

Anthony J. LaRocca  
202 429 8119  
alarocca@steptoe.com

1330 Connecticut Avenue, NW  
Washington, DC 20036-1795  
202 429 3000 main  
www.steptoe.com

ENTERED  
Office of Proceedings  
November 10, 2021  
Part of  
Public Record



November 10, 2021

CSXT/PAR-39

**VIA E-FILING**

Cynthia T. Brown  
Chief, Section of Administration  
Surface Transportation Board  
Office of Proceedings  
395 E Street, SW  
Washington, DC 20423

Re: **STB Docket No. FD 36472, CSX Corporation and CSX Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company**

Dear Ms. Brown:

Enclosed please find (1) an op-ed piece supporting the Application filed in the above-referenced matter, written by Joe Natale, director of business development and operations for Inland Fuel Terminals, Inc., published in the Connecticut Post on November 6, 2021, and (2) an op-ed piece supporting the Application, written by Dr. Michael K. Dorsey, chief strategy officer for Solair, published in the Rutland Herald and the Barre-Montpelier Times Argus on November 10, 2021.

Respectfully submitted,

/s/ Anthony J. LaRocca

Anthony J. LaRocca  
Peter W. Denton  
Sally Mordi  
*Attorneys for CSX Corporation and  
CSX Transportation, Inc.*

Cynthia T. Brown  
November 10, 2021  
Page 2

Enclosures

cc: Louis E. Gitomer  
All parties of record

OPINION

# Opinion: Rail merger will help build on 50-year legacy of service

Joe Natale

Nov. 6, 2021



A CSX locomotive rests on railroad tracks at a rail yard in Framingham, Mass.

Associated Press

For nearly 60 years, our company — Inland Fuel Terminals, a subsidiary of Santa Energy Corp. — has played an integral role in delivering wholesale energy products like kerosene, heating oil, diesel, biofuels and propane to customers in Connecticut and throughout New England. During these five-plus decades, we have taken pride in being a dependable partner to our customers and clients.

In a complex and interconnected economy and supply chain, it is essential that we do our job as efficiently and predictably as possible. The proposed merger between CSX Transportation and Pan Am Railways will help us do just that, and

that is why our company enthusiastically supports the proposal and is eager for its approval.

IFTI utilizes Pan Am Southern to terminate traffic at Terryville for movements of our products both within and outside of New England. The CSX merger will expand rail service for our facilities — and that expansion will enable us to improve the efficiency of our own operations in a meaningful way.

For any responsible business owner or operator, benefits such as those that will be delivered by the merger warrant careful consideration. In addition, upon a closer look at the merger and all it entails for New England's rail network, it is clear that this proposal has the potential to be particularly beneficial for any entities that look to the railroad to keep their operations moving smoothly.

If the merger is approved, CSX will invest to modernize and update rail infrastructure across New England — including the Springfield Terminal site our company relies upon so heavily to serve our clients. And during a time when the prospect of federal infrastructure funding can seem so remote, as evidenced by the ongoing impasse in Washington, D.C., the opportunity to gain access to such meaningful private investment is noteworthy — and in my opinion, too good to pass up.

If approved, CSX would make upgrades to existing rail lines that would enable safe transportation of larger loads at higher speeds. CSX would also take steps such as updating aging locomotives, replacing them with newer and more efficient models that burn less fuel and emit less carbon while also delivering more power.

These benefits are huge, without a doubt, and will have a positive impact on the operating costs faced by countless New England shippers. However, as we noted in the letter we submitted to the U.S. Surface Transportation Board in support of the merger, this merger is about more than upgraded infrastructure. That updated infrastructure is the backbone of CSX's first-rate operating model — and our region stands to benefit from the company's expertise as that model rolls out following the merger.

CSX's operating model has set new standards of service across its footprint in recent years, delivering higher velocity, shorter equipment turn times, and

greater consistency. At IFTI, we are excited to benefit from the advantages brought by this model — and to pass those benefits on to our customers through lower costs, better service and improved access to the North American rail network. By collaborating with CSX and its sales and marketing teams, we believe we can even expand the offerings we make available to our customers — an exciting proposition that will help us build on our half century of service.

