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July 1, 2014

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

Re: Docket No. FD-35522, *CSX Transportation, Inc. –Acquisition of Operating Easement—Grand Trunk Western Railroad Company* – Quarterly Report No. 3

Dear Mrs. Rutson:

Pursuant to condition VM 45 imposed by the Surface Transportation Board (the “Board”) in *CSX Transportation, Inc. –Acquisition of Operating Easement—Grand Trunk Western Railroad Company*, Docket No. FD 35522 (STB served February 8, 2013), CSX Transportation, Inc. (“CSXT”) is submitting its fourth quarterly report on the progress of, implementation of, and compliance with the mitigation measures for a period March 1, 2014 through May 31, 2014.

Enclosed is a chart describing the mitigation measures, the implementation deadlines, the process, and the status. Changes in the status from the second quarter chart filed on March 31, 2014, are in red.

In compliance with voluntary mitigation measure (“VM”) 45, CSXT will close the fifth quarter on August 31, 2014, and send you the fifth quarterly report by September 30, 2014.

During the second quarter of 2014, CSXT has worked diligently with appropriate state and local agencies to rehabilitate the at-grade crossings along the Elsdon Subdivision. As of the close of the fourth reporting quarter, CSXT has completely rehabilitated seven at grade crossings on the Elsdon Subdivision. These crossing include: 103rd Street, 87th Street, 94th Street/Kedzie Ave., 99th Street, 119th Street, 95th Street, and 51st Street.

The four crossing signals in Evergreen Park that had activation failures in the first quarter of 2014 have been repaired. There have been no activation failures at these crossings since CSXT rehabilitated the crossings. During the fourth reporting quarter, all of the crossings in Evergreen Park have been rehabilitated.

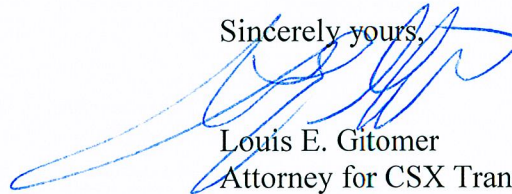
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CSXT is continuing to work on the additional ten at-grade crossings on the Elsdon Line during the third quarter of 2014. CSXT plans to complete rehabilitation of all of the at-grade crossings on the Elsdon Line by the end of the third quarter of 2014.

During the second quarter of 2014, the crossing at 103rd Street was blocked for 115 minutes due to a foreign line dispatcher dropping a signal on the CSXT train when it was on the Elsdon Line. The train was not cut in accordance with VM 6 because it would have caused additional delay to at the crossing. CSXT is working with the foreign line to ensure that this does not happen in the future.

If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosure