive applications is issued and published in Federal Register.**

**F + 150 days Applicants' response to inconsistent and responsive applications, comments, protests, requested conditions, and other opposition arguments and evidence is due. Applicants' rebuttal in support of primary and related applications is due. Relative to all transaction-related abandonments: applicants' rebuttal and responses to requests for public-use and Trails Act conditions are due.**

**F + 165 days Parties' rebuttal in support of inconsistent and responsive applications is due.**

**F + 185 days Briefs (not exceeding 50 pages) are due from all parties, except that CSX and NS may file separate briefs (with same page-length restriction).**

**F + 200 days Oral argument before the Board (at Board's discretion), the conclusion of which closes the public record.**

**F + 205 days Board holds voting conference open to the public.**

**F + 255 days Board issues final written decision reflecting vote of day F + 205.**

The Board granted the protective order requested by the applicants and assigned Administrative Law Judge Jacob Leventhal to handle all discovery. The means by which a party obtains information--through questions or other requests--from another party or parties in an STB proceeding. matters and the initial resolution of all discovery disputes in its April 16, 1997 decision 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, Decision No. 1, STB Finance Docket No. 33388. The Board advised the public of the filing of the applicants' notice of intent to file their control application, invited public comments on the applicants' proposed schedule, and granted the applicants' petition for waiver of the prefiling requirement in 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, Decision No. 2, STB Finance Docket No. 33388, issued to the public on April 21, 1997.

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