

September 17, 2021

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Submitted via e-filing

Re: STB Finance Docket No. 36472, *CSX Corporation and CSX Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., et. al.*

Dear Ms. Brown:

The State of Vermont (VTrans) offers the comments below in response to CSX Transportation, Inc.'s (CSXT) supplemental traffic projections filed in the above-captioned matter on August 27, 2021 (CSXT Traffic Supplement).

CSXT's traffic projections through 2027 appear to call into question the commercial underpinnings of the proposed merger, since CSXT portrays the anticipated growth in traffic volumes to simply track with market conditions, with little additional growth, if any, attributable to the merger. For instance, CSXT describes the Merger Transaction as "support[ing] organic growth of the industries in New England that currently rely on rail service," including potentially increased efficiency, but not growth beyond such parameters, resulting from the consolidation of interline movements into single line movements (CSXT Traffic Supplement at 5), and predicts no net change in volumes on the post-merger system as the result of east-west traffic shifts between the Northern Route and Southern Route or any impact on north-south traffic on the Knowledge Corridor (CSXT Traffic Supplement at 14).

VTrans acknowledges the current vagaries of performing economic forecasting in light of the ongoing impacts of the COVID-19 pandemic, but notes, nevertheless, that, as an economic proposition, the proposed merger essentially maintains the status quo anticipated even in the absence of the merger.

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Please do not hesitate to contact me with any questions.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Charles A. Spitulnik", with a long horizontal flourish extending to the right.

Charles A. Spitulnik
Counsel for the State of Vermont

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