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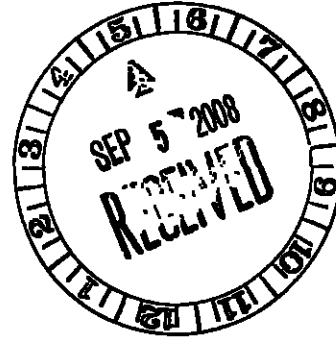
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September 5, 2008

BY HAND DELIVERY

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E St., S W
Washington, D C 20423-0001



**Re: 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**

Dear Secretary Quinlan

I enclose for filing in the above-referenced docket an original and 10 copies each of Applicants' Response To Comments And Requests For Conditions And Rebuttal In Support Of Application (NS/PA-4) and Appendix To Applicants' Response To Comments And Requests For Conditions And Rebuttal In Support Of Application (NS/PA-5) together with three compact discs containing the foregoing filings

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Allen".

Richard A. Allen

Encl

cc (w/encl) All Parties of Record

223546

NS/PA-4

Before The
Surface Transportation Board

Finance Docket No 35147



NORFOLK SOUTHERN RAILWAY COMPANY, PAN AM RAILWAYS INC, ET AL
—JOINT CONTROL AND OPERATING/ POOLING AGREEMENTS—
PAN AM SOUTHERN LLC

VOLUME 1 OF 2

**APPLICANTS' RESPONSE TO COMMENTS AND REQUESTS
FOR CONDITIONS AND REBUTTAL IN SUPPORT OF APPLICATION**

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*Attorney for Pan Am Railways, Inc , Boston
and Maine Corporation and Springfield
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*Attorneys for Norfolk Southern Railway
Company*

Dated September 5, 2008

(FILING CONTAINS COLOR MAP)

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VOLUME 2 (NS/PA-5)

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Supporting Statements

Before The
Surface Transportation Board

Finance Docket No 35147

NORFOLK SOUTHERN RAILWAY COMPANY, PAN AM RAILWAYS INC, *ET AL*
—JOINT CONTROL AND OPERATING/ POOLING AGREEMENTS—
PAN AM SOUTHERN LLC

**APPLICANTS' RESPONSE TO COMMENTS AND REQUESTS FOR
CONDITIONS AND REBUTTAL IN SUPPORT OF APPLICATION**

Norfolk Southern Railway Company ("Norfolk Southern"), Pan Am Railways, Inc ("PARI"), Boston and Maine Corporation ("B&M") and Springfield Terminal Railway Company ("Springfield Terminal") (collectively "Applicants") submit this response and rebuttal to the comments and requests for conditions filed by various parties with regard to the Application and related notices of exemption filed by Applicants in this proceeding on May 30, 2008.¹ This response and rebuttal is supported by the verified statements of Robert B Culliford and Sydney B Culliford and by the supporting statements of shippers, railroads and other parties contained in a separately bound Appendix to this response (NS/PA-5).²

¹ Capitalized terms and abbreviations have the same meaning as they are defined in the Application

² This response and rebuttal does not respond to the comments filed on or about July 7, 2008 concerning the Environmental Appendix filed by Applicants on June 6, 2008 or, except as noted below, to comments filed on or about August 11, 2008 that reiterate the earlier filed environmental comments. As a result of consultation between Applicants and the Board's Section of Environmental Analysis ("SEA"), an Environmental Assessment ("EA") will be prepared to address any relevant environmental issues raised by the Transaction, and Applicants expect the EA and comments filed in response to it will address such issues previously raised by the comments on the Environmental Appendix

INTRODUCTION AND OVERVIEW

Applicants seek Board approval for a proposed Transaction in which Applicants will form a new railroad, Pan Am Southern LLC ("PAS"), which will own and operate rail lines in Massachusetts, New York, New Hampshire, Vermont and Connecticut, and which will be jointly owned and controlled by Norfolk Southern and B&M. As explained in the Application, the principal purpose of the Transaction is to enhance the existing rail infrastructure on the lines involved, which will be effected initially by Norfolk Southern's contribution of \$137.5 million in capital plus an option agreement to PAS. These improvements will greatly improve service to rail customers, and will have no adverse effect on competition or upon railroad employees, inasmuch as Springfield Terminal, the current operator of the lines, will continue to operate them with the same employees as a contract operator to PAS.

Because the proposed Transaction does not involve the merger or control of two or more Class I railroads, the Board's review is governed by 49 U.S.C. § 11324(d). Section 11324(d) provides that the Board *must* approve the Transaction unless it finds *both* "(1) as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States, and (2) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs." As the Board has noted, in proceedings governed by § 11324(d), the Board "must grant the application unless there will be adverse competitive impacts that are both 'likely' and 'substantial.'" *F.D. 34783, Indiana R.R. Co. – Acquisition – Soo Line R.R. Co.* STB Finance Docket No. 34783 (STB served April 6, 2006, slip op. at 4).

In this case, as the Board has preliminarily found, the proposed Transaction is likely to have no adverse competitive effects at all, much less substantial ones. By decision served June 26, 2008, the Board accepted the Application for filing and found the proposed Transaction to be a "minor" transaction under 49 C.F.R. § 1180.2(c). The Board stated, at page 9.

On the face of the application, there does not appear to be a likelihood of any anticompetitive effects resulting from the Transaction. The Norfolk Southern and Pan Am systems are entirely end-to-end, and it appears that no shipper would have fewer competitive rail alternatives as a result of the Transaction.

The Transaction also would not appear to have an adverse competitive effect on connecting short line and regional carriers. The Transaction would not impose any interchange restrictions on PAS, and PAS would honor all of the existing interchange contracts with connecting carriers.

Indeed, far from having anticompetitive effect, the proposed Transaction is likely to enhance competition by substantially enhancing the ability of Applicants to serve rail customers and thereby compete more effectively with other railroads and other modes of transportation.

Reflecting recognition of its manifest transportation and other public benefits, the Transaction has received widespread support from shippers, public agencies and officials, railroads and other parties. These are discussed in greater detail below. What is particularly noteworthy is that no rail shipper has opposed the Transaction. In addition to letters of strong support filed or submitted by 66 shippers, only two shippers filed comments as parties of record, Omayia, Inc. and CaroVail, both of these recognize the value of the Transaction, although each supports a condition requested by a short line railroad.

State agencies and officials also support or do not oppose approval of the Transaction, although some seek conditions or oppose certain elements of the requested relief

Most importantly, while several other parties seek conditions, none of the comments has refuted, or even seriously disputed, the substantial public benefits of the Transaction as detailed in the Application, and none of them has refuted the Board's preliminary finding on the central issue before the Board whether the Transaction is likely to result in a substantial lessening of competition for freight surface transportation in any region of the United States. No party has shown that the Board was wrong when it said in its June 26, 2008 decision that "there does not appear to be a likelihood of *any* anticompetitive effects resulting from the Transaction." Emphasis supplied.

Most other railroads that have submitted comments support the Transaction. Some, however, ask the Board to impose conditions on the Transaction based on claims that the Transaction will have adverse effects on them. Applicants submit that these claims are unfounded, as will be explained. In any event, however, the Board and the courts have long held that conditions generally tend to reduce the benefits of a transaction and will therefore be imposed only when they are clearly necessary to mitigate substantial harm to competition that is likely to be caused by the transaction or to protect the ability of other railroads to provide essential transportation services for which there is no transportation alternative. *See, e.g., CSX Corp. et al.—Control—Conrail Inc. et al.*, 3 S T B 196, 2770278 (1998) ("*Conrail*"). *aff'd sub nom Erie-Niagara Rail Steering Committee v STB*, 247 F 3d 437 (2d Cir. 2001). In this regard, moreover, as the Board has stated many times, the Board's proper concern is with harm to *competition*, not harm

to competitors³ “[C]onditions are not warranted to indemnify competitors for revenue losses absent a showing that essential service would be impaired” *Conrail* at 278, n 121. As discussed below, no railroad seeking conditions has shown that the harm alleged is a harm to competition rather than merely harm to a competitor

Some railroads and other parties seek conditions to rectify existing conditions or commercial disputes that will not be caused by or related to the Transaction, such as claims for payments allegedly due from one or more of the Applicants. Again, however, it is well settled that the Board will impose conditions only to rectify effects of the transaction. “To be granted, a condition must first address an effect of the transaction. We will not impose conditions ‘to ameliorate longstanding problems which were not created by the merger,’ nor will we impose conditions that ‘are in no way related, either directly or indirectly to the involved merger.’” *Burlington Northern et al – Merger – Santa Fe Pacific et al*, 10 I.C.C. 2d 661, 730 (1995) (*BN-Santa Fe*”), *aff’d sub nom Western Resources, Inc v STB*, 109 F.3d 782 (D.C. Cir. 1997) (quoting from *Burlington Northern, Inc – Control and Merger – St. Louis-San Francisco Ry*, 360 I.C.C. 784, 952 (1980), *aff’d sub nom Missouri-Kansas-Texas R.R. v United States*, 623 F.2d 392 (5th Cir.), *cert. denied*, 451 U.S. 1017 (1981)). This important and salutary policy recognizes that imposing conditions to address pre-existing conditions or disputes unrelated to the transaction for which approval is sought would act as a significant deterrent to the

³ See, e.g., *Kansas City Southern—Control—Texas Mexican Railway Company et al* STB Finance Docket No. 34342 (STB served November 29, 2004) (“*KCS-Tex Mex*”), *CSX Corporation and American Commercial Lines, Inc –Control and Merger-American Valley Line, Inc*, ICC Finance Docket No. 31979 (ICC served February 10, 1992), *Rio Grand Industries, et al—Purchase and Related Trackage Rights—Soo Line Railroad Company Line Between Kansas City, MO and Chicago, IL*, 6 I.C.C. 2d 854, 875 (1990)

formation of transactions that might have substantial public benefits, such as the Transaction in this case

Six labor unions have filed comments. Their principal concern is that the employee protective conditions set forth in *New York Dock Ry —Control—Brooklyn Eastern District Terminal*, 360 I C C 60, *aff'd sub nom*, *New York Dock Ry v United States*, 609 F 2d 83 (2d Cir 1979) (“*New York Dock*”) may not be imposed on the element of the Transaction – the acquisition of rail lines and other assets by PAS – for which authority is sought by the related Notice of Exemption filed in the subdocket Finance Docket No. 35147 (Sub-No. 1) pursuant to 49 U.S.C. § 10901 and 49 C.F.R. §§ 1150.31 *et seq*, and their principal request is that the *New York Dock* conditions be imposed on all elements of the Transaction. As discussed below, the unions’ concern is unwarranted because under this Transaction, PAS’ acquisition of its rail lines alone will have no adverse effect on employees. Moreover, although Applicants will of course retain the right to deny a claim on the ground that the claimant was not adversely affected by any aspect of the Transaction, Applicants represent that they will not contend that a claimed adverse effect is attributable to the asset acquisition alone and not to any other element of the Transaction. In addition, to the extent some unions seek conditions that go beyond *New York Dock*, however, those requests are unwarranted and should be denied.

Finally, two municipalities, Springfield, MA and Ayer, MA have filed comments that largely reiterate the comments they filed on or about July 7, 2008 concerning the Environmental Appendix filed by Applicants on June 6, 2008. As noted above, Applicants expect that the EA that SEA will issue, and the comments thereon, will address the relevant environmental issues that the Transaction may present. Applicants

will not address those comments in this response, except to note that the comments of Springfield concern almost exclusively pre-existing conditions unrelated to the Transaction.⁴

I. THE TRANSACTION HAS RECEIVED SUBSTANTIAL SUPPORT.

The Transaction has received widespread support from shippers, state agencies, government officials and other railroads. In addition to supporting comments filed by parties of record, we have included in a separately bound Appendix to this response (NS/PA-5) supporting letters submitted by 85 shippers and other persons or entities.⁵ The statements of support emphasize the promised improvements to the rail infrastructure planned in the New England area and the “acute need” for more competitive options.⁶

Most significantly the Transaction has received overwhelming support from shippers, including such major shippers as UPS, Anheuser-Busch, Inc., Global Partners L.P., Firestone Building Products Company, and Chevron Phillips Chemical Co. For example, Bartlett and Company, a grain corporation with an annual volume exceeding \$1.5 billion, strongly supports the Transaction, noting that increased highway congestion has made improvements to rail infrastructure and the competitive transportation choices provided by railroads essential to its ability to serve its customers. Similarly, UPS states that “this transaction would provide some much needed relief for the capacity constrained

⁴ In addition, the Town of Deerfield, MA filed comments on July 7, 2008 on Applicants’ Environmental Appendix, which, like Springfield’s, address pre-existing conditions that are unrelated to the Transaction. Because Applicants believe that Deerfield’s comments are outside the scope of the Board’s proper environmental review, they will be discussed briefly in Part II B, below.

⁵ Many of these letters have been submitted to the Board and are in the correspondence docket. Some have been submitted instead to Applicants.

⁶ Hub Group, Inc, Intermodal Ramp Management, PolyOne Distribution, Wood Structures Inc.

surface transportation network . . . projects that enhance the ability to move freight, like the Patriot Corridor, are critical to maintaining our nation's economic competitiveness." Blue Seal Feeds, Inc states that, "the input of resources by Norfolk Southern will provide for the infrastructure improvements needed to move service to higher levels " WTE Corporation says, "this is the best way to improve service, enhance efficiency, and promote growth of transportation in New England "

The support of major automobile manufacturers reflects their recognition that the Transaction is likely to greatly increase the competitive transportation opportunities for producers and shippers of automotive products into and through New England as a result of the proposed development of major automotive facilities at Mechanicville, NY and San Val in Ayer, MA To date, these shippers' rail options in New England have been largely limited to CSX Transportation, Inc ("CSXT") Toyota Logistics Services, Inc , Mercedes-Benz USA, LLC, American Honda Motor Co , Inc ("Honda"), Ford Motor Company, Mazda North American Operations, Subaru of America, Inc and Mitsubishi Motors North America, Inc have all expressed strong support for the Transaction and have noted their dependence on rail transportation Honda, for example, states that "American Honda distributes 82 percent of its Honda and Acura automobiles using the rail system of the various railroads " Ford states that, "it is critical that we have cost-effective, efficient and reliable rail transportation into this market " Mitsubishi maintains that, "this transaction is in our best interest as well as our customers, as it will provide greater flexibility to bring our products to market, improve equipment utilization, and create more competitive rates "

The support of shippers involved in intermodal transportation, such as JB Hunt Transportation Services (“JB Hunt”), Inc , Alliance Shippers Inc , Hub Group Inc , Bulk Service Corp , Rockwell Transportation Services, LLC, Total Transportation Services LLC, H&M International Transportation, Inc , Container Port Group, and Mason Dixon Intermodal reflect their recognition of the likely benefits to intermodal transportation from the proposed construction and improvement of intermodal facilities at Mechanicville, NY and Ayer, MA J B. Hunt comments that “improved rail services will increase service dependability, and provide for more competitive alternatives between rail providers ” RoadLink Intermodal Logistics, the largest intermodal drayage company in North America, believes that the “improved route will increase efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways ” Hendrix Wire and Cable Inc states that “it is important to us to receive our product in bulk containers via the railroad to enable us to achieve savings compared to material delivered in boxes via truckload shipments” in order to address its increasing transportation costs This view is echoed by R V J Inc , a family-owned trucking company, which believes that the improved infrastructure expected from the Transaction is “vital to our future success ”

Many shipper comments also note the importance of improving rail infrastructure in this time of rising fuel costs and economic uncertainty B&D Advanced Warehousing Corp , Inc explains “During this time of skyrocketing fuel costs, we are marketing our rail access to current and potential new customers as an economic means to transport goods This would increase our income during the current recession ” Audax Transportation, Inc states that, “the cost of fuel has taxed the limits of the trucking

industry to supply enough truck drivers to efficiently transport freight ” Interstate Commodities, Inc , a grain supplier states that, “in these times of economic strain on food and energy cost competitive rail transportation infrastructure is essential not only to our business but to benefit every American consumer ”

The Transaction has received support from many levels of the government. Most state agencies support the new joint venture, requesting only minor conditions to ensure that competitive options for rail freight will be protected and that there will be no adverse effects on commuter or other passenger service improvements Their comments are addressed in detail in Part IIA, below

New York Congresswoman Kirsten Gillibrand, New York Assemblyman Roy McDonald and several affected New York communities strongly support the Transaction, specifically because of the opportunities for economic development they see as a result of the proposed intermodal and automotive facility at Mechanicville These include the Board of Supervisors for Saratoga County, NY and the towns of Mechanicville, Stillwater, and City of Mechanicville.

Congressmen John W Olver and James McGovern of Massachusetts consider this Transaction to “. . greatly benefit rail customers and the general public by providing improved access to the national network and shipping alternatives making rail transportation in New York and New England more efficient and accessible ”

In addition to the overwhelming support of shippers, most of the railroads directly affected by the Transaction support it unconditionally These include Canadian Pacific Railway (“CP”), the only Class I Railroad to have submitted comments CP is a major interline connection for Applicants today and will be for PAS after the Transaction,

and PAS will operate over 18 miles of CP track CP states that the “capital investment, combined with CP’s ongoing investment in the D&H [Delaware Hudson Railway] properties will create a new competitive rail route from United States and Canadian points to and from New England ”⁷ Pan Am has historically been an important connection for CP’s D&H subsidiary, but has suffered from a lack of volume and density and corresponding lack of investment. Accordingly, CP concludes “The Transaction breaks this cycle by injecting the single largest infusion of capital into New England railroading since the federally-funded rebuilding of Conrail more than two decades ago ” CP likewise supports construction of the new multimodal facilities at Ayer, MA and Mechanicville, NY, as improving local economies, and providing environmental benefits by diverting truck traffic to rail

Regional and short line railroads in New England have also expressed their recognition of the Transaction’s benefits for the New England rail system Providence & Worcester Railroad Company (“P&W”), the second largest regional railroad in New England after PARI, is also a major interline connection with PARI and will be obtaining a direct connection to Norfolk Southern via haulage P&W states its belief “that the proposed transaction will promote improved rail service in the region, increase competitive options for rail customers, and allow freight to be removed from New England area highways, thus benefiting the environment and reducing congestion ” New Hampshire Northcoast Railroad (“NHNR”) states that, “the proposed transaction would increase the opportunities for all New England railroads to realize access to the entire regional rail network and help provide competitive services throughout ” The Claremont

⁷ CP’s Letter, dated June 16, 2008, at 1

Concord Railroad ("CCRR"), a short line that presently interchanges with Pan Am at Claremont Junction, NH and White River Junction, VT, strongly supports the Transaction. According to CCRR, most of the traffic it receives from B&M has eroded due to the unreliable operating schedules and services, and CCRR views the Transaction as an opportunity to strengthen the connection between CCRR and Norfolk Southern through PAS.

In addition, on September 4, 2008, Applicants reached a settlement agreement with New England Central Railroad, Inc. ("NECR"), a subsidiary of RailAmerica, Inc., in which, among other things, the parties agree to reestablish a more efficient interchange between NECR and PAS at Millers Falls, MA.⁸ NECR will provide PAS haulage services, which PAS will have the option to use in addition to its trackage rights over NECR, and RailAmerica and its subsidiaries, NECR and Connecticut Southern Railroad ("CSO") will file a statement with the Board supporting the Transaction subject to the conditions in the agreement. This agreement is attached as Exhibit 1 to this reply, and pursuant to Paragraph 5 thereof, Applicants, RailAmerica, NECR and CSO ask the Board "that it be imposed as a condition of the approval of the Application, subject to the standard labor protection imposed on the remainder of the Application."

Even railroads outside New England have written to support the Transaction. For example, Iowa Interstate Railroad, which handles approximately 500 million gallons of ethanol a year, most of it bound for New England and eastern markets, stresses that rail

⁸ This possibility was noted in the Application. *see* Exhibit 15 (Operating Plan/Minor) at 7

infrastructure along the East Coast needs to be improved to handle the anticipated increased volumes of ethanol and believes that the Transaction will contribute to that result. Progressive Rail believes “the improved rail infrastructure will allow customers of other short line railroads, particularly those with a direct Norfolk Southern connection, to secure competitive transportation options to and from New England.” The Sandersville Railroad Company asserts that the Transaction will “produce better service, better equipment utilization, and more competitive rates” for its customers.

Amtrak also strongly supports the Transaction. Amtrak asserts that the success of this proceeding is “very important to future intercity passenger rail service in Massachusetts and Vermont” due to Amtrak plans to enlarge its service offerings to the public.⁹ Amtrak is planning a state-supported rail service from Albany, New York, to Bennington and Rutland, Vermont that would utilize the PAS line between Mechanicville, New York and Hoosick Junction, New York. Accordingly, Amtrak asserts that “the investments in the Patriot Corridor, between Mechanicville and Hoosick Junction that will result from approval of the joint venture application would facilitate future passenger rail service into Rutland via that line.” Amtrak is also interested in working with PAS to provide passenger rail service on the Connecticut River Line from Springfield, MA to Northfield, MA.

The letter compliments both Norfolk Southern and PARI for a number of actions that have been helpful to Amtrak. “NS has also developed proactive, mutually beneficial, relationships with states and passenger rail partners. One example is the innovative public-private partnership between NS and the state of Delaware that led to the reopening

⁹ Amtrak’s Letter to Secretary Quinlan, dated August 14, 2008, at 2

of the Shellpot Bridge freight bypass route ” Amtrak has likewise benefited from partnering with Pan Am Amtrak states that Pan Am has cooperated with Amtrak on several projects and has “most notably reduced overall travel time by 20 minutes, and added capacity to support one additional daily round-trip frequency ” As a result of these projects, Amtrak’s Downeaster train service has had a 43% increase in ridership since 2005, and “because of the working partnership [New England Passenger Rail Authority] and Amtrak have with Pan Am, the Downeaster has achieved great success and has earned national acclaim as a premier example of passenger service ”

II. RESPONSES TO SPECIFIC COMMENTS AND REQUESTS FOR CONDITIONS

A. STATE AGENCIES

1. New York Department of Transportation.

The New York State Department of Transportation (NYDOT) states “Overall, NYDOT sees this transaction as a significant benefit to the State of New York ” NYDOT Comments at 3 NYDOT identifies the following specific benefits.

- The Capital District receives a much needed intermodal terminal [at Mechanicville], which will replace NS’s capacity-constrained facility in downtown Albany The new automotive terminal [at Mechanicville] will be in healthy direct competition with CSX Transportation’s Selkirk terminal.
- The proposed configuration of the Mechanicville facility will have benefits to the City of Mechanicville Grade crossing blockages by stopped trains will be practically eliminated,
- The capital investments to upgrade the PAS track structure for 286 k railcars and the improvements proposed for Ayer, MA, including upgrades to the existing intermodal terminal and a new automotive terminal, will combine to take long distance trucks off New York’s highways,

- The additional NS overhead traffic on Canadian Pacific Railway's (CP) Freight Mine Line will enhance the long term viability of their Delaware & Hudson (DH) subsidiary, and
- The construction of the new intermodal facility in Mechanicville provides NS and PAS the opportunity to improve the level of service provided to New York shippers, while at the same time incorporating "green" technologies and working with the local communities as a good corporate neighbor

Id

NYSDOT requests only minor conditions, which are generally acceptable to the Applicants¹⁰

First, NYDOT requests that approval of Norfolk Southern trackage rights in the event of a "Major Service Standard Failure" be conditioned on Norfolk Southern providing notice to the STB of its intent to exercise these rights. Applicants agree to this request.

Second, NYDOT supports the conditions sought by the Batten Kill Railroad ("BKRR") for interchanges with PAS and Norfolk Southern (via haulage) at Eagle Bridge, NY. As discussed in greater detail in response to the BKRR comments, Applicants have no objection with BKRR interchanging traffic with PAS, but they submit that the specific conditions requested are not warranted.

Third, NYDOT points out that there is a slight inconsistency in the definition of "Major Service Failure" in Sections 2(a) and 2(d) of Appendix B to the Norfolk Southern

¹⁰ NYSDOT's comments incorporate by reference the comments it filed on July 11, 2008 on environmental issues. As noted earlier, Applicants expect that environmental issues and requests for environmental mitigation will be addressed in the EA issued by SEA and such issues will not be discussed in this reply.

Joint Use Agreement (*see* Volume II of the Application (NS/PA-2), Exhibit 2E at 35-36), and it requests Applicants to clarify the standard. Applicants agree with NYDOT's recommendation that would utilize in both sections "the ninety percent (90%) on time requirement taking into account the thirty (30) minute tolerance factor."

Finally, NYDOT expresses concern that Section 2.2(a) of the Transaction Agreement (concerning public funding offsets) would remove any benefit to the public funding of projects anticipated by the Transaction if Norfolk Southern can reduce its contribution. NYDOT Comments at 3. Applicants submit NYDOT's concern is unwarranted. The offset provision will not reduce the public benefits associated with the expenditure of funds that public agencies may choose to make. In any event, NYDOT, requests no specific relief in connection with this concern, and no action by the Board is called for.

2. Commonwealth of Massachusetts Executive Office of Transportation and Public Works.

The Commonwealth of Massachusetts Executive Office of Transportation and Public Works ("EOTPW"), commenting on behalf of the Commonwealth of Massachusetts and the Massachusetts Bay Transportation Authority ("MBTA"), states that it "does not object to the Transaction proposed in the Application provided the Board appropriately conditions its approval of the Application to address certain specific concerns of the Commonwealth, and provided further that the Applicants are denied the unfettered right that they have requested to be able to invoke 49 U.S.C. 11321(a) to override assignment-restrictive provisions contained in agreements among certain of the Applicants and either EOTPW or [MBTA]." EOTPW Comments at 2. The non-

environmental conditions EOTPW asks the Board to impose¹¹ would require Applicants (1) “collectively to assure that unpaid arrearages owed to MBTA and to EOTPW stemming from unpaid trackage rights and other negotiated fee arrangements will be paid in full on or before the closing of the proposed Transaction,” and (2) to “provide written assurance of their commitment to negotiate in good faith with respect to the conveyance of passenger trackage rights over, and/or the sale of, certain rail lines owned by rail carrier subsidiaries of Pan Am Railways, Inc.” *Id.* at 4

Nothing in EOTPW’s comments disputes the substantial public benefits of the Transaction as described in the Application, which will occur in principal part in Massachusetts. On the contrary, EOTPW acknowledges that it “believes that the enhanced rail infrastructure operations and services contemplated by the proposed Transaction will – if properly implemented – benefit the Commonwealth, and welcomes Norfolk Southern’s proposed investment to transportation infrastructure and economic activity in Massachusetts.” EOTPW Comments at 3

EOTPW’s principal objection is to one element of the relief sought in the Application, specifically, Applicants’ request for a “declaratory order pursuant to 49 U.S.C. § 11321(a) that PAS and any contract operator of PAS Lines will have authority to conduct operations over the trackage rights lines [i.e., pursuant to trackage rights now held by Springfield Terminal over lines of other railroads and assigned by Springfield

¹¹ EOTPW’s Comments also reference the comments submitted in July on the Environmental Appendix. As stated above, Applicants expect that comments and requested conditions related to environmental issues will be addressed in the EA, and they will not be discussed here.

Terminal to PAS] as fully and to the same extent as Springfield Terminal could, notwithstanding any clauses in any such trackage rights agreements limiting or prohibiting Springfield Terminal's unilateral assignment of its operating rights to another person " Application at 38, see also Application at 45

EOTPW's objection is unfounded. The Application explained that the 437 miles of rail lines PAS proposes to acquire and/or operate under the Transaction will consist of approximately 238 miles of lines that PAS will own and 198 miles of lines owned by five other railroads over which Springfield Terminal currently operates under trackage rights, which Springfield Terminal proposes to assign to PAS. The trackage rights lines include 73 miles over New England Central Railroad ("NECR") between East Northfield, MA and White River Junction, VT, 62 miles over Amtrak between Springfield, MA and New Haven, CT, 18 miles over CP between Mechanicville, NY and CP's Mohawk Yard in Schenectady, NY, 19 miles over Metro North Commuter Railroad ("MNCR") between Waterbury, CT and Derby, Jct., CT, 4 miles over CSX Transportation, Inc. ("CSXT") between North Haven, CT and Cedar Hill, CT, and 23 miles over MBTA between Fitchburg, MA and Littleton, MA. See Application at 5 (PAS system map), 41 and Exhibit 15 (Operating Plan/Minor) at 4-5. Obviously, as the Application also explained, PAS' ability to operate pursuant to the trackage rights now held by Springfield Terminal will be essential to its ability to carry out the Transaction, perform its common carrier obligations and bring about the substantial public benefits likely to result from the Transaction. *Id.* at 38. PAS simply could not operate its system otherwise. For that reason, Applicants request the declaratory order under 49 U.S.C. §11321(a) to ensure that no party can block PAS' use of those rights by invoking contractual provisions requiring

that party's consent to the assignment of such rights. In support of the request, the Application cited a similar order that the Board issued under §11321(a) in the Conrail Transaction. *Conrail*, 3 S T B at 386, Ordering Paragraph 8.¹²

None of the other railroads has objected to the relief Applicants seek under §11321(a) with respect to the assignment of trackage rights over their lines, and EOTPW says that MBTA and the Commonwealth of Massachusetts "would be unlikely to object to such an assignment [of rights over their lines] in principle." EOTPW Comments at 6, 7. EOTPW, however, objects to the relief requested because it wants Applicants to negotiate with it about various matters, such as payment of monies claimed to be due from some Applicants for pre-Transaction activities and the acquisition of other lines or operating authorities desired by MBTA, and it desires to use its claimed right to withhold consent to the assignment of trackage rights¹³ for leverage in such negotiations. Thus, EOTPW candidly acknowledges "But, without the bargaining leverage that they enjoy by virtue of the assignment-restrictive provisions in their agreements with Springfield

¹² See also *Conrail*, 3 S T. B. at 386, Ordering Paragraph 9, which EOTPW correctly notes is more directly pertinent. See also *Union Pacific Corp., et al.—Control and Merger—Southern Pacific Rail Corp., et al.*, 1 STB 233, 450 (1996) ("UP/SP"), *aff'd sub nom Western Coal Traffic League v STB*, 169 F.3d 775 (D.C. Cir. March 23, 1999). We think that an override of the restrictions in KCS' trackage rights agreements would be necessary to carry out the merger here if section 11103 [now 49 U.S.C. §11102] were unavailable."

¹³ It is by no means clear that the 1976 deed by which Springfield Terminal operates over MBTA's line between Fitchburg, MA and Littleton, MA and the Greenville Branch requires MBTA's consent for the assignment of the freight operating rights. The declaratory order Applicants seek under §11321(a) is nevertheless important, as any dispute over the unilateral assignment of such rights by Springfield Terminal could be subject to protracted litigation or arbitration that could delay consummation of the Transaction for a considerable length of time for no valid purpose. See *Norfolk & Western Ry v American Train Dispatchers*, 499 U.S. 117, 133 (1991) ("Train Dispatchers").

Terminal, MBTA and EOTPW are not likely to be able to negotiate satisfactorily with Applicants” EOTPW Comments at 16

Applicants have negotiated in good faith with MBTA and the Commonwealth about the matters referred to in EOTPW’s comments and will continue to do so ¹⁴ In effect, however, EOTPW, by opposing the declaratory order requested under §11321(a), is asking the Board to give EOTPW and MBTA a veto power over Applicants’ ability to carry out a transaction approved by the Board in order to give them bargaining leverage to extract concessions from Applicants on those matters, which are otherwise unrelated to the Transaction. Applicants submit that giving any party the power to thwart a Board-approved transaction as leverage to exact concessions in its favor is not appropriate; indeed, §11321(a) appears to have been enacted to prevent just such a result. *See Train Dispatchers*, 499 U S 117, 133 (1991) ¹⁵

As explained in the attached verified statements of Robert Culliford, General Counsel of PARI and Sydney Culliford, Executive Vice President of PARI, Applicants’ representatives met with MBTA officials on May 7, 2008, prior to filing the Application, to explain the proposed Transaction, including the proposed assignment of trackage rights over MBTA lines by Springfield Terminal to PAS, and PAS’s grant of trackage rights to Norfolk Southern and Springfield Terminal In that meeting, Applicants were led to

¹⁴ In fact, on August 6, 2008, representatives of Applicants met with representatives of MBTA and offered to negotiate those matters with MBTA the following week and to permit MBTA to file comments with the Board without objection from Applicants if MBTA remained dissatisfied after those discussions, but MBTA rejected that offer R Culliford V S at 4

¹⁵ In the absence of the Transaction, EOTPW and MBTA would not have the bargaining leverage they now seek to gain these concessions from Applicants, and there is no reason of equity or transportation policy why Applicants’ proposal to carry out a transaction that will have public benefits should give them such leverage

believe that MBTA would have no objection to the Transaction, including the assignment of trackage rights over MBTA to PAS, and based on that meeting, they stated the following in the Application: "MBTA has been consulted and has no objection to the Transaction, including the assignment of Springfield Terminal's trackage rights to PAS and the grant of trackage rights by PAS to Norfolk Southern and Springfield Terminal, as described herein " Application at 25, n. 22, also, 27, n. 23, Exhibit 15 (Operating Plan/Minor) at 11 Indeed, Mr Robert Culliford explains that at the May 7, 2008 meeting, he asked the MBTA representatives if Applicants could include such a statement in the Application, and was told that doing so would be acceptable R Culliford V S at 2

EOTPW, however, now asserts: "[A]t no time prior to the filing of the Application did MBTA consent to, or did Applicants ask MBTA to consent to, Springfield Terminal's contemplated assignment of its freight easement to PAS or to any other party " EOTPW Comments at 18 It is not clear whether this statement is meant to deny or contradict the statements Applicants made in the Application,¹⁶ but if so, Applicants respectfully submit that EOTPW is mistaken If so, EOTPW would ask the Board to believe that Applicants made their statements in the Application, not once but

¹⁶ EOTPW states at p. 6 of its Comments "To date, neither Pan Am nor any subsidiary or affiliate has sought the MBTA's *formal* agreement to the assignment of such rights and obligations " (emphasis supplied) If EOTPW's statements are based on the lack of a request for MBTA's "formal agreement," its complaint is both misleading and insubstantial Applicants have not requested formal agreements from any of the railroads over which Springfield Terminal has trackage rights because they are requesting a general override of all assignment-restrictive clauses in trackage rights agreements With respect specifically to MBTA, however, they did, as the Application states, consult with MBTA and were advised that MBTA has no objection to the Transaction, including the proposed assignment of trackage rights That is advice on which Applicants reasonably relied

three times, without any factual basis for doing so. Furthermore, EOTPW acknowledges that “the Applicants have approached MBTA prior to the filing of the Application and have done so again since the filing.” *Id.* It would be hardly plausible to suppose that such “approaches” did not include an explanation of the Transaction and the aspects of it that would be significant to MBTA.

EOTPW also argues that it needs the right to refuse consent to the assignment to ensure that “(a) the subject properties will be operated and maintained by the assignee in a safe, secure and environmentally responsible manner, consistent with passenger requirements, (b) current financial obligations are satisfied prior to the assignment, and (c) financial obligations will be met (payments made on time and in full) by any assignee going forward.” EOTPW comments at 6-7. It also argues that it needs this right because “the Proposed Transaction is likely to result in increased freight rail traffic on and over the lines owned and managed by the MBTA.” *Id.* at 7.

Neither EOTPW nor MBTA, however, needs the power to veto consummation of the Transaction by refusing consent to an assignment in order to ensure that any assignee of trackage rights or operator over MBTA lines operates in a safe and responsible manner consistent with passenger requirements. First, the agreements by which Springfield Terminal now operates over those lands contain operating and maintenance requirements that would be applicable to any assignee. Second federal rail safety and environmental laws (and possibly state laws, to the extent not preempted) will also apply to any assignee. Nor do EOTPW and MBTA need such a veto power to enforce any rights they may have to the payment of monies now due from any Applicants or monies that may be due from PAS or any Applicant in the future. Whatever enforcement rights they may

have now have now or will have in the future, by judicial processes or otherwise, will not be worsened or affected in any way by the Transaction. If anything, the infusion of substantial capital into PAS by Norfolk Southern and the capital that PARI will receive from the Transaction should enhance, not diminish, the prospects that monies due MBTA and EOTW will be paid.

Contrary to EOTPW's claim, the Transaction will have no significant effect on passenger operations over MBTA's lines. As explained in Exhibit 15 (Operating Plan/Minor), Applicants' five-year projection of freight traffic over MBTA's Fitchburg-Ayer segment projects an increase of 1.5 trains per day, from 8 trains per day in 2007 to 9.5 trains in 2012, and no increase is expected over the Ayer to Willows segment. "The increase of 1.5 freight trains per day on the segment from Fitchburg, MA to Ayer, MA . is not expected to have a significant impact on those passenger operations. This segment has 22 passengers and only 8 freight trains per day, the latter of which is only anticipated to increase to 9.5 trains per day, and the segment will continue to be dispatched by MBTA." Exhibit 15 at 14.¹⁷

EOTPW does not dispute these projections or explain how the additional 1.5 trains per day would significantly affect passenger operations. More importantly, if the impact were sufficiently adverse, the appropriate remedy would be the imposition of a condition by the Board to address and mitigate the impact. It would not be to give

¹⁷ Nor will the Transaction have any adverse effect on MBTA's expected investment of \$150 million to improve the Fitchburg line referred to in EOTPW's Comments at 5-6 and in the attached letter from Massachusetts legislators. Obviously, any capital improvements to that line will benefit Applicants and PAS as well, and Applicants and PAS will have every incentive to cooperate with MBTA in the implementation of those improvements. The plans and discussions on this matter are in a preliminary stage, however.

EOTPW or MBTA the power to veto consummation of the Transaction *See Train Dispatchers*, 499 U.S. at 132-133

EOTPW also argues that Applicants' request for a general override of assignment-restricting provisions should be denied because Applicants have not sought other means of obtaining the same relief, such as filing for terminal trackage rights under 49 U.S.C. § 11102 or initiating arbitration or litigation, and because of the Board's general preference for negotiated resolution of disputes. EOTPW Comments at 12-13. Seeking terminal trackage rights, with the likely need to litigate many of the difficult issues that may arise under 49 U.S.C. § 11102, however, is plainly not a practical alternative for PAS to secure the 198 miles of trackage rights necessary to consummate the Transaction.¹⁸ EOTPW does not identify or explain what issue Applicants should seek to resolve by arbitration or litigation that would obviate an override of contractual assignment restrictions, but in any event, the substantial delays necessarily inherent in litigation or arbitration render any such alternative similarly impractical.¹⁹

¹⁸ 49 U.S.C. § 11102 authorizes the Board to grant rights to use "terminal facilities, including mainline tracks for a reasonable distance outside a terminal area," and the threshold issue in any application under that provision is whether the tracks at issue fall within that classification. Significantly, EOTPW does not say that the 23 miles of MBTA tracks between Fitchburg and Littleton are "terminal facilities" that would be subject to an application under § 11102.

¹⁹ The two cases cited by EOTPW in which override requests were not granted (EOTPW Comments at 12, n. 6) are inapposite. In this case, the trackage rights proposed to be assigned, including those over MBTA, are over critical mainline segments of Applicants' proposed system, and the assignments are obviously necessary to permit Applicants to carry out the Transaction. The terminal area trackage rights over the Gateway Western Railway considered in *Conrail*, 3 S.T.B. at 301, were claimed not to be necessary to allow the applicants in that case to serve the area involved in view of Gateway's ability to provide switching. EOTPW does not claim that PAS does not need trackage rights over the MBTA line or that MBTA can provide the freight services PAS seeks to provide. In *UP/SP*, the Board declined to grant a request to override an anti-assignment provision in a trackage rights agreement because the party seeking the override had filed an

Moreover, in this case, the Board's general preference for negotiated resolution of disputes is hardly a ground for denying the declaration Applicants request under § 11321(a). The dispute EOTPW's comments present is whether EOTPW and MBTA should have a contractual right to veto Applicants' ability to carry out the Transaction by refusing their consent to an assignment of trackage rights over their lines. The comments of EOTPW make abundantly clear that any attempt by Applicants to "negotiate" that dispute to remove such a veto would be fruitless.

In sum, EOTPW's objection to Applicants' request for the Board to declare that any contractual restrictions on the assignment of trackage rights are overridden under § 11321(a) should be denied and the request should be granted.

The Board should also deny the conditions EOTPW requests, both of which concern matters entirely unrelated to the Transaction. The first condition would require, before closing of the Transaction, the payment of arrearages alleged due to MBTA and EOTPW stemming from Springfield Terminal's use of MBTA and EOTPW properties and a commitment by PAS "to regular and timely payment of future charges owed to MBTA and EOTPW." As noted earlier, the Transaction will not affect or diminish in any way the ability of EOTPW and MBTA to recover monies that may be due to them now or in the future, if anything, it is likely to improve the situation. Enforcing or facilitating

application to obtain the trackage rights under 49 U.S.C. § 11102, but the Board also stated "We think that an override of the restrictions in KCS's trackage rights agreements would be necessary to carry out the merger here if section 11103 [now section 11102] were unavailable." *UP/SP, 1 S T B* at 450. As noted in the text, seeking terminal trackage rights under section 11102 is not a practical alternative for PAS to secure the 198 miles of trackage rights necessary for it to carry out the Transaction, and EOTPW does not say that the 23 miles of MBTA tracks between Fitchburg and Littleton would qualify as terminal tracks.

collection of debts is not an appropriate function for conditions imposed by the Board on transactions subject to its approval. As the Board's predecessor stated: "There must be a nexus between the [transaction subject to approval] and the alleged harm for which the proposed condition would act as a remedy. The fact that a condition would benefit the party seeking it does not justify its imposition." *BN-Santa Fe*, 10 I C C. 2d at 775.

Similarly, there is no warrant for a condition requiring Applicants "to provide written assurance of their commitment to negotiate the conveyance of passenger trackage rights over, and the sale of certain rail lines owned by rail carrier subsidiaries of PARI." EOTPW Comments at 4, 9, 24. Applicants have negotiated with MBTA about those matters and will continue to do so in the future. But nothing about the Transaction will affect or alter the ability of the parties to engage in those negotiations or to reach agreements. In fact, the Transaction Agreement clearly anticipates this.²⁰ Accordingly, there is no basis for imposing a condition which is completely unrelated to effecting the Transaction and which some party might attempt inappropriately to use to achieve a particular outcome, particularly when the Applicants by word and deed have demonstrated their willingness to pursue negotiations with MBTA on their own.

²⁰ The Transaction Agreement is specific on this point. Section 5 of that agreement provides: "The Parties acknowledge and agree that the potential exists for additional passenger service on the Line, including the potential for an expansion, or increased frequency, of service between Boston and the surrounding areas. While other entities, including Amtrak, Metro North, ConnDOT and MBTA, state government and the federal government, are responsible for funding infrastructure and operating costs related to the introduction and operation of additional passenger trains and service, the Parties acknowledge their respective obligations to work with Amtrak, Metro North, ConnDOT and MBTA and other governmental entities to evaluate in good faith proposals for government-funded passenger service, and to cooperatively implement such funded proposals to the extent they do not interfere with the growth and development of freight service."

Applicants have no objection to EOTPW's final request, that the Board "evaluate the environmental concerns raised in the Commonwealth's letter filed with the Board on July 7, 2008 to the fullest extent of the Board's environmental responsibility," as Applicants are confident that the Board will do so

3. Connecticut Department of Transportation.

The State of Connecticut Department of Transportation ("ConnDOT") supports the Application, "provided that no competitive options are eliminated in Connecticut " As Application shows, no competitive options will be eliminated, either in Connecticut or elsewhere, and ConnDOT does not claim otherwise

ConnDOT requests additional time to study the impact of the Transaction due to what it asserts is "the possible re-routing of freight traffic away from the newly-established interchange between the New England Central Railroad Company and Providence and Worcester Railroad Company at Willimantic " This request for additional time should be denied Nothing in the Application suggests, and there is no reason to believe, that the Transaction will re-route substantial volumes of traffic away from the NECR-P&W interchange On the contrary, the Application states that Applicants "do not plan any substantial rerouting of existing traffic over different lines," (Application at 9) ²¹

ConnDOT also calls for more service on the Waterbury Branch Applicants fully concur with ConnDOT's desire for more traffic on Waterbury Branch, and will work to develop traffic there as on the rest of PAS system

²¹ See also Application, Appendix B (Williams V S) at 13, explaining that none of NECR's or P&W's connections with other railroads will be affected by the Transaction

ConnDOT also requests several conditions regarding interchange agreements with Naugatuck Railroad Co., Housatonic Railroad Co., Providence & Worcester Railroad Co., and Central New England Railroad Co. Applicants are and will remain willing to negotiate mutually acceptable agreements. To date, there has been no need for formal interchange agreements in Connecticut with the railroads mentioned, although traffic occasionally interchanges physically per informal agreements.

ConnDOT also expresses support for the future re-establishment of a rail connection between East Longmeadow, MA and Springfield, MA on the PARI-owned right-of-way. Applicants also concur in principle with ConnDOT's desire to re-establish connection between East-Longmeadow and Springfield provided public funding is available.

4. New Hampshire Department of Transportation

New Hampshire Department of Transportation ("NHDOT") supports the improvements that this Transaction will bring to freight rail service, since it does not have any Class I railroads operating within the state. The Capital Projects proposed are of particular interest to New Hampshire as improved track conditions and transit times should increase the frequency and reliability of interchange to short lines operating in the southern and central parts of New Hampshire. The proposed upgrade of certain lines to 286,000-pound capacity to accommodate coal on the New Hampshire Main Line to Bow is appealing to NHDOT. The Public Service of New Hampshire annually moves 750,000 to 850,000 tons of coal using Norfolk Southern and PARI rail lines. The Public Service of New Hampshire likewise supports this Transaction, recognizing that efficient and cost competitive transportation infrastructure is essential to their business.

5. Vermont Agency of Transportation

Vermont Agency of Transportation (“VTRANS”) supports the Transaction based on Applicants’ representations that competitive options for freight rail will be protected and that there will be no adverse effects on passenger service. The Applicants are prepared to continue to work with Massachusetts and Vermont to further their efforts to upgrade parts of the Connecticut River line between Springfield and East Northfield, MA for passenger service and to cooperate with the establishment of the Albany-Bennington-Rutland-Burlington passenger service planned by Amtrak over the PAS line between Mechanicville and Hoosick Junction, NY. As indicated by Amtrak’s positive comments referenced above, this Transaction will not result in a negative impact to passenger service, rather it is expected to enhance service.

6. Maine Department of Transportation

The State of Maine supports the Application based on PARI’s separate discussions with Maine concerning improvements and upgrades to the rail infrastructure in Maine. While these discussions have taken place, any improvements will be done with PARI, not PAS, funds, and these improvements are not Transaction-related. Contrary to comments of others, PARI has every incentive to improve infrastructure in Maine, as paper and forest product traffic moving over PARI lines in Maine is likely to remain a principal component of traffic over PAS lines for the foreseeable future. Because these are not Transaction-related, however, no condition is appropriate.

B. MUNICIPALITIES AND LOCAL AGENCIES

1. Pioneer Valley Planning Commission

The Pioneer Valley Planning Commission ("PVPC") supports the Application. It has discussed with PARI representatives the restoration of Amtrak passenger service on the Connecticut River Line north of Springfield, MA, and it is seeking assurances that this project will not be jeopardized by the creation of PAS. Applicants are pleased to assure PVPC that the possible future development of passenger service on the Connecticut River line will not be jeopardized by the Transaction.

2. City of Springfield, MA

The comments filed by the City of Springfield on August 11, 2008 reiterate, and are based almost entirely on, the environmental comments it filed on June 30, 2008 to the Environmental Assessment filed by Applicants and sent to numerous parties, including Springfield on June 6, 2008. Springfield's main contention is that the Board should perform an Environmental Assessment ("EA") to properly consider the environmental issues presented by the Transaction. The Board's Section of Environmental Analysis ("SEA") has subsequently decided it will prepare an EA and submit it for public comment in this case. Accordingly, the Board will satisfy Springfield's principal request

Applicants expect that the EA, public comments thereon and the Board's consideration of those comments will adequately address the specific environmental issues raised by Springfield in its August 11, 2008 comments as well as its earlier comments filed on June 30, and Applicants will not endeavor to respond to those issues here except to make the following points

First, almost all of the issues raised by Springfield in both sets of comments as they pertain to the Springfield area and inhabitants concern to pre-existing conditions that will not have been caused or aggravated by the Transaction. For example, Springfield states: “As Norfolk Southern proceeds to infuse new capital into the system, *the* conditions of the *existing infrastructure* must be considered and attended to. In particular the Applicants [sic] *failure to properly maintain* a rail segment running north-south immediate adjacent to the Connecticut River, a national historic scenic waterway, *must be rectified*. The failures of the Applicants to adequately [sic] maintain this rail segment as it passes through Springfield *creates* a public health safety and environmental hazard.” Springfield Comments at 6-7 (emphasis supplied).

It is plain from the foregoing that Springfield’s focus and concern is with *existing* conditions, not with any environmental effects the Transaction will have in the future. This is borne out by Springfield’s focus on “Applicants’ past performance,” (Springfield Comments at 7) and its catalogue of alleged environmental and other infractions of Applicants in the past (*id.* at 7-15). The responsibility of the Board and SEA under the National Environmental Policy Act, however, is to assess the environmental effects of the transaction requiring Board approval. There is no cause, and it is not SEA’s practice, to evaluate pre-existing environmental conditions that will not be affected by the transaction for which approval is sought. See, e.g., *Canadian National Railway Company and Grand Trunk Corporation Control – EJ&E West Company*, STB Finance Docket No. 35087 (STB served April 23, 2008), slip op. at 5, n 2, 16, *Norfolk Southern Railway Company*--

Trackage Rights Exemption--Meridian Speedway LLC, STB Finance Docket No 34821 (STB served March 7, 2006), slip op at 4, n 5 SEA and the Board should not yield to the promptings of Springfield and others to examine pre-existing environmental conditions not to be affected by the Transaction

The second point it is important to stress with respect to Springfield's comments is that none of the line rehabilitation or other capital projects planned in connection with the Transaction will occur in or near Springfield or on any of the rail lines through Springfield. Furthermore, Applicants' Operating Plan projects *no* increases in the number of trains or tonnage moving through Springfield in the five years following consummation of the Transaction.

Aside from reiterating its environmental comments, Springfield argues that the procedural schedule established by the Board in this case failed to provide the public and Springfield with adequate notice and opportunity to respond and "lacks even a pretense of fundamental due process." Springfield Comments at 20. However, the schedule adopted by the Board in this case is similar to, and in some cases longer than, schedules adopted in many similar proceedings,²² and in any event does not appear to have prejudiced Springfield. The Application and all of Applicants' other filings and all of the Board's decisions have been promptly published on the Board's website, and the Board's

²² See, e.g., *The Indiana Rail Road Company--Acquisition--Soo Line Railroad Company*, STB Finance Docket No 34783 (STB served Jan 13, 2006), *Canadian National Ry Co et al -- Control-- Duluth, Missabe and Iron Range Ry et al*, STB Finance Docket No 34424 (STB served Dec 1, 2003), *KCS-Tex Mex* (STB served June 9, 2003), *Canadian National Ry Co et al - Control -- Wisconsin Central Transp Co, et al*, STB Finance Docket No 34000 (STB served May 9, 2001),)

decision served June 26, 2008 accepting the application and establishing the procedural schedule was also published in the Federal Register²³

In addition, Applicants' Environmental Appendix was served on 113 parties, including Springfield and all other major (and many not so major) municipalities traversed by the affected lines. Indeed, although Springfield complains about lack of adequate notice, it filed its lengthy and detained comments on the environmental appendix on June 30, 2008, eleven days *before* the due date established by the Board's procedural schedule. Springfield's due process objection is without merit.

3. Town of Ayer, MA

Like Springfield, the comments filed by the Town of Ayer on August 11, 2008 reiterate and are based entirely on the environmental comments it filed on July 7, 2008. Its environmental concerns are with the planned construction of the new San Val automotive facility in Ayer. Applicants expect that relevant environmental issues likewise will be addressed and considered in the EA, the comments thereon and the Board's consideration of the comments, and will not respond separately to them here. We would only note that many of the issues raised by Ayer with respect to this proposed facility were addressed both by the Board and by a federal district court in a lengthy proceeding involving a proposal to build a similar automotive facility on the same site. That proceeding culminated with a consent decree agreed to by Ayer and PARI (then Guilford Transportation Inc.), which included a limited set of agreed upon environmental conditions, which Applicants would expect to adhere to. *See Joint Petition for Declaratory Order – Boston and Maine Corp. and Town of Ayer, MA*, STB Finance

²³ Northfolk Southern Railway Company, Pan Am Railways Inc., et al., 73 Fed. Reg.

Docket 33971 (STB served May 1, 2001), *aff'd Boston & Maine Corp v Town of Ayer*, 191 F Supp. 2d 257 (D Mass 2002) *Boston and Maine Corp , et al v Town of Ayer et al* , Case No C A No 99-CV-12606 JLT (Order of July 28, 2003)

4. Town of Deerfield, MA

Deerfield filed a notice of intent to participate in this proceeding as a party as well comments on July 7, 2008 on Applicants' Environmental Appendix Although Deerfield did not file other comments, it is appropriate briefly to discuss Deerfield's environmental comments here because, like Springfield's, they only concern pre-existing conditions that will not be affected by the Transaction and therefore may not be fully addressed by SEA, the parties or the Board in connection with the EA

Deerfield's comments concern PARI's operation of its yard at East Deerfield, MA, such as locomotive idling at the yard and the operation of the on-site water-treatment plant, and disputes Deerfield has had with PARI about those matters However, the only rail yards that will be affected by this Transaction are the three where construction will occur the Mechanicville Facility, Ayer Intermodal, and San Vel Automotive Each of the other rail yards that PAS will operate (East Deerfield, Fitchburg, and Gardner, MA, Waterbury and Plainville, CT) are switching yards at which no increases in activity are projected as a result of the Transaction These yards are anticipated to see only modest organic growth independent of the approval of the Transaction Indeed, Deerfield appears to recognize at the outset of its comments that the Transaction will not have any impact on the East Deerfield yard and that the issues it raises are being addressed in other forums and are subject to other the jurisdiction of

other regulatory agencies Deerfield Comments at 1 There is accordingly no basis for Deerfield's request that the STB examine those issues merely because it does not like the prior resolution or status of matters before other regulatory agencies All of these existing conditions concerning the East Deerfield yard are wholly unrelated to the Transaction and are not subject to the STB's jurisdiction for approval of this Transaction.

C. RAILROADS

Ten railroads and one group of commonly controlled railroads have filed comments in this proceeding Six of these affirmatively support the Transaction and request no conditions These are CP, a Class I railroad, P&W, the largest regional rail system in New England after PARI, Amtrak, Progressive Rail Inc , Clarendon Concord Railroad and Iowa Interstate Railroad Their comments have been summarized in Part I, above ²⁴

Two others, New England Southern Railroad Company ("NESR") and the Morristown & Erie Railway, Inc d/b/a Maine Eastern Railroad ("MERR"), state that they generally support the Transaction but seek conditions or express concerns, and Pioneer Valley Railroad Company ("PVRR") stated that it would support the Transaction contingent on the successful completion of discussions with Applicants, which Applicants believe have been successfully completed These comments are discussed below

²⁴ In addition, as noted there, pursuant to a settlement agreement reached with Applicants on September 4, 2008 (Exhibit 1 to this reply), NECR and RailAmerica, Inc have agreed to support the Transaction

One group of commonly controlled railroads calling themselves the "Vermont Carriers" and three other railroads (Batten Kill Railroad ("BKRR"), Milford Bennington Railroad Company ("MBR") and Montreal Maine and Atlantic Railway ("MMA")) request conditions. These are also discussed below.

1. New England Southern Railroad Company.

NESR is a Class III railroad that operates over 20 miles of line in New Hampshire that are owned by B&M. NESR's line connects with Springfield Terminal in Manchester, NH, but will not connect with any part of the PAS lines. NESR claims it is owed money by Springfield Terminal and/or B&M and filed suit against PARI and its subsidiaries in federal court to collect.

NESR supports the Transaction for two reasons:

First, NESR believes that the proposed Transaction will, more likely than not, improve rail transportation service in the New England area. The proposed Transaction can and should result in increased competition and more reliable and efficient service for NESR-served shippers that currently rely on Springfield Terminal's through routes, including the so-called "Patriot Corridor" that would be the cornerstone of the to-be-created PAS system. Second, NESR believes that the proposed Transaction would increase [the Pan Am parties'] ability promptly to satisfy its financial obligations, including its obligations to existing or future judgment creditors, particularly if the Board clarifies matters related to a discrete element of the proposed Transaction as NESR is requesting herein.

NESR Comments at 3. Notwithstanding its cogently-stated reasons for supporting the Transaction, NESR asks the Board to "make clear in its decision approving the Application that no act of the Board in this proceeding or provision of ICCTA under which the Board approves the Application would prohibit, interfere, or impede NESR's ability, if it becomes a judgment creditor against B&M, to satisfy its judgment against the above-referenced \$47.5 million payment." *Id.* at 7.

As stated in connection with EOTPW's comments, the Transaction will not affect or diminish the ability of party to collect monies due to it from any Applicant or PAS now or in the future. What monies may be due to any party, however, or what particular assets may be levied against to collect such monies would involve questions of fact and law on which the Board is in no position to state an opinion. Applicants therefore suggest that the opinion NESR asks the Board to express is unwarranted.

2. Morristown and Erie Railway, Inc. d/b/a Maine Eastern Railroad.

MERR operates over a railroad line in Maine over which Springfield Terminal has certain freight operating rights. MERR will not connect with any of the lines of PAS.

Like NESR, MERR states that it "generally supports the proposed transaction. It promises improved infrastructure in parts of New England, and stronger routings between PARI and NSR." MERR Comments at 3. MERR, however, says it is concerned that PARI might favor joint routings with Norfolk Southern over joint service with CSXT, and that the Board should therefore "ensure that PARI does not degrade or de-market its joint service with CSXT at the expense of its improved connections with NSR." *Id.* MERR states that it is also concerned "about the diversion of resources and attention away from Maine, which is already underserved." *Id.* at 4. MERR asks the Board to ensure that Applicants adhere to their promises. *Id.* at 4.

Applicants appreciate MERR's support and submit that its concerns are unwarranted. As the Board has recognized in many cases involving end-to-end consolidations, PARI will have no reason to "degrade or de-market its joint service with CSXT" if the CSXT routing for particular movements continues to be efficient and profitable. See, e.g., *BN-Santa Fe*, 10 I.C.C. at 751 (rejecting arguments to the contrary).

as against “logic and experience”), *Kansas City Southern-Control-The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and the Texas Mexican Railway Company*. STB Finance Docket No. 34342 (STB served November 29, 2004, slip op. at 18). Indeed, Applicants have specifically provided for a continued direct connection between PARI and CSXT via trackage rights. *See* Application at 27. Nor is there any reason to believe the Transaction will divert attention and resources away from Maine. Applicants expect that traffic from Maine origins, particularly paper and forest products, will continue to be a principal element of the future traffic of both PARI and PAS, and it would therefore make no sense to divert resources away from Maine. Furthermore, where railroads devote – and should devote – their resources and attention depends mainly on the needs and demands of rail customers, and that is something railroads and the Board have limited ability to influence or predict.

3. Pioneer Valley Railroad Company, Inc.

PVRR, a wholly-owned subsidiary of Pinsky Railroad Company (“Pinsky”) operates a rail line between Westfield, MA and Holyoke, MA. PVRR connects with CSXT at Westfield and has an inactive-out-of-service interchange with Springfield Terminal at Holyoke, which PVRR would like to restore and reactivate. In its comments filed on August 11, 2008, PVRR states that it “has engaged in productive discussions with NS” concerning this matter and that, “[c]ontingent on successful completion of those discussions, PVRR would support the proposed transaction.”

Subsequently, Norfolk Southern, PARI and PVRR have had further discussions which have resulted in an understanding memorialized in a letter dated August 20, 2008 from Norfolk Southern and PARI to Pinsky. Exhibit 2 to R. Culliford v. S. Among other

things, the parties agree that “the opportunity to grow rail traffic between Pan Am, Norfolk Southern and Pioneer Valley is greatly improved by the creation of Pan Am Southern, as proposed in STB Finance Docket 35147. To realize this potential, PAS and PVRR agree to jointly improve the connections between their two systems [and] agree to each restore their own portions (each at their own cost) of the existing interchange tracks at Holyoke to a standard that will permit safe and efficient interchange of traffic between PAS and PVRR.” PVRR has advised Applicants that it fully supports the Transaction.²⁵

4. Vermont Carriers

A group of commonly-controlled and managed short line railroads in Vermont now calling themselves the “Vermont Carriers”²⁶ filed comments on August 11, 2008 contending that the Transaction will have certain anticompetitive effects and requesting a condition that would require B&M “to assign to GMRC the haulage or trackage rights as B&M now holds from NECR . . .” Vermont Carriers Comments at 8. The same group of carriers, then calling themselves the “Vermont Rail System,” filed a petition on June 24, 2008 asking the Board to deem the Transaction to be a “significant transaction” and to establish an extended procedural schedule (“VRS Petition”). The Board denied the VRS Petition in a decision served July 21, 2008 (“July 21 Decision”).

²⁵ Inasmuch as the interchange tracks are yet to be restored, possible future traffic between PAS and PVRR can not be quantified at this time.

²⁶ These are Clarendon and Pittsford Railroad (“CPRR”), Green Mountain Railroad (“GMRC”), Vermont Railway (“VTR”) and Washington County Railway (“WACR”).

The Vermont Carriers contentions are without merit and should be denied. Indeed, they are internally inconsistent and inconsistent with the claims they made earlier in the VRS Petition.

In its June 26, 2008 decision accepting the Application for filing, the Board correctly concluded that “there does not appear to be a likelihood of any anticompetitive effects resulting from the Transaction. The Norfolk Southern and Pan Am systems are entirely end-to-end, and it appears that no shipper would have fewer competitive rail alternatives as a result of the Transaction.” Decision at 9. Specifically with respect to short line and regional railroads, that decision also found “The Transaction also would not appear to have an adverse competitive effect on connecting short line and regional carriers. The Transaction would not impose any interchange restrictions on PAS, and PAS would honor all of the existing interchange contracts with connecting carriers.” *Id.*

These findings are fully supported by the record. Indeed, as detailed in the Application, the Transaction will not reduce but will *increase* the connections that short line and regional railroads lines in the affected region will have with other railroads. The Application explains, at page 3:

Short line and regional railroads in the region – the Providence and Worcester Railroad Company (“P&W”), the New England Central Railroad Company (“NECR”) and the Vermont Railroad, Inc. (“VTR”) – will not only interchange traffic with the new railroad, but will obtain new direct routing opportunities for interchange with Norfolk Southern through haulage service provided to Norfolk Southern by PAS. These railroads and their customers will benefit further from a strengthened infrastructure connecting them with the remaining Springfield Terminal system.

At present, the only haulage services Springfield Terminal provides to Norfolk Southern are for intermodal traffic between Mohawk Yard in Schenectady, NY and Ayer, MA. Under the Transaction, pursuant to the Norfolk Southern Joint Use Agreement,

PAS will provide to Norfolk Southern additional haulage services to include, among other things, traffic to be interchanged with three regional carriers with VTR (one of the Vermont Carriers) at Hoosick Junction, NY, with P&W at Gardner, MA, and with NECR at Brattleboro, VT. This will give these carriers and their customers, for the first time, direct commercial access to Norfolk Southern. As Applicants' witness John Williams states, the new connection with VTR at Hoosick Junction will "introduce[e] Norfolk Southern's single system service" to VTR at that point, which "will not be adversely affected by the proposed transaction and will likely benefit from the new Norfolk Southern competition." Application, Appendix B, p. 14.

None of the Vermont Carriers railroads will lose any existing connections to other railroads under the Transaction. Currently, VTR is the only VRS railroad whose lines connect with lines that will be acquired and operated by PAS, VTR and Springfield Terminal interchange traffic at Hoosick Junction. After the Transaction, VTR will interchange traffic with PAS (as well as Norfolk Southern) at Hoosick Junction. The other VRS railroads interchange traffic with Springfield Terminal at White River Junction, VT, Claremont Junction, VT and Bellows Falls, VT (points that Springfield Terminal accesses via trackage rights over NECR, which will be assigned to PAS), and will interchange with PAS at the same points after the Transaction. See Application, Appendix B at 11-14.

In their earlier petition, the Vermont Carriers argued that the Transaction would hurt them by jeopardizing the haulage service that NECR provides to them over NECR's line between White River Junction and Palmer, MA and thereby jeopardize their connection to CSXT at Palmer (see map at Exhibit 2 to this reply). They argued that the

Transaction would give NECR a better route to connect with Norfolk Southern than NERC's route (via haulage) over the Vermont carriers between Bellows Falls, VT and Whitehall, NY (see map), and that this would induce NECR to cancel its haulage agreement between White River Junction and Palmer. Implausible as this argument was, it was the only adverse effect that they claimed the Transaction would have on them.

In its July 21 Decision, the Board rejected this argument as "not persuasive." July 21 Decision at 4. It found that "it simply is not plausible, based on the record before us, that NECR would have an economic incentive to discontinue the haulage arrangement that provides VRS with its indirect connection to CSXT." *Id.*

In their more recent comments, the Vermont Carriers have not attempted to provide record evidence to support their earlier claim, but have, apparently, abandoned that claim altogether. They now claim that they are dependent, not on NECR but on B&M's trackage rights over NECR's line between Bellows Falls, VT and White River Junction, VT and on rights that GMRC has for haulage services from B&M over that line. They assert "GMRC's haulage rights over B&M are dependent on B&M's exercise of its trackage rights it received from NECR in *National Railroad Passenger Corp.* [6 I C C 2d 539 (1990)]. The trackage rights granted B&M [over NECR's line] play a significant role in the operations of GMRC and WACR." Vermont Carriers Comments at 4.

The Vermont Carriers' latest claim, of course, is flatly inconsistent with and contradicted by their earlier claim that they are vitally dependent on the haulage services they receive from NECR over NECR's line. In fact, their complaints about trackage

rights service by B&M (actually, Springfield Terminal)²⁷ on that line ignores the fact that the Vermont Carriers have rights to haulage services over that line from both B&M and NECR. Moreover, the claim that they are dependent on the haulage rights they have from B&M is contradicted by the admission of their president, David Wulfson, that they have never even *used* their redundant right to haulage services by B&M. Vermont Carriers Comments, Exhibit 1 at 4.²⁸

Furthermore, the Vermont Carriers' complaints about the B&M/Springfield Terminal rail service over NECR's line in Vermont are unfounded. The frequency of service has averaged considerably more than one round trip per week,²⁹ and it is in any event largely a function of customer demand. The Vermont Carriers also complain that some customers choose to route their traffic over B&M and that "routing is controlled by the customers." Vermont Carriers Comments at 5. *See also* Exhibit 1 (Wulfson V S) at 2 (complaining that "GMRC is not in a position to select the routing.") This remarkable complaint seems to reflect the view that the function of railroads is not to serve the needs and desires of their customers but *vice versa*. Moreover, where customers have a choice of routings, inferior service by one railroad will simply induce them to choose other

²⁷ As explained in the Application, Springfield Terminal is the PARI subsidiary that operates all of the rail lines owned by B&M and other PARI companies.

²⁸ Mr. Wulfson also provided a verified statement supporting the VRS Petition, in which he asserted the Vermont Carriers' dependence on the NECR haulage services.

²⁹ In response to the Vermont Carriers' discovery, Applicants advised that between January 1, 2007 and May 31, 2008, Springfield Terminal operated an average of 20 trains per month (or two and a half round trip trains per week) over the line between East Northfield, MA and Bellows Falls, VT, where Springfield Terminal interchanges traffic with GMRC, and an average of nine trains per month over the less used segment between Bellows Falls and White River Junction.

routing and railroads. The relief the Vermont Carriers seek – to forcibly transfer B&M's operating rights in Vermont to them – would *deprive* rail shippers of the very routing option the Vermont Carriers say they prefer.

The Vermont Carriers also ignore the fact they have worked with Springfield Terminal to improve routings for customers, even though in some cases the new routings have diverted traffic away from NECR's Connecticut River line. In fact, a significant example of this is discussed in the verified statement of Eric Bohn, Manager of Logistics of Omay, Inc., attached as Appendix G to the Vermont Carriers' comments. Mr. Bohn's statement expresses "my company's support for the proposed joint venture between Norfolk Southern and Pan Am Railways" and "urge[s] the Board to approve it as promptly as is possible." Mr. Bohn also explains that Omay's largest North American facility is located in Florence, VT, which is served by VTR. Outbound rail traffic from this facility has been routed via VTR to Rutland, VT, and then via GMRC to Bellows Falls, VT, where it has been interchanged with either NECR (for movement to CSXT at Palmer, MA) or with Springfield Terminal. In 2008, Springfield Terminal re-established an interchange with VTR at Hoosick Junction, NY. Mr. Bohn states that from Hoosick Junction, the traffic from Omay's Florence plant "can now be handled by [Springfield Terminal] east to Maine destinations or west to Rotterdam Junction, New York and Mechanicville, NY for [further movement] via CSX and Norfolk Southern (NS) respectively." Bohn V S at 2.

As stated in the verified statement of Sydney Culliford, a large portion of the traffic referred by Mr. Bohn, consisting of weekly 58-60 car unit trains, is in fact now interchanged by VTR with Springfield Terminal at Hoosick Junction, from where it

moves east and west over what will be the PAS main line. Mr. Culliford explains that this is a much more efficient routing than the previous routing through Bellows Falls, even though it means that less traffic moves over the NECR line south of Bellows Falls.

Contrary to the Vermont Carriers' claims, Applicants have no interest in "downgrading" the lines in Vermont, which in any event are owned by NECR. If there is traffic or potential traffic that can be efficiently and profitably served by PAS on those lines, Applicants and PAS will provide and pursue it. They would have no plausible reason not to. Applicants are hopeful that the more direct routings and improved service that the Transaction will make possible will help to improve car loadings in the upper Connecticut River Valley, where rail traffic has been declining for over half a century. In this regard, the Vermont Carriers' complaint that the Transaction does not include specific plans to upgrade or add the "Connecticut River Line" (Vermont Carrier Comments at 5) ignores the fact that the part of that line of principal concern to them, which is in Vermont, belongs to another railroad, NECR. Moreover, the part of that line that will be owned by PAS will be a key component of its system (as it is today of the PARI system), and the suggestion that it will be downgraded is not only without basis but also highly implausible.

In sum, the Vermont Carriers have not refuted the Board's initial conclusion that the Transaction will not have "an adverse competitive effect on connecting short line and regional carriers," and the further showing in the Application that it will in fact benefit connecting short lines and regional railroads. The Vermont Carriers' request that the trackage rights the ICC granted to B&M in 1990 should be transferred to them is not supported by customers or other connecting carriers and should be denied.

