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July 17, 2002

Hon. Vernon A. Williams
Surface Transportation Board
Office of the Secretary
Case Control Unit
Attn: STB Finance Docket No. 33388 (Sub-No. 91)
1925 K Street, N.W.
Washington, D.C. 20423-0001



Re: Finance Docket No. 33388 (Sub-No. 91)

Dear Sir:

I am enclosing for filing the original and twenty-five (25) copies of the Comments of the State of Maryland (MD-4) in this proceeding. I am also enclosing a 3.5 inch diskette with this document.

In addition, I am enclosing one additional copy of this document which I ask that you date stamp and return to our messenger.

Sincerely,

Charles A. Spitulnik

cc: Julia Farr, Esquire
All parties of record in F. D. No. 33388 (Sub-No. 91)

MD -4

Before the
SURFACE TRANSPORTATION BOARD
Washington, D.C.

Finance Docket No. 33388 (Sub-No. 91)

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

(GENERAL OVERSIGHT)

ENTERED
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COMMENTS OF
THE STATE OF MARYLAND

JUL 17 2002

Part of
Public Record

Pursuant to Decision No. 7 (Service Date June 11, 2002) in this Oversight Proceeding, the State of Maryland by and through its Department of Transportation including the Maryland Transit Administration and the MARC Commuter Rail Service ("MDOT"), hereby submits its comments on the progress reports filed by CSX Corporation and CSX Transportation, Inc. (collectively, "CSX") and Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively, "NS") (CSX and NS are collectively referred to in these Comments as "Applicants") on June 3, 2002. In Decision No. 7, the STB specifically raised the question whether the parties believe that this Oversight Proceeding should be continued. For MDOT, the answer is a resounding "yes".

MDOT has continued to work with both CSX and NS to achieve the benefits for the State that the railroads touted as part of their applications and during the proceedings in F. D. No. 33388 (Sub-No. 1), *et al.*, *CSX Corporation, et al. - Control and Operating Leases/Agreements*

-- *Conrail, Inc., et al.*, Decision No. 89 (Service Date July 23, 1998). NS has completed none of the capital infrastructure improvements it described either in the Operating Plan or in the Letter Agreement with the State dated September 24, 1997 that formed a part of the consideration for the State's support of the application.

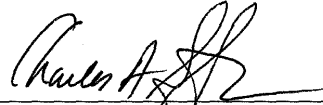
With respect to CSX, the State continues to discuss the improvements that were part of the Letter Agreement dated September 24, 1997, that was consideration for the State's support of the CSX part of the proposed transaction. MDOT has commented previously on the impacts of the proposed transaction on the MARC train service, and has seen marked improvement on a regular basis on the Camden Line service but a continuing intermittent problem on the Brunswick line. There, notwithstanding the railroad's representation that there is plenty of capacity on the line to handle the freight traffic and the commuter rail traffic, there appear to be capacity issues on the line.

Both CSX and NS made numerous representations to the State during the course of the initial approval proceedings and in the Letter Agreements that have not yet been fulfilled. This Oversight Proceeding is intended to ensure "applicants' adherence to the various representations that they have made on the record during the course of this proceeding." *Id.* at 161. Because not all have been fulfilled, and in order to preserve the incentive to CSX and NS that is created by

the presence of this continuing oversight, MDOT asks this Board to continue this proceeding for the full five years originally contemplated in *Decision No. 89*.

Dated: July 17, 2002

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles A. Spitulnik", written over a horizontal line.

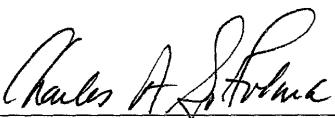
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Counsel for the State of Maryland

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused to be served a copy of the foregoing
Comments of the State of Maryland on behalf of its Department of Transportation to be served
by first class mail upon all parties of record on the service list of this Oversight Proceeding (F. D.
No. 33388 (Sub-No.91)).

Dated this 17th day of July, 2002.



Charles A. Spitulnik