

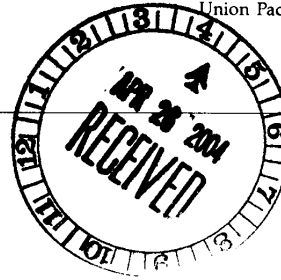


INTERMODAL ASSOCIATION OF NORTH AMERICA

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33388

RE: Finance Docket No. ~~33323~~ (Sub-No. 91)
Conrail Transaction – General Oversight

210687

Chairman
Barry D. Michaels
Union Pacific Railroad Company

President and CEO
Joanne F. Casey

April 26, 2004

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Dear Mr. Williams:

On behalf of the Intermodal Association of North America (IANA), I would like to encourage the Surface Transportation Board to conclude its formal oversight of the Conrail Transaction in which CSX and Norfolk Southern were authorized to jointly acquire and divide the routes of Conrail, retaining with Conrail only limited operations in the "Shared Assets Areas."

IANA represents the combined interests of 500+ intermodal freight transportation companies, including railroads, intermodal drayage and highway motor carriers, intermodal marketing companies, ocean carriers and industry equipment and service suppliers. IANA promotes the benefits of intermodal freight transportation and encourages growth of the industry through innovation, improved service and operating efficiencies. Its members are vitally interested in public policy issues.

Intermodal freight transportation is one of the fastest growing segments of our country's transportation network. In a recent study, the U.S. Chamber of Commerce has projected that cargo volumes will increase by 67% by the year 2020. A similar forecast was released by the Federal Highway Administration of the U.S. Department of Transportation. The division of Conrail's routes -- especially those into the Northeast -- and the integration of Conrail's traffic base into the respective CSX and NS intermodal networks has been a contributory factor in the growth of intermodalism over the past five years. Specific IANA members have expressed satisfaction with the implementation of the Conrail transaction and many have benefited from it.

From the Association's perspective, the Board's Oversight of the Conrail Transaction has been a success. I believe I can speak with some confidence on this subject, because I was a member of the Conrail Transaction Council and followed first hand the pre-Split planning and post-Split implementation. The Conrail Transaction Council, created by settlement agreements and imposed by the Board as a condition, provided an outstanding opportunity for shippers, trade associations, and other interests to come together for monthly pre-Split briefings with opportunities to ask, and get answers to, hard questions. I know that the Board followed those meetings as just one part of its extensive oversight of planning and implementation. The carriers were open to comments and suggestions, and were very responsive to our questions. The satisfaction of the Council members with the process was underscored by our knowledge that the Board was watching the carriers even more closely.

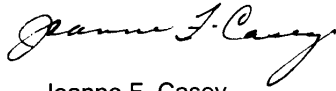
I believe that the trade association members of the Council, like IANA, played a small, but important role in the success of the Conrail Split, by widely disseminating important information to their members related to processes and procedures that would be affected by the Split. After Split date, the carriers reported that they had received virtually no misbilled shipments and gave much of the credit to the Council members for their work.

Hon. Vernon A. Williams
April 26, 2004
Page 2

The actual operational implementation of the Conrail Split was completed years ago, and while oversight has continued, IANA's members have not raised any transaction-related issues subsequent to the Split.

While the burden on CSX, NS, and Conrail from continued oversight may seem insignificant given their size and resources, it does nonetheless require the expenditure of resources that are diverted from other matters. This same theory of resource allocation could be applicable to the Board. From my work on the Conrail Transaction Council, I saw first hand how seriously the carriers have taken the Oversight process and how much management time and energy was devoted to making it the success that it was. Consequently, now that the Board's Oversight period is coming to an end, IANA sees no reason to continue regulatory monitoring of this Transaction and respectfully submits that there is no need to extend the five-year Oversight period.

Sincerely,

A handwritten signature in cursive script, reading "Joanne F. Casey".

Joanne F. Casey