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CSXT-12

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 36727, CSX Transportation, Inc.—Acquisition and Operation—Rail Line of Meridian & Bigbee Railroad, L.L.C.

Dear Ms. Brown:

CSXT¹ is submitting this letter to provide the Board with supplemental information regarding CSXT's Operating Plan in the above-referenced proceeding. Specifically, CSXT is providing information on an anticipated operating plan for the Eastern Line by 2029, assuming that none of the transactions discussed in the Application occur and MNBR continues to operate the Eastern Line (*i.e.*, a "no action" scenario).

In Exhibit 4 to the Application, detailing CSXT's traffic projections, CSXT explained that it conducted an analysis of rail traffic and rail yard activity, using 2022 as a base year and projecting transaction-related impacts from 2024 through 2029. (Appl. APP-178.) CSXT stated that it identified: (1) 2022 base figures, including train counts, GTMs, and rail yard activity; (2) "no action" forecast scenarios assuming that none of the transactions occur and MNBR continues to operate the Eastern Line; (3) "proposed transaction" forecast scenarios assuming that only the CSXT Transaction and the CSXT Related Transactions occur; and (4) "proposed transaction" forecast scenarios assuming that the CSXT Transaction, the CSXT Related Transactions, the CPKC Transaction, and the CPKC Related Transactions occur at the same time. (*Id.* at APP-180.) In a "no action" scenario where none of the transactions discussed in the Application occur and MNBR

¹ The acronyms and defined terms used in this Letter are the same as those used in CSXT's Application, filed on October 6, 2023, or in the Board's Decision No. 1, served on November 3, 2023.

continues to operate the Eastern Line, CSXT projected that there will be modest GTM and yard activity increases on the Eastern Line by 2029, as compared to the 2022 base figures. (*Id.* at APP-181 to 182.)

CSXT used these traffic projections for 2024 to 2029 to create the post-transaction operating plan scenarios set forth in the Operating Plan, submitted as Exhibit 15 to the Application, filed on October 6, 2023. (*Id.* at APP-195.) CSXT's Operating Plan included a summary of current train operations on the Eastern Line, but did not include a "no action" operating plan for 2029 assuming that none of the transactions occur and MNBR continues to operate the Eastern Line.

With regard to current operations, CSXT stated in the Operating Plan that MNBR currently operates two road trains (L125 and L126) over the Eastern Line **three days a week**. (*Id.* at APP-195 to 196.) CSXT recently learned from MNBR that, at the beginning of January 2024, MNBR began operating L125 and L126 on the Eastern Line **five days a week**, and plans to do so for the indefinite future, in order to improve fluidity and service on the Eastern Line. MNBR currently operates L125 Sunday to Thursday and operates L126 Monday to Friday. CSXT understands that the other descriptions in the Operating Plan and in CSXT's response to OEA's Information Request No. 1, submitted January 5, 2024, of current operations on the Eastern Line (including the patterns of service for L125 and L126) have not changed. CSXT further understands that the current L125 and L126 trains running five days per week would have sufficient capacity to accommodate the modest growth in traffic on the Eastern Line that CSXT projected by 2029 in the "no action" scenario.

Therefore, in a "no action" scenario in 2029 where none of the transactions discussed in the Application occur and MNBR continues to operate the Line, CSXT anticipates that MNBR would operate L125 **five days a week** and would operate L126 **five days a week**. CSXT further anticipates that all other descriptions of current service on the Eastern Line, set forth in the Operating Plan and in CSXT's response to OEA's Information Request No. 1, would remain the same in the "no action" scenario.

Please contact me with any questions.

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Respectfully submitted,

/s/ Peter W. Denton

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Sally Mordi
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cc: Louis E. Gitomer
All parties of record

CERTIFICATE OF SERVICE

I hereby certify that I have caused this Letter in Docket No. FD 36727 to be served electronically or by first class mail, postage pre-paid, on the Secretary of Transportation, the Attorney General of the United States, Administrative Law Judge Thomas McCarthy, and all parties of record in this proceeding.

/s/ Sally Mordi

Sally Mordi
Attorney for CSX Transportation, Inc.

February 1, 2024