

**SURFACE TRANSPORTATION BOARD RELEASES FINAL ENVIRONMENTAL IMPACT  
STATEMENT FOR PROPOSED CONRAIL ACQUISITION**

FOR RELEASE:

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Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Final Environmental Impact Statement (Final EIS) for the CSX-NS-Conrail CSX refers to CSX Corporation and CSX Transportation. NS refers to Norfolk Southern Corporation and Norfolk Southern Railway Company. Conrail refers to Conrail Inc. and Consolidated Rail Corporation. CSX, NS, and Conrail are referred to collectively as Applicants. railroad control proceeding *CSX Corporation and CSX Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company — Control and Operating Leases/Agreement — Conrail Inc. and Consolidated Rail Corporation*, STB Finance Docket No. 33388, filed June 23, 1997. has been issued. The Final EIS addresses the potential environmental impacts of the proposed Conrail Acquisition, which involves 44,000 miles of rail line in 24 states and the District of Columbia. In the Final EIS, the Board's Section of Environmental Analysis (SEA) has addressed a broad range of environmental issues and has recommended mitigation measures to reduce or eliminate potential environmental impacts.

In the Final EIS, SEA recommends that the Board require the Applicants to implement 65 mitigation measures to address safety and other environmental impacts. Most of SEA's recommended environmental mitigation measures address railroad operating safety concerns. For the first time in an environmental review, SEA recommends measures to address safety integration issues that could result from combining three separate railroads. SEA's mitigation measures also address community impacts, such as noise and highway/rail at-grade crossing safety, in the communities that would be most affected by the proposed Conrail Acquisition.

Environmental Impacts. In its analysis, SEA has identified both beneficial and adverse environmental impacts that could result from the proposed Conrail Acquisition. On a system-wide basis, SEA has identified important environmental benefits that could result from overall improvements in rail operating efficiency. These benefits include reduced air pollutant emissions; reduced energy consumption; reduced likelihood of rail accidents involving hazardous materials; and decreases in highway accidents due to reduced truck traffic on interstate highways. SEA also has noted regional and local environmental benefits that could result from reduced train traffic along certain rail lines and reduced activity at certain rail yards and intermodal facilities. These benefits could include reduced noise impacts and improvements in safety and traffic delay at highway/rail at-grade crossings.

SEA also has identified adverse environmental impacts that could result from the proposed Conrail Acquisition. These potential impacts include safety impacts related to hazardous materials transport, freight transport, and passenger service along certain rail corridors. SEA also has identified community and local impacts related to noise, highway/rail at-grade crossing safety and delay, emergency response vehicle delay, natural resources, cultural resources, and hazardous waste sites. These impacts could occur in certain communities in 18 states (AL, DE, GA, IL, IN, KY, MD, MI, MO, NJ, NY, NC, OH, PA, SC, TN, VA, and WV) and the District of Columbia that would experience increased railroad activity or rail line construction and abandonment projects. SEA has analyzed environmental justice issues and has identified potential environmental impacts that are disproportionately high and adverse for minority and low-income populations in several cities in Illinois, Indiana, Ohio, and Pennsylvania.

Environmental Mitigation. In developing the mitigation to address potential significant adverse environmental impacts, SEA has focused on the potential environmental impacts that could result from changes in rail activity on existing rail lines and rail facilities as a result of the proposed Conrail Acquisition. SEA has developed extensive environmental mitigation on a general (system-wide), regional, and local level. For example, SEA's general mitigation would require the Applicants to implement safety measures at highway/rail at-grade crossings along more than 40 rail line segments in eight states (IL, IN, MD, MI, NY, OH, PA, VA) to protect the numerous counties and communities that would be potentially affected.

SEA's regional mitigation recommendations address safety issues, such as hazardous materials transport or passenger rail safety. In all, SEA's regional mitigation would address safety issues on 63 rail line segments in 14 states (AL, GA, IL, IN, MD, MO, NC, NJ, NY, OH, PA, SC, TN, VA) and the District of Columbia.

SEA's local mitigation is site-specific and addresses environmental issues such as traffic delay, highway/rail at-grade crossing safety, noise, emergency response vehicle delay, environmental justice, and protection of natural and cultural resources. Numerous communities in nine states (IL, IN, KY, MD, MI, NY, OH, PA, and VA) would benefit from SEA's recommended local mitigation.

Negotiated Agreements. In many cases, CSX and NS have entered into mutually acceptable Negotiated Agreements with the affected communities to address these potential environmental impacts and other local concerns. As of May 15, 1998, CSX and NS have executed 18 Negotiated Agreements with communities and organizations. SEA is recommending that the Board require the Applicants to comply with the terms of the Negotiated Agreements as conditions in any decision approving the proposed Conrail Acquisition.

Safety Integration. To address potential safety integration issues, the Board and the Federal Railroad Administration (FRA) have signed a Memorandum of Understanding to establish a safety monitoring process during implementation of the proposed Conrail Acquisition. SEA recommends that the Board require the Applicants to cooperate with this monitoring process and to comply with their Safety Integration Plans, if the Board approves the proposed Conrail Acquisition. Based on comments from the FRA, the Board required the Applicants to prepare detailed Safety Integration Plans, which the Applicants filed with the Board in December 1997.

In preparing the Final EIS and making its recommendations, SEA has conducted an extensive, independent environmental analysis, reviewed all the public comments, and consulted with Federal, State, and local agencies. SEA has carefully considered the public comments received on the Draft EIS, which SEA issued in December 1997. SEA has received comments from a broad range of interests that include Federal, State, and local agencies; elected officials; communities; businesses; associations; commuter services; and the general public.

In making its final decision on the proposed Conrail Acquisition, the Board will consider the entire environmental record including all the public comments, the Draft EIS, the Final EIS, and SEA's final environmental mitigation recommendations. The Board will conduct an oral argument on June 3 and 4, 1998, and a formal voting conference on June 8, 1998, at which both transportation merits and environmental

issues will be considered. The Board plans to issue its final written decision on July 23, 1998. In its final decision, the Board will grant, deny, or grant with conditions (including environmental conditions), the proposed Conrail Acquisition.

Information about the environmental review of the proposed Conrail Acquisition is available by telephone at SEA's toll-free Environmental Hotline (1-888-869-1997, or ADD for hearing impaired: (202) 565-1695). Information may also be found at the following Internet website: <http://www.conrailmerger.com>.

**For Additional Information:** Contact Michael Dalton, SEA Project Manager for the proposed Conrail Acquisition at (202) 565-1530 (ADD for the hearing impaired: (202) 565-1695).

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