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**SURFACE TRANSPORTATION BOARD DENIES REQUEST TO HOLD RATE CASE IN
ABEYANCE PENDING CONRAIL MERGER**

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**SURFACE TRANSPORTATION BOARD
DENIES REQUEST TO HOLD RATE CASE IN ABEYANCE
PENDING CONRAIL MERGER**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has denied a request filed by the Consolidated Rail Corporation (Conrail) asking the Board to postpone the processing of a pending rate case until the Board decides the proceeding in which CSX Transportation, Inc. (CSXT) and Norfolk Southern Corporation (NS) seek to take control of Conrail's lines. Pennsylvania Power and Light Company (PP&L) currently is pursuing a complaint before the Board in the case entitled Pennsylvania Power & Light Company v. Consolidated Rail Corporation, et al., STB Docket No. 41295. That complaint challenges the reasonableness of the charged on movements of coal handled by Conrail and CSXT, and by Conrail and NS. CSXT and NS have indicated to the Board, however, that they intend to file an

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application to acquire control of Conrail. Asserting that NS likely will operate the Conrail track at issue in the rate complaint, should the control application be approved, and that NS has indicated its intention to reach suitable rate arrangements with PP&L, Conrail filed a motion seeking to have the rate case held in abeyance until after the Board proceeding concerning the proposed control of Conrail is resolved. Conrail argued that the prosecution of rate cases is expensive and time-consuming, and that future developments in the Conrail control proceeding will likely make it unnecessary to resolve the rate controversy.

In denying Conrail's motion, the Board agreed with PP&L that there is no way of knowing at this time what the outcome of the proceeding involving the Conrail control application will be, or whether NS and PP&L will indeed reach an agreement as to some of the rates at issue in STB Docket 41295. Moreover, the Board noted, any agreement that NS and PP&L might reach would not be determinative of the rates involving CSXT. For those reasons, and because delay of STB Docket No. 41295 would harm PP&L, the Board denied Conrail's motion.

The Board's issued its decision in STB Docket No. 41295, today, May 14, 1997.

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