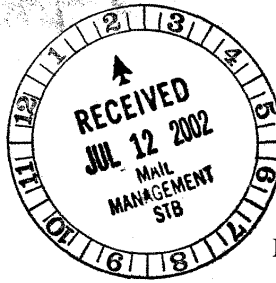


SURFACE TRANSPORTATION BOARD

Memorandum



205843

DATE: July 12, 2002

TO : Ron Douglas, Printing Officer
Section of Facilities Management
Office of Economics, Environmental Analysis, and Administration

FROM : Mel Clemens, Director
Office of Compliance and Enforcement

SUBJECT : STB FINANCE DOCKET NO. 33388 - OPERATIONAL MONITORING DATA

Attached are the original and two copies of the latest monthly reports provided to this office by CSX and Norfolk Southern as required in the above proceeding, which are to be committed to the docket for public reference. As requested, I am providing three paper copies, two for the docket and one for Da 2 Da Legal. If there are any questions, please don't hesitate to contact me or Ed Nelson.

Attachments

cc: Chairman Morgan
Vice Chairman Burkes
Richard Armstrong

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Office of Proceedings
JUL 15 2002
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Public Record

500 Water Street (J150)
Jacksonville, FL 32202
(904) 359-1192
FAX: (904) 366-2902
E-mail: Paul_Hitchcock@CSX.com

Paul R. Hitchcock
Assistant General Counsel

June 30, 2002

Melvin F. Clemens, Jr.
Director Office of Compliance and Enforcement
Surface Transportation Board
Washington, DC 20423-0001

Dear Mr. Clemens:

Attached to this letter are the Operational Monitoring Reports required in STB Finance Docket No. 33388.

The reports are presented in the following order:

Labor Implementing AgreementsPage 1
Labor Task ForcePage 1
Construction and Other Capital Projects TablePages 2-3
Infrastructure Maintenance and ExpansionPage 4
Additional Noteworthy Engineering Projects Table.....Pages 5-8
Information TechnologyPages 9-12
Customer ServicePage 13
Training.....Page 14

Note: Italicized information indicates a change or update from the last report.

Please contact me if there are any issues that need clarification or explanation. As information, coincident with filing this report with the STB, CSXT has made this report available on our web site (www.csx.com).

Pursuant to your letter of June 17, 2002, until further directed by your office, this will be the last monthly CSXT report. We greatly appreciate your office's decision to eliminate the monthly reporting requirement in recognition of CSXT's favorable level of operations.

Very truly yours,

Paul R. Hitchcock

cys: Peter J. Shudtz, Sr. Vice President
Regulatory Policy and Washington Counsel

CSX TRANSPORTATION, INC.
STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

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Additional Noteworthy Engineering Projects Table.....	Pages 5-8
Information Technology	Pages 9-12
Customer Service	Page 13
Training.....	Page 14

Note: Italicized information indicates a change or update from the last report.

STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

LABOR

Labor Implementing Agreements

All of the Labor Implementing Agreements have been reached. Accordingly, the requirement provided for in Paragraph 1 on page 162, of STB Decision No. 89 issued in Finance Docket No. 33388 has concluded.

Labor Management Task Force

CSXT has sent an invitation to each of its unions with which an implementing agreement has been reached and which will continue to represent employees on CSXT to participate in a labor task force similar to the one established with the United Transportation Union. CSXT has held labor task force meetings with a number of its unions. CSXT will hold additional meetings, as the need arises. CSXT also will continue its effort to have frequent communications with its unions to guarantee that problems which may still arise with respect to the implementation of the transaction receive prompt attention.

