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SERVICE DATE - APRIL 1, 1999

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FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 33725]

CSX Transportation, Inc.--Trackage Rights Exemption--Consolidated Rail Corporation

Consolidated Rail Corporation (Conrail), has agreed to grant overhead trackage rights to CSX Transportation, Inc. (CSXT), to operate its trains, locomotives, cars and equipment with CSXT's own crews over Conrail's Olin Running Track between the Conrail/CSXT connection at milepost 0.5± and milepost 0.0±; and (2) Conrail's Pekin Running Track between milepost 0.0± and the limits of trackage being leased by CSXT at the connection to Conrail's Hillery Yard at milepost 1.85± in Danville, IL,¹ a distance of approximately 1.9 miles, including necessary head and tail room.

As noted in the agreement attached to CSXT's notice of exemption, this trackage rights arrangement is only temporary. The Conrail trackage that is the subject of the trackage rights is to be allocated to Conrail's subsidiary, New York Central Lines LLC, and operated by CSXT, after what is referred to as the "Split Date," or the date of the division of Conrail's assets, as authorized by the Board 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, STB Finance Docket No. 33388 (STB served July 23, 1998). CSXT states that it expects the

¹ Under a separate agreement, CSXT is leasing approximately 18,850 feet of yard track in Conrail's Hillery Yard for storage of railroad cars.

Split Date to occur on June 1, 1999. The parties intend for the trackage rights to terminate on the Split Date, but if the Split Date does not occur before June 30, 1999, the parties' agreement provides for termination of the trackage rights on June 30, 1999. Accordingly, on March 25, 1999, CSXT filed a petition for exemption in STB Finance Docket No. 33725 (Sub-No. 1), CSX Transportation, Inc.--Trackage Rights Exemption--Consolidated Rail Corporation, requesting that the Board permit the proposed overhead trackage rights arrangement described in the present proceeding to expire on the Split Date or June 30, 1999, whichever occurs first. That petition will be addressed by the Board in a separate decision.

The transaction was scheduled to be consummated on March 19, 1999.

The purpose of the trackage rights is to allow CSXT to access the tracks it is leasing from Conrail in Hillery Yard.

As a condition to this exemption, any employees affected by the trackage rights will be protected by the conditions imposed in Norfolk and Western Ry. Co.--Trackage Rights--BN, 354 I.C.C. 605 (1978), as modified in Mendocino Coast Ry., Inc.-Lease and Operate, 360 I.C.C. 653 (1980).

This notice is filed under 49 CFR 1180.2(d)(7). If it contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

STB Finance Docket No. 33725

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 33725, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Charles M. Rosenberger, Senior Counsel, CSX Transportation, Inc., 500 Water Street, J-150, Jacksonville, FL 32202.

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“WWW.STB.DOT.GOV.”

Decided: March 26, 1999.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary