

in brief...

PUBLISHED MONTHLY FOR EMPLOYEES OF CONSOLIDATED RAIL CORPORATION

CONRAIL



March, 1987

CONRAIL FILES WITH SEC FOR PUBLIC STOCK OFFERING

CONRAIL DIRECTORS ANNOUNCE COMMON STOCK DIVIDEND

On February 12, 1987, Conrail's Board of Directors declared a 135 percent stock dividend.

As a result, the federal government owns 58,750,000 shares of Conrail common stock, 2.35 times the original 25 million shares held by the government.

In addition, the dividend declared by Conrail's board is also applicable to the 4,411,760 shares held by Conrail's Employee Stock Ownership Plan, increasing the total amount of ESOP shares in the plan to 10,367,636 (the original amount of shares multiplied by 2.35).

This change will be reflected in the eventual distribution of ESOP shares to participants in the ESOP.

Soon, all ESOP participants will receive a new newsletter, "Conrail ESOP News," which will provide more details about the distribution of ESOP stock.

On February 13, 1987, Conrail filed a Registration Statement with the Securities and Exchange Commission for the public offering of stock authorized by the Conrail Privatization Act of 1986 (CPA).

The Registration Statement covered the proposed initial public offering of 58,750,000 shares (52,000,000 shares in the domestic market and 6,750,000 shares through a European syndicate) of Conrail's common stock by the United States Government.

Goldman, Sachs & Co., the First Boston Corp., Merrill Lynch Capital Markets, Morgan Stanley & Co., Inc., Salomon Brothers Inc and Shearson Lehman Brothers Inc. have been named co-managers of the underwriting group that will offer the common stock to the public. The CPA requires that the Secretary of Transportation ensure that minority-owned or controlled investment banking firms have an opportunity to participate to a significant degree in the offering of Conrail shares. Pursuant to a plan approved by the Secretary of Transportation to implement this provision of the CPA, AIBC Investment Services Corp., Daniels & Bell Inc., Doley Securities Inc., Muriel Siebert

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CONRAIL EARNS \$119 MILLION IN FOURTH QUARTER OF 1986

Conrail reported net income of \$119 million (\$4.24 per share) for the fourth quarter of 1986. In 1985, Conrail reported fourth quarter net income of \$112 million (\$4.06 per share).

For the full year 1986, Conrail reported audited net income of \$431 million (\$15.34 per share), compared with 1985 full-year net income of \$442 million (\$16.02 per share).

Revenue for the fourth quarter of 1986 was \$793 million, vs. fourth-quarter 1985 revenue of \$783 million. Full-year 1986 revenue was \$3.144 billion, vs. 1985 full-year revenue of \$3.208 billion.

Conrail's traffic in the fourth quarter of 1986, as measured by tariff-based ton

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THE ACCIDENT FILE

Following safety rules and developing safe work habits protects you from injury. It can also save your life. The Accident File appears as a regular feature of In Brief to help keep you aware that SAFETY IS EVERYONE'S JOB.

The Accident File is an actual incident that has occurred on Conrail. The railroad safety rules tell you how such incidents can be avoided in the future.

A yard conductor was walking between tracks checking car numbers in order to make a cut. In doing so, he stepped into the gauge of the adjacent track. He was struck and run over by a cut of cars being shoved into the track by another crew. The conductor sustained severe injuries and could not return to work.

APPLICABLE SAFETY RULE

Expect equipment to move on any track, in any direction, at any time. Look in both directions before fouling a track.

CRANE: PRIVATIZED CONRAIL FACES MAJOR NEW TEST

"Our ability to compete and be profitable will be the major test for Conrail in the future as a private company," said Conrail Chairman and Chief Executive Officer L. Stanley Crane at a recent labor union gathering.

Speaking in January before a United Transportation Union General Committee meeting in Atlantic City, Crane stressed that the labor/management partnership that has brought Conrail to the threshold of private sector ownership must continue as the railroad strives to meet competition from the trucking industry.

Crane said: "To build new revenues and retain most of our present business,

Conrail must continue to offer competitive pricing and high quality service.

"Fortunately, with the support and cooperation of rail labor, we have developed more efficient operations and have been able to negotiate highly specialized service contracts . . ." he added. "By applying similar strategies to every aspect of our business, we are making inroads in keeping the traffic moving on Conrail, and thereby preserving the greatest possible number of jobs."