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location	Project	Status	Expected Completion Date
1) Greenwich, Ohio to Pine Junction, Indiana	Construct 2 nd main track with TCS on B&O including connections.	Complete	4Q 98
2) Quaker to Greenwich, Ohio	Construction by Conrail of 2 nd main track with TCS.	Complete	4Q 98
3) Willard, Ohio	Yard Expansion	Complete	1Q 99
4a) Crestline, Ohio	a) Construct or rehabilitate connection tracks with Indianapolis Line.	a) Complete	2Q 99
4b) Sidney, Ohio	b) Connection Track	b) Complete	4Q 98
4c) Marion, Ohio	c) Rehabilitate Connection Track	c) Complete	1Q 99
5) Carleton, Michigan	Connect track with Conrail	Complete	4Q 98
6a) Alice, Indiana	a) Siding Extension	a) Complete	a) 3Q 98
6b) Harwood, Indiana	b) Siding Extension	b) Complete	b) 4Q 98
7a) Chicago, Illinois	a) Intermodal Expansions	a) Complete	a) 3Q 98
7b) Cleveland, Ohio	b) Intermodal Expansions	b) Complete	b) 1Q 99
7c) Philadelphia, Pennsylvania	c) Intermodal Expansions	c) Complete	c) 4Q 00
7d) Little Ferry, New Jersey	d) Intermodal Expansions	d) Complete	d) 3Q 98
8) Philadelphia, Pennsylvania	Rebuild Eastwick connection track with Conrail.	Complete	4Q 98
9) Hobart, Indiana to Tolleston, Indiana	Restoration of connection and main track between Hobart & Tolleston.	Complete	2Q 99

MONITORING REPORT

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Project	Status	Expected Completion Date
Chicago area-upgrade connection tracks and other improvements.	Complete	2Q 99
Upgrade capacity on the Mon. Subdivision	Complete	4Q 98
Extend 3 sidings by Conrail on River Line	Complete	4Q 98
Connection track Conrail/NYSW	Complete	2Q 99
Connection track @ Lincoln Avenue CSX/IHB	Complete	2Q 99

STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location	Project	Status	Expected Completion Date
10) Chicago, Illinois	Chicago area-upgrade connection tracks and other improvements.	Complete	2Q 99
11) Newell & New Castle, Pennsylvania	Upgrade capacity on the Mon. Subdivision	Complete	4Q 98
12) Albany, New York to Bergen, New Jersey	Extend 3 sidings by Conrail on River Line	Complete	4Q 98
13) Little Ferry, New Jersey	Connection track Conrail/NYSW	Complete	2Q 99
14) Dolton, Illinois	Connection track @ Lincoln Avenue CSX/IHB	Complete	2Q 99

STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

Infrastructure Maintenance and Expansion Report

Throughout 2001, CSX has continued committing resources toward the completion of key track capacity improvements over the entire system. The following Table lists those projects and summarizes their current status:

STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE
(In some cases these projects may be unrelated to the Conrail integration.)

Location		Project	Under Construction	Estimated Completion
1)	Alexandria, VA	AF Interlocking reconstruction (VRE project)	Completed	10/29/01
2)	Aliquippa, PA	Construct 2 industry support tracks	Completed	06/30/00
3)	Baltimore, MD (Bay View YD)	Add crossover BA Tower	Completed	12/15/01
4)	Blue Island (Chatham), IL	Construct Universal Crossover	N	09/30/02
5)	Casky, KY	Construct new main track to create Ind. Lead	Completed	05/15/02
6)	Chicago, IL	Barr SD - TCS - Phase II	Completed	06/01/01
7)	Chicago, IL	Construct 59 th Street North Lead	Completed	06/30/00
8)	Chicago, IL	Construct storage tracks & 3 rd Main at Barr Yard	Delayed	
9)	Chicago, IL	TCS Blue Island SD to 75 th Street	Completed	03/31/01
10)	Cincinnati, OH	Track Changes Hopple St. & Colerain Ave. Interlockings	N	12/31/02
11)	Cleveland, OH	Construct mainline fueling facility at Collinwood Yard	Completed	08/30/00
12)	Columbus, OH	Scioto Interlocking w/NS (ODOT project)	Completed	12/31/01
13)	Coosa Pines, AL	Construct new 11,200' passing siding	Completed	08/29/00
14)	Dearborn, MI	Construct new track connection with Shared Assets Co.	Completed	05/15/01
15)	East Cleveland, OH	Noise berms, landscaping	Completed	06/30/00
16)	East Fostoria, OH	Extend yard/connection lead	N	Deferred
17)	Erie, PA	NS relocation project	Completed	12/31/01

STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE
(In some cases these projects may be unrelated to the Conrail integration.)