5. Batten Kill Railroad

BKRR is a short line railroad which operates a 34-mile branch line in New York that connects physically to the Springfield Terminal line at Eagle Bridge, NY. At Eagle Bridge, BKRR has interchanged traffic only with CP, which operates to Eagle Ridge via trackage rights over the Springfield Terminal line. According to BKRR, its exclusive interchange to date with CP has been for reasons of practicality and not because of any contractual restrictions. BKRR Comments at 2. BKRR would like to be able to interchange with PAS and with NSR (via a haulage agreement) after the Transaction is consummated, and it asks the Board to impose conditions requiring such interchanges “at the same available service frequency and otherwise competitive to that committed to Vermont Railway at neighboring Patriot Corridor Hoosick Junction.” *Id.* at 7. Its request is supported by a shipper, CaroVail, a division of Carolina Eastern, Inc., and by the New York Department of Transportation.

Applicants have no objection to BKRR interchanging traffic with PAS at Batten Kill after the Transaction. Inasmuch as BKRR will connect physically with PAS at that point, the two railroads will have an obligation to establish reasonable facilities for the interchange of traffic. 49 U.S.C. § 10742. Given that obligation, Applicants see no occasion for the Board to impose a condition on the subject, and there is no warrant for dictating that the interchange be equal in frequency to or “competitive” with that performed with other railroads. The frequency with which railroads interchange traffic depends primarily on customer demand. Moreover, it is well settled that it is not appropriate to impose conditions to equalize service to, or the competitive circumstances of, other parties. *See, e.g., Conrail*, 3 S.T.B. 269-270, *BN/Santa Fe*, 10 I.C.C. 2d at 782.

In negotiating the Transaction, the Pan Am parties agreed to provide haulage services to Norfolk Southern that would allow Norfolk Southern to interchange traffic in its account directly with VTR, NECR and P&W. The negotiated agreements did not include allowing Norfolk Southern to interchange its haulage traffic with other railroads, including BKRR. Inasmuch as the Transaction will not reduce any competitive options or worsen the commercial relationships between Norfolk Southern and those railroads, there would be no warrant for the Board to require that Norfolk Southern be given direct access to BKRR via haulage.

6. Montreal, Maine & Atlantic Railway, Ltd.

MMA operates 754 miles of lines in Maine, Vermont, New Brunswick and Quebec. None of its lines will connect with PAS. Most of MMA's traffic consists of paper and forest products originating in Maine. Some of MMA's traffic moves to Norfolk Southern. It does so, according to MMA, by three principal routes: (1) MMA to an interchange with CP at Montreal, (2) MMA to an interchange with CN at some unnamed location, and (3) MMA to an interchange with Springfield Terminal at Northern Maine Junction, ME. MMA asserts that the "routings with Springfield Terminal are generally disfavored by customers because of slow service over Springfield Terminal. Currently, most of the traffic interchanged between MMA and Springfield Terminal consists of business that terminates on Springfield Terminal and for which Springfield Terminal would act as an overhead carrier." MMA Comments, Verified Statement of Joseph R. McGonigle at 3.

MMA asserts a concern that the Transaction "could lead to a de-emphasis or commercial closing of the Canadian Pacific and Canadian National routes between MMA

and Norfolk Southern, both of which are more efficient than the Pan Am route, as a result of an effort by Norfolk Southern, Pan Am, Springfield Terminal and Pan Am Southern to force MMA-Norfolk Southern traffic to move over the Springfield Terminal-Pan Am Southern route ” McGonigle V S at 4 MMA in its Comments therefore requests the Board “(1) to condition any approval of the transaction by prohibiting the applicants from taking any actions that would adversely impact non-Pan Am Southern routes between MMA and Norfolk Southern, (2) to grant haulage and trackage rights to Norfolk Southern in order to enable it to have a direct interchange with MMA and (3) to retain jurisdiction to monitor the applicants’ performance in connection with the conditions and to grant further relief if warranted ” Mr McGonigle’s supporting statement is even more explicit in defining the prohibited actions “that would adversely impact non-Pan Am routes ” that would mean, he says, “precluding Norfolk Southern, Pan Am Southern, Springfield Terminal and Pan Am Southern from taking any action that would adversely affect the service or pricing on the Canadian National or Canadian Pacific route ” McGonigle V S at 5

Like MERR’s concern discussed earlier, MMA’s claimed concern that this end-to-end Transaction will cause the participants to de-emphasize or foreclose routings in which they do not participate is a familiar one in Board and ICC proceedings, but it has been consistently and correctly rejected by the agency and the courts The Board and the ICC have held many times that end-to-end rail consolidations, even ones involving two or more Class I railroads, generally present no significant competitive concerns *See, e g., CSX Corp et al —Control—Conrail Inc at al* , 3 S T B 196, 248 (1998), *aff’d sub nom Erie-Niagara Rail Steering Committee v STB*, 247 F 3d 437 (2d Cir 2001) (“*Conrail*”)

(“It has been our experience that end-to-end restructurings of this kind rarely result in competitive harm ”)³⁰ They have also found claims that parties to end-to-end Transactions will act to foreclose routings in which they do not participate to be contrary to “logic and experience ” The ICC said “Simply put, there is no reason for a carrier to foreclose an efficient connecting carrier just to achieve a long haul. If a connecting carrier can provide service at a lower cost than can BN/Santa Fe, it is in the interest of all of the carriers to reach an agreement for a joint service ” *Id* at 752 ³¹ As noted earlier, the Board more recently reached the same conclusion in the *KCS-Tex Mex* case *See also, Seaboard Air Line Railroad Company—Merger—Atlantic Coast Line Railroad Company (Petition to Remove Traffic Protective Conditions)*, ICC Finance Docket No 21215 (Sub-No 5) (ICC served March 27, 1995), slip op. at 5. and *Traffic Protective Conditions*, 366 I C C 112 (1982), *rev’d on other grounds sub nom Detroit, Toledo & Ironton R Co v United States*, 725 F 2d 47 (6th Cir 1984)

The courts have affirmed the foregoing conclusions and competitive analysis about the effects of vertical consolidations as well as the agency’s application of them in particular cases *Western Resources, Inc v STB*, 109 F 3d 782 (D C Cir 1997), *Southern Pacific Transp Co v ICC*, 736 F 2d 708, 717-719 (D C Cir 1984)

³⁰ *See also KCS-Tex Mex* (STB served November 29, 2005), slip op at 17 (“An end-to-end transaction, by its very nature, is not likely to generate the kinds of competitive problems that often arise in connection with a ‘parallel’ transaction ”), *Canadian National Ry Co and Grand Trunk Corp—Control—Duluth, Missabe and Iron Range Ry Co et al*, STB Finance Docket No 34424, (STB served April 9, 2004), slip op at 14 (same)

³¹ In a footnote, the Commission observed “A railroad’s choice of using its own single-line route or a joint line alternative route is similar to the ‘make or buy’ decision made by firms throughout the country Railroads, like other firms, normally have no incentive to foreclose efficient alternatives to in-house production ” *Id* at 752, n 95

There is even less reason in MMA's case than in many of the cases cited to suppose that Applicants would or could act in ways to, in Mr McGonigle's words, "force MMA-Norfolk Southern traffic to move over the Springfield Terminal-Pan Am Southern route." McGonigle V S. at 4 In MMA's case, there are two alternative routes, neither of which involve any of the Applicants, by which the traffic can move from origin (MAA) to destination (Norfolk Southern), and according to MMA both of those are preferred by shippers Furthermore, it would make very little sense for Norfolk Southern itself to act to prevent the most efficient routings for traffic destined for Norfolk Southern merely to favor two other railroads only one of which it will have an interest in

In short, MMA's theory of harm is contrary to long-standing and judicially approved precedent, as is the relief it seeks Preventing Applicants from taking any actions that would "adversely impact non-Pan Am Southern routes between MMA and Norfolk Southern" or "adversely affect the service or pricing on the Canadian National or Canadian Pacific route" would be tantamount to freezing existing routings, gateways and rate relationships As the Board stated in *Conrail*, when it rejected such a request "Freezing arrangements, rates and routes would prevent efficiency enhancing changes that benefit shippers The ICC once pursued a policy of freezing routings, gateways and rate relationships, but this policy was not in the public interest, and we will not reinstitute it here " 3 S T B at 276

MMA alternatively suggests that it be given direct access to Norfolk Southern via haulage provided by PAS MMA, in essence, argues that the Board, to prevent the diminution in the relative competitiveness of the two alternative routes vis a vis the PAS route should strengthen MMA's connection with Norfolk Southern via the PAS route

MMA is, of course, seeking to increase its own competitive standing in any way possible, and will take any route the Board will give it to do so. As previously discussed, the Board imposes conditions on its approval of transactions only to ameliorate harms done to competition, and certainly does not do so in order to improve the competitive position of other carriers.³²

7. Milford Bennington Railroad Company, Inc.

MBR operates a line of railroad in New Hampshire between Nashua, NH and Bennington, NH, known as the Hillsborough Branch. It also has trackage rights over 16 miles of line owned by B&M and operated by Springfield Terminal, and operates over two miles of that line to move stone from a Granite State Concrete ("Granite State") excavation site to a Granite State processing facility located on the B&M line. See *Granite State Concrete Co. et al v Boston and Maine Corporation*, STB Docket No. 42083 (STB served September 24, 2004) ("Granite State"). Neither MBR's line or its trackage rights will connect with PAS.

In 2003, MBR and Granite State filed a complaint at the Board against B&M and Springfield Terminal, contending that they had unreasonably interfered with MBR's ability to serve Granite State. After receiving and considering evidence, the Board denied the complaint. It found that "BM/ST" took significant steps to accommodate the shipper once its needs were made clear," and that the B&M track used by MBR

³² Without addressing any of the traditional factors, MMA claims that the Transaction will eliminate MMA's ability to provide essential services to its shippers. Inconsistently, however, Mr. McGonigle claims that one possible effect of the Transaction would be "diversions from rail to truck or other modes," thus showing that there are alternative transportation modes available to customers. *McGonigle V S* at 5

“remained usable at all times, and after the service complaint, BM/ST commenced a track maintenance program that resulted in a return to 10 m p h operation in November 2003, thereby enabling M-B to serve Granite State more efficiently ” *Granite State*, slip op at 4.

There is no basis to support MBR’s claim in this proceeding that the Transaction will have any adverse effect on MBR, much less a substantial adverse effect on *competition* that must be the relevant consideration for the Board under 49 U S C § 11324(d) MBR claims that the Transaction will have the result that “the non Pan Am Southern lines will be ignored, or, at best, afforded only superficial attention,” and “the transaction is likely to improve service to customers that will be served by Pan Am Southern and result in a degradation of service to everyone else ” MBR Comments at 4 MBR provides no facts or reasons to support this claim, which is contrary to the opinion expressed by other railroads in the region, such as CP, P&W, PVRR, NESR, MRR, CCRR and NHNR, as well as the opinions of the transportation agencies of the affected States, including NHDOT

Moreover, it is highly implausible to suppose that PARI would deliberately degrade the assets of its remaining lines after the Transaction and service over those lines in order to improve conditions on and service over PAS, an entity in which it will have only a fifty percent interest Nothing in the *Transaction* would cause PARI to divert its resources and efforts away from its remaining lines to PAS, which will be funded initially by cash from Norfolk Southern PARI will certainly have no interest in hindering MBR’s ability to serve its customers, including Granite State, since PARI and MBR are connecting carriers that do not compete with each other for those customers

The Board's findings in *Granite State* tend, in anything, to refute rather than support any suggestion that either PARI or the Transaction is likely to prevent MBR from providing essential transportation services

The insubstantiality of MBR's claim that the Transaction will cause it harm is further demonstrated by the conditions it asks the Board to impose, all of which concern pre-existing conditions that MBR wants PARI to rectify MBR Comments at 6 There is no basis for the requested conditions, and they should be denied

D. UNIONS

The Application explained that the Transaction is expected to have no adverse effect on railroad employees Application at 8-9, 34-35 In its June 26, 2008 decision accepting the Application for filing, the Board noted this, stating

Employees of Springfield Terminal are currently providing all of the rail service over the PAS Lines The Transaction Agreement and the Railroad Operating Agreement (attached to the Application) state that, after consummation of the Transaction, Springfield Terminal would become the contract operator of the PAS Line, and Springfield Terminal would be required to "act in accordance with its then-current collective bargaining agreements as if the Assets were an integral part of the Springfield Terminal railroad network " Applicants state that the Capital Facilities and Management Agreement (attached to the application) provides that Springfield Terminal would perform work on any capital contract that its labor agreements would require Springfield Terminal to perform under pre-Transaction circumstances unless Springfield Terminal obtains a waiver of any such requirement Thus, according to Applicants, the same employees would be performing the same work under the same agreements for the foreseeable future

In any event, Applicants expect that, as required by 49 U S C 11326 (a), the Board would impose the labor protective conditions set forth in New York Dock Railway – Control – Brooklyn Eastern Dist., 360 I C C 60, 84-90 (1979) (New York Dock), aff'd sub nom New York Dock Ry v United States, 609 F 2d 83 (2d Cir 1979), on the elements of the Transaction that are subject to 49 U S C 11323

Slip op at 7 In addition, the Application noted that “if the Applicants’ expectations on which they have based their very substantial investments in the new venture are realized, increased traffic over the lines will create new jobs for railroad employees over the long term. The planned yard construction and track improvements will also provide additional work for Springfield Terminal employees ” Application at 9

Comments were filed by three pairs of labor unions, the United Transportation Union (“UTU”) and Brotherhood of Locomotive Engineers (“BLET”), jointly, the International Association of Machinists and Aerospace Workers (“IAMAW”) and International Brotherhood of Electrical Workers (“IBEW”), jointly, and the Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters (“BMWED”) and Brotherhood of Railroad Signalmen (“BRS”), jointly While these comments express concerns about the labor protective conditions to be imposed on the Transaction, as discussed below, they do not dispute the facts stated in the Application and noted by the Board

1. United Transportation Union and Brotherhood of Locomotive Engineers and Trainmen

UTU and BLET ask the Board to disapprove the Transaction as “inappropriate ” Alternatively, these unions ask the Board to impose *New York Dock* employee protective conditions on all elements of the Transaction, including the acquisition of rail lines and other assets by PAS pursuant to the related Notice of Exemption filed in STB Finance Docket 35147 (Sub-No 1) pursuant to 49 U S C §10901 and 49 C F R § 1150.31 *et*

seq³³ UTU and BLET characterize the Notice of Exemption filed pursuant to §10901 as unneeded and “clearly subsumed in the greater §11323 transaction,” UTU-BLET Comments at 20. They further ask the Board to grant Springfield Terminal’s employees protective benefits beyond those provided in the standard *New York Dock* conditions “priority of hire” by a future operator of the PAS lines in the event Springfield Terminal is replaced as operator, imposition of their labor agreements on that hypothetical, unknown future operator, or imposition of a requirement, not found in *New York Dock*, that Springfield Terminal negotiate an implementing agreement with respect to the PAS control transaction³⁴

³³ In the Application filed on May 30, 2008, Applicants included as a related notice in the Sub-No. 1 subdocket, a Notice of Intent to File a Verified Notice of Exemption, as required by 49 C.F.R. § 1150.35. Applicants filed the Verified Notice of Exemption on June 27, 2008.

³⁴ UTU and BLET implicitly acknowledge that in asking the Board to order some unknown future successor operator to hire Springfield Terminal’s employees and accept Springfield Terminal’s labor agreements, they are seeking benefits beyond the scope of *New York Dock*. In addition, they reflect a misunderstanding of the requirements of the *New York Dock* conditions when they assert (UTU-BLET Comments at 25-28) that Springfield Terminal has already failed to comply with a supposed requirement that it commence negotiation of implementing agreements at the unions’ request. The *New York Dock* conditions require, in Art. I, §4, that a carrier contemplating a transaction that “may cause the dismissal or displacement of employees or the “rearrangement of forces” -- these are either defined terms or terms of art -- must give its employees and their unions 90 days’ notice of the intended transaction and attempt to negotiate an appropriate implementing agreement. 360 I.C.C. at 85. Those conditions are not met here. Applicants do not anticipate that the contemplated PAS transaction will have any of the effects on employees that would require the giving of notice under Art. I, §4 (and, of course, the protective conditions have not yet been made applicable to the PAS control transaction, although Applicants expect them to be -- so there could be no notice requirement at this time). The protective conditions by their terms do not allow a union to force the negotiation of an implementing agreement in circumstances where advance notice by the carrier is not required and has not been given.

Applicants, including Springfield Terminal, are certainly agreeable to meeting with their employees’ union representatives in order to explain the operational details of the contemplated transaction and to discuss matters of mutual concern. However, it is evident that what UTU and BLET have in mind is that Springfield Terminal would

2. International Association of Machinists and Aerospace Workers and International Brotherhood of Electrical Workers.

IAMAW and IBEW neither support nor oppose the granting of the authorizations requested in the Application. They ask, however, for “the highest level of employee protection.”³⁵

These unions state that they are concerned that the terms of the Transaction do not set a fixed term for PAS’ contract with Springfield Terminal. They say they fear that Springfield Terminal’s employees may be adversely affected if PAS terminates the Springfield Terminal contract and “take[s] over the operations itself with self-imposed substandard wages and working conditions.” IAMAW-IBEW Comments at 3. They acknowledge that Applicants have stated that Springfield Terminal will serve as operator of the PAS properties for “the foreseeable future,” and they ask the Board to order that Applicants may “not use the Section 10901 exemption as a tool for destroying the Springfield Terminal collective bargaining agreements and otherwise avoiding labor protection.” *Id.* at 4. They ask that the Board “apply *New York Dock* to every element of the transaction, including the PAS acquisition.” And, finally, they ask the Board to

negotiate an agreement providing for precisely the employment guarantee and collective bargaining requirements, intended to bind some hypothetical future replacement operator, that *New York Dock* itself would not directly impose. So, in addition to faulting Springfield Terminal for declining their invitation to negotiate an implementing agreement when the protective conditions do not require one, these unions are faulting Springfield Terminal for declining to agree to substantive terms beyond the dictates of the protective conditions.

³⁵ IAMAW and IBEW also suggest that the Board examine the question whether §10901 provides a “proper vehicle” for authorization of the asset transfer to PAS. IAMAW-IBEW Comments at 3 n.1.

condition its approval by requiring that if at some future date a new operator is engaged in place of Springfield Terminal, the new operator must hire all of the Springfield Terminal employees and adopt the Springfield Terminal labor agreements. *Id*

3. Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters and Brotherhood of Railroad Signalmen.

BMWED and BRS ask the Board to impose the *New York Dock* conditions on the primary control Transaction and all of the embraced transactions, together with an additional requirement that Springfield Terminal must continue to serve as operator of the PAS lines or else that Springfield Terminal's employees be hired and Springfield Terminal's labor agreements assumed by any future operator. Further, they contend that the Board should disallow use of the §10901 exemption for the asset transfer, although they say they would neither support nor oppose authorization of the Transaction under §11323.

The Unions Have Articulated No Valid Reason Why The Board Should Either Prevent The Asset Transfer From Proceeding Under The §10901 Class Exemption Or Impose Employee Protective Requirements In Excess Of Those Provided In The *New York Dock* Conditions.

The labor unions challenge the use of a §10901 transaction to accomplish the transfer of B&M's rail lines to PAS. Their practical concern would appear to be that at some future date, if Springfield Terminal employees are adversely affected and ascribe their situation to the establishment of PAS and the engagement of Springfield Terminal as contract operator, PAS (and Springfield Terminal) may assert that whatever adverse consequences the employees have suffered are attributable to the §10901 asset transfer and not to the primary control transaction for which approval is sought under §11323. One event that supposedly could lead to this consequence would be the replacement of

Springfield Terminal as operator of the PAS rail lines. The consequence, the unions fear, is that individual Springfield Terminal employees could be denied the protection of the *New York Dock* conditions that will have been imposed on the primary control transaction but not on the §10901 exemption.

This will not occur. The unions' fear is groundless.

Norfolk Southern and B&M are making appropriate use of the §10901 class exemption to accomplish the asset transfer to PAS, which, upon creation, will initially be a noncarrier. The asset transfer is a precondition to the launch of PAS rail service in New England, including the operating contract with Springfield Terminal. But the asset transfer alone will affect no employee who is not affected by the control transaction, and no employee who is affected by the control transaction will be separately affected, in some distinct way, by the asset transfer. Consequently, Applicants represent that they will not, in connection with a future event, take the position that an Springfield Terminal employee claiming adverse effect may have been affected by the asset transfer but not by the control transaction.³⁶

Use of the §10901 class exemption is unquestionably proper for the PAS asset acquisition. Arguably, at Applicants' option the asset acquisition transaction could have been subsumed in the primary §11323 control application. It does not matter, however, whether the asset acquisition is progressed as a §10901 transaction or a §11323 transaction, the results, from the employees' standpoint, are the same. Use of the

³⁶ This commitment ensures that if any employee is adversely affected by the startup of PAS, he or she will enjoy the protection of the *New York Dock* conditions imposed on the primary control transaction. Obviously Applicants are not, by making this commitment, agreeing that any particular employee will have suffered an adverse effect; they will retain full rights to defend against a future claim, with the exception that they will not assert one specific defense.

exemption procedure will not disadvantage any employees (or any other persons) nor will it deprive any employees of protective benefits to which they might otherwise become entitled in connection with the creation of PAS. There would, accordingly, be no basis for disallowance of the exemption. Of course, §10901 itself precludes the imposition of employee protective conditions on a transaction that falls within its scope. Applicants, moreover, would have no objection if the Board were to determine that the asset transfer to PAS will be integrally related to the elements of the Transaction subject to section 11323 and therefore were to approve all elements of the Transaction, including the asset transfer, under that section.

There is no obstacle, in any event, to the Board's appropriately conditioning its approval of the primary control transaction so as to ensure that employees will not be denied their statutorily mandated benefits should it happen that, at some future time, they are able to attribute an adverse effect to the implementation of Applicants' authority to control PAS. Imposition of the standard *New York Dock* conditions in the approval order will accomplish this result. It is unnecessary for the Board to attempt to define all the circumstances that might arise that could affect employees of Norfolk Southern or any of the PARI parties, including Springfield Terminal. It would be sufficient for the Board in its order simply to acknowledge Applicants' representation, stated above, that they will not attribute a claimed adverse effect to the asset transfer alone.

The Board should certainly decline to adopt the invitation of some unions that it impose limitations on the authority of PAS to oversee and, if necessary, dismiss Springfield Terminal as contract operator of PAS's rail lines, or hire a successor operator. Nor should the Board inject itself into the business arrangement between Norfolk

Southern and the PARI parties and attempt to revise the agreed arrangements for joint governance of PAS. In particular, the Board should reject the suggestion that it dictate an assured role for Springfield Terminal -- or for Springfield Terminal's current employees, or for their current union representatives -- in future operations over PAS' lines. Any such action by the Board, taken in the name of employee protection, would exceed the level of benefits provided in the *New York Dock* conditions. The unions have made no showing that extraordinary benefits would be justified in this case.³⁷

Nor should the Board attempt to impose employee protection now, in these proceedings, on the hypothetical future replacement of Springfield Terminal as contract operator of the PAS lines. Such an event is undefined and its effects on employees are conjectural. The Board obviously cannot attempt now to regulate, and impose conditions on, a future event that may or may not be subject to the Board's regulatory authority. Moreover, extending the *New York Dock* benefits that are imposed on the principal PAS control transaction specifically to cover a future event -- which may or may not be subject to employee protective conditions imposed in some future decision -- would amount to an unwarranted expansion of the conditions. The unions have not cited, and cannot cite, any ICC or Board precedent for such an expansion.

³⁷ The ICC and the Board have made clear, on innumerable occasions, that in the absence of "unusual circumstances," the *New York Dock* conditions are the appropriate measure of employee protection to be imposed in accordance with 49 U.S.C. §11326. E.g., *CSX Corp. and CSX Transp., Inc. v. Norfolk Southern Corp. and Norfolk Southern Ry. --Control and Operating Leases/Agreements--Conrail Inc. and Consolidated Rail Corp.*, 3 S.T.B. 196, 331 (1998), *Rio Grande Industries, Inc. v. SPTC Holding, Inc. and Denver & Rio Grande Western R.R. --Control--Southern Pacific Transp. Co.*, 4 I.C.C. 2d 834, 954 (1988), *Railroad Consolidation Procedures*, 363 I.C.C. 784, 793 (1981).

E. OTHER PARTIES

1. Omayya, Inc.

As noted in connection with the comments of the Vermont Carriers, Erik Bohn, Director, Logistics of Omayya Inc submitted a verified statement providing “my company’s support for the proposed joint venture between Norfolk Southern and Pan Am Railways ” Bohn V S , page 1 Mr. Bohn states “We believe this transaction can be in the best interests of New England businessses for expanding rail service alternatives from, to and within New England The transaction should promote rail infrastructure improvements along one of the primary rail arteries in New England ” *Id* at 2

Mr Bohn also asks “that the Board carefully evaluate the potential of any negative impact(s), even if unintended, on a number of regional Class III railroads, upon which my company depends heavily ” Bohn V S , page 1 Applicants are confident the Board will carefully evaluate any such potential impacts For the reasons previously discussed, the Transaction will not harm, but will in fact, benefit, the Vermont Carriers and other short line and regional railroads with which PAS will connect, and will specifically benefit Omayya

2. GATX Corporation

GATX, a railcar leasing company, filed comments in support of the Transaction Although GATX, like some other commenters, states that it has had difficulty collecting payments due in the past from Springfield Terminal, it supports the Transaction based on assurances that car-related charges associated with operations on PAS lines in the future in the normal course of business will be debts of PAS, not Springfield Terminal

3. CaroVail, a division of Carolina Eastern, Inc.

CaroVail, a shipper of potash, phosphates and urea, has a plant at Salem, NY served by BKRR. CaroVail filed comments supporting the conditions requested by BKRR. As stated in connection with BKRR's comments, Applicants have no objection to BKRR interchanging traffic with PAS but submit that the specific conditions requested by BKRR are unwarranted.

4. U.S. Clay Producers Traffic Association

USCPTA is an association of producers of kaolin, a clay used for, among many other uses, coating paper. Its president, Thomas G. Flaherty, states that "many members ship their product in slurry form in private tank cars to the paper mills located in the Northeast United States." USCPTA Comments, Flaherty V S, page 1. He asserts that "[m]ost of our member companies report having private tank car mileage allowance collection problems with Springfield Terminal. Producers fear that unless Springfield Terminal is required to account for its outstanding mileage obligations and arrange for payment, the prospects for collection will be jeopardized once PAN AM and its subsidiaries undertake their new obligations." *Id.* at 3. Because of this concern, USCPTA asks the Board to impose conditions requiring (1) "that Pan Am Railways and its subsidiaries pay then certify that all allowed mileage compensation owed to private car owners has been paid prior to consummation of the transaction," (2) "the parties provide among themselves for reporting and payment of private car compensation," and (3) "that post-transaction Pan American Railways and its subsidiaries will make timely certified payment of all future allowed mileage compensation accruing to private car owners." USCPTA Comments at 3-4.

For the reasons discussed earlier in response to similar conditions requested by EOTPW and NESR, there is no basis for the conditions requested by USPTCA. The Transaction will not affect or diminish the ability of any party to collect monies due to it from PARI or its subsidiaries now or in the future. If anything, the Transaction is likely to improve the prospect of collecting such monies, (as, for example, NESR states in its comments)³⁸, but in any case, facilitation of debt collection is not a proper function of conditions the Board should impose on transactions subject to its approval.³⁹

5. The Committee To Improve Rail Service In Maine

The Committee to Improve Rail Service In Maine ("CTIRSIM") states that it is "a group comprised of business, political and civic leaders,"⁴⁰ and it requests a laundry list of conditions that would require PARI to, among other things, upgrade tracks in Maine and maintain a locomotive and railcar fleet at specified levels and conditions in Maine. This request is based on complaints about the poor state of rail service to date in Maine and the Committee's concern "that the formation of Pan Am Southern could lead to further reductions of rail service in Maine." CTIRSIM Comments at unnumbered page 4.

CTIRSIM offers no basis to support its alleged concern that the Transaction "could lead to further reductions in rail service in Maine," and, as discussed in connection with other comments, any such claim is highly implausible. Far more significant in this

³⁸ Furthermore, as GATX recognizes in its comments, any mileage allowances or other car-related charges associated with operations over the lines of PAS if the Transaction is approved, will be obligations of PAS, not of Springfield Terminal or other PARI subsidiaries.

³⁹ USCPTA's Comments do not identify its members (other than Mr. Flaherty's company) or indicate the magnitude or details of the sums alleged owned to its members by Springfield Terminal.

⁴⁰ Other than the Chairman of the Committee, no such persons are identified.

regard than CTIRSM's speculations are the comments filed by the State of Maine, which states that "the State of Maine supports this transaction and believes that, as proposed, it will result in improved rail service for the State of Maine and the region "

6. Consultant Group of Hecking and Remington, LLP

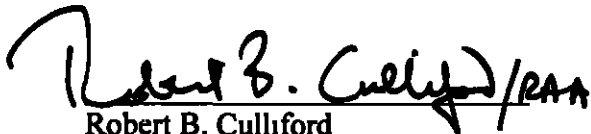
Two individuals who identify themselves as a "consulting group" and who appear to be employees, or former employees, of companies affiliated with PARI, filed comments on August 7, 2008 which assert various complaints against principals of PARI and cite various proceedings. None of these appear related in any way to the Transaction, and these individuals request no specific relief with respect to the Transaction except a generalized request that the Board "critically review whether the Mellon Group can be relied upon in these matters, or in any other matter before the Board ." Inasmuch as the Transaction stands on its own merits and as no specific relief is requested, Applicants submit that these comments do not call for a response from the Board.

CONCLUSION

On the basis of the evidence, reasons and authorities contained herein and in the Application and supporting exhibits and appendices, the Board should approve the elements of the Transaction subject to this Application pursuant to 49 U.S.C. §§ 11322 and 11323, to permit the related notices of exemption filed under 49 C.F.R. Parts 1150 and 1180 to go into effect, and to declare pursuant to 49 U.S.C. § 11321 that PAS will have authority to conduct operations pursuant to the trackage rights assigned to PAS by Springfield Terminal as fully and to the same extent as Springfield Terminal could, notwithstanding any clauses in any such trackage rights agreement limiting or prohibiting

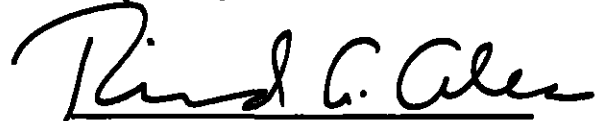
Springfield Terminal's unilateral assignment of its operating rights to another person.

The Board should also deny all requests for conditions except as specifically agreed to above and in the Application



Robert B. Culliford
Senior Vice President and General Counsel
Pan Am Railways, Inc
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Portsmouth, NH 03801
(603) 766-2002

Respectfully submitted,



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*Attorney for Pan Am Railways, Inc., Boston and
Maine Corporation and Springfield Terminal
Railway Company*

*Attorneys for Norfolk Southern
Railway Company*

September 5, 2008

EXHIBITS



NEW ENGLAND CENTRAL RAILROAD, INC

2 Federal Street • Suite #201 • St Albans, VT • 05478-2003 • Phone 802 527 3411 • Fax 802 527 3482

September 4, 2008

Mr. John Friedmann, Vice President-Strategic Planning
Norfolk Southern
3 Commercial Place
Norfolk, VA 23510

Mr. David Fink, President
Pan Am Railways
1700 Iron Horse Park
North Billerica, MA 01862

RE Pan Am Southern

Gentlemen:

The New England Central Railroad, Inc ("NECR"), a subsidiary of RailAmerica, Inc ("RailAmerica"), enters this settlement agreement with Norfolk Southern ("NS") and Pan Am Railways, Inc. ("PAR") to resolve issues between the parties concerning the creation of the Pan Am Southern LLC ("PAS") pursuant to an application filed with the Surface Transportation Board (the "Board"). The application before the Board is identified as 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 "Application").

The Application requests that the physical connection between PAS and NECR at Millers Falls, MA be reestablished as a point of interchange between PAS and NECR. In addition, the Application requests that the trackage rights PAR currently has over the NECR's Connecticut River Line be assigned to PAS.

In settlement of the issues between the NECR, NS and PAR, the parties agree as follows:

1 By September 5, 2008, the RailAmerica, and its subsidiaries NECR and the Connecticut Southern Railroad ("CSO") (the RailAmerica Parties) will file a statement with the Board supporting the Application and requesting that the Board approve the Application subject to the conditions agreed upon in this settlement agreement.

2 NECR and PAS shall enter into (i) an interchange agreement that will establish an interchange at Millers Falls, MA; (ii) an operating agreement for the construction and operation of the physical connection at Millers Falls, MA, and (iii) an agreement to concentrate their interchange at Millers Falls, MA (the "Millers Falls Condition"). The agreements implementing the Millers Falls Condition shall be executed prior to the effective date of the approval of the Application and shall take effect on the date the transaction approved under the Application is consummated.



A RailAmerica Company

September 4, 2008
Page Two

3. NECR will enter into an agreement with PAR and PAS agreeing to the assignment of the trackage rights granted in *Amtrak-Conveyance of B&M in Conn River Line in VT & NH*, 4 I.C.C.2d 761 (1988) and the agreement approved in *Amtrak-Conveyance of B&M in Conn River Line in VT & NH*, 6 I.C.C.2d 539 (1990) from PAR to PAS effective on the date the transaction approved under the Application is consummated.

4. NECR and PAS will enter into a haulage agreement whereby NECR will provide haulage services for PAS, to be used at PAS's option, on the Connecticut River Line between Millers Falls, MA and White River Jct., VT. Haulage service will include service to PAS customers on the Line, as well as to PAS interchange points at White River Jct., Bellows Falls, Brattleboro, West River, and Windsor, VT., and Claremont Jct., NH.

5. The RailAmerica Parties, NS and PAR will submit this settlement agreement to the Board no later than September 5, 2008, and ask that it be imposed as a condition of the approval of the Application, subject to the standard labor protection imposed on the remainder of the Application.

The NECR and CSO look forward to a productive partnership with PAS.

Please sign this settlement agreement in the space provided.

Yours truly,

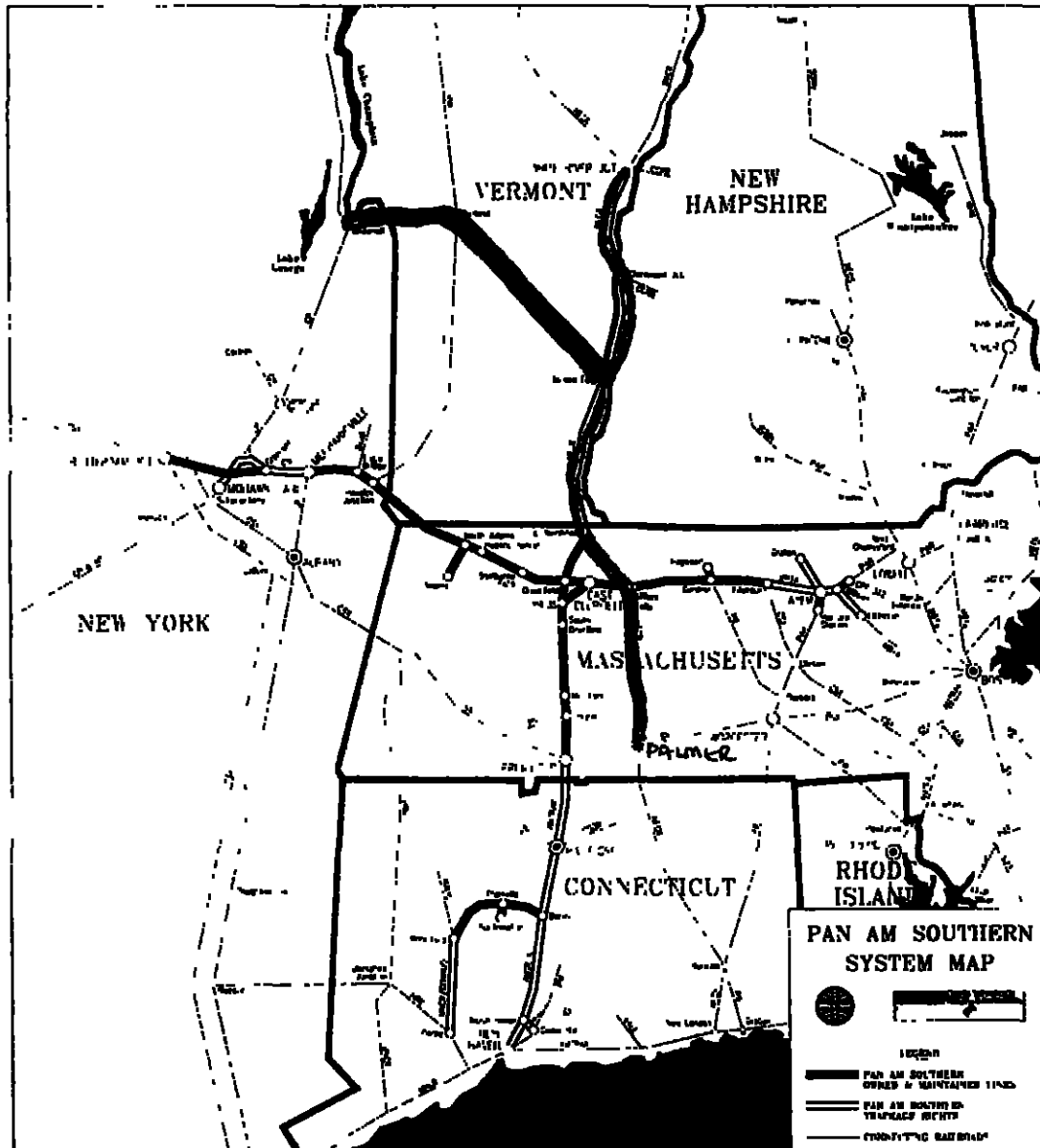


Paul A. Lundberg
Senior Vice President - Strategic Relations
For the New England Central Railroad
And for RailAmerica


For Norfolk Southern
For Pan Am Railway

EXHIBIT 2

PAN AM SOUTHERN LLC SYSTEM MAP AND PRE-EXISTING HAULAGE RIGHTS OF "VERMONT RAILWAY SYSTEM" ("VRS") AND NEW ENGLAND CENTRAL RAILROAD AS CLAIMED BY VRS



Asserted VRS haulage rights over NECR



Asserted NECR haulage rights over VRS



VERIFIED STATEMENT OF ROBERT B. CULLIFORD

Robert B Culliford states as follows

1. I am Senior Vice President and General Counsel of Pan Am Railways, Inc , an applicant in this matter and the parent company for additional applicants Springfield Terminal Railway Company (“Springfield Terminal”) and Boston and Maine Corporation (“B&M”) (collectively “PARI”) My business address is 400 Amherst Street, Suite 405, Nashua, New Hampshire 03063 I make this statement in support of Applicants’ Response to Comments and Requests for Conditions and Rebuttal In Support of Application (“Applicants’ Response”) in Surface Transportation Board (“STB”) Docket No. 35147

2 In 1976, B&M sold certain of its lines to the Massachusetts Bay Transportation Authority (“MBTA”) for commuter rail operations, retaining an exclusive easement to perform freight operations over those lines A portion of this freight easement extends from Littleton, Massachusetts to Fitchburg, Massachusetts (the “Segment”), and is a necessary component to the formation and proposed operations of Pan Am Southern LLC (“PAS”) In 1987, B&M assigned its freight operating easement over MBTA lines to its affiliate, Springfield Terminal Exhibit 1 to this statement is a letter notifying MBTA of this assignment

3 In advance of the application filed in this matter on May 30, 2008 (“Application”), Sydney B Culliford, Executive Vice President of PARI’s subsidiaries, and I met with John D Ray, Director of Commuter Rail Operations of MBTA, and Joseph Cosgrove, the MBTA’s Director of Planning, on or about May 7, 2008 at

MBTA's offices in Boston, Massachusetts to describe the elements of the Transaction (as that term is defined in the Application) and to inform them of Applicants' intent shortly to file the Application to obtain STB approval of the Transaction

4. As part of this discussion, Mr Cosgrove and Mr Ray were informed that the Transaction for which Applicants would be seeking STB approval would include the formation of a new railroad, Pan Am Southern LLC ("PAS"), and the assignment by Springfield Terminal to PAS of that portion of the freight easement over the Segment as well as PAS's grant of certain trackage rights over the Segment to Norfolk Southern and Springfield Terminal. To demonstrate these rights, I presented Mr Ray and Mr Cosgrove with a written document identifying each set of rights, which we discussed briefly. Because the proposed formation of PAS was not publicly known at the time, I requested that these documents be returned to me at the end of the meeting, and they were subsequently destroyed.

5 Mr Ray's response to this information was generally supportive and expressed his recognition that the Transaction would have little, if any, effect on MBTA's commuter rail operations. I informed Mr Ray that PARI would appreciate MBTA support for this transaction, and I asked if the Application could include a statement that MBTA does not oppose the assignment of the freight easement and the grant of certain trackage rights over the Segment. Mr Ray agreed with this request.

6 On or about June 5, 2008, David A. Fink, president of PARI's subsidiaries, Sydney Culliford and I attended a meeting with Thomas Cahir, Wendy Stern and other EOPTW representatives at EOPTW offices in Boston to further discuss the

although the details of any such agreement would need to be negotiated which would require a significant amount of time to complete. He explained the Transaction Agreement provisions regarding furthering the introduction and expansion of passenger traffic on the PAS lines. Further, Mr. Edwards also suggested that if EOTPW and MBTA refrained from filing an objection to the Application to allow time for these negotiations, the Applicants would immediately devote substantial resources to the issue and would not challenge a late filing (over the coming few weeks) by EOTPW or MBTA objecting to the assignment of the 1976 Easement if for some reason those intensified negotiations for the expansion of commuter rail service on PAS was not successful. EOTPW and MBTA acknowledged this offer and stated that they would provide a response to the offer by Friday, August 8, 2008. Rather than accept this offer, however, EOTPW and MBTA simply filed their comments with the STB.

10 On another subject, Pioneer, Valley Railroad ("PVRR"), a wholly-owned subsidiary of Pinsky Railroad Company ("Pinsky"), operates a rail line between Westfield, MA, where PVRR connects and interchanges traffic with CSX Transportation, Inc. ("CSXT") and Holyoke, MA. PARI and Norfolk Southern Railway Company ("Norfolk Southern") have had discussions with PVRR about the rehabilitation and re-activation of an out-of-service interchange facility with Springfield Terminal (and, after the Transaction, with PAS) at Holyoke. PVRR filed comments in this proceeding on August 11, 2008 expressing its conditional support for the Transaction "[c]ontingent on the successful completion of those discussions." Subsequently, PARI, Norfolk Southern and PVRR have had further discussions which have resulted in an understanding memorialized in a letter dated August 20, 2008 from myself and a Norfolk

Southern representative to Mr John Levine, President of Pinsky, attached as Exhibit 2 to this statement

11 Also, on September 4, 2008, PARI and Norfolk Southern reached a settlement agreement with RailAmerica, Inc and its subsidiary, New England Central Railroad, Inc ("NECR"), which is set forth in a letter attached as Exhibit 1 to Applicants' Response. Among other things, the parties have agreed to the establishment of an interchange between NECR and PAS at Millers Falls, MA. Further, the parties have agreed to enter into a haulage agreement pursuant to which NECR may provide haulage services to PAS between White River Junction, VT and Millers Falls, which PAS will have the option to use in addition to the trackage rights PAS will obtain over that NECR's line between White River Junction, VT and East Northfield, MA. The interchange at Millers Falls will be more efficient than the existing interchange between Springfield Terminal and NECR at Brattleboro, VT.

VERIFICATION

I, Robert B. Culliford, verify under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement.

A handwritten signature in black ink, appearing to read "Robert Culliford", is written over a horizontal line.

Robert B. Culliford

Executed on September 4, 2008.



**DELAWARE & HUDSON RAILWAY COMPANY
MAINE CENTRAL RAILROAD COMPANY**

**IRON HORSE PARK
NO BILLERICA, MASS 01862**

July 22, 1987

Mr. James F. O'Leary
General Manager
Massachusetts Bay Transportation Authority
10 Park Plaza
Boston, Massachusetts 02116

Dear Mr. O'Leary:

As was discussed at our previous meetings with yourself and Secretary Salvucci, this will confirm that the Boston and Maine Corporation will turn over its freight operations in the Boston area to Springfield Terminal Railway Company.

Springfield Terminal is a wholly-owned subsidiary of Guilford Transportation Industries, Inc., which is the parent of B&M as well. Springfield Terminal is a class III carrier which has already taken over various operations of B&M and of Maine Central, another Guilford Railroad subsidiary.

In general terms, B&M has leased to Springfield Terminal the lines which B&M still owns. In connection with the leases, B&M has assigned the freight easement rights which were reserved in the 1976 deed which conveyed B&M's commuter rail lines to MBTA. With the lease of B&M owned lines and the assignment of the freight easement rights, Springfield Terminal will be in a position to take over the operations presently performed by B&M in the Boston area.

Regarding the issues of liability and compensation, Springfield Terminal will comply with the provisions of the deed dated December 24, 1976 between the Massachusetts Bay Transportation Authority and the Trustees of the Boston and Maine Corporation.

It is our intent to commence operations over part or all of the aforementioned lines on or after Monday, July 27, 1987. Copies of the applicable Verified Notices of Exemption, as submitted to the I.C.C., are enclosed.

Very truly yours,

A handwritten signature in dark ink, appearing to read "David A. Fink". The signature is written in a cursive style with a large initial "D".

David A. Fink,
Chairman, President, and Chief
Executive Officer
Guilford Transportation Industries-
Rail Division

Enclosures



PAN AM RAILWAYS
IRON HORSE PARK
NO. BILLERICA, MA 01862

August 20, 2008

John P. Levine
President
Pinsly Railroad Company
53 Southampton Road
Westfield, MA 01085-1375

Dear John:

We are writing to memorialize the terms of an understanding between Norfolk Southern, Pan Am, and Pioneer Valley Railroad to improve options for rail customers of Pioneer Valley and to increase overall opportunities for rail freight in New England.

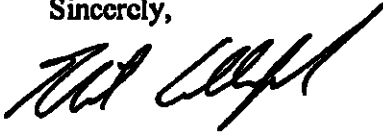
PVRR is one of the country's oldest short lines, but its innovative solutions for customers earned PVRR a 2007 ASLRRRA marketing award. Its service to customers, and its commodity and geographic reach, make it a natural partner with Pan Am Southern (PAS) Norfolk Southern, Pan Am Railways, and Pioneer Valley have reviewed the business opportunities, and have concluded that the opportunity to grow rail traffic between Pan Am, Norfolk Southern and Pioneer Valley is greatly improved by the creation of Pan Am Southern, as proposed in STB Finance Docket 35147.

To realize this potential, PAS and PVRR agree to jointly improve the connections between their two systems. Currently, the existing interchange between Pan Am and Pioneer Valley at Holyoke, MA is not operational, and no rail traffic moves through the interchange. Within six months following approval of the PAS transaction by the Surface Transportation Board and negotiation of a mutually acceptable interchange agreement, PAS and PVRR agree to each restore their own portions (each at their own cost) of the existing interchange tracks at Holyoke to a standard that will permit safe and efficient interchange of traffic between PAS and PVRR.

Norfolk Southern and PanAm will JOINTLY direct Pan Am Southern's activities, including its commercial activities. It is the intent of Norfolk Southern and Pan Am to structure Pan Am Southern's pricing and service offerings to promote the growth of rail traffic with its connection carriers, including new traffic between Pan Am Southern and Pioneer Valley.

We look forward to working with you and Pioneer Valley to grow our businesses together in the future.

Sincerely,



Robert B. Culliford
Senior Vice President &
General Counsel
Pan Am Railways

John Friedmann
Vice President Strategic Planning
Norfolk Southern Railway

Agreed:

John P. Levine
President
Pinsly Railroad Company

VERIFIED STATEMENT OF SYDNEY B. CULLIFORD

Sydney B Culliford states as follows

1. I am Executive Vice President and General Counsel of Springfield Terminal Railway Company ("Springfield Terminal") and Boston and Maine Corporation ("B&M") (collectively "PARI"), two of the applicants in this matter. My business address is Iron Horse Park, North Billerica, Massachusetts 01862. I make this statement in support of Applicants' Response to Comments and Requests for Conditions and Rebuttal In Support of Application in Surface Transportation Board ("STB") Docket No 35147.

2. In advance of the application filed in this matter on May 30, 2008 ("Application"), Robert B Culliford, Senior Vice President and General Counsel of PARI, and I met with John D Ray, Director of Commuter Rail Operations of MBTA, and Joseph Cosgrove, the MBTA's Director of Planning, on or about May 7, 2008 at MBTA's offices in Boston, Massachusetts to describe the elements of the Transaction (as that term is defined in the Application) and to inform them of Applicants' intent shortly to file the Application to obtain STB approval of the Transaction.

3. As part of this discussion, Mr Cosgrove and Mr Ray were informed that the Transaction for which Applicants would be seeking STB approval would include the formation of a new railroad, Pan Am Southern LLC ("PAS"), and the assignment by Springfield Terminal to PAS of that portion of the freight easement over the Segment as well as PAS's grant of certain trackage rights over the Segment to Norfolk Southern and Springfield Terminal. To demonstrate these rights, Mr Robert Culliford presented Mr

Ray and Mr Cosgrove with a written document identifying each set of rights, which we discussed briefly Because the proposed formation of PAS was not publicly known at the time, Mr Culliford requested that these documents be returned to him at the end of the meeting, and they were subsequently destroyed

4 Mr Ray's response to this information was generally supportive and expressed his recognition that the Transaction would have little, if any, effect on MBTA's commuter rail operations Mr Robert Culliford informed Mr Ray that PARI would appreciate MBTA support for this transaction, and he asked if the Application could include a statement that MBTA does not oppose the assignment of the freight easement and the grant of certain trackage rights over the Segment Mr Ray agreed with this request

5 On or about June 5, 2008, David A. Fink, president of PARI's subsidiaries, Robert Culliford and I attended a meeting with Thomas Cahir, Wendy Stern and other EOPTW representatives at EOPTW offices in Boston to further discuss the Application and possible support of the transaction by EOPTW The next business day, a copy of the Application was delivered to Mr Cahir

6 Between June 5, 2008 and late July, neither I nor, to the best of my information and belief, anyone else associated with PARI was contacted by MBTA or EOPTW to discuss any concerns that either party might have had with the Application, the formation of PAS, or the assignment of freight operating rights and the granting of trackage rights over the Segment

7 On August 6, 2008, Robert Culliford, Roger Bergeron, John Edwards of Norfolk Southern and I met with representatives of EOPTW and MBTA to discuss the

Application and possible support of the transaction by EOPTW The next day, a copy of the Application was delivered to Mr. Cahir

7 Between June 5 and late July, neither I nor, to the best of my information and belief, anyone else associated with PARI was contacted by MBTA or EOPTW to discuss any concerns that either party might have had with the Application, the formation of PAS, or the assignment of freight operating rights and the granting of trackage rights over the Segment

8. It was not until late July that Mr. Cahir first stated that EOPTW and MBTA may have concerns with the assignment of the 1976 Easement or the grant of trackage rights, although he cited no specific issues Subsequently, Mr. Cahir stated that EOPTW was unwilling to consent to the assignment of the 1976 Easement to PAS or the grant of certain trackage rights unless other ancillary issues, such as the grant of certain trackage rights to MBTA and the payment of certain monies claimed due from PARI by MBTA, were addressed

9. On August 6, 2008, Sydney Culliford, Roger Bergeron, John Edwards of Norfolk Southern Corporation and I met with representatives of EOPTW and MBTA to discuss the Application as well as the desire of EOPTW and MBTA to expand commuter rail service to lines owned by PARI that will be contributed to PAS At that meeting, EOPTW stated its intent to file an objection to the Applicants' request for a declaratory order assigning the 1976 Easement to PAS, notably because EOPTW and MBTA felt that they would lose any leverage that might exist to negotiate for an expansion of commuter rail service in Massachusetts and New Hampshire Mr. Edwards informed EOPTW and MBTA that PAS would not likely to be opposed in principle to such an expansion,

Application as well as the desire of EOTPW and MBTA to expand commuter rail service to lines owned by PARI that will be contributed to PAS. At that meeting, EOTPW stated its intent to file an objection to the Applicants' request for a declaratory order assigning the 1976 Easement to PAS, notably because EOTPW and MBTA felt that they would lose any leverage that might exist to negotiate for an expansion of commuter rail service in Massachusetts and New Hampshire. Mr. Edwards informed EOTPW and MBTA that PAS would not likely be opposed in principle to such an expansion, though the details of any such agreement would need to be negotiated which would require a significant amount of time to complete. Further, Mr. Edwards also suggested that if EOTPW and MBTA refrained from filing an objection to the Application to allow time for these negotiations, the Applicants would not challenge a late filing by EOTPW or MBTA objecting to the assignment of the 1976 Easement if for some reason negotiation for the expansion of commuter rail service on PAS was not successful. EOTPW and MBTA acknowledged this offer and stated that they would provide a response to the offer by Friday, August 8, 2008.