Crane noted that where Conrail operates, "it is truck, not rail, which drives competition." Pointing out the 38 percent

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CONRAIL DEVELOPS ENHANCED DRUG TESTING POLICY

Conrail has established an enhanced policy involving drug testing. The policy was outlined in a letter to all employees from Conrail Chairman and Chief Executive Officer L. Stanley Crane, dated February 20.

Said Crane: "Our safety record is one of the best in the rail industry, and demonstrates our employees' commitment to strive for high standards of safety and performance.

"Like you, I know that the vast majority of Conrail employees abide by our operating and safety rules and, upon reporting for duty, perform their jobs safely and efficiently. However, Conrail's responsibilities to its employees and the public make it impossible for us to tolerate the use of illegal drugs."

The new policy, Crane said, is an enhancement of Conrail's current medical practices. Conrail will include drug screening when the following types of medical examinations are conducted: pre-employment physical examinations; required periodic and return-to-duty physical examinations; executive physical examinations; and examinations prior to return to duty following a disqualification for any reason associated with drug use.

A positive test will result in the employee being withheld from service by Conrail's Medical Director.

After an initial positive test, an employee may return to work by providing a negative test within 45 days of notification of the positive test.

One important feature of the policy is that it provides employees whose drug use is identified in the course of medical examinations to seek help through Conrail's Employee Counseling Service staff, and enter an approved treatment program if a dependency problem exists.

In this case, the employee may return to work after receiving a recommendation from the program and the Conrail Employee Counselor, and providing a negative drug test within 125 days of notification of the first positive test.

Said Crane: "Our concern in taking these necessary steps to identify the drug user is based on the fact that railroad employees must report for and perform their duties safely and efficiently. While some may interpret this drug use policy as restrictive, off-the-job use of drugs will eventually affect on-the-job performance and safety, and this is a consequence which this policy is intended to avoid."

EMPLOYEES, CONRAIL DONATE NEARLY \$600,000 IN 1987 TO UNITED WAY CAMPAIGNS ACROSS CONRAIL SYSTEM

Conrail employees donated \$395,239 to their local United Way campaigns during the 1987 drive.

That amount represents a 21 percent increase over donations from the 1986 campaign.

Based on that amount, Conrail expects to make a corporate donation of \$198,600 spread among the various local campaigns on the Conrail system.

(Conrail's Board of Directors authorized an annual corporate matching dona-

tion program for the company's United Way campaigns, beginning in 1985. Under the program, Conrail gives 50 cents to local United Way campaigns for each dollar pledged by its employees.)

The largest percentage increase in local donations occurred in Harrisburg, Pennsylvania, where donations by Conrail employees were 347 percent higher than they were for the 1986 campaign.

Following is a list of the campaign results from major Conrail locations, with the amount pledged for 1987 and the percent change from 1986.

Location	Pledge	% Inc. (Dec.)
Philadelphia	\$180,503	22
Altoona	\$54,384	34
Detroit	\$32,581	61
Pittsburgh	\$24,107	(12)
Elizabethport	\$20,041	39
Toledo	\$14,325	77
Buffalo	\$11,632	160
Selkirk	\$9,113	80
Chicago	\$8,622	13
Cleveland	\$7,271	(35)
Indianapolis	\$6,822	(9)
Harrisburg	\$6,598	347
Columbus	\$4,928	(67)

SPIEGEL NAMED TO HEAD ALLEGHENY DIVISION

Conrail has named Gary M. Spiegel as Superintendent of its Allegheny Division, which is headquartered in Altoona, Pa. He succeeds William E. Flight, who has retired.

In his new position Spiegel is responsible for train operations and maintenance of railroad facilities and equipment throughout the division.

Spiegel was Assistant Superintendent of the New Jersey Division before being named to the Altoona post. He began his railroad career with the Erie Lackawanna, a Conrail predecessor.

PROGRAM FOCUSES ON SAFE HANDLING OF BOXCARS

Conrail is counting on a new audio-visual presentation to help reduce the incidence of accidents related to the handling of boxcar doors and interior bulkheads.

The presentation, "Shippers Safety Inspection for Doors and Bulkheads," is being shown to customers whose employees load and unload boxcar equipment to foster an increased awareness of the safety inspections necessary to assure injury-free operation of the equipment.

"We want to show this to as many of our customers as we can," said Allen Duchesneau, assistant director-Customer Service in the Sales Department, "not just to the people who run their traffic departments, but to all the employees who work on the docks. We hope to prevent accidents with this program."

The program is available on ½-inch video tape cassettes and 35 mm slide carousels accompanied by an audio tape recording. Presentations to customers can be arranged by contacting Conrail customer service managers in the railroad's nine regional sales offices.

The program was developed by a special committee of representatives from several Conrail departments, and was produced by Conrail's Management Development and Training group in the Resource Development Department.

RICHARDSON, MYERS & DONOFRIO SELECTED AS CONRAIL'S AD AGENCY

Richardson, Myers and Donofrio Inc. (RM&D), of Baltimore, has been selected as Conrail's new advertising agency.

The agency has begun work with Conrail to develop a business-to-business marketing communications program involving advertising, direct response and sales promotion elements.

RM&D was one of three agencies chosen as finalists to present proposals to Conrail management, after an initial agency search involving nearly a dozen firms that specialize in business-to-business marketing communications and advertising. Ogilvy and Mather Inc., of New York, handled the Conrail advertising account through the end of 1986.

RM&D was founded in 1964, and is a total communications agency with a diverse list of clients, including ICI Americas Inc., the Maryland Department of Economic and Community Development, Citicorp's CHOICE credit card and Waterford Crystal Inc.

CONRAIL: \$119 MILLION

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miles (the product of the weight of freight carried for hire and the distance on tariff miles between origin and destination) was up 5.6 percent vs. the fourth quarter of 1985. For the full year 1986, tariff-based ton miles were 3.2 percent higher than 1985.

See Page 4 for earnings reports of other major railroads.

NEW ENGLAND & MOHAWK-HUDSON DIVISIONS TO BE COMBINED AT SELKIRK.

Conrail's New England and Mohawk-Hudson divisions will be consolidated later this year into a single division headquartered at Selkirk, New York.

The action is expected to take place in phases between July and October, 1987, and will consolidate the present division headquarters offices at Springfield, Mass. (New England), and Utica, N.Y. (Mohawk-Hudson) at Selkirk, where Conrail's Northeastern Region is also headquartered.

The relocation of division offices will have no effect on freight service in Springfield or Utica, and Conrail will continue to retain workforces in those cities to serve customers.

Functions to be consolidated in the relocation include division management staff, train dispatchers and crew dispatchers.

Conrail currently has about 325 agreement and non-agreement employees in Springfield. After the consolidation, about 75 percent of those jobs will remain in Springfield. In Utica, Conrail currently has about 125 employees. After the consolidation about one-third of those jobs will remain in Utica.

At both locations, most of the employees affected will be offered transfers to Selkirk, based on seniority and qualifications. Employees whose work is being transferred to Selkirk will have first rights to the new positions at Selkirk, and Conrail will fund relocation expenses in accordance with its labor agreements.

In cases where employees elect not to transfer, the new positions in Selkirk will be filled according to procedures set in labor agreements. Likewise, employees choosing not to transfer to Selkirk will still have the right to exercise any seniority rights they may hold in their particular seniority district, or to avail themselves of the employee protective provisions of their respective labor agreements.

CONGRESSIONAL COMMITTEES HOLD HEARINGS TO INVESTIGATE NORTHEAST CORRIDOR ACCIDENT

In January and February, Congressional committees held hearings to look into the circumstances of the tragic Northeast Corridor accident on January 4 involving three Conrail locomotives and an Amtrak passenger train. A number of officials representing the federal government, Amtrak, Conrail, rail labor and others testified. The Senate Appropriations Committee Subcommittee on Transportation, and a special panel of the House Government Operations Committee, held hearings in late January. On February 17, the Senate Subcommittee on Surface Transportation held a hearing.

Conrail's Senior Vice President-Operations, Richard B. Hasselman, was among those who gave testimony at all three hearings. The following articles summarize portions of testimony given during the hearings, first by National Transportation Safety Board (NTSB) Chairman James Burnett at the January hearings; secondly by Hasselman, at the January and February hearings. Burnett's testimony includes some of the preliminary findings of the NTSB's investigation. (Conrail Vice President-Transportation Donald Swanson appeared at a review of drug and alcohol rules held by the Federal Railroad Administration February 18.) The NTSB has scheduled hearings on the accident beginning March 30 in Baltimore.

