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May 3, 2004



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BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board - Case Control Unit
1925 K Street, N.W.
Washington, D. C. 20423

ENTERED
Office of Proceedings

MAY 03 2004

Part of
Public Record

Re: Finance Docket No. 33388 (Sub-No. 91)
CSX Corporation and CSX Transportation, Inc., Norfolk Southern
Corporation and Norfolk Southern Railway Company, et al. –
Control and Operating Leases/Agreements – Conrail Inc., et al.

Dear Secretary Williams:

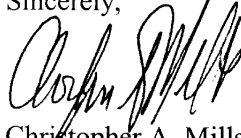
Enclosed for filing in the above matter are ten additional copies of the two handouts referenced by Gary, Indiana Mayor Scott King during his oral presentation on behalf of the Four City Consortium at this morning's Conrail Oversight hearing. These handouts include:

1. A letter from CSX dated April 28, 2004, concerning CSX's continued cooperation with the Four City Consortium after the end of the formal Conrail oversight period; and
2. A schematic showing the principal rail lines in the Four Cities area, including the Four Cities' proposed Alternative Freight Corridor between Willow Creek, IN and State Line Tower (Hammond) via Tolleston, Ivanhoe and Gibson, IN.

Hon. Vernon L. Williams
May 3, 2004
Page 2

Please date-stamp the enclosed extra copy of this letter and return it to our messenger. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Mills", written over the printed name.

Christopher A. Mills
Attorney for the Four City Consortium

CAM:dmb
Enclosures

cc: Dennis G. Lyons, Esq.
Arnold & Porter
555 Twelfth Street, N.W.
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April 28, 2004

J. Justin Murphy, Chief of Staff
Four City Consortium
6949 Kennedy Avenue, Suite E
Hammond, IN 46323

Re: Surface Transportation Board Conrail Proceeding

Dear Mr. Murphy:

I thank you for your letter of April 21, 2004 concerning the scheduled termination of the Surface Transportation Board's five-year oversight period for the Conrail Transaction. CSX believes that the Conrail Transaction has benefited the four cities of East Chicago, Gary, Hammond and Whiting, Indiana, and we are very pleased that you concur with that assessment.

In connection with the Conrail Transaction, CSX made a substantial capital investment within the Chicago terminal area, including the Four Cities, to facilitate the smooth and expeditious movement of freight rail traffic. This investment has accomplished this goal, and has also reduced blockage of the many rail/highway grade crossings in the Four Cities area. In addition, pursuant to our October 26, 1998 and January 3, 2001 Settlement Agreements, CSX made additional investments in the Four Cities area to upgrade highway/rail at-grade crossing signal warning systems at specified important crossings, committed funds for other safety improvements, contributed to the Railroad Avenue grade separation project, and implemented a number of operational improvements that have further reduced grade crossing blockage and improved safety in the Four Cities area. Moreover, CSX representatives have met and consulted with representatives of the Four Cities on a regular basis regarding rail operations, real property and economic development issues, and a proposed major infrastructure project (the reconstruction of the elevated IHB/Conrail Dunes Park Branch).

We look forward to continuing our meetings and discussions, which have been productive for many years without the need for any intervention by the Board. With the passage of time, our reporting and meetings may have become less formal, but they have been no less beneficial. Even with the end of formal oversight, we will continue to meet with the Four Cities to discuss matters affecting our rail operations and facilities in your area. Continuing cooperation will serve the interests of both CSX and the Four Cities.



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We will contact you shortly to discuss how we can best work together during the next several years.

We appreciate your efforts over the last seven years as Chief of Staff, and the efforts of representatives of each of the Four Cities, to ensure that the Conrail Transaction benefited the citizens of northwest Indiana while providing the basis for a sound rail transportation network in the eastern United States.

With best regards.

Sincerely,

A handwritten signature in dark ink, appearing to read "PS / AS", followed by a horizontal line.

Peter J. Shultz
Vice President-Regulatory Affairs and
Washington Counsel

**The Four City Consortium Area
Northwest Indiana**

LEGEND

- CSX
- NS
- EJE
- IHB
- PRE TRAINS
- POST TRAINS

0 0.5 1 miles
(approximate scale)

Map details include:

- Stations:** Hammond, East Chicago, Bost Line, Gary Regional Airport, Tolleston, Gary, Hobart, Willow Creek.
- Lines:** Wickel Plate Line, Conrail Lake Front Line, CSX Garrett Subdivision, Conrail Porter Branch, Fort Wayne Line.
- Distances (miles):**
 - Hammond to East Chicago: 27, 13
 - East Chicago to Bost Line: 43, 48
 - Bost Line to Gary Regional Airport: 45, 63
 - Gary Regional Airport to Tolleston: 0, 5
 - Tolleston to Gary: 10, 13
 - Gary to Hobart: 26, 11
 - Hobart to Willow Creek: 1, 5
 - Willow Creek to Fort Wayne Line: 12, 11
 - Hammond to Gary: 30, 32
 - Gary to Tolleston: 69, 63
 - Tolleston to Willow Creek: 20, 35
 - Willow Creek to Fort Wayne Line: 10, 0
 - Fort Wayne Line to Willow Creek: 21, 48
- Other Labels:** Indiana Harbor, Lake Michigan, Hammond, East Chicago, Bost Line, Gary Regional Airport, Tolleston, Gary, Hobart, Willow Creek, Fort Wayne Line, Wickel Plate Line, Conrail Lake Front Line, CSX Garrett Subdivision, Conrail Porter Branch, Fort Wayne Line, Hammond, East Chicago, Bost Line, Gary Regional Airport, Tolleston, Gary, Hobart, Willow Creek, Fort Wayne Line, Wickel Plate Line, Conrail Lake Front Line, CSX Garrett Subdivision, Conrail Porter Branch, Fort Wayne Line.

June 1, 1998