Location	Project	Under Construction	Estimated Completion
18) Erie, PA	Replace CSXT bridge decks over B&LE (CSXT work relating to NS relocation project)	Completed	8/1/01
19) Evansville, IN	Install new concrete universal crossovers	Completed	10/19/01
20) Fall River, MA	MBTA replacement of 4 undergrade bridges	Y	10/31/01
21) Feltonville, PA	Extend siding to 20,200'	Completed	8/9/01
22) Franklin, AL	Construct new 11,200' passing siding	Completed	09/15/00
23) Frederick, MD	MARC project	Completed	11/20/01
24) Ft. Lauderdale, FL	Construct 45 miles of 2 nd main for TriRail	N	Pending
25) Gallaway, TN	Build siding with 10,000' in clear	Completed	10/1/00
26) Garrett, IN	Construct Randolph St. underpass	Completed	08/30/00
27) Gibraltar, MI	Construct crossover between CSXT and CN	Completed	09/30/00
28) Greenwood, SC	Construct double-track to Salak	Completed	11/06/00
29) Halls, GA	Construct 2 mile siding	Completed	09/15/01
30) Hopkinsville, KY	Install turnouts/signals for new Ft. Campbell lead wye	Completed	10/15/01
31) Keystone, SC	(Sandpatch to Rockwood, PA)-Upgrade #10 crossovers to power #15's and TCS	Completed	10/29/01
32) Lacon to Holmes Gap, AL	Add 8 miles of 2 nd main MP 328-MMP336	Completed	6/15/01

STB OPERATIONAL MONITORING REPORT
As of June 30, 2002

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE
(In some cases these projects may be unrelated to the Conrail integration.)

Location	Project	Under Construction	Estimated Completion
33) Lawrenceville, GA	Construct new siding and 5 track Palmer Yard	N	12/01/03
34) Lima, OH	Conrail connection track improvements	Completed	05/30/00
35) Little Ferry, New Jersey	Construct Bridge over Overpeck Creek	Y	12/31/02
36) Louisville, KY	Link Highway Track to Highland Park #2	Completed	06/15/00
37) Miami, FL	Phase IV Double Trk Project SX 1024.7-1031.6	Y	08/31/02
38) Martinsburg, Hobbs, Miller/Cherry Run, W Cumbo, WV	Eliminate manned interlockings, Phase I	Completed	12/31/01
39) McDaniel, TN	Siding extension to 10,000' clear	Completed	09/1/00
40) New Boston, MI	Parking lot expansion	Completed	06/30/00
41) New Boston, MI	Power Existing Sibley Rd & Eureka Rd Crossovers	N	12/31/02
42) Owassa, AL	Construct new 2 mile siding	Completed	06/11/02
43) Philadelphia, PA	Greenwich Yard Phase I rehabilitation	Completed	06/30/00
44) Philadelphia, PA	Greenwich Yard Phase II expansion	Completed	12/21/00
45) Pittsburgh to W.Pittsburgh PA	Upgrade the P&LE Branch	Y	09/30/02
46) Princeton, IN	Support Yard	N	09/02/02
47) Ridgefield Park, NJ	Construct second main track & signals M.P. 2-7	Y	12/01/02
48) Ridgefield to N. Bergen NJ	Construct second main track on the River Line	Y	12/31/02
49) Rupert-Mauk, GA	Construct 8 miles of second main track & signals	Completed	11/30/01

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

ADDITIONAL NOTEWORTHY ENGINEERING PROJECTS TABLE (In some cases these projects may be unrelated to the Conrail integration.)

Location	Project	Under Construction	Estimated Completion
50) Teaneck, NJ	Construct siding CP7-CP10	Completed	03/31/00
51) Tunnel Hill, GA	Construct Siding, W & A Sub	Completed	11/15/01
52) Union City, GA	Construct connection track	Completed	04/15/00
53) Union City-Tilford, GA	Clearance improvement project	Completed	03/15/00
54) W. Baltimore, MD	Convert #10 HTEL to Power #15	Completed	09/30/00
55) Wadley, AL	Extend passing siding to 10,000' clear	Completed	09/15/00
56) Youngstown, OH	Construct Ashtabula Connection for 140 car capacity	Completed	07/15/00
57) Hamlet, NC	New Hump Process Controller & Track profile improvement	Yes	09/30/02
58) Petersburg, VA	Track Changes to allow block swapping	No	12/31/02
59) Weaverton, MD to W Cumbo, WV	Capacity improvements for commuters	Yes	03/31/03
60) Carrol to St. Dinis, MD	Capital Reliability Improvement-Preliminary Engineering only	No	09/30/02
61) Anacostia Jct. to Shepard Jct.	Capital Reliability Improvement-Preliminary Engineering only	No	09/30/02
62) Washington, DC	Capital Reliability improvement-Preliminary Engineering only	No	09/30/02
63) Dorsey Rd. to Savage, MD	Capital Reliability Improvement-Preliminary Engineering only	No	09/03/02

