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July 18, 2014

Ms. Victoria Rutson
Director, Office of Environmental Analysis
395 E Street, SW
Washington, DC 20423-001

RE: **Finance Docket No. 35523 CSX Transportation, Inc.—Joint Use—Louisville & Indiana Railroad Company, Inc.**

Dear Ms. Rutson:

As the Office of Environmental Analysis (“OEA”) requested, CSX Transportation, Inc. (“CSXT”) has reviewed HDR’s April 7, 2014 memorandum summarizing preliminary findings of an HDR field reconnaissance conducted on OEA’s behalf in the above-referenced proceeding. The objective of the field reconnaissance was to collect data to address the U.S. Environmental Protection Agency’s (“EPA”) Oct. 31, 2013 comment letter on the Draft Environmental Assessment. In its comments, EPA requested more information on wetlands and other waters of the U.S. that could be affected by potential Transaction-related bridge and siding construction activities. For any waters of the United States that could be impacted, EPA requested that it be characterized by type, size, and extent of potential impact.

Under the Proposed Transaction, the Flatrock River Bridge would need to be replaced because of existing restrictions on train height and weight at the bridge. The HDR field reconnaissance identified an area southeast of the bridge that met forested wetland criteria. Depending on the design characteristics and construction plans for the replacement bridge, a permit under Section 404 of the Clean Water Act could be required if this wetland area would be disturbed.

In their Application, CSXT and Louisville & Indiana Railroad Company, Inc. (“L&I” and together with CSXT the “Applicants”) also indicated that existing sidings on the L&I rail line at Elvin and Brook could be extended and new sidings on the L&I rail line near Crothersville and Underwood could be constructed by Applicants. However, as noted in the Application, Applicants had not determined at the time this Board proceeding began if any of the sidings would be necessary for operations.

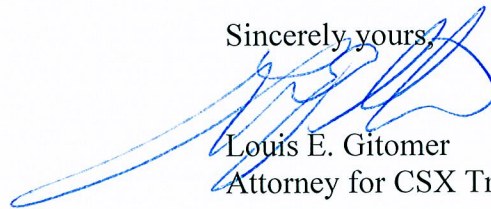
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The HDR memorandum notes that wetlands and other waters of the United States are prevalent at the locations of the potential new sidings at Crothersville and Underwood. In addition, historic and cultural properties including stone culverts, a state historic park and a cemetery were identified on or adjacent to the L&I right-of-way at the Crothersville and Underwood locations.

After carefully considering the information presented in the HDR memorandum, CSXT has reconsidered the potential new sidings at Crothersville and Underwood. Rather, Applicants now intend to rely on extending the existing sidings at Elvin and Brook, if either or both are determined necessary for operations. As a result, Applicants' current plans no longer contemplate any new sidings.

If you have any questions or concerns or if you need additional information, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.