The merger is still under consideration at the Surface Transportation Board. Members of the community — from politicians on both sides of the aisle to members of the business and environmental communities — have steadily spoken up in favor of the merger. Our company is happy to do the same today, and to urge the Surface Transportation Board to approve the application so we — and so many others — can begin to benefit from the investment and expertise this merger will bring to New England.

*Joe Natale is director of business development and operations for Inland Fuel Terminals, Inc.*

# Dorsey: Railroad merger and environment

Nov. 10, 2021

Railroad merger charts a clear track to environmental gains and carbon neutrality. Protecting our environment and reducing climate change-inducing emissions is complex and often defined by hard choices. While we may wish environmental protection was as simple as flipping a switch, the reality is rarely that straightforward.

There will never be a “silver bullet” when it comes to protecting our environment. I believe, rather than becoming frustrated by the absence of one-size-fits-all solutions, it can be just as productive to make thoughtful choices today that enable us to achieve incremental environmental gains — that may ultimately deliver breakthroughs over the longer term.

Sometimes, incremental environmental victories are hiding from us in plain sight. Take freight transportation, for example.

Every year, trucks, ships, planes and trains move billions of tons of cargo. While freight transportation keeps the global economy moving — it’s essential and unavoidable — it’s also a heavy driver of polluting emissions. According to MIT, freight transportation accounts for around 8% of global carbon emissions.

Curtailing freight transportation isn’t an option. Indeed, we are seeing and experiencing the downside of unplanned freight restrictions in the global supply chain chaos playing out now. We can do much more to ensure our transportation infrastructure is as modern, reliable and ecological-efficient as possible. And that it is good for our environment and our economy, too.

Such improvements, however, are expensive, often requiring billions in investment to provide infrastructure enhancements at scale. That's why federal debates over legislation funding infrastructure revitalization are so hotly contested.

Sometimes, opportunities emerge to drive change in the communities we call home without draining the treasury. Here in New England, the proposed merger of CSX with Pan Am Railroad is an opportunity that can bring about big, positive environmental and economic changes quickly without breaking the bank.

The bottom line is simple: CSX is a Class I railroad, ready and able to modernize our region's aging rail infrastructure. This means improved rail lines, updated locomotive fleets with lower maintenance costs and better fuel efficiency, and improved technology and operations. In 2019, CSX set a record as the only Class I railroad to average one gallon of fuel used to transport goods per thousand gross ton miles.

The benefits of a modernized, efficient regional rail system to customers are impossible to miss: shorter timelines, fewer delays, reduced costs, less pollution and more, await New England if the project is approved. CSX's higher standards will enable upgrades and updates to the Pan Am network that the smaller, New England line cannot currently afford to make on its own. And throughout the longer term, the environmental benefits will grow many-fold as the region benefits from a railroad operator that, from all appearances, has the financial footing to actually ensure their actions match their rhetoric.

To be sure, rail is already the most fuel-efficient way to move freight over land — at least three or four times more efficient than trucks. CSX — thanks to factors such as its modern, efficient fleet and its "Trip Optimizer" software — takes fuel efficiency to another level. CSX moves a ton of freight more than 500 miles on a single gallon of fuel, on average. Whereas, the average age of locomotives operated by Pan Am today is more than 40 years old. A merger will cycle in newer models in line with CSX's nationwide operating standards as a Class I railroad. Further, CSX will be able to serve

Pan Am's existing network with fewer locomotives than what's needed today — meaning even fewer emissions.

Reducing the numbers of trains and upgrading them would essentially end noise and pollution violations, as well as complaints shared by New England residents against antiquated Pan Am operations.

The merger between CSX and Pan Am is still undergoing review before the Surface Transportation Board. Approving the application could be a key step forward to moving us further down the railroad to net zero freight emissions.

*Dr. Michael K. Dorsey is currently chief strategy officer for Solair and more recently served as a Macmillan Visiting Scholar at the University of Vermont's Gund Institute for Environment.*

## **CERTIFICATE OF SERVICE**

I hereby certify that I have caused this Letter in Docket No. FD-36472, *CSX Corporation and CSX Transportation, Inc.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company*, to be served electronically or by first class mail, postage pre-paid, on all parties of record in this proceeding.

/s/ Sally Mordi

Sally Mordi  
*Attorney for CSX Corporation and  
CSX Transportation, Inc.*

November 10, 2021