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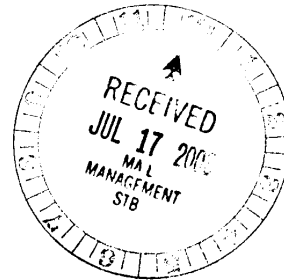
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July 17, 2003

By Courier

Vernon A. Williams
Secretary
Surface Transportation Board
Room 888
1925 K Street, N.W.
Washington, D.C. 20423

208429



Re: STB F.D. No. 33388 (Sub-No. 94), 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 (Petition for Supplemental Order)

Dear Secretary Williams:

In response to ordering paragraph number one of Decision No. 1 in the above-captioned proceedings, Petitioners CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc., and Consolidated Rail Corporation (collectively, the "Petitioners"), hereby submit the clarification requested by the Board regarding the nature of the debt obligations covered by the proposed restructuring discussed in the June 4, 2003 Petition for Supplemental Order. Specifically, Petitioners confirm that, with one exception, all of the debt obligations of Conrail predate the Split Date of June 1, 1999 and are therefore "preexisting debt obligations" as that term was used in the Petition and by the Board in Decision No. 1.

The sole exception was \$6.774 million principal amount of debt that also originally represented "preexisting debt [lease] obligations" with an original termination date of February 2000. Prior to the end of that particular lease (which contained a mandatory purchase obligation), the lessors offered Conrail the option of exercising its purchase obligation for the underlying equipment using a conditional sales agreement at a favorable market rate of interest, and following analysis of the offer, Conrail's Board approved the transaction. Accordingly, Conrail has incurred a single "post-Split Date" debt obligation that has a remaining principal balance of \$2.6 million and is now set to mature in February 2005. Petitioners plan to serve the

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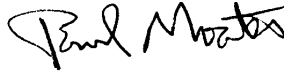
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known holders of that "post-Split Date" debt with Decision No. 1 in the same manner as contemplated for known holders of Conrail's "preexisting debt obligations".

Petitioners are taking appropriate steps to comply with ordering paragraph number two of Decision No. 1 and will report to the Board on those efforts by July 29, 2003.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Paul Moates". The signature is written in a cursive, slightly stylized font.

G. Paul Moates

Paul A. Hemmersbaugh