



STATE OF CONNECTICUT

DEPARTMENT OF TRANSPORTATION

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August 11, 2008

The Honorable Anne K. Quinlan
Secretary
Surface Transportation Board
395 F Street S.W.
Washington, D.C. 20024

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Public Record

Dear Secretary Quinlan:

Subject: STB Finance Docket No. 35147, Norfolk Southern Railway Company, Pan Am Railways, Inc., et al, Joint Control and Operating/Pooling Agreements, Pan Am Southern, LLC

The Connecticut Department of Transportation (Department) has reviewed the application by Norfolk Southern Railway Company and Pan Am Railways, Inc. to create Pan Am Southern, LLC. This new entity would essentially assume control of the rail freight operations in Connecticut, currently performed by Springfield Terminal Railway, a unit of Pan Am Railways, Inc. This rather extensive proposal put forth by Norfolk Southern Railway Company and Pan Am Railways, Inc. does not indicate any planned upgrades in service promotion, service frequency, or capital investment on rail properties owned or operated in Connecticut.

The Department supports the proposal to create Pan Am Southern, LLC, provided that no competitive options are eliminated in Connecticut. The plans for the Patriot Corridor call for significant private capital investment in a major freight artery which connects Connecticut and southern New England to the Mid-Atlantic and Midwest. However, due to the possible re-routing of freight traffic away from the newly-established interchange between the New England Central Railroad Company and Providence & Worcester Railroad Company at Willimantic, the Department requests additional time to study the possible implications of the Patriot Corridor proposal.

The Department notes that improved local Connecticut rail freight service can help to retain and attract manufacturing, processing and distribution facilities, along with the broader local economic growth that springs forth from such private investment. Pan Am Railway, Inc.'s freight service on the Waterbury Branch, specifically from Highland Junction in Waterbury to Derby, has dwindled to service-as-requested, currently less than one day per month. The Department believes that there is significant rail freight potential on the Waterbury Branch, and that a more focused and aggressive effort must be put forth to promote and expand rail freight service.

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To improve the development of rail freight in Connecticut, the Department requests that Interchange Agreements be established within three years between Pan Am Southern, LLC the Naugatuck Railroad Company, the Housatonic Railroad Company, and with the Providence & Worcester Railroad Company.

Likewise, the Department requests that the inactive interchange between Pan Am Railways, Inc. and the Connecticut Southern Railroad Company at Hartford be re-activated to promote the movement of freight into Connecticut from northern New England and Atlantic Canada. The establishment of an Interchange Agreement between Pan Am Southern, LLC and the Central New England Railroad Company at Hartford is requested

Finally, the Department would like to go on record in support of the future re-establishment of a rail connection between East Longmeadow and Springfield, Massachusetts, a distance of approximately eight miles. This Pan Am Railways, Inc.-owned right-of-way connects directly with the Department's Armory Branch at Enfield, Connecticut. The Department and its partner, the State of Massachusetts, are engaged in an active planning effort to build a commuter rail service between New Haven and Hartford, Connecticut to Springfield, Massachusetts. A functioning Armory Branch would provide a valuable alternate route between Hartford, Connecticut and Springfield, Massachusetts for freight train detours, work equipment moves, and potential passenger train detours or deadhead equipment moves.

The Department supports the proposal to create Pan Am Southern, LLC, conditioned by development of a business strategy to achieve the above requests in a prompt and reasonable fashion.

Very truly yours,



Eugene J. Colonese
Rail Administrator
Bureau of Public Transportation