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December 27, 2017

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

Re: **Finance Docket No. 35523, CSX Transportation, Inc. –Joint Use –Louisville & Indiana Railroad Company - Semi-Annual Report No. 4**

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 fourth semi-annual report on the progress of, implementation of, and compliance with the mitigation measures for the period of January 1, 2017 through June 30, 2017. 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±, and L&I’s connection with CSXT in Louisville, Ky., at milepost 110.5± (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 January 1, 2017 through June 30, 2017 concerning the Upgrade/Construction, Operations, and other issues related to the Transaction.

In compliance with VM 62, the period for the fifth semi-annual report will end on December 31, 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 January 1, 2017 and June 30, 2017, jointed rail was replaced with 136# continuous welded rail from milepost 55.7 to milepost 17.9 on the East Rail and new 136# turnouts were installed in the main track to replace existing 130# turnouts between milepost 42.5 and milepost 17.5 on the West Rail. Fifty-nine (59) at-grade highway grade crossings were renewed between milepost 55.7 and milepost 29.3 in conjunction with the main track work.

Also during this period planning was completed for potential new sidings at Scottsburg and Atterbury, pending funding authorization. The Garden Siding was shifted to the south approximately 1,000' in order to relocate the north switch out of a curve and 250 new crossties were installed in the siding. The siding is the same length as before and does not cross any additional roads.

During the First Half of 2017, planning was completed for relocating the siding at Scottsburg

Operations.

No new Transaction related traffic began moving during the first half of 2017.

Training.

During the January 1 - June 30, 2017 reporting period, the following Operation Lifesaver® (OLS) programs were made available to communities:

1/7/17: OLS Law Enforcement Guidebook training was made available to Johnson County Sheriff's Department, Franklin Police Department, Whiteland, Greenwood, Edinburgh, and surrounding areas

1/17-1/20/17: CSX Operation Lifesaver's Rail Safety for Emergency Responders (RSER) DVD for Jeffersonville Fire Department

1/28/17: OLS Law Enforcement Guidebook training was made available to Johnson County Sheriff's Department, Franklin Police Department, Whiteland, Greenwood, Edinburgh, and surrounding areas.

Law Enforcement Guidebook made available to Indiana State Police in Versailles, IN.

2/20/17: CSX Operation Lifesaver's Rail Safety for Emergency Responders (RSER) DVD for Clarksville Fire Department

3/27/17: CSX Operation Lifesaver's Rail Safety for Emergency Responders (RSER) DVD for Monroe Township

Notification.

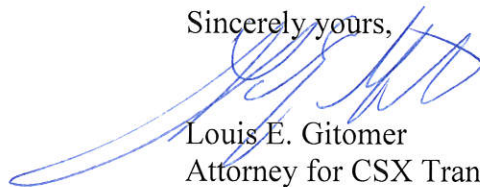
Pursuant to VM33, in May and June 2017, notification signage was installed on the L&I Line to inform the public of the proposed increase in train speed and/or frequency along the line.

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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