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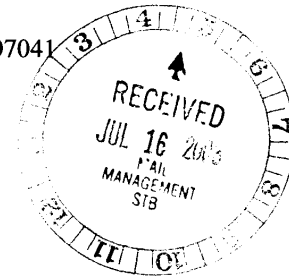
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LACKAWANNA COALITION

Box 283

Millburn, N.J. 07041

July 10, 2003



208 428

Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K St., N.W., Room 700
Washington, D.C. 20423

Re: CSX Corp., CST Transportation Inc., Norfolk Southern Railway Co. – Control and
Operation Leases/Agreements – Conrail, Inc. and Consolidated Rail Corp. (General
Oversight), Docket No. FD-33388 (sub 91)

Dear Mr. Williams:

The Lackawanna Coalition is an independent organization which advocates on behalf of rail riders on New Jersey Transit's Morris & Essex and Montclair-Boonton Lines. While we are concerned with issues regarding passenger rail service in our geographic area, the present matter is an instance where rail freight issues directly impact upon proposed passenger services of interest to rail riders and potential rail riders in our region.

We have adopted a resolution in support of a proposal by the New York & Greenwood Lake Railway Co. to operate commuter passenger service between Benson St. Station on the Boonton Line (former Greenwood Lakes Line) and Hoboken. A portion of the line proposed for this service is part of Conrail Shared Assets (CSA) and is operated by the Norfolk Southern Railway Co. (NS). Commuter rail passenger service was operated on this line by New Jersey Transit until September 20, 2002, and the New York & Greenwood Lake Railway Co. has proposed to restore this service. We are concerned that the recent removal of one of the tracks on this portion of the line (formerly double tracked), despite urgings by the New Jersey Department of Transportation to leave the line intact, has reduced the likelihood of the restoration of this passenger service. For passenger service to be restored, DB Drawbridge (over the Hackensack River) must be kept intact and operable. We are concerned that NS could decide to discontinue operations on the bridge, thereby rendering restoration of commuter service impossible.

We have also been informed that NS has attempted to entice shippers to move away from locations along this line (which it operates in New Jersey as part of CSA), in favor of other locations on its line in Pennsylvania. Such practices must inevitably result in the diminution of the usefulness of this line to the region of New Jersey which it serves, both in terms of current freight and future passenger operations. Every major metropolitan area should be served by two Class I freight railroads. It appears that NS has not acted as if it is willing to serve the New York area through its CSA line in New Jersey. This leaves only CSX to serve the nation's largest market. If NS does not wish to actively compete with CSX in New Jersey, the line should be turned over to an operator that would. Perhaps a revenue sharing arrangement between NS and CSX is inherently flawed, since it creates an inherent conflict, and should be abandoned.

The Lackawanna Coalition has also adopted a resolution supporting rebuilding of the Lackawanna Cutoff Line between Morris Jct. and the Pennsylvania side of the Delaware Water Gap, for the restoration of passenger rail service to Scranton and possibly beyond. We have been informed that the restoration of the Lackawanna Cutoff would allow the Canadian Pacific Railway Co./Delaware & Hudson Railway Co. (CP/D&H) access for freight shipments to the New York area, through the Boonton Line, which is part of the line currently operated by NS. We are concerned that NS could engage in practices that will have the impact of preventing competition from CP/D&H. Such a result would have an anticompetitive effect in serving the New York area through rail lines in New Jersey. Moreover, infrastructure investment by CP Rail, as a major freight carrier, could help to defray the cost of rebuilding the Lackawanna Cutoff Line. A prospective partnership with CP Rail to develop this line for both freight and passenger service could result in significant cost savings for the organizations that have pledged funds for rebuilding the line; New Jersey Transit, and Monroe and Lackawanna Counties in Pennsylvania.

The Lackawanna Coalition wishes to assist in the restoration of commuter service between Benson St. and Hoboken, as well as intercity service on the Lackawanna Cutoff Line to Scranton and points beyond. We believe that these ends can be effectively served by the removal of the line comprising the Boonton Line (including the former Greenwood Lakes Line), Orange Branch, Washington Secondary and Phillipsburg Branch from control and operation by NS, and giving such control and operation to a local, New Jersey-oriented entity. Such an entity could be either an independent railroad company established to operate the line at issue, or a consortium of existing short line railroads currently operating in the region (such as the Morristown & Erie). Accordingly, we request that you hold final acceptance of the present post-Conrail arrangement, and substitute an arrangement that makes the CSA line in New Jersey independent of CSX and NS. Such a move would promote both the viability of our freight rail infrastructure and the possibility of restoring two proposed passenger services in the region.

On June 23, 2003, the Lackawanna Coalition adopted a resolution in support of the objectives described in this letter. A copy of that resolution is enclosed. Copies of the other resolutions mentioned herein will be furnished on request.

Please consider this letter and the enclosed resolution to constitute the comments by the Lackawanna Coalition on the above-entitled matter.

Yours very sincerely,


DAVID PETER ALAN
Chair

Encl. as stated

Cc: Bruno Maestri, Esq.; Norfolk Southern Railway Co.
Commissioner Jack Lettiere, N.J. Dept. of Transportation
North Jersey Transportation Planning Authority
New Jersey Transit

RESOLUTION REGARDING PENDING SURFACE TRANSPORTATION BOARD REVIEW
OF OWNERSHIP AND OPERATION OF THE FORMER LACKAWANNA RAILROAD
MAIN LINE AND FORMER ERIE GREENWOOD LAKES LINE IN THE STATE OF NEW
JERSEY.

At a meeting of the Lackawanna Coalition, held in Millburn, New Jersey on June 23, 2003, the following resolution was adopted.

WHEREAS the Surface Transportation Board is currently reviewing the grant of ownership and operating rights given to the Norfolk Southern Railway Co. (NS) and CSX Transportation Co. (CSX) as a result of the breakup and redistribution of assets of the Consolidated Rail Corp. (Conrail); and

WHEREAS NS has been granted operating rights over railroad trackage from freight yards in New Jersey serving the New York area west to Philippsburg, New Jersey; the line in question comprising the former Greenwood Lake Branch (also known as the Lower Boonton Line), the Orange Branch, Boonton Line, Washington Secondary and Philippsburg Branch; in a financial arrangement with CSX, known as Conrail Shared Assets (CSA); and

WHEREAS we have secured a legal opinion that NS has engaged in anticompetitive practices such as enticing shippers out of New Jersey and away from the aforementioned rail line; and

WHEREAS we believe that such enticement weakens the economic viability of the aforementioned rail line for both freight and passenger services; and

WHEREAS the New York & Greenwood Lake Railway Co. has a proposal before the New Jersey Department of Transportation to operate a commuter-type passenger rail service to carry passengers on the portion of the aforementioned rail line nearest to Hoboken, N.J. and the Lackawanna Coalition has enthusiastically supported the operation of such service to replace service permanently discontinued by New Jersey Transit in September of 2002; and

WHEREAS the practices in which NS appears to be engaged would clearly have the effect of decreasing the likelihood of future operation of passenger service by the New York & Greenwood Lake Railway Co.; and

WHEREAS the rebuilding of the line between Morris Jct. and the Pennsylvania side of the Delaware River at the Delaware Water Gap (Lackawanna Cutoff Line) would allow the operation of a proposed rail passenger service between Hoboken and Scranton, Pa., with possible extension to Binghamton, N.Y. and beyond at a future time; and the Lackawanna Coalition (along with Monroe and Lackawanna Counties, the affected counties in Pennsylvania) has taken a position in support of the rebuilding of the Cutoff Line and the operation of such service; and

WHEREAS the rebuilding of the Lackawanna Cutoff Line would provide the Canadian Pacific Railway Co. (CP Rail) with a route through New Jersey over the Lackawanna Cutoff line.

the former Lackawanna Boonton Line and the former Erie Greenwood Lake Line, thereby increasing the economic viability of the rail line and, thereby, its availability for passenger service; and

WHEREAS a transfer of ownership or control over the aforementioned rail line by the STB would put an end to the anticompetitive practices apparently engaged in by NS along this line and facilitate the use of the line for both freight and proposed passenger rail services: it is hereby

RESOLVED that the Lackawanna Coalition hereby urges the Surface Transportation Board to remove the rail line comprising the Boonton Line (including portions formerly known as the Greenwood Lakes Line), Orange Branch, Washington Secondary and Philippsburg Branch from control by the Norfolk Southern Railway Co. and either establish an independent railroad company to operate the line, or turn the line over to a consortium of short lines operating in New Jersey.

FURTHER RESOLVED that copies of this resolution and any supporting papers shall be sent to the Surface Transportation Board, members of the New Jersey Congressional Delegation in our area of concern, members of the New Jersey Legislature in our area of concern, the North Jersey Transportation Planning Authority, the Commissioner of the New Jersey Department of Transportation, New Jersey Transit and other persons to whom the Lackawanna Coalition deems it advisable to send such papers.

Dated: June 23, 2003

A handwritten signature in dark ink, appearing to read "David Peter Alan", with a horizontal line extending to the right.

DAVID PETER ALAN
Chair