

mitment on the part of Sea-Land to its customers."

Sea-Land will leave:

The Trans-Pacific Freight Conference of Japan/Korea, the Japan/Korea Atlantic and Gulf Freight Conference, the Japan/Korea Puerto Rico and Virgin Islands Freight Conference, Agreement 10107 (Hong Kong/Taiwan to U.S. West Coast), Agreement 10108 (Hong Kong/Taiwan to U.S. East Coast), the Philippines North America Freight Conference, the Malaysia Pacific Rate Agreement (Singapore), the Singapore New York Freight Conference, the Thailand Pacific Freight Conference, the Japan/Korea West Canada Freight Conference, the Japan/Korea East Canada Freight Conference and the Hong Kong/Taiwan West Canada Freight Conference.

Sea-Land will retain memberships in the Pacific Westbound Conference and the Pacific Straits Conference.

U.S. Steel Ordered to Pay \$3.5 Million for Rebates From C & O in Coal Moves

Judge Miles W. Lord of the U.S. district court for the district of Minneapolis, at Minneapolis, has ordered United States Steel to pay a fine of \$3.5 million for illegally receiving rebates and concessions from a regulated carrier, according to an Interstate Commerce Commission announcement January 24. U.S. Steel was charged with violations of the Elkins Act.

The ICC said the fine is the largest civil penalty ever imposed against a shipper for receiving illegal rebates.

Judge Lord handed down his order on January 11, upholding a recommendation made by a federal magistrate on October 6, 1978.

The Commission charged U.S. Steel in 1975 with soliciting and receiving from the Chesapeake & Ohio Railroad Co. illegal refunds on coal shipments destined to U.S. Steel's works at Duluth, Minn. Specifically, the ICC said, the coal shipments were transported under a tariff covering the three-part—rail-to-water-to-rail—movement to the Duluth Plant.

The Commission said U.S. Steel solicited and received rebates from the C & O, using U.S. Steel's interpretation of applicable transportation tariffs. That interpretation, the ICC added, would result in discrimination against trucking companies and water barges which could not have granted the refunds. Such discrimination, the Commission said, is

unlawful under the Interstate Commerce Act.

Peter M. Shannon, Jr., director of the ICC's Bureau of Investigations and Enforcement, said the fine—\$3,557,276—"will aid the Commission's enforcement program, particularly in terms of deterring shippers from violating the Elkins Act."

Proposed Corporate Merger Of Raritan Into Conrail Exempted From ICC Okay

The Interstate Commerce Commission has exempted the proposed merger of the Raritan River Railroad Co. into Conrail from its requirements of prior consideration and approval of the transaction.

The Commission issued a notice of exemption (served January 22) in Finance No. 29085, *Consolidated Rail Corporation—Merger—Raritan River Railroad Co., Exemption Under 49 USC 10505 From 49 USC 11343-11347.*

The ICC said "the power to exempt from regulation enables the Commission and railroads to commit their limited resources in areas where they are most needed by enabling the Commission to effectively deregulate those areas which have no significant bearing on the overall regulatory scheme." It added:

"In enacting 49 USC 10505, Congress clearly intended us to exempt certain limited transactions from our regulatory power. This is one such transaction."

The merger was made subject to employe-protective conditions the same as imposed in *New York Dock Ry.—Control—Brooklyn Eastern Dist., 360 ICC 60 (1979)*, affirmed by slip opinion of the U.S. Court of Appeals for the Second Circuit, New York City, November 7, 1979.

The exemption becomes effective on the date of publication of notice thereof in the *Federal Register* and continues so for 90 days from January 22. Within that time, the ICC said the carriers must consummate the merger to take advantage of the exemption granted.

Comments opposing the exemption were filed by various shippers and receivers which presently utilize services of Raritan, the ICC said, adding that no comments in favor of the exemption were filed.

Commissioner George M. Stafford, joined by Commissioner Charles L. Clapp, dissented, saying:

"I fully believe that the Congress intended this Commission to exercise its discretion in utilizing 49 USC 10505 to exempt certain rail transactions. Ac-

cordingly, the automatic reliance on those provisions is wholly inappropriate, especially in the situation at hand where there is vigorous opposition to such a procedure. Use of the section 10505 provisions will deny shippers and other interested persons the opportunity to fully develop their positions and will, unfortunately, remove the burden of proof from the shoulders of petitioners. A more equitable approach would be to grant petitioners extensive waivers from the requirements of 49 CFR 1111, but to require them to proceed under 49 USC 11343, *et seq.*"

An exemption may be granted under 49 USC 10505 in a merger transaction, the ICC said, if it is limited in scope, not necessary to carry out the national transportation policy, would be an unreasonable burden, and would serve little or no useful purpose.

Conrail currently controls Raritan. Since April 18, 1979, all the outstanding stock of Raritan has been owned by Conrail, the ICC said, adding that the proposed merger is within the corporate family and is a limited transaction.

The ICC said regulation of the Conrail-Raritan merger is not necessary to carry out the goals of the national transportation policy, adding that it is a merger within a corporate family and will not affect considerations of the transportation policy since elimination of a corporate entity will be the only change resulting from the transaction. Elimination of Raritan, the ICC added, will reduce duplicative record and bookkeeping and will simplify the corporate structure of Conrail.

ICC consolidation procedures require a complete application to be filed so a decision can be reached within the time constraints of 49 USC 11345. The ICC said submission of the material necessary to comply with the consolidation procedures will be a time-consuming task requiring the dedication of financial resources, adding that to establish such a record would require the carriers to submit a complete application under 49 USC 11344 and would place an unreasonable burden on them.

The ICC said its granting of the exemption allows Conrail to avoid the burden of complying with *Railroad Acquisition, Control, Merger, Consolidation, Coordination Project, Trackage Rights, and Lease Procedures*, 49 CFR part 1111 (1978).

A full proceeding under 49 USC 11343, the ICC said, would not alleviate the fears of the opponents of the proposed merger. Objections in comments received, the ICC said, were on the grounds that the merger allegedly would decrease the present high level of

service provided by Raritan and that Raritan's pride and adaptability would disappear after the merger.

Because this is a proposed merger within a corporate family involving little substantive change, the ICC said, its review of it would serve no useful purpose.

Norfolk & Western Plans Purchase of 31,000 Acres Of Kentucky Coal Lands

The Norfolk & Western Railway Co. has announced that it has increased its quarterly cash dividend and that it has entered into an agreement to buy a company owning coal lands in eastern Kentucky for \$20 million.

The N & W, based in Roanoke, Va., raised the quarterly cash dividend on its common stock to 55 cents a share, a 14.6 per cent increase from the prior rate of 48 cents a share quarterly. The new dividend, it said, will be paid March 10 to stockholders of record February 1.

The N & W said it has agreed to purchase Kentenia Corporation, a privately held company with headquarters in Boston, Mass., which owns or has mineral rights for about 31,000 acres of coal lands in Harlan and Bell counties, Kentucky. The holdings, the railroad said, include an estimated 118 million tons of coal reserves, as well as some timber, oil, and gas. It added that about two-thirds of the coal reserves are currently under lease, and that the \$20 million purchase price includes some facilities and equipment, including tipples, railroad sidings, buildings, and mining equipment.

"The transaction is scheduled to be completed March 26, pending receipt of favorable tax rulings from the Internal Revenue Service," the N & W said. "Kentenia will be operated as a wholly owned subsidiary of Pocahontas Land Corporation, an N & W subsidiary engaged in natural resources operations."

ICC Postpones Deadlines Set in BN Merger Case

Administrative Law Judge Geraldine R. Keyes of the Interstate Commerce Commission, presiding over a proceeding in which the Milwaukee is seeking relief from the effects of the merger that formed the Burlington Northern, has postponed to January 26 the deadline for the Milwaukee to file its petition for inclusion in the BN system.



Personal Products

TO: See Distribution

DATE: December 10, 1979

FROM: W.C. Taff

SUBJ: CONRAIL/RARITAN RIVER MERGER

On December 4, B. Levine Director, Federal Relations, J & J Corporate and W. Taff met with several of the New Jersey Congressional Delegation to discuss the proposed merger of Conrail and the Raritan River Railroad and its potential impact upon the area.

In the morning we met with K. Parmellee, Administrative Assistant to Congressman Florio. In the afternoon we discussed the situation with both Congressmen Patton and Thompson.

We are cautiously optimistic that they will lend their support to our position that a public hearing is essential prior to any merger.


W.C. Taff

cc

ICC Proposes Changes In Rail Consolidation Rules

WASHINGTON — The Interstate Commerce Commission has proposed revising its railroad consolidation procedures, including exempting certain transactions from them.

In a notice of proposed rulemaking issued Nov. 8 in Ex Parte 282 (Sub. 3), the ICC said that, by revising these procedures, it hopes to "reduce informational requirements for different types of applications, clarify the information required in all applications and expand on the procedures for handling, prosecuting and opposing an application."

The Commission also proposed exempting six classes of consolidation-related transactions from the procedures because of their minimum impact on the national transportation system. They are:

- Acquisition of a line railroad where the public convenience and necessity have been found to permit donments;
- Acquisition of a non-connecting carrier where the railroads involved would not connect with any railroad in their corporate family;
- Transactions within a corporate family that do not result in a change in operations or affect the competitive balance;
- Extension of leases or trackage rights contracts;
- Joint projects involving the relocation of a rail line which does not affect service; and
- Reincorporation in a different state.

11/21/79

September 17, 1979

Mr. Peter J. Gallagher, Corporate Secretary
United States Railway Association
955 L'Enfant Plaza North S. W.
Washington, DC 20595

Dear Mr. Gallagher:

May we please have a copy of the U. S. Railway Association's
Staff Report of the five alternatives for Conrail's future.

