



**U.S. Department of
Transportation**
Office of the Secretary
of Transportation

General Counsel

1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

ENTERED
Office of Proceedings
December 21, 2021
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Public Record

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VIA ELECTRONIC FILING

Ms. Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

**Re: Federal Railroad Administration's Review of Proposed Safety Integration Plan
CSX Corp. et al. – Control and Merger – Pan Am Systems, Inc., et al.
Finance Docket No. 36472**

Dear Ms. Brown:

Please find enclosed for filing in the above-referenced proceeding a letter from the Federal Railroad Administration, an operating administration of the United States Department of Transportation, regarding the applicants' Safety Integration Plan.

Please feel free to contact me with any questions. Thank you for your assistance.

Respectfully,
/s/ Christopher S. Perry

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Enclosures

cc: Service List



U.S. Department
of Transportation

**Federal Railroad
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

December 21, 2021

The Honorable Martin J. Oberman
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

**Re: Federal Railroad Administration's Review of Proposed Safety Integration Plan
CSX Corp. et al. – Control and Merger – Pan Am Systems, Inc., et al.
Finance Docket No. 36472**

Dear Chairman Oberman:

The Federal Railroad Administration (FRA), an operating administration of the United States Department of Transportation, presents its findings and conclusions related to the proposed acquisition of Pan Am Systems, Pan Am Railways, and the railroads they control (collectively, Pan Am) by CSX Corporation and CSX Transportation (collectively, CSX), as specified in the applicants' submissions. On August 30, 2021, CSX filed its proposed Safety Integration Plan (SIP), which describes the process and timetable for merging its operations with Pan Am. Since that time, FRA staff has met periodically with the applicants and other affected parties to review the proposed SIP, to ask additional questions, and to recommend modifications. On December 13, 2021, CSX filed a revised SIP in this proceeding that addresses the suggestions from FRA and other relevant comments submitted on the Board's docket by other parties.

To date, CSX has responded to FRA's safety concerns and has revised the SIP to reflect FRA's input. If CSX's acquisition of Pan Am is approved, FRA will monitor CSX's implementation of the SIP during the operations integration period, consistent with the governing FRA regulations at 49 C.F.R. part 244 and the Board's regulations at 49 C.F.R. part 1106, with a particular focus on the following significant items:

Capital projects. CSX has committed to continue the implementation of Federal and State grant programs with approved funding. Concerning Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) grants, CSX has committed to start work related to CRISI grants within one year of the Board's approval of the proposed transaction, and to complete upgrades related to the grants within five years of the Board's approval.

Downeaster service. CSX has committed to working with Amtrak to install positive train control on the Downeaster route and to participate in good-faith discussions with Amtrak and the Northern New England Passenger Rail Authority regarding the improvement and expansion of the Downeaster service.

Wachusett Reservoir. CSX has committed to upgrade and maintain the tracks and track structures within the Wachusett Reservoir segment to no less than FRA Class 3 standards under FRA's Track Safety Standards, 49 C.F.R. part 213; to limit the speed of vehicles operating over the Wachusett Reservoir segment to no greater than 25 miles per hour; and to refrain from parking or otherwise idling trains within the Wachusett Reservoir segment (except in limited safety-related circumstances).

Track improvements. CSX has committed to upgrade (where necessary) and maintain Pan Am mainline track conditions to no less than FRA Class 2 track standards.

Signals and dispatching. CSX has represented that it can provide only limited information regarding the planned integration of signal and dispatching operations because of Pan Am's pending procurement of a new dispatch system and uncertainty regarding the type of dispatch system in place on Pan Am lines at the time of the Board's approval. If the proposed merger is approved, FRA will work with CSX to develop more detailed information on the planned integration of signal and dispatching operations. As CSX obtains more information regarding Pan Am signal and dispatching systems and procedures, FRA will closely monitor CSX's compliance with the dispatching and operating regulations.

FRA also recognizes that the lines at issue here, and the affected Northeast region, are home to an extensive set of Amtrak and commuter rail lines. This proceeding therefore has important implications for current and future passenger rail service. Thus, FRA continues to urge the Board to carefully consider the comments submitted by Amtrak and other passenger rail stakeholders, and requests that the Board impose appropriate conditions to ensure that the applicants are held to their commitments regarding the continuation and enhancement of passenger rail. See DOT Opening Comments at 6-9 (Aug. 27, 2021); DOT Additional Comments at 1-3 (Oct. 18, 2021).

As stated above, if the Board approves CSX's acquisition of Pan Am, FRA will conduct periodic reviews of the status and timeliness of CSX's implementation of the above commitments, and others contained in the SIP, to include special field audits and safety reviews, as required, consistent with the governing SIP regulations and other applicable laws. FRA will be prepared to provide the Board with updates as appropriate during the acquisition implementation period.

Finally, FRA requests that the Board require the applicants to comply with all of their representations in the SIP as a condition of any adoption of the SIP and of any approval of the proposed transaction. In accordance with 49 C.F.R. 1106.4(b)(4), FRA will advise the Board when, in its view, the integration of the applicants' operations has been safely completed.

Sincerely,



Amit Bose
Deputy Administrator

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of December, 2021, I filed the foregoing document electronically via the Board's e-filing system, and I caused a copy to be served electronically upon parties of record in this proceeding.

/s/ Christopher S. Perry

Christopher S. Perry
United States Department of Transportation