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

INFORMATION TECHNOLOGY

Information Technology

The implementation strategy, training plans, and status of the Information Technology (IT) initiatives affecting the following Operating Areas are summarized:

- ❖ Customer Service
 - Electronic Customer Connectivity
- ❖ Operations Personnel
 - Crew Management
- ❖ Transportation
 - Car Management & Movement
 - Locomotive Management
 - Train Dispatching

Operating Area	Implementation Strategy	Status	Training
Customer Service Electronic Customer Connectivity	All inbound (e.g. bill-of-lading) and outbound (e.g. car tracing) electronic communications with existing Conrail customers are to be migrated to CSX and NS. All customers will be informed of their system migration options and have the opportunity to test the replacement electronic connections prior to a transfer of the customer communications links on Day 1. CSX and NS will work with all affected customers and EDI vendors to develop migration plans	Systems testing in process and on schedule A joint letter was distributed to current Conrail customers Existing and new Conrail Electronic Commerce customers have been contacted by CSX in separate mailings Electronic Commerce Certification of Conrail customers acquired by CSX is in progress. Planned customer conversions to CSX Electronic Commerce tools are complete. All EC is complete	All customers will be provided adequate systems documentation and a detailed description of any changes to their current Conrail-provided electronic services All customers targeted for conversion to CSX electronic commerce tools have received information regarding the changes. All customer training and customer conversions are complete.

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

INFORMATION TECHNOLOGY

Operating Area	Implementation Strategy	Status	Training
Operations Personnel Crew Management	Separation of callings desks (CSX, NS, SAC) in Dearborn, MI has been pre-negotiated and is in place. There will be a phased roll-out of eight calling desks to TECS – the CSX Crew Calling System. The first desk will be rolled out 50 days after Day 1. T&E Crews will continue to submit paper time sheets to Dearborn, MI until the TECS desk roll-out is completed. Paperless payroll implementation will take place 2 weeks after each TECS desk implementation. The entire roll-out will take approximately seven months.	Systems development in process and on schedule. The TECS desk roll-out is still on schedule. All desks have been cut over to TECS. Paperless payroll training was completed Dec. 10, 1999 Crew Callers have been moved from Dearborn to Jacksonville – Crew Management is complete.	CSX Payroll officers will train T&E employees on the CSX Payroll system immediately following the implementation of TECS. Local Chairman will participate in the training. Training documents have been prepared and presented to Conrail personnel. Training sessions have been completed.
Transportation Car Management and Movement	Field personnel will continue using Conrail application systems supporting yard inventory, train consisting and work orders after Day 1. Disposition and management of empty cars will occur in Jacksonville using CSX systems after Day 1 to ensure coordinated system wide transportation operations. Customers on the acquired territory will continue to order empty cars and obtain information on order status as they do today. CSX systems will be rolled-out to the acquired Conrail territory in 4 phases after Day 1.	Systems development in process and on schedule. Toledo Stanley Yard was cut-over to CSX systems July 27th. Chunk 1 Field Rollout including Indianapolis was successfully cut-over on Oct 11. Chunk 2 including Cleveland, Collinwood and Columbus, Ohio was successfully cut-over on January 10. Chunk 3 including Buffalo & Syracuse was successfully cut over on March 13, 2000. Chunk 4 including Selkirk & W. Springfield was successfully cut-over on May 8, 2000 All Car Management is complete	Training sessions have been completed

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

INFORMATION TECHNOLOGY

Operating Area	Implementation Strategy	Status	Training
Transportation Locomotive Management	CSX Locomotive Management System (LMS) will be used to manage locomotives in CSX acquired territory beginning on Day 1. This will occur from the Operations Center in Philadelphia, PA for approximately 180 days after Day 1. The management team in Philadelphia will consist of two locomotive managers and one senior locomotive manager. Dual entry of locomotive assignments will be made to the Conrail Locomotive Distribution System (LDS). Shutdown of Conrail LDS will accompany field roll-out and will be dependent upon other Conrail Systems (TRIMS & TMS) no longer relying on assignments being passed from Conrail LDS. Within 180 days after Day 1, locomotive management for the acquired Conrail territory will be relocated to the Kenneth Dufford Center in Jacksonville. Two CSX Locomotive Managers will manage the acquired territory at that time.	Implementation was completed June 1st. Dual entry into Conrail LDS was discontinued June 15th. The locomotive management of the acquired territory was transitioned to the Kenneth Dufford Center in Jacksonville, FL on July 12, 1999. Locomotive Management is Complete.	Locomotive managers for the acquired Conrail territory have been trained on the CSX Locomotive Management System (LMS). Locomotive Management has conducted training that included cross training of CSX and Conrail cultures.

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

INFORMATION TECHNOLOGY

Operating Area	Implementation Strategy	Status	Training
Transportation Train Dispatching	Train dispatchers will continue to use current Conrail systems. Phase 1 geographic realignments will separate dispatchers into CSX, NS & SAC entities within current division offices. Phase 1 will complete 90-120 days after Day 1. Phase 2 division realignment will move dispatchers to acquiring road's division. CSX Cleveland East dispatcher in Dearborn, MI will move to CSX headquarters in Indianapolis, IN. CSX Chesapeake & Riverline dispatchers in Mt. Laurel, NJ will move to CSX headquarters in Albany, NY. Phase 2 will complete 90-120 days after an implementing agreement has been reached. Phase 2 moves are contingent upon Phase 1 realignment completion for territory being transferred. Also contingent upon an implementing agreement being in place with the ATDD.	Systems development has been completed and implementation is proceeding on schedule. Phase 1 realignments : Albany, Indianapolis & Philadelphia complete. Dearborn Division started. Dearborn completed Mid-August 1999. Phase 2 realignments: Two dispatcher desks moved from Indianapolis to Dearborn on 7/27/99. Phase 2 projected to be completed with CSXO dispatcher move from Dearborn to Mt. Laurel on 8/10/99. All phases of the Train Dispatcher Realignment Project have been completed. Implementing agreements are now in place. Train Dispatching is complete.	Dispatchers will be trained on their new territory using the current processes in place at Conrail.

STB OPERATIONAL MONITORING REPORT

As of June 30, 2001

Customer Service Progress Report

During May we completed the rollout of all CSXT systems for the fourth regional area. Cutover took place on May 8, 2000 and went smoothly. Major locations included in the cutover were Selkirk, South Kearney, and Framingham areas.

Personnel

We duplicated our training and mentoring procedures for this last cutover. Classroom training in Pittsburgh was completed prior to the cutover with the remaining personnel trained on all CSXT systems.

Customer Familiarization

The customer familiarization processes used previously were also duplicated. Tariffs have been published and distributed for supplemental billing purposes, and procedures put in place to convert the records for the first 7 days of May from the Conrail to the CSX demurrage system, so that customers will see only one bill for the month. All customers have been notified regarding the up coming changes.

Brochures were customized and distributed to customers by our Electronic Commerce Customer Integration Center to explain our EC offerings and initiatives, with special telephone numbers and other vital data provided. Other customer communications included blast faxes, mailings, and regular interaction with our Electronic Commerce personnel.

STB OPERATIONAL MONITORING REPORT

As of June 30, 2002

STB Status Submission Report on Training

All remaining training for the acquired territories was completed during the month of May.

Clerical employees received one-on-one training at their work locations on specific job tasks for their jobs. Train & Engine Service employees received instructions in the preparation of work order documents to ensure the correct documentation of placing and pulling of cars from industries. Field transportation officers and yardmasters also received specific training in the use of yard and train management systems. Extensive training was provided for 45 yardmasters and 17 transportation officers.

Coaches were positioned at strategic locations to assist employees during the cutover at all major terminals and crew on-duty locations.

The last cutover completed the training initiatives for this project.



**NORFOLK
SOUTHERN**

Norfolk Southern Corporation
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Norfolk, Virginia 23510-9241

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July 5, 2002



Melvin F. Clemens, Jr.
Director, Office of Compliance and Enforcement
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001

Dear Mr. Clemens,

Enclosed is Norfolk Southern's Monitoring Report dated June 30, 2002. NS continues to make progress on the projects targeted for completion in 2002 that are listed in the Construction and Other Capital Projects section of the Report.

Please let me know if you need any further information.

