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BY E-FILING

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

Re: *Bessemer and Lake Erie Railroad Company – Acquisition and Operation –
Certain Rail Lines of CSX Transportation, Inc. in Onondaga, Oswego, Jefferson,
Saint Lawrence, and Franklin Counties, New York (Docket No. FD 36347)*

Dear Ms. Brown:

Applicant Bessemer and Lake Erie Railroad Company (“B&LE”) jointly with CSX Transportation, Inc. (“CSXT”) respectfully submit this letter in response to Ordering Paragraph No. 3 of the Board’s decision of April 6, 2020 (“Approval Decision”). That decision approved the acquisition by B&LE of the U.S. Massena Lines from CSXT between Fort Covington, NY and Woodard, NY, subject to standard employee protective conditions and a condition in Ordering Paragraph No. 3 that required B&LE and CSXT to propose a modification or elimination of Section 5.14(b) in the parties’ executed Purchase and Sale Agreement. In order to allow the parties to continue efforts to seek agreement on a submission, in response to the parties’ joint requests, the Board twice extended the deadline for the parties to submit their proposal, first to May 18, 2020, and then to May 26, 2020.

Unfortunately, B&LE and CSXT are unable to submit a proposal today in response to the Board's order. B&LE and CSXT have held numerous negotiating sessions and exchanged proposals since the Approval Decision. Despite our good faith efforts, we have been unable to agree to a proposed solution in response to Ordering Paragraph No. 3.

Under present circumstances, it regrettably appears that the parties will be unable to proceed with the Transaction absent reconsideration of the Board's Section 5.14(b) condition in the Approval Decision. B&LE and CSXT remain committed to the Transaction and want to proceed with the Transaction to achieve its significant benefits in the public interest that it offers, including reduced transit times, preservation of efficient routing, and labor protection. The parties therefore plan to petition for reconsideration of the Board's Section 5.14(b) condition in Ordering Paragraph No. 3 by the June 5, 2020 deadline.

Sincerely,

/s/ Claire M. Maddox

*Counsel for Bessemer and
Lake Erie Railroad Company*

cc: All Parties of Record