8. Recently, ST reached an agreement with Vermont Rail System railroads to relocate their principal interchange point from Bellows Falls, Vermont to Hoosick Junction, New York. This new interchange point is where which traffic from Vermont customers such as Omayia, Inc. is now primarily transported. The Hoosick Junction interchange point was selected to increase the efficiency of the transportation of such traffic, principally by avoiding the necessity to move cars through PARI's Deerfield Yard, significantly reducing travel times. A large amount of the traffic, consisting of weekly 58-60 car unit trains, is in fact now interchanged by the Vermont railroads with

Springfield Terminal at Hoosick Junction, from where it moves east and west over what will be the PAS main line. This is a much more efficient routing than the previous routing through Bellows Falls, even though it means that less traffic moves over the New England Central Railroad line south of Bellows Falls

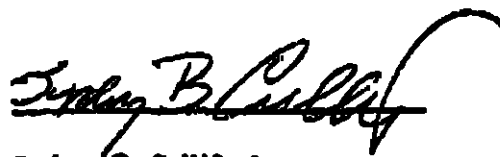
09/04/2008 14:30 FAX 8868119
09-05-'08 09:59 FROM-

MAIN EASTERN RAILROAD

T-098 P01/01 U-463

VERIFICATION

I, Sydney B. Culliford, verify under penalty of perjury that the foregoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement.

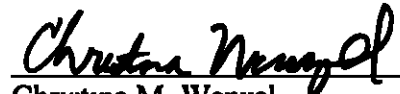


Sydney B. Culliford

Executed on September 4, 2008.

CERTIFICATE OF SERVICE

I certify that I have this 5th day of September, 2008 served a copy of the foregoing Applicants' Response To Comments And Requests For Conditions And Rebuttal In Support Of Application in STB Finance Docket No 35147, by first class mail, postage prepaid, upon all the parties of record


Christina M Wenzel

223546

NS/PA-5

Before The
Surface Transportation Board

Finance Docket No. 35147



NORFOLK SOUTHERN RAILWAY COMPANY, PAN AM RAILWAYS INC., ET AL
—JOINT CONTROL AND OPERATING/ POOLING AGREEMENTS—
PAN AM SOUTHERN LLC

VOLUME 2 OF 2

**APPENDIX
TO
APPLICANTS' RESPONSE TO COMMENTS AND REQUESTS
FOR CONDITIONS AND REBUTTAL IN SUPPORT OF APPLICATION**

Robert B Culliford
Senior Vice President and General Counsel
Pan Am Railways, Inc
400 Amherst St , Suite 405
Nashua, NH 03063
(603) 816-0042

Richard A. Allen
Christina M Wenzel
Zuckert, Scoutt & Rasenberger, LLP
888 Seventeenth Street, NW
Suite 700
Washington, DC 20006
(202) 298-8660

James A Hixon
William A Galanko
John V Edwards
David L Coleman
Helen M Hart
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510
(757) 629-2838

ENTERED
Office of Proceedings

SEP 05 2008

Part of
Public Record

*Attorney for Pan Am Railways, Inc , Boston
and Maine Corporation and Springfield
Terminal Railway Company*

*Attorneys for Norfolk Southern Railway
Company*

Dated September 5, 2008

PERSONS AND ENTITIES SUBMITTING SUPPORTING LETTERS (ATTACHED)

SHIPPERS

Agri Services of Brunswick, LLC	Lane Construction Corporation
All States Asphalt, Inc	Madison Paper Industries
Alliance Shippers, Inc	Maple Leaf Distribution Services, Inc
American Honda Motor Co , Inc	Mason Dixon Intermodal, Inc
Anheuser-Busch, Inc	Matson Integrated Logistics, Inc
Audax Transportation, Inc	Mazda North American Operations
B&D Advanced Warehouse Corp , Inc	Mercedes-Benz USA, LLC
Bartlett and Company	Mitsubishi Motors North America, Inc
Blue Seal Feed, Inc	Moosehead Breweries, Ltd
Bulk Service Corp	New Hampshire Northcoast
Cain's Foods, L P	Newly Weds Foods, Inc
Catania-Spagna Corp	Northeast Paper Services, Inc
Celtic International, LLC	Pacella Trucking Express, Inc
Chevron Phillips, LLP	PolyOne Distribution Corp
Container Port Group, Inc	Port Elizabeth Terminal & Warehouse Corp
Cushing Transportation, Inc	RoadLink Intermodal Logistics
E W Larson's Reload, Inc	ROAR Logistics, Inc
Eagle Systems, Inc	R V J , Inc
Eastport Port Authority	Sappi Fine Paper North America, Ltd
Firestone Building Products Company	Sea-3, Inc
FirstLight Power Resources	Spaulding Brick Company Co , Inc
Ford Motor Company	Specialty Minerals, Inc
Formosa Plastics Corporation, U S A	Sterilite Corporation
George Apkin & Sons, Inc	Subaru of America, Inc
Global Companies, LLC	Total Transportation Services, LLC
H&M International Transportation , Inc	Toyota Motor Sales, U S A , Inc
Hanjing Shipping Company, Ltd	Trailer Transport Systems, Inc
Hendrix Wire and Cable Inc	United Parcel Service, Inc

Holland Company, Inc
HUB Group, Inc
Intermodal Ramp Management
Interstate Commodities, Inc
J B Hunt Transportation, Inc
Katahdin Paper Company, LLC
"K" Line America, Inc

United States Gypsum Company
Verso Paper Corp
Werner Enterprises, Inc
Wheels Clipper, Inc
White Arrow, Inc
Wood Structures, Inc
WTE Corporation

GOVERNMENT OFFICIALS AND COMMUNITIES

Board of Supervisors, Saratoga County, NY
County of Washington, ME
Mechanicville, NY
New York State Assemblyman Roy McDonald
Public Service of NH
Stillwater, NY
Saratoga Economic Development Corporation
U S Congressmen John W Olver and James McGovern representing Massachusetts Districts 1 and 3
U S Congresswoman Kirsten Gillibrand of New York District 20

RAILROADS

Amtrak
Canadian Pacific Railroad
Claremont Concord Railroad Corporation
Iowa Interstate Railroad
NB Southern Railway
New Hampshire Northcoast
Northern New England Passenger Rail Authority
Sandersville Railroad Co

SHIPPERS

Correspondence



AGRI Services

OF BRUNSWICK LLC

P.O. Box 38 • Brunswick, Missouri 65236

July 9, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RECEIVED
JUL 10 2008
STB

RE. Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No XXXXX

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Bill Jackson, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 9th day of July, 2008

Sincerely,

Bill Jackson
General Manager



All States Asphalt, Inc.

PO Box 91, Sunderland, MA 01375 • 413.665.7021

Correspondence

JUN 11 2008
RECEIVED

May 29, 2008

Anne K. Quinlan, Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE Proposed Norfolk Southern/Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization and more competitive rates

The proposed transaction would increase New England shippers' ability to access the US rail network by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

ALL STATES ASPHALT, INC

Richard J. Miller
Executive Vice President

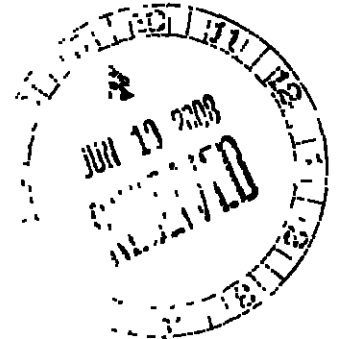
RJM/rb

ALLIANCEshippers inc.

Correspondence

June 13, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am Senior Vice President at Alliance Shippers, Inc. My company, Alliance Shippers, Inc. and Intermodal Marketing Company.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

I, Steven M. Golich, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this June day of 13, 2008

Sincerely,


Steven M. Golich
Senior Vice President

/cz

HONDA

American Honda Motor Co., Inc.
1919 Torrance Blvd
Torrance, CA 90501-2746
Phone (310) 783-2000

June 24, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer American Honda's support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve.

I am the Assistant Vice President of Sales and Logistics Planning for American Honda based in Torrance, California. American Honda distributes 82% of its Honda and Acura automobiles using the rail system of the various railroads.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
2. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
3. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

I, Dennis Manns, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 24th day of June, 2008.

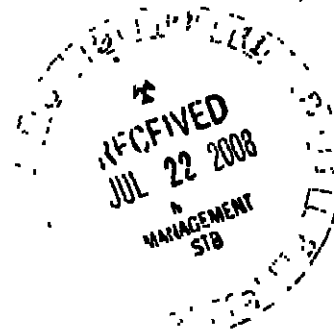
Sincerely,
AMERICAN HONDA MOTOR CO., INC.



Dennis Manns
Assistant Vice President
Auto Sales and Logistics Planning



Anheuser-Busch, Inc.



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

My name is Bryan Davidson, Senior Director of Transportation at Anheuser-Busch, Inc in St. Louis, MO. My company operates a brewery in Merrimack, NH and uses rail service to deliver the key ingredients we need to support our brewing operations.

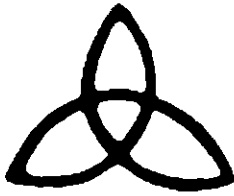
An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern - Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

Bryan Davidson
Senior Director - Transportation
Anheuser-Busch, Inc.



AUDAX TRANSPORTATION INC.

COPY

June 26, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E. Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction is in our best interest, the overall interest of the drayage community, as well as the interest of our customers. This joint venture will produce better service, better equipment utilization, and more competitive rates.

I am the President of Audax Transportation, Inc. that is engaged in port container drayage on the U.S. East Coast. As an active participant in trucking, I wholeheartedly support alternative means of transporting America's freight. In particular, the cost of fuel has taxed the limits of the trucking industry to supply enough truck drivers to efficiently transport freight. Expansion of rail routes in the USA is a logical way to address driver shortages and roadway congestion, especially in the North Eastern region of this country.

I am certain the proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. The improved route will increase the efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways, especially in the New England area. In addition to improving service for shippers & drayage companies, such a move will be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers & drayage companies in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval

I, Edward F. O'Callaghan, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 26th day of June 2008

Sincerely,



Edward F. O'Callaghan
Audax Transportation, Inc

Correspondence



B&D ADVANCED WAREHOUSING CORP., INC.

201 MERRIMACK STREET

LAWRENCE, MA 01843-1693

PHONE: 978-682-8900

FAX: 978-686-4615

June 13, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

My name is Robert Borenstein and I am President of B&D Advanced Warehousing Corp., Inc. My company is a public warehousing corporation which relies on rail service to ship and receive product for our customers' inbound and outbound needs, as well as cross dock service for our transportation company, Service Anytime Inc., Salem

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

During this time of skyrocketing fuel costs, we are marketing our rail access to current and potential new customers as an economical means to transport goods. This would increase our income during the current recession.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

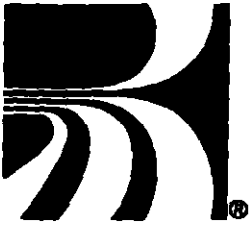
Sincerely,

A handwritten signature in black ink, appearing to be "Robert Borenstein". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end.

Robert Borenstein
President

Correspondence

BARTLETT AND COMPANY



1900 Main Street, Suite 1200
Kansas City, Missouri 64112-2807
816-753-6300



July 11, 2008
Via Federal Express

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am President of Bartlett and Company. My company's principal businesses are grain merchandising and storage, flour and feed milling, and cattle feeding. Annual volume exceeds \$1.5 billion, so Forbes magazine lists Bartlett among the 400 largest private companies. Facilities are in Missouri (including the headquarters in Kansas City), Kansas, Colorado, Nebraska, Iowa, Oklahoma, the Carolinas, Texas, Virginia and Mexico. Bartlett is 100 years old.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024
July 11, 2008
Page 2

4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,



James B. Hebenstreit
President

JBH:ser



Blue Seal Feeds, Inc.

**Pet Foods & Animal Feeds
Since 1868**

PO Box 8000
Londonderry, NH 03053-8000

Telephone (603) 437-3400 • Fax (603) 437-3403
www.blueseal.com

June 25, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern/Pan Am Railways Transaction

Dear Secretary Quinlan

My name is William Whitney. I am Transportation Manager For Blue Seal Feeds, Inc. of Londonderry, NH. Blue Seal Feeds manufactures animal feed and pet food at 10 mills in the Northeast. Two of our mills at Concord, NH and Augusta, ME are directly served by Pan Am Railway and four other mills located at Auburn, ME, Brandon, VT, Richford, VT and Hagerstown, MD receive ingredients that move via Pan Am. The volumes and sources of ingredients needed to operate these feed mills make rail service an absolute necessity. Obviously, continued and improved rail service in New England is of vital importance to Blue Seal Feeds.

We have studied the joint operation proposed by the Norfolk Southern and Pan Am and strongly support the proposal. While Pan Am has done a good job of maintaining service to the New England region, the input of resources by the Norfolk Southern will provide for the infrastructure improvements needed to move service to higher levels. The joint venture with the NS will not only provide funding for track improvements but will also provide the additional power needed to move trains thru the system in a timely manner. In addition, the joint operation will provide a vastly improved intermodal corridor that we anticipate will be very competitive with shipments currently being trucked from the Midwest.

In conclusion, we support the application of the Norfolk Southern -- Pan Am transaction and look forward to the anticipated service improvements. We ask that the Board move as quickly as possible to consider and approve this application.

Sincerely,

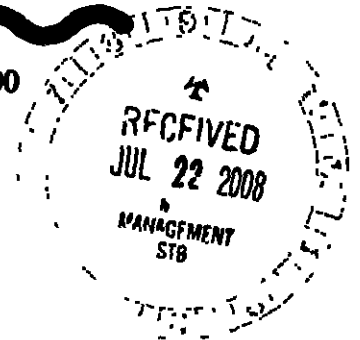
William E. Whitney
Transportation Manager

Correspondence

BULK SERVICE

2801 Rock Road Granite City, IL 62040 (618) 876-0200

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan

My name is Thomas Butts, and I am Vice President & General Manager. My company is engaged in the transfer of goods to and from rail, trucks and barges.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

I, Thomas Butts, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement Executed this 11th day of July, 2008

Sincerely,


Thomas Butts
Vice President

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington DC 20024

6/27/2008

RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

My name is Joe Sampson; I am the Plant Operation Manager at Cains Foods L.P in Ayer, Ma. Cains Manufactures Mayonnaise, Salad Dressings, Sauces and other condiments and distributes these primarily in New England, and to a lesser degree nationally. We rely on rail service for economical delivery of our most significant raw material. We would like to increase our use of rail transportation for other ingredients and packaging materials.

We support the proposed transaction between Norfolk Southern and Pan Am Railways. We believe the capital improvements promised in their news release, (terminal expansion, and track and signal upgrades) will lead to improved service and competitive transportation costs.

We feel that the rail lines need to be upgraded if we are to maximize rail potential. By combining the assets of NS and Pam Am this can be more readily accomplished.

We therefore request that the board approve the application for the joint venture between Norfolk Southern and Pam Am.

Sincerely



Joseph A. Sampson
Plant Operations Manager
Cains Foods L.P.
114 East Main Street
Ayer, Ma., 01432

Correspondence

Retail • Food Service
Bulk • Export
Private Label



Processors & Packers
of Vegetable, Olive,
and Blended Oils

Catania-Spagna CORPORATION

Over 100 Years of Quality - Service - Reliability

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147



RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval

Sincerely,

Joseph Basile
Executive Vice President



14535 John Humphrey Dr Suite 200 Orland Park, Illinois 60462

phone 708 226 9200 fax 708 480 9324

RICHARD P. HYLAND
President

Correspondence

June 17, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

We, at Celtic International, are writing to offer our company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am Richard P. Hyland, President/CEO of Celtic International. My company is a provider of intermodal, as well as highway brokerage services throughout the United States, Canada and Mexico.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

Page 2

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England

I, Richard P. Hyland, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 17th day of June 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard P. Hyland", written in a cursive style.

**Richard P. Hyland
President/CEO**



Correspondence



July 29, 2008

Bradley K. Baker
Commercial Transportation
Manager

10001 Six Pines Drive
The Woodlands, TX 77380

P.O. Box 4910
The Woodlands, TX 77387

Telephone: 832.813.4478
Fax: 832.813.4955
bakerbk@cpchem.com

www.cpchem.com

Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Re Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer comments regarding the proposed joint venture
between Norfolk Southern and Pan Am Railways.

Chevron Phillips Chemical Co. LP is supportive of railroad infrastructure
expansions or acquisitions that increase competition and improve
operating efficiencies for the shipping community.

An efficient and cost competitive transportation infrastructure is essential
to the success of our business and that of our customers.

I, Bradley K. Baker, declare under penalty of perjury that the foregoing is
true and correct and that I am qualified and authorized to file this verified
statement. Executed this 28th day of July, 2008.

Sincerely,

Chevron Phillips Chemical Company, LP

Bradley K. Baker
Commercial Transportation Manager

BKB/par



TRANSPORTATION, INC

SERVICE IS MORE THAN JUST A WORD WITH US

June 26, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

CUSHING TRANSPORTATION, INC
3756 South Cicero Avenue
Cicero, Illinois 60804 4536
Tel: (708) 656 5050 • Fax: (708) 656 5051



RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction is in our best interest, the overall interest of the drayage community, as well as the interest of our customers. This joint venture will produce better service, better equipment utilization, and more competitive rates.

I am President at Cushing Transportation, Inc, A Drayage Company. My company delivers Intermodal Containers and Trailers to and from the Boston Area from the 5 State Area around Chicago, IL. An efficient and cost competitive transportation infrastructure is essential to the success of our drayage business and that of our customers. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England. This improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.

The proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. The improved route will increase the efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways, especially in the New England area. In addition to improving service for shippers & drayage companies, such a move will be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers & drayage companies in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Anthony J Pacella, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 26th day of June, 2008.

Sincerely,

Anthony J Pacella, President

E.W. LARSON RