



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Economics, Environmental Analysis and Administration

September 12, 2008

Richard A. Allen, Esq.
Zuckert Scoutt & Rasenberger, L.L.P.
888 Seventeenth Street, NW
Washington, DC 20006-3309

Re: Finance Docket No. 35147, Norfolk Southern Railway Company, Pan Am
Railways, Inc. – Joint Control and Operating/Pooling Agreements – Pan Am
Southern LLC

Dear Mr. Allen:

I have received your letter dated August 22, 2008, in which you propose that the Norfolk Southern Railway Company, Pan Am Railways, Inc. (PARI) and PARI's subsidiaries Boston and Maine Corporation and Springfield Terminal Railway Company (collectively, applicants) prepare a Preliminary Draft Environmental Assessment (PDEA) for submission to the Surface Transportation Board's (Board's) Section of Environmental Analysis (SEA) in lieu of the environmental and historic report required under 49 CFR 1105.7 and 1105.8 when filing certain applications, petitions, or notices of exemption seeking authority from the Board.

Based on our discussions with you, SEA concurs with your request to submit a PDEA. The PDEA will serve as an administrative draft for SEA, which is responsible for ensuring the Board's compliance with the National Environmental Policy Act. SEA will independently review the PDEA and set forth appropriate recommendations to the Board, including recommendations to mitigate potential environmental impacts. SEA will then issue an Environmental Assessment (EA) based upon the PDEA for a 30 day public review and comment period. Following the public review and comment period, SEA will prepare a Post Environmental Assessment containing SEA's final recommendations to the Board.

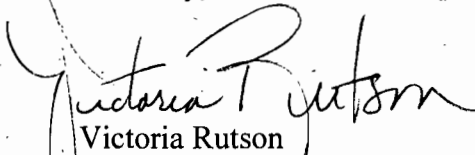
The regulations of the Council on Environmental Quality (CEQ) at 40 CFR 1506.5(b) specifically contemplate that an agency may permit an applicant to prepare an EA. The agency, however, must make its own evaluation of the environmental issues and take responsibility for the scope and content of the EA. Therefore, as stated above, SEA will perform an independent verification and evaluation of the environmental analysis, including any proposed mitigation measures.

The environmental review process you proposed should avoid duplicative efforts by the applicant and SEA. These efforts toward efficiency are not in lieu of SEA's ultimate responsibility for the environmental document. The extent to which the PDEA will be adopted by SEA as the Draft EA will be determined after it is submitted to and reviewed by SEA.

If during the environmental review process, it becomes clear that potentially significant adverse environmental effects that could not be adequately mitigation would result from this project, SEA would then be required to prepare an Environmental Impact Statement (EIS). Should SEA determine that applicants' proposal merits preparation of an EIS, SEA will inform you of that decision. SEA would then use the PDEA as an informational submission by applicants. At that time, it will be determined whether SEA has the resources available to perform in a timely and expeditious manner the additional work that would be required, or whether it is appropriate to retain a qualified third-party contractor working under SEA's direct control and supervision to assist SEA in the environmental review process.

If you have any questions or concerns, please feel free to contact me or Ken Blodgett of my staff at (202) 245-0305 or blodgettk@stb.dot.gov.

Sincerely,



Victoria Rutson
Chief
Section of Environmental Analysis