Sincerely,

George A. Aspatore
George A. Aspatore

Enclosure

RECEIVED
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BOARD
2002 JUL 12 A 11:37
OFFICE OF COMPLIANCE
AND ENFORCEMENT
DIRECTOR'S OFFICE

Operating Subsidiary: Norfolk Southern Railway Company.

Norfolk Southern Corporation

STB Operational Monitoring Report

As of June 30, 2002

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Note: Bold print indicates changes from previous report.

* To be disclosed under a different cover or in a later report.

Surface Transportation Board Operational Monitoring Report
As of June 30, 2002

LABOR

Labor Implementing Agreements

All of the Labor Implementing Agreements have been reached, concluding our reporting requirement, as provided in Paragraphs 1 and 14, on pages 162 and 165, respectively, of STB Decision No. 89 issued in Finance Docket No. 33388.

Labor-Management Task Forces

All implementing agreements became effective on June 1, 1999. A continuing dialogue has taken place between labor and NS management on a daily or as-needed basis concerning implementation and safety issues. Labor organization cooperation has been a key element in assuring the safe implementation of the Conrail transaction. This interaction will continue as the parties work through issues of mutual concern.

Note: Bold print indicates changes from previous report.

Surface Transportation Board Operational Monitoring Report
As of June 30, 2002

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Alexandria	IN	Construct track connection Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Allentown - Reading	PA	Traffic Control System	Signal	Design	Note 2
	PA	Estimated Completion Date: Undetermined		Const	
Angola	NY	Upgrade existing siding, construct new siding Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Ashtabula	OH	Construct connection track Estimated Completion Date: Complete	Track	Design	Complete
				Const	Complete
			Signal	Const	Complete
Attica	IN	Extend siding 4, 580 track feet Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Boundbrook	NJ	Extend siding 15,000 track feet Estimated Completion Date: Undetermined	Track	Design	Note 2
				Grading	
				Const	
			Signal	Design	
Bristol	VA	Extend siding 14,255 track feet Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Bucyrus	OH	Construct track connection Estimated Completion Date: Complete	Land		Complete
					Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Buffalo - Cleveland	NY	Traffic control system and remove pole line.	Signal	Design	Complete
	OH	Estimated Completion Date: Complete		Const	Complete
Buffalo	NY	Rehabilitate tracks in sub-leased BPRR yard Estimated Completion Date: Complete	Track	Const	Complete
Buffalo	NY	Construct connection to BPRR yard Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete

Surface Transportation Board Operational Monitoring Report
As of June 30, 2002

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Buffalo	NY	Reconstruct portion of Bison Yard Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
				Const	Complete
Butler	IN	Construct track connection Estimated Completion Date: Undetermined	Track	Design	Note 2
				Grading	
				Const	
			Signal	Design	
Chicago	IL	Expand and improve 47th St Yard Intermodal Terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
Cloggsville	OH	Track Rehabilitation Estimated Completion Date: Complete	Track	Design	Complete
				Const	Complete
Cloggsville	OH	Construct second main Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
Columbus	OH	Construct track connection Estimated Completion Date: Complete	Track	Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Design	Complete
Crockett	VA	Construct 9,100 foot new siding Estimated Completion Date: Complete	Land		Complete
					Complete
			Track	Design	Complete
				Grading	Complete
				Const	Complete
			Bridge	Design	Complete
				Const	Complete
			Signal	Design	Complete
Croxtton	NJ	Expand and improve intermodal terminal Estimated Completion Date: Complete	Track	Design	Complete
				Grade/Pave	Complete
E-Rail	NJ	Expand and improve intermodal terminal Estimated Completion Date: Complete	Track	Design	Complete
Erie	PA	Erie Track Realign Project Estimated Completion Date: 3Q02	Track	Grade/Pave	Complete
				Design	Complete
				Grading	Complete
				Const	Complete
			Signal	Removal	In progress
				Design	Complete
				Const	Complete

Surface Transportation Board Operational Monitoring Report
As of June 30, 2002

CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Flemington	NJ	Construct 12,500 foot siding Estimated Completion Date: Undetermined	Track	Design Grading Const	Note 2
			Signal	Design Const	
Hadley Jct (Ft Wayne)	IN	Double tracking Estimated Completion Date: Undetermined	Track	Design Grading Const	Note 2
			Signal	Design Const	
Hagerstown Sec (Greencastle)	PA	Construct siding Estimated Completion Date: Complete	Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete
Hagerstown Sec	PA	Traffic Control Estimated Completion Date: Complete	Signal	Design Const	Complete Complete
Harrisburg	PA	Construct double track Estimated Completion Date: Complete	Land Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete
Harrisburg (Rutherford)	PA	Construct intermodal terminal Estimated Completion Date: Complete	Track	Design Grade/Pave	Complete Complete
Harrisburg - Reading	PA	Traffic Control System and remove pole line Estimated Completion Date: Complete	Signal	Design Const	Complete Complete
KD Tower - Cumberland Falls	KY	Extending double track 40,120 feet Estimated Completion Date: Complete	Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete
Knoxville - Chattanooga	TN	Double Stack Clearances Estimated Completion Date: Complete	Track	Design Const	Complete Complete
	TN		Bridge	Design	Complete
Marshfield	IN	Upgrade and extend siding 7,908 feet Estimated Completion Date: Complete	Land Track	Design Grading Const	Complete Complete Complete
			Bridge	Design Const	Complete Complete
			Signal	Design Const	Complete Complete
Oak Harbor	OH	Construct track connection Estimated Completion Date: Complete	Land Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete

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CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Pattensburg	NJ	Clearance-9 Bridges Estimated Completion Date: Complete	Bridge	Design Const	Complete Complete
Pattensburg	NJ	Siding Extensions Estimated Completion Date: Complete	Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete
Pattensburg	NJ	Tunnel Clearance Estimated Completion Date: Complete	Bridge	Design Const	Complete Complete
Philadelphia	PA	Construct crossover - Zoo Estimated Completion Date: Undetermined	Track	Design Grading Const	Note 2 Complete
			Signal	Design Const	Complete
Piney Flats	TN	Extend siding 6,610 feet Estimated Completion Date: Complete	Land Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete
Port Reading	NJ	Chemical Coast Clearance Projects Estimated Completion Date: Complete	Track	Design Const	Complete Complete
			Bridge	Design Const	Complete Complete
Rader	TN	Extend siding 5,189 feet Estimated Completion Date: Complete	Land Track	Design Grading Const	Complete Complete Complete
			Bridge	Design Const	Complete Complete
			Signal	Design Const	Complete Complete
Reading - Philadelphia	PA PA	Traffic Control System and remove pole line Estimated Completion Date: Undetermined	Signal	Design Const	Note 2 Complete
Riverton Jct - Roanoke	VA VA	Clearance projects Estimated Completion Date: Complete	Bridge	Design Const	Complete Complete
Sandusky (Bellevue)	OH	Construct Triple Crown Terminal Estimated Completion Date: Complete	Track	Design Grade/Pave Const	Complete Complete Complete
Sandusky- Columbus	OH	Double Track: S 13.60 - S 26.00 Estimated Completion Date: Complete	Track	Design Grading Const	Complete Complete Complete
			Signal	Design Const	Complete Complete

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Location		Project	Dept	Phase	Status
Sandusky-Columbus	OH	Double Track: S 78.10 - S 88.40 Estimated Completion Date: Complete	Land Track		Complete
				Design	Complete
			Signal	Grading	Complete
				Const	Complete
				Design	Complete
Sandusky-Columbus	OH	Double Track: S 88.30 - S 95.60 Estimated Completion Date: Complete	Land Track		Complete
				Design	Complete
			Signal	Grading	Complete
				Const	Complete
				Design	Complete
Sidney	IL	Construct track connection Estimated Completion Date: Complete	Track		Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
				Const	Complete
Sido	MO	Double tracking 36,458 track feet Estimated Completion Date: Complete	Track		Complete
				Design	Complete
			Bridge	Grading	Complete
				Const	Complete
				Design	Complete
Sloan	IL	Extend siding 5,027 track feet Estimated Completion Date: Complete	Track		Complete
				Grading	Complete
			Signal	Const	Complete
				Design	Complete
				Const	Complete
Southern Tier	NY	Southern Tier Rehabilitation Estimated Completion Date: Undetermined	Track	Const	Note 2
			Bridge	Design	
				Const	
St. Louis (Mitchell)	MO	Expand Mitchell Triple Crown Terminal Estimated Completion Date: Complete	Track	Design	Complete
			Signal	Grade/Pave	Complete
				Design	Complete
Toledo	OH	Intermodal Terminal Estimated Completion Date: Undetermined	Track	Const	Complete
				Grade/Pave	Note 2
Tolono	IL	Track Connection Estimated Completion Date: Complete	Track		Complete
				Design	Complete
			Signal	Grading	Complete
				Const	Complete
				Design	Complete
Vermillion	OH	Track Connection Estimated Completion Date: Complete	Land Track		Complete
				Design	Complete
			Signal	Grading	Complete
				Const	Complete
				Design	Complete

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CONSTRUCTION AND OTHER CAPITAL PROJECTS

Location		Project	Dept	Phase	Status
Wabash	IN	Construct connection track	Track	Const	Complete
		Estimated Completion Date: Complete	Signal	Design	Complete
				Const	Complete

Note 1: Bold print indicates changes from previous report. If status of project phase is blank, work on that part of the project has not yet begun.

Note 2: Project on hold pending evaluation of revised traffic requirements.

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CUSTOMER SERVICE

Systems and Personnel Training

Operating Area	Project	Status
TRANSPORTATION		
Car Management and Movement	Systems – Multiple projects	Complete
Includes Thoroughbred Yard Enterprise System (TYES) and Central Yard Operations (CYO) System	Personnel Training	
	Prepare training materials for TYES and CYO	Complete
	Trainer orientation	Complete
	TYES training at Conrail locations	Complete
Train Dispatching	Systems	Complete
	Personnel Training	
	Prepare computer-based training materials for Norfolk Southern Train Information System (TIS) and Train System Accident Reporting System (TSAR).	Complete
	Train Conrail employees at Dearborn, Pittsburgh, and Mt. Laurel	Complete
Locomotive Management	Systems	Complete
	Personnel Training	
	Prepare training materials; conduct pilot sessions	Complete
	Trainer orientation	Complete
	Train employees at 8 Conrail locations	Complete

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CUSTOMER SERVICE

Operating Area	Project	Status
OPERATIONS PERSONNEL		
Crew Management	Systems	Complete
	Personnel Training	
	Prepare training materials	Complete
	Train Conrail employees	Complete
Train and Engine (T&E) Payroll	Personnel Training	
	Prepare training materials; conduct pilot sessions	Complete
	Train T&E crews	Complete
Non-Train and Engine Payroll	Personnel Training	
	Prepare training materials; conduct pilot sessions	Complete
	Trainer orientation	Complete
	Train Conrail employees	Complete
CUSTOMER SERVICE		
Electronic Customer Connectivity	Systems	Complete
	Personnel Training	
	Testing new systems	Complete
	Customer Coordination	
	Information to be distributed to customers	Complete
National Customer Service Center	Personnel Training	
	Prepare training materials	Complete
	Train employees in Pittsburgh and Atlanta	Complete

Note: Bold print indicates changes from previous report.

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CUSTOMER SERVICE

Transition Process

Transition team members for NS in Philadelphia working in Customer Service were released at the end of February, 2000. Call volumes have declined as general service levels improve and are currently below call volume levels prior to the split date. The phone trace system, which is an automated feature of our toll-free line that allows a customer to trace the location of its cars by keying in car numbers on the telephone key pad, continues to work as expected. Norfolk Southern has also added car tracing functions to its web page.

Customer Service has reorganized to better leverage the functions of the Central Yard Operations (CYO) groups and the National Customer Service Center (NCSC) staff. Our overall goal is to utilize the larger CYO staff for routine inquiries and allow NCSC to focus on problem resolution and correction.

Other Customer Service changes include moving Agency Operations Center (AOC) billing functions to Accounting; moving Data Quality and Demurrage functions under CYO; and combining Equipment Marketing and Car Distribution and Utilization in a new group called Car Management.

Personnel

The implementation of the Thoroughbred Yard Enterprise System in the former Conrail areas has been completed, including the training of field personnel. All supervisory positions have been filled for Data Quality, the Agency Operations Center and Customer Service.

Customer Awareness

NS continues to host customer meetings to evaluate and provide feedback on the Company's planning processes and strategies. NS continues to make numerous meetings and presentations in order to keep our customers informed.

The Customer Resource Guide, distributed to our customers, provides customers with all resources and information necessary for doing business with the new NS.

The Help Desk Directory, also distributed to our customers, lists key phone numbers that connect users to areas that may assist them in answering questions about NS. It is available in three formats: a pocket guide for employees, a list for customers, and an expanded version available for downloading from the Internet.

Note: Bold print indicates changes from previous reports.