Please mail to:

Raritan River Rail Road Company
170 John Street
South Amboy, NJ 08879

Thank you in advance.

Sincerely

Kenneth R. Kipp
Administrative Asst.

CONRAIL article TRAFFIC WORLD Sept. 17, 1979

September 6, 1979

Mr. C. H. Allen, Chief Regional Engineer
Consolidated Rail Corporation
1100 Raymond Boulevard
Newark, NJ 07102

Dear Mr. Allen:

Responding to your telephoned inquiry as to proposed rail and crosstie program for 1980.

We wish to budget 5,000 AREA No. 5's for insertion between Bergen Hill Bridge, Survey Station 58+80 and U. S. Route #1, Survey Station 576+21.

We wish to replace 100 lb. ARA-B between Bergen Hill Bridge, Station 58+80 and Roberts Bridge, Station 113+60.

Very truly yours

td

Vice Pres. & Gen. Mgr.

0900 PARADISE INN

8/22/79

JOHN COFFEY - SUNSHINE BISCUIT
WILLIAMS ZACH HERCULES - PARLIN
MATT MINKER " WILMINGTON
HAROLD OPENHEYM IIT CONTINENTAL BAKING
BOB KRAMP N-L. INDUSTRIES PHOENIX
GEORGE PASSANOUR " " HIGHTSTOWN
FRANK FITZPATRICK H&F WAREHOUSE
BOB GRADY CHICOPISA
BILL TAFF PERSONAL PRODUCTS
LARRY LAMARITY CIELFIBIZ
DENNIS MURPHY SQUIAS

D. A. SWANSON INFORMED ALL THAT MANAGER OF
PARLIN WOULD NOT PERMIT SERVICE EXCEPT TO
PROVIDE MORE POWER AND SEVEN DAY SCHEDULES.
NO PARLIN RURAL EMPLOYEES WOULD SUFFER BUT
PARLIN WOULD BE DOWNSTAIRS INTO CONRAIL JOBS
AT GENERALLY URGENT RATES OF PAY - SHIPPING
WOULD STILL BE ABLE TO GO TO RGLK WITH ANY
PROBLEMS - OFFICE WILL CONTINUE IN SOA UNTIL
NEW ONE CONSTRUCTED AT BROWN'S YARD -
TRUCK AT BROWN'S YARD TO BE FINISHED BY OCTOBER,
INTERCHANGE TO BE COMPLETED BY SPRING. WITH NO
HITCHES EXPECT MANAGER TO BE ACCOMPLISHED AT THE
SAME TIME. APPEARING TO ALL TO GET CONRAIL'S

II

8/22/79

POMONA INN

Finance Docket move unopposed so as to speed
the process.

Pointed out that RRRA was a wholly
owned subsidiary, that if intention was to
reduce service they could do it at any time.
IAS could do it this way if that was the
intent. The real intent is to provide
money (from CONRAIL'S BUDGET) for upgrading
of RRRA track - increased rail section 3' stone
banking throughout. Economies to be effected
by continuous use of locomotives and integration
of RRRA's own plants into CONRAIL avoiding
duplication of clerical effort.

Said that employees displaced with BZ
covered by provisions of New York Dock
Agreement which was better than Title 5

August 14, 1979

R. G. K.

I received a call today from Andy Rappo, inviting me to a meeting with ConRail and representatives of Raritan River customers to be held in near future, place still to be determined. You will be invited when you get back from vacation. Purpose of meeting is to sell the merger idea.

CAM

8/20 ~~Cam~~ Callers Andy Rosen & Wang Cam or Rgk-

New Jersey State Legislative Board

UNITED TRANSPORTATION UNION



IRVIN MCFARLAND, DIRECTOR
(609) 396-1994

R. M. BELLE, ASST. DIRECTOR
(201) 523-9371

GEO. SARANTOPOULOS, CHAIRMAN
(201) 798-8077

H. C. POOLE, VICE CHAIRMAN
(201) 638-6156

J. P. DEFALCO, VICE CHAIRMAN
(201) 939-3183

R. DORFMAN, BUS. REP.
(201) 473-0924

R. P. VENUS, SECRETARY
(201) 436-7050

375 West State Street, Trenton, New Jersey 08618

July 30, 1979

Mr. W.J. McAndrew, AGC
ConRail North
216 George Street
South Amboy, New Jersey 08879

Mr. C.P. Jones, General Chairman
Consolidated Rail Corporation (PLE)
Raritan River Railroad
Three Penn Center, Suite 621
Philadelphia, Pa. 19102

✓ Mr. Joseph J. Toth, Local Chairman
Raritan River Railroad
Box 214, Daun Road
Englishtown, New Jersey 07726

Re: Finance Docket 29085
Raritan River Railroad Company

Dear Sirs and Brothers:

Enclosed please find copy of notice of application filed with the Interstate Commerce Committee, Finance Docket No. 29085, which I am sure you will find self-explanatory.

If you desire to protest this application please notify President Al H. Chesser, National Legislative Director J.R. Snyder at once, with copy to this office.

With kindest regards, I remain

Fraternally yours,

Irvin McFarland
Irvin McFarland
State Legislative Director

IMCF/sh
opeis 339
Enc:

SHOULD YOU DESIRE TO PROTEST THIS APPLICATION,
NOTIFY THE OFFICE OF PRESIDENT AL H. CHESSEZ AT ONCE.
WITH COPY TO THIS OFFICE.

J. R. SNYDER, NAT'L. LEGIS. DIRECTOR

NEW JERSEY STATE LEGISLATIVE BOARD
UNITED TRANSPORTATION UNION
DATE RECEIVED

JUL 27 1979

IRVIN MCFARLAND, Director

C O P Y

A. H. Chesser - President

→ I. McFarland - State Director

W. J. McAndrew - General Chairman

APPLICATION FILED WITH THE
INTERSTATE COMMERCE COMMISSION

Finance - The Consolidated Rail Corporation and the Raritan
Docket River Railroad Company have agreed to a merger of the
29085 latter corporation into the former.

The purpose of this petition is to request that the
Commission, acting under 49 USCA, Sect. 10505, exempt
the merger from the requirement of approval under 49
USCA §§ 11343-11347.

The Raritan owns and operates 17.2 miles of railroad
(comprising 32 miles of track) extending from South
Amboy to New Brunswick, New Jersey.

NOTICE: 25 JULY 1979

SHOULD YOU DESIRE TO PROTEST THIS APPLICATION,
NOTIFY THE OFFICE OF PRESIDENT AL H. CHESSEZ AT ONCE.
WITH COPY TO THIS OFFICE.

J. R. SNYDER, NAT'L. LEGIS. DIRECTOR



2/25/79

JACK JOLLY CALLS OUR
ATTENTION TO Finance Applicants
29085F CR -

Commission lacks jurisdiction to find that defendants' rates are unreasonably high," the railroads said.

The railroads concluded that the 10-per-cent increase in Ex Parte 305 that was incorporated into the rate tariffs was specifically authorized by the Commission, "and certainly carries no presumption of unreasonableness."

'Yo-Yo' Bids Filed by TEA-ER

The Traffic Executive Association—Eastern Railroads filed July 9 for "yo-yo" rate increases of 5 and 7 per cent in Official Territory on 58 commodities under a temporary master tariff.

The eastern railroads plan to file "yo-yo" rate increases of up to 7 per cent for up to 320 commodities under the master tariff. In a decision served June 1 in Special Permission No. 79-2450, Authority to File Master Tariff, the ICC gave them permission to depart from ICC tariff publishing rules to publish the proposals (T.W., June 11, p. 23).

The 58 commodities, including items such as rubber, bakery goods, wool, drugs, and magazines, were docketed at the ICC as No. 37216.

Finance Applications

Finance No. 29061F. Advance Transportation Co., Milwaukee, Wis., asks authority to issue an installment note in the amount of \$570,000 for the purpose of purchasing 25.5 acres of land in Cook County, Ill., and to construct a new terminal there.

Finance No. 29063F. Western Pacific Railroad Co., San Francisco, Calif., asks authority to issue, without competitive bidding, securities not to exceed \$40,000,000 principal amount of equipment trust certificates for the purpose of purchasing \$40,000,000 of new standard gauge railroad equipment estimated to be delivered between March, 1980, and December, 1981.

Finance No. 29064. Continental Forwarders, Inc., New York, New York, asks authority to transfer to Sam's Vans, San Leandro, Calif., freight forwarder permit No. FF-422, SUB. 2.

Finance No. 29065F. Consolidated Rail Corporation, Philadelphia, Pa., asks authority to merge into it the Raritan River Rail Road Co., without complying with the requirement of approval under 49 USCA 11343-11347.

Finance 29066F. Bayview Trucking, Inc., Sacramento, Calif., asks authority to enter into a line-of-credit agreement, secured by its accounts receivable, in the amount of \$500,000, for the purpose of meeting such ordinary and regular expenses as payroll, rent, maintenance, supplies, fuel, and other operating expenses.

MC-F-14049. Leaseway Ltd., Toronto, Canada, asks authority to continue in control of Charlton Transport (Quebec) Ltd., Blainville, Quebec, Canada, through ownership of stock.

MC-F-14050. Mariano Brothers, Inc., Danbury, Conn., asks authority to purchase the operating rights of Four Winds Van Lines, Inc., San Diego, Calif., and to operate under those rights temporarily.

MC-F-14051. Mohawk Van Lines, Inc., Westbury, N.Y., asks authority to purchase a portion of the operating rights of Plymouth Van Lines, Inc., Pittsburgh, Pa., and to operate under those rights temporarily.

MC-F-14052. K.S.S. Transportation Corporation,

North Brunswick, N.J., asks authority to temporarily lease the operating rights of LTL Perishables, Inc., South St. Paul, Minn.

MC-F-14053. Van Diest Trucking, Inc., Pomona, Calif., asks authority to purchase the operating rights of Martin E. Van Diest, doing business as M. Van Diest Co., Riverside, Calif., and for approval of control of those rights through the purchase by Daniel L. Herman and Martin E. Van Diest.

MC-F-14054. K.S.S. Transportation Corporation, North Brunswick, N.J., asks authority to purchase the operating rights of Hall Way, Inc., Ankeny, Ia.

MC-F-14055. R.R. Stanley, Doing Business as R.R. Stanley Trucking, Dallas, Tex., asks authority to purchase a portion of the operating rights of Cox Refrigerated Express, Inc., Dallas, Tex., and to operate under those rights temporarily.

MC-F-14056. Interstate Transport, Inc., Gainesville, Ga., asks authority to purchase the operating rights of Cox Refrigerated Express, Inc., Dallas, Tex., and to operate under those rights temporarily.

MC-F-14057F. Ryder Truck Lines, Inc., Jacksonville, Fla., asks authority to purchase the operating rights of Heflin Industries, Inc., Medford, Ore., and to operate under those rights temporarily.

MC-F-14058F. Orscheln Bros. Truck Lines, Inc., Moberly, Mo., asks authority to purchase the operating rights of Jacksonville Springfield Transportation Co., Jacksonville, Ill., and to operate under those rights temporarily.

MC-F-14059F. H.C. Gabler, Inc., Chambersburg, Pa., asks authority to purchase a portion of the operating rights of Specialty Transport, Inc., Mountaintop, Pa.

MC-F-14061. Pacific Intermountain Express Co., Walnut Creek, Calif., asks authority to purchase the operating rights of Associated Freight Lines, Oakland, Calif., and to operate under those rights temporarily.

MC-F-14064F. Maislin Transport of Delaware, Inc., LaSalle, Quebec, Canada, asks authority to purchase the operating rights of Pittsburgh-Greensburg Express, Inc., Greensburg, Pa.

MC-F-14067F. American Farm Lines, Inc., Oklahoma City, Okla., asks authority to purchase the operating rights of Refrigerated Foods, Inc., Denver, Colo., and to operate under those rights temporarily.

MC-F-14068F. Alltrans, Ltd., Mississauga, Ontario, Canada, asks authority to merge the operating rights and properties of Overland Western, Ltd., and Alltrans Express, Ltd., into Alltrans, Ltd.

MC-F-14069F. Noerr Motor Freight, Inc., Lewistown, Pa., asks authority to purchase the operating rights of Richard C. Noerr, Jr., Doing Business as Metal Transport, Lewistown, Pa., and to operate under those rights temporarily.

MC-F-14071F. Claude Hays and Ruth Ann Hays, Eldon, Mo., ask authority to purchase the operating rights of Freighways, Inc.; H & S Motor Freight, Inc., and Claude Hays, Doing Business as Otten Truck Lines.

MC-F-14073F. Transportation Consultants, Inc., East Syracuse, N.Y., asks authority to purchase the operating rights of Scotholm Transportation Corporation, East Syracuse, N.Y.

MC-F-14074F. Nelson-Westerberg, Inc., Elk Grove Village, Ill., asks authority to purchase the operating rights of Reliance Moving & Storage, Inc., Fairfield, N.J.

MC-F-14075F. W.J. Diby, Inc., Commerce City, Colo., asks authority to purchase the operating rights of Refrigerated Foods, Inc., Denver, Colo., and to operate under those rights temporarily.

MC-F-14079F. Eckley Trucking, Inc., Mead, Neb., asks authority to purchase the operating rights of Refrigerated Foods, Inc., Denver, Colo., and to operate under those rights temporarily.

MC-F-14082F. Chippewa Motor Freight, Inc., Sioux Falls, S.D., asks authority to purchase a portion of the operating rights of Western Transportation Co., Chicago, Ill., and to operate under those rights temporarily.

MC-F-14063. the Aetna Freight Lines, Inc.,

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H Filskew says that Wachafel
had called to say that HF's
Stock would be purchased -
2 checks -

4/10/79

JACK JOURNEY ADVISED THAT
HE HAD RECEIVED WORD THAT
THE ICC WOULD HOLD A
PUBLIC HEARING ON THE
PROPOSED MERRILL.

RICHARD B. HASSELMAN
SENIOR VICE PRESIDENT
OPERATIONS

March 16, 1979

Mr. Daniel Mandel
General Manager
Blackstone Co., Inc.
40-B Cotters Lane - PO Box 69
East Brunswick, N.J. 08816

Dear Mr. Mandel:

Please refer to your recent letter relative to the proposed consolidation of the Raritan River Railroad and the Consolidated Rail Corporation.

While it is true that the Board has voted to consolidate and coordinate the properties, there are still many details to be worked out before final approval for this consolidation is rendered. I am, therefore, unable to advise exactly when this will take place. However, I wish to assure you that there will be no deterioration in service because of this merger since, for the most part, we will retain the same group of employees and provide the same or better service.

It should be understood that the Raritan River Railroad customers are also Conrail customers and we are equally as concerned about serving our customers, as is our subsidiary. We are pleased that you have been happy with the Raritan River Railroad service.

In checking some of the problems that you indicated are associated with Conrail service to the Raritan River Railroad, I find that cars have been erroneously routed Conrail, New Jersey rather than New Jersey via the Raritan River Railroad. This has been corrected and you should see some improvement in service on this account.

I again wish to assure you that the integrity of the Raritan River Railroad to its customers will be maintained by Conrail and the overall service to your Company will be improved.

Sincerely,



Chicopee

303 GEORGE STREET, NEW BRUNSWICK, N.J.

MAILING ADDRESS:
P. O. BOX 1151
NEW BRUNSWICK, N. J. 08903

March 1, 1979

Mr. William K. Smith, Chairman
U. S. Railway Association
2100 Second Street., SW
Washington, D. C. 20525

Dear Sir:

We have heard that Consolidated Rail Corporation has proposed merging the Raritan River Railroad into their operations. If this is done it would be catastrophic to the shippers and receivers on the Raritan River. The preliminary system plan did not include the Raritan River Railroad, consequently there was no public response. In the final report it was mentioned in a footnote (13) on page 228 that the stock in this railroad was to be conveyed to Consolidated Rail. The Raritan River Railroad was jointly owned by the Central of New Jersey and the Penn Central Railroads, and was and has been operated independently. From my personal observation of over thirty-three years of doing business with them, first at E. R. Squibb and then at Chicopee, they managed a well operated railroad with management, agents, and crews who had pride in giving service and cooperating with shippers and receivers, and I am sure at a profit.

Absorbing this into Consolidated Rail who already is obviously too big to run an economical operation can only create further losses. An example of the type of service we already receive from Con Rail in this area can illustrate how combining operations can affect service and car supply which currently is a major problem.

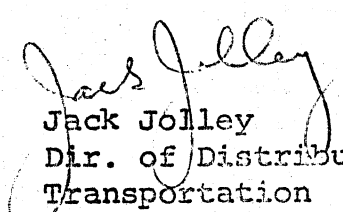
We have attached a report of a car with the tracing record from the Consolidated Rail Computer in Philadelphia.

continued...

From our plant at North Little Rock, Arkansas we shipped MILW 13635 to Colgate at Liberty Park, Jersey City, New Jersey on January 18, 1979 ConRail received this at Valley Junction, Illinois on January 20th. On January 25, it moved from Enola, Pennsylvania to Croxton (Jersey City), during February we estimate, as it is difficult to tell from the record attached, that the car moved back and forth between Croxton and Oak Island (Newark) at least a dozen times. Apparently each yard thinks the other should deliver it, although they are only a few miles apart and Liberty Park is in the middle well marked by the Statue of Liberty. As of yesterday we were still waiting for a delivery record.

We urge that you let the shippers and receivers be heard before any such authorization is granted. We would be interested in seeing the loss figures (?) of the Raritan River Railroad, because from past history we believe it can be run at a profit, but we know it would certainly be run at a loss if it got caught in the Croxton-Oak Island Syndrome.

Very truly yours,


Jack Jolley
Dir. of Distribution &
Transportation

mm/

cc: Con Rail - R. B. Hasselman, V.P. Operations
Raritan River - D. A. Swanson, President
Interstate Commerce Commission, Bur. of
Operations of Railroad Lines
N.J. D.O.T. - Louis Gambaccini
C. H. Barbour
T. E. Czernikowski
E. R. Squibb & Sons
NL Industries
Personal Products
H & F Warehouse Co.
Milltown Warehouse Corp.
ITT - Continental Baking Co.
Diamond Shamrock
Stauffer Chemical

Jan. 18, 1979

CAR TRACING RECORD

CHLOPEE
HIPPED
N. LITTLE ROCK 1/18/79
MILW 13635
MP-CR - COLGATE PARK
LINDSEY PARK
JERSEY CITY

2-79 MP RR To Con Rail at Valley Jct., Ill.
on 1-20-79 at 8:25 p.m.

2-79 CR RR Received car at 7:15 p.m. on 1-21-79
at Roselake, Ill.
Departed St. Louis to Indianapolis
at 3:30 A.M. on 1-22-79

2-79 CR RR Empola to Crofton at 11:15 p.m. on 1-25-79

1-79 CR RR Oak Island to Crofton at 7:00 A.M. on 2-1-79

3-79 CR RR So. Kearny to Crofton at 9:00 A.M. on 2-3-79

4-79 CR RR Crofton to Oak Island at 4:00 p.m. on 2-4-79

2-6-79 CR RR Oak Island to Crofton at 10:00 A.M. on 2-6-79

2-7-79 CR RR Oak Island to Crofton at 6:15 p.m. on 2-6-79

2-7-79 CR RR Mary at con rail called - claimed
they lost the billing on this car.
3:35 p.m.

2-9-79 CR RR Arrived Oak Island at 5:40 p.m. on 2-8-79

2-12-79 CR RR Arrived Oak Island at 4:00 p.m. on 2-11-79

2-14-79 ^{CR} RR On the Hump Track to go to the Coal Yd.
on p.m. on 2-14-79

2-15-79 ^{CR} RR Arrived Oak Island at 4:00 p.m. on 2-11-79

2-16-79 ^{CR} RR Same record as above. (Computer)
Many claims cars on the #7 track
going to the shop.

2-20-79 ^{CR} RR Same as above.

2-21-79 ^{CR} RR Same as above

2-22-79 ^{CR} RR Arrived Greenville, N.J. (Jersey City) at 5:30 p.m. on 2-21-79

2-23-79 ^{CR} RR Same as above

2-24-79 ^{CR} RR Same as above

2-27-79 ^{CR} RR Same as above.

lin, N. J.
March 8, 1979

John Coffey, SBI, called and advised that he attended the Con Rail meeting held at Downingtown Inn on March 7, 1979.

John said that meeting was very informative, that all questions to be asked by those attending had to be submitted in writing.

John's question was, "What, if any, changes are contemplated for the Raritan River if ConRail's petition for a physical merger is approved?"

About 150 questions were submitted, and his was held until the last one answered. The final 10 questions were handled by R. H. Steiner, V-P, Marketing.

John stated that it appeared to him that his question was not popular with ConRail, and was answered as follows, "Intend to make interchange improvements, with no other serious changes." His answer was somewhat mumbled and sluffed off.

Other highlights were: Elimination of in-transit rates; elimination of assigned equipment; and, in answer to a question of another attendee regarding stock answers such as "computer down," and general run around to problems, the V-P asked the questioner to see him after meeting was over.

E. R. Squibb & Sons, Inc.



P.O. Box 191
New Brunswick, New Jersey 08903
201-545-1300

February 27, 1979



R. B. Hasselman, Senior Vice-President
Consolidated Rail Corporation
6 Penn Central Plaza
Philadelphia, PA 19104

RE: RARITAN RIVER RAILROAD

Dear Mr. Hasselman:

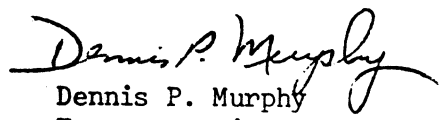
It is our understanding that Conrail is in the process of merging the Raritan River Railroad into their operating system.

As a receiver of freight on the lines of the Raritan River Railroad, we feel that this merger will greatly hamper our ability to receive freight under the same conditions that we now receive our rail cars. Knowing the past performance of Conrail, we can only visualize deteriorating service and a lack of communication, understanding and fulfillment of our service needs.

As it stands now, the Raritan River service is well run and more than meets the needs of the companies that the line serves. Its understanding of the service requirements of the companies on its lines means a great deal to these companies and is uppermost in the minds and actions of the Raritan River Railroad. Any disruption or deterioration of the present rail service would mean a financial burden to companies on the Raritan River Railroad due to reduced service that may be caused by Conrail.

We object strongly to this operation merger and request that you allow the Raritan River Railroad to operate as it has for many years, under its own leadership.

Very truly yours,


Dennis P. Murphy
Transportation Rate Analyst

DPM:ss

cc: C. Miller* K. Fedorock
J. Joyce F. Marra
H. Raven S. Smith

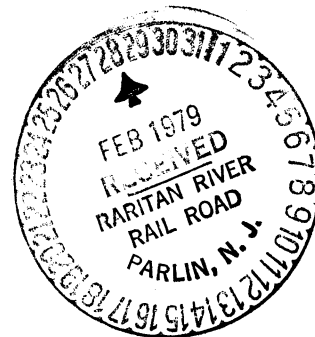


SQUIBB

E. R. Squibb & Sons, Inc.

P.O. Box 191
New Brunswick, New Jersey 08903
201-545-1300

February 27, 1979



Mr. William K. Smith, Chairman
United States Railway Association
955 L'Enfant Plaza North SW
Washington, DC 20595

RE: CONSOLIDATED RAIL CORP/
RARITAN RIVER RAILROAD

Dear Mr. Smith:

It is our understanding that the Board of Directors of Conrail Corporation have voted to merge the Raritan River Railroad into their operating system.

Since Conrail is required to have this merger approved by the U.S. Railway Association and the Interstate Commerce Commission, we are writing to you to voice our ardent objection to this merger.

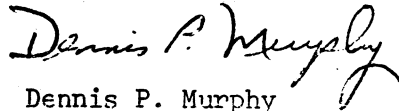
The Raritan River Railroad is owned by Conrail, but operates under its own independent management. It operates 12 miles of track connecting with Conrail at South Amboy, New Jersey and running to its terminals in New Brunswick, New Jersey serving many large and small companies along the line.

As a receiver of freight on the lines of the Raritan River Railroad, we feel that this merger will greatly hamper our ability to receive freight under the same conditions that we now receive our rail cars. Knowing the past performance of Conrail, we can only envision deteriorating service and a lack of communication, understanding and fulfillment of our service needs.

As it now stands, the Raritan River service is well run and more than satisfactory to meet the needs of the companies on its line. Its understanding of the service problems and requirements of the companies it serves means a great deal and is uppermost in the minds and actions of the Raritan River Railroad. Any disruption or deterioration of the present rail service will mean an additional financial burden to the companies due to later deliveries and reduced delivery service that may be caused by the Conrail merger.

We request that when reviewing this merger proposal, you take into consideration the objection of the area companies and allow the Raritan River to continue its operations as it has for many years. We would hate to see a good thing get ruined.

Very truly yours,



Dennis P. Murphy
Transportation Rate Analyst

DPM:ss

cc: C. Miller
J. Joyce
H. Raven
K. Fedorock
F. Marra
S. Smith



February 21, 1979

Consolidated Rail Corporation
Transportation Center
6 Penn Central Plaza
Philadelphia, Pa. 19104

Attn: Mr. R.B. Hasselman,
Senior Vice Pres. Operations

Gentlemen:

It has recently come to my attention that the Directors of Consolidated Rail Corporation voted to consolidate the

Raritan River Railroad system with general offices at South Amboy, New Jersey with Conrail.

The Raritan River Railroad system has traditionally served a number of industries and distribution center with personalized service in this area. In fact, we took occupancy of an additional 100,000 square foot public warehouse February 9, 1979.

This represents an investment of two million dollars.

In order to serve our customers in our warehouses properly, continued service of the type supplied by the Raritan River Railroad is essential. We estimate approximately 30 box cars a month flow through H. & F., among these are:

1. Dow Jones - Every roll of paper used to print the Wall Street Journal in the New York area flows through our facility.
2. Chicopee Manufacturing - Distribution for the entire north East United States of Disposable Diapers and Wiping cloths.
Chicopee is a division of Johnson & Johnson.
3. 3 "M" - Minnesotat Mining facility.
4. Personal Products - Division of Johnson & Johnson.
5. Greater Jersey Press - The printing facility for many local periodical newspapers.

6. Permacel - Division of Johnson & Johnson.

There have been many other accounts in the past, and many others we are aware for the future, ie.

O.M. Scott
White Westinghouse
R.J. Reynolds - Food Division
Cleo Wrap (Division Gibson Greeting Cards)
Johnson & Johnson Baby Products

We are very pleased with the services performed by the Raritan River Railroad and their personnel. Continuation of this type service is essential to the continuation of our business at H.& F. Any disruption to this service will seriously jeopardize our business and the continued employment of approximately 15 - 20 personnel.

We thank you for your consideration in this matter.

Very truly yours,

H.& F. WAREHOUSING & DIST. INC.

FF:el

FRANK FITZPATRICK,
VICE PRESIDENT



February 21, 1979

U.S. Railway Association
955 L'Enfant Plaza, North South West
Washington, D.C. 20595

Attn: Mr. William K. Smith

Gentlemen:

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We thank you for your consideration in this matter.

Very truly yours,

H. & F. WAREHOUSING & DIST. INC.

FF:el

FRANK FITZPATRICK,
VICE PRESIDENT



February 21, 1979

Interstate Commerce Commission
Division 1
Washington, D.C. 20423

Attn: Ms. Virginia Mae Brown,

Gentlemen:

It has recently come to my attention that the Directors of Consolidated Rail Corporation voted to consolidate the Raritan River Railroad system with general offices at South Amboy, New Jersey with Conrail.

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We thank you for your consideration in this matter.

Very truly yours,

H.& F. WAREHOUSING & DIST.INC.

FF:el

FRANK FITZPATRICK,
VICE PRESIDENT

2/1/79

MEET WITH CHARLIE JONES - "PRETIE"
RODMAN 3' JI TOTTA AT PHILIA.

JONES SAYS THAT HE HAS LEARNED THAT
RANTAN WILL BE MERGED INTO
CONRAIL 3' THEREFORE THERE IS NO
REASON TO NEGOTIATE AN AMO
SETTLEMENT - WIZARD PAYING THE
INCREASES UNDER THE NATIONAL SETTLEMENT
3' CAN NEGOTIATE THE OTHER ITEMS AFTER
THE MERGER.

SAYS THAT CONRAIL IS GOING TO HOLD
SENORITY AS OF THE DATE OF MERGER.
UTU IS GOING FOR APRIL 1, 1976 - (CONRAIL)

SAYS HE EXPECTS THAT CR WILL ESTABLISH
NEW DIVISIONS SO THAT RANTAN'S MEN
WILL HEAVILY SUFFER DISLOCATIONS -