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April 17, 2017

242945

Mrs. Victoria Rutson  
Director, Office of Environmental Analysis  
Surface Transportation Board  
395 E. Street, S.W.  
Washington, D.C. 20423

ENTERED  
Office of Proceedings  
April 17, 2017  
Part of  
Public Record

Re: **Finance Docket No. 35523, CSX Transportation, Inc. –Joint Use –Louisville & Indiana Railroad Company - Semi-Annual Report No. 3**

Dear Mrs. Rutson:

Pursuant to voluntary mitigation measure (“VM”) 62 and mandatory mitigation measure (“MM”) 23 imposed by the Surface Transportation Board (the “Board”) in *CSX Transportation, Inc. –Joint Use –Louisville & Indiana Railroad Company, Inc.* Docket No. FD 35523 (served April 10, 2015) (the “Decision”), CSX Transportation, Inc. (“CSXT”) and the Louisville & Indiana Railroad Company (“L&I” and together with CSXT, the “Applicants”) are submitting their third semi-annual report on the progress of, implementation of, and compliance with the mitigation measures for the period of July 1, 2016 through December 31, 2016. The Upgrade is not required to be completed until June 17, 2022.

CSXT acquired the easement over the 106.5-mile railroad line between L&I’s connection with CSXT in Indianapolis, Ind., at milepost 4.0 $\pm$ , and L&I’s connection with CSXT in Louisville, Ky., at milepost 110.5 $\pm$  (the “L&I Line”) on June 17, 2015 (the “Transaction”). Pursuant to the terms of the Transaction, L&I is responsible for conducting all construction related to the Upgrade on the L&I Line.

Enclosed is an Excel spreadsheet that lists each specific mitigation measures (62 VM and 23 MM), the implementation deadline for each (if any), the process, and the status of implementation. Below is a detailed description of activities between July 1, 2016 through December 31, 2016 concerning the Upgrade/Construction, Operations, and other issues related to the Transaction.

In compliance with VM 62, the period for the fourth semi-annual report will end on June 30, 2017.

**Upgrade/Construction.**

As required by the conditions imposed in the *Decision*, specific provisions in the contracts entered with contractors that perform the Upgrade work require them to comply with VM 1-29 and MM 9-13.

Between July 1, 2016 and December 31, 2016, jointed rail was replaced with 136# continuous welded rail from milepost 97.05 and milepost 104.8 on the East Rail and from milepost 97.6 to milepost 104.8 on the West Rail. Sixty-one grade crossings between Scottsburg (milepost 76) and Jeffersonville (milepost 110.5, IN, as well as, one additional crossing at milepost 110.5 in Kentucky were restored as part of the 2016 Track Upgrade program.

Also during this period and as part of the Track Upgrade program, the siding at Scottsburg was shifted approximately 900 feet southward to its new location between milepost 79.8 to milepost 80.8. The length of the siding remains the same. To continue meeting the needs of the industry located on the siding and to meet the required engineering standards without substantially increasing construction costs (i.e. constructing retaining walls), alternative locations for the siding were not available for discussion.

Prior to relocating the Scottsburg siding to its new location approximately 900 feet to the south, the proposed closure of Fairground Road, a public grade crossing, was discussed with the local authorities and their consent to close the road was obtained prior to construction. Discussions with the County, which maintains jurisdiction over the road, were ongoing for the July 1-December 31, 2016 time period. It is yet to be determined whether the road will remain closed or be reopened at a later date. During construction, Lovers Lane at MP 80.15, which is a public grade crossing through the old extents of the siding, was scheduled for detour with advance notice and proper signage, and reopened after construction ended. To continue meeting the needs of the industry located on the siding and to meet the required engineering standards without substantially increasing construction costs (i.e. constructing retaining walls), alternative locations for the siding were not available for discussion.

### **Operations.**

Transaction related traffic began moving between Seymour, In and Louisville, KY.

### **Training.**

During September 2016, training was provided to emergency response organizations including hazardous material training for the following communities: Columbus, Seymour, Scottsburg, Sellersburg, and Jeffersonville.

During the July 1-Dec 31, 2016 reporting period, the following Operation Lifesaver® (OLS) programs were made available to communities:

8/2/16: OLS booth at Franklin National Night Out  
8/2/16: Distribute OLS Law Enforcement Guidebooks to Jeffersonville, Clarksville, Clark County, Austin, Crothersville, Columbus, Franklin, Johnson County, ISP, and Indiana DNR  
8/4/16: Scottsburg Consolidated School District Bus Driver Safety Training  
8/18/16: Scott County Sheriff Law enforcement guidebook class  
8/25-8/26/16: OLS booth at Sellersburg Celebrates  
8/27/16: OLS booth at Atterbury Community Days

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10/11/16: OLS booth at Jackson County Headstart Safety Fair

10/11-10/12/16: Seymour Police Dept Law enforcement guidebook class

10/29/16: OLS booth at Brownston Boyscout Jamboree

\*2 OLS Presentations at Scott School District 2

\*OLS Presentation, Podcast, Facebook interview, and "See Tracks Think Train" (STTT) PSAs at Scott School District 1

\*5 OLS Presentations at Scott County YMCA

\*Franklin School District: PSAs and STTT posters

\*Franklin Boys/Girls Club STTT posters and window clings

\*Bartholomew County schools: PSAs and STTT posters

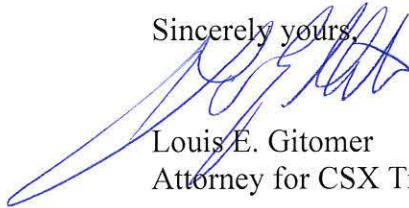
### **Notification.**

Pursuant to MM 8, as of August 1, notification signage was installed between milepost 56.88 and milepost 110.58, 30 days prior to transaction related changes. All signs will remain in place at least 6 months. Notification of transaction related changes were posted in the following newspapers and on the following dates: News and Tribune: 7/29/16, The Courier-Journal: 7/29/16, The Madison Courier: 7/29/16, The Scott County Journal and The Chronicle: 7/30/16, The Tribune: 7/29/16. Additionally, an LIRC specific webpage was launched on the csx.com website.

Pursuant to MM 23, a copy of this letter and the Excel spreadsheet of the semi-annual report have been served on each Mayor on the L&I Line.

If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer  
Attorney for CSX Transportation, Inc.

Enclosure