NTSB CHIEF TESTIFIES

Summarizing the accident, James Burnett, chairman of the National Transportation Safety Board (NTSB) said: "Preliminary evidence suggests that the three-unit Conrail locomotive was operated past a stop signal, through a trailing point switch, and onto the main track immediately ahead of the Amtrak passenger train. The faster-moving passenger train overtook and crashed into the rear unit of the Conrail locomotives. Preliminary readouts of the event recorders on the Conrail locomotives and speed recorders on the Amtrak locomotives indicate that both trains were being operated at speeds in excess of that permitted."

Burnett, discussing the results of mandatory drug and alcohol tests taken after the accident, said: "The results for those crew members who provided samples were negative except for the engineer and the brakeman of the Conrail crew. Tests of the urine and the blood samples of these two employees indicated the presence of both the psychoactive and non-psychoactive constituents of marijuana." Burnett added: "It is too early for the Safety Board to evaluate any effects the presence of the marijuana may have had in this accident."

Among other preliminary findings included in Burnett's testimony:

- "The Conrail locomotive radio normally used for train-to-train or train-to-fixed station communications was inoperative. The Conrail engineer had only a portable type of radio, not well suited for this purpose. Whether evidence gathered in the investigation supports the engineer's contention that he tried to make an emergency broadcast prior to the collision, this accident points out the potential need

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HASSELMAN TESTIFIES

Conrail Senior Vice President-Operations Richard B. Hasselman said, "We are personally saddened by the January 4 accident and the anguish it has caused to so many people. We are also saddened professionally by this accident because we have worked very hard to develop and continually improve our performance as a railroad."

He said that since the accident, Conrail "has fully cooperated with the ongoing investigation by the National Transportation Safety Board (NTSB), the Federal Railroad Administration (FRA), and Amtrak, providing these entities with all available information in a timely and complete manner."

Hasselmann discussed Conrail's employee training and monitoring procedures as they relate to the observance of operating rules. He also detailed Conrail's Operating Rules Observation System, under which Conrail supervisors observed 870,602 instances of train crew members' compliance with operating rules during 1986, including 130,684 involving signal compliance.

He also said that the Conrail crew involved in the accident had been observed individually under the program during the 15 months preceding the accident, and were found to be consistently in compliance with operating rules.

Hasselmann said a Conrail supervisor had observed the crew members when they reported for work on the afternoon of the accident, and "took no exception to their condition."

After the accident, that supervisor and four others again had an opportunity to observe the crew members, "and again,

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ALTERATIONS IN STAGGERS DON'T SERVE PUBLIC INTEREST

Recent efforts to lobby for legislated changes in the Staggers Rail Act of 1980 represent a campaign to "reinstate the old, discredited regulatory scheme" that existed before the passage of Staggers, Conrail Chairman and Chief Executive Officer L. Stanley Crane wrote to members of Congress recently.

In a letter that was distributed to each of the more than 500 Senators and members of the House of Representatives, Crane said that there was no justification for changing Staggers, which has brought vigorous competition to transportation markets. The act authorized the substantial deregulation of the railroad industry.

"There is no need to regulate today's railroads as if they were the dominant economic force of the past," said Crane. "Fierce competition prevails in almost every market. There are few, if any, 'captive' shippers, and most of those who claim

they are, are both larger than the railroads who serve them and have better rates of return on investment."

However, special interests persist in demanding Staggers be altered, because, Crane said, "they are seeking favored treatment—a subsidy from the railroads and other rail users. They seek to achieve through politics the special treatment denied them by a competitive marketplace."

The special interests, he said, also seek to deny railroads the opportunity to earn a competitive return on rail investment. "It is hard to understand why some shippers oppose our efforts to meet this goal," Crane added, "since the railroads' continued failure to meet it can lead only to (the railroads') inability to provide needed shipper services."

Crane urged members of Congress to study the record on the Staggers issue during the coming months.

CONRAIL TRANSFERS \$100 MILLION TO U.S. TREASURY

Conrail transferred \$100 million from its cash reserves to the U.S. Treasury Department on February 2, as directed by the Secretary of Transportation under authority given to the Secretary by the Conrail Privatization Act (CPA) of 1986.

That section of the CPA permitted the Secretary of Transportation to determine whether to require Conrail to transfer the \$100 million of its corporate funds to the government (on or before February 1, 1987, or 30 days before a public stock offering sale date, whichever came first), taking into account the viability of the corporation.

On November 20, 1986, as required under the CPA, Conrail transferred \$200 million of its funds to the Treasury.

WORK SAFELY

MOST RAILROAD FIRMS POSTED LOWER EARNINGS IN 1986 THAN IN 1985

Most of the nation's major railroad companies reported lower earnings for the full year in 1986, compared with 1985, with financial restructuring moves resulting in large losses for a few major carriers.

BURLINGTON NORTHERN INC.

Burlington Northern (BN) said its earnings were down in the fourth quarter of 1986 to \$76.3 million from \$120.8 million during the same period in 1985, a decline of 41 percent. Revenues declined 19 percent to \$1.466 billion from \$1.811 billion.

For all of 1986, BN said it posted a net loss of \$860.5 million, the result of an earlier announced corporate reorganization that included substantial charges against the company's earnings. Net income for 1985 totaled \$556.7 million.

Before the charges, BN said it earned income of \$239.1 million in 1986. Revenues for the year were down to \$6.941 billion, a 19.8 percent decline from \$8.650 billion in 1985.

UNION PACIFIC INC.

Union Pacific (UP) said its fourth quarter 1986 earnings were \$129.3 million, 4 percent lower compared with the \$135.2 million reported in the fourth quarter of 1985.

Revenues declined 20 percent to \$1.639 billion from \$2.052 billion in the same period in 1985.

For the entire year, UP posted a net loss of \$460.2 million due to charges against income resulting from its restructuring

program, compared with net income of \$501.2 million in 1985. Before the impact of those charges, UP said net income in 1986 would have been \$484.7 million.

Revenues for 1986 were down 15.4 percent to \$6.688 billion from \$7.908 billion in 1985.

UP said, however, that earnings for its railroad unit alone were up 20 percent for the year, as a result of cost reductions, productivity improvements and fuel savings.

CSX CORP.

CSX said that net income for the fourth quarter totaled \$132 million, compared with a net loss in the same 1985 period of \$440 million. That 1985 loss was the result of an announced restructuring program.

Revenues for CSX's fourth quarter were down almost 10 percent to \$1.604 billion from \$1.775 billion in the 1985 quarter.

For all of 1986, CSX earned \$418 million, compared with a \$118 million loss in 1985, also a result of the restructuring program. Revenues declined 13 percent to \$6.345 billion from \$7.288 billion in 1985.

SANTA FE SOUTHERN PACIFIC CORP.

A corporate restructuring by Santa Fe Southern Pacific (SFSP) led to a loss of \$261.8 million in the fourth quarter of 1986, compared with net income of \$137.3 million in the same period in 1985.

For the entire year, SFSP also posted a loss—\$137.9 million, compared with net income of \$469.6 million for all of 1985.

Revenues totaled \$1.503 billion during the fourth quarter, a decline of 3 percent from \$1.550 billion in the same quarter in 1985. For the full year 1986, SFSP's revenues totaled \$5.630 billion compared with \$6.281 billion in 1985, a decline of 10.4 percent.

NORFOLK SOUTHERN CORP.

Norfolk Southern (NS) reported that its net income increased 20 percent in 1986's fourth quarter, to \$144.2 million from \$120.1 million in the same period in 1985.

For the entire year, net income totaled \$518.7 million, a 3.7 percent increase over 1985's net income of \$500.2 million.

For 1986, NS said its earnings were affected by three major non-recurring gains having a total positive impact of \$84.4 million. Those gains were partially offset by two non-recurring items that reduced NS's income by a total of \$48.1 million.

Revenues during the fourth quarter decreased less than 1 percent to \$1.01 billion from \$1.02 billion in 1985. For the year, revenues increased 6.6 percent to \$4.08 billion from \$3.83 billion in 1985.

NS said its North American Van Lines subsidiary contributed \$748.6 million in revenues to the 1986 total. North American contributed \$390.3 million in revenues to NS during the six-month-plus period after NS bought North American in June, 1985.

CONRAIL FILES WITH SEC

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& Co. Inc., Pryor, Govan, Counts & Co. Inc., and W. R. Lazard Securities Corp. are acting as underwriters and are assisting the co-managers.

Although the registration statement relating to the securities has been filed with the Securities and Exchange Commission, it has not yet become effective. The securities covered by the registration statement may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This article shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

A copy of the preliminary prospectus relating to the filing may be obtained from Goldman, Sachs & Co., 85 Broad Street, New York, NY 10004; the First Boston Corp., Park Avenue Plaza, 55 East 52nd Street, New York, NY 10055; Merrill Lynch Capital Markets, One Liberty Plaza, 165 Broadway, New York, NY 10080; Morgan Stanley & Co., Inc., 1251 Avenue of the Americas, New York, NY 10020; Salomon Brothers Inc., One New York Plaza, New York, NY 10004; and Shearson Lehman Brothers Inc., American Express Tower, World Financial Center, New York, NY 10285.

CRANE: PRIVATIZED CONRAIL FACES MAJOR NEW TEST

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decline in employment in the rail industry in the past decade, he added: "The message to all of us is that all railroads are still vulnerable to further erosion of market share and therefore, a loss of even more jobs. Together we can stem that tide—but it won't be easy.

"I do not mean *we* Conrail management; I mean *we* Conrail employees—all employees—labor and management alike," Crane said.

"There is room for optimism," Crane said, "if we adapt to the changing world." He pointed to Conrail's position as an industry leader in developing new service proposals for customers and building a revenue base through custom contract agreements. "We are responding to the specific needs of customers—large and small—as we never have in the past."

In those instances where new service packages are being developed, labor agreements have helped to attract the business to the railroad. One example of such an arrangement is the movement of additional intermodal traffic in a dedicated just-in-time train between Sterling Heights, Michigan and St. Louis, Missouri, which required an additional set-off and pick-up of cars.

"Because labor was willing to respond to this unique opportunity, we have new business and new jobs at Conrail," said Crane.

"Flexibility—that is the key," added Crane. "We must think flexible; we must act flexible; and we must be prepared to think and act fast to capture new business and retain our current business."

The fierce competition for transportation revenues that abounds today has forced new roles on labor and management, he said. Those roles must be accepted for the mutual benefit of everyone.

"Our goals cannot be accomplished by management directives alone," Crane said, "or by the old system of labor and management sitting across the table from each other with conflicting agendas.

"Management must give labor the opportunities to become a partner in building business. That can be accomplished by overcoming the tendency to believe that only management has the answers to our mutual challenges," Crane continued. "Labor must shift its focus to stabilizing railroad industry employment over the long term, rather than focus on the short term . . . We *must* be partners in the process of change."

**MAKE SAFETY FIRST . . .
AND MAKE IT LAST!**

HASSELMAN TESTIFIES

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took no exception to their condition, except to observe that they were shaken by their experience."

He said that Conrail handled 638,000 carloads of freight on the Northeast Corridor during 1986, 248,000 of which can be delivered over alternate routes. Some of those carloads are already delivered over alternate routes. The remaining 390,000 carloads, he said, cannot be delivered over any route other than the Corridor, since those customers are served only by the Corridor route.

"Conrail has already diverted substantial freight traffic from the Northeast Corridor, and continues to seek means of diverting further traffic; however it is apparent that it is impossible to divert all such traffic."

Commenting on the NTSB finding that all trains using the Corridor be equipped with automatic control devices, Hasselman said: "There are serious questions as to whether this is a practical recommendation for freight trains. Neither the speed con-

trol system, nor the automatic train stop system presumably being suggested by NTSB, is satisfactory for freight train applications because both require extraordinary braking procedures which can easily result in freight train derailments.

"However, Conrail will work with Amtrak, FRA and NTSB," Hasselman said, "to see whether these problems can be resolved, or if a more suitable alternative can be devised."

In his testimony on February 17, Hasselman suggested as one potential alternative "a system that will ensure that none of the present safety devices are nullified or made inoperative." Noting that he was aware of instances where the present cab whistle signal had been taped so that it could not sound, he said, "I think it will prove far more effective to correct this condition by providing an electronic warning signal, and to install this warning signal so that it cannot be nullified or disabled."

He asked Amtrak, NTSB and FRA to give such a system serious consideration.

NTSB CHIEF TESTIFIES

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for an operable radio capable of train-to-train and train-to-fixed station communications."

- "Although the accident at Chase, Maryland remains under investigation, the Safety Board believes that an automatic train control device on the Conrail locomotive probably would have prevented the accident."

He said the board recommended again that "Amtrak require all trains operating on the high-speed passenger tracks of the Northeast Corridor to be equipped with devices that will control the train automatically as required by the signals if the engineer fails to do so." The board also recommended that "pending installation of such devices, Amtrak require that the operators of all trains not equipped with such devices stop before entry, regardless of signal aspect, and secure positive clearance to enter the track before proceeding further."

CONRAIL SAFETY POLICY

- Safety is of first importance.
- All injuries can be prevented.
- Management is committed to provide a safe work environment.
- Employees and management are responsible for maintaining a safe work environment and for preventing personal injuries.
- Compliance with safety policy and procedures is a condition of employment.

HARRISBURG RANKS FIRST IN DIVISION SAFETY TALLY; CONRAIL ACHIEVES OVERALL 1986 SAFETY GOAL

Conrail's Harrisburg Division took the top spot in the President's Safety Contest rankings during 1986 after moving to the top of the rankings in November.

Harrisburg posted a 3.88 total injury rate for 1986, best among Conrail divisions, followed by Buffalo at 4.39.

The Stations Department was Conrail's best department in the rankings for 1986, turning in a total injury rate of 1.28, followed by Flexi-Flo at 1.93, and Materials and Purchasing at 2.52.

Conrail's goal for 1986 was a total injury rate of 4.50 or lower per 200,000 employee-hours of work. For 1986, the total injury rate for the Conrail system stood at 4.41.

For the month of December alone, 11 Conrail divisions reported total injury rates better than the 1986 goal, led by Michigan with no injuries for the month (0.00). Following Michigan were Harrisburg, 0.97; New England, 1.73; Pittsburgh, 2.03; Toledo, 2.67; Allegheny, 2.79; Cleveland, 3.09; New Jersey, 3.14; Buffalo, 3.23; Southern Tier, 3.81; and Columbus, 4.14. Conrail's overall total injury rate for December was 2.95.

In the December rankings for departments, Materials and Purchasing, Auto Terminals and Flexi-Flo placed one, two and three, respectively, with injury-free months. They were followed by Stations at 0.71, Transportation at 2.94, Maintenance of Way at 4.24, and Police at 4.35.

TOTAL FREQUENCY RATE BY DIVISION
Divisions listed in order of year-to-date rank

Rank	1986 Division	Rate	November		December	
			Rank	Rate	Rank	Rate
1	Harrisburg	3.88	2	1.73	2	0.97
2	Buffalo	4.39	6	2.87	9	3.23
3	New Jersey	4.54	9	3.59	8	3.14
4	Allegheny	4.59	3	2.17	6	2.79
5	Southern Tier	4.79	13	5.09	10	3.81
6	Chicago	4.80	14	7.66	13	5.18
7	Toledo	5.01	12	4.95	5	2.67
8	Columbus	5.11	10	3.73	11	4.14
9	Pittsburgh	5.14	4	2.66	4	2.03
10	Mohawk-Hudson	5.27	1	1.23	14	6.49
11	Philadelphia	5.48	5	2.84	15	6.54
12	Southwest	5.60	11	4.24	12	4.70
13	Michigan	6.17	15	7.75	1	0.00
14	Cleveland	6.24	7	2.92	7	3.09
15	Youngstown	6.61	8	3.06	16	10.21
16	New England	9.88	16	9.35	3	1.73

TOTAL FREQUENCY RATE BY DEPARTMENT
Departments listed in order of year-to-date rank

Rank	1986 Department	Rate	November		December	
			Rank	Rate	Rank	Rate
1	Stations	1.28	2	1.45	4	0.71
2	Flexi-Flo	1.93	1	0.00	3	0.00
3	Materials & Purch.	2.52	3	1.78	1	0.00
4	Mechanical	4.92	6	4.57	8	5.47
5	Maintenance of Way	5.12	4	3.39	6	4.24
6	Transportation	5.70	5	4.19	5	2.94
7	Police	6.50	7	10.68	7	4.35
8	Auto Terminals	18.98	8	46.11	2	0.00

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Letters to the editor are welcome and should be sent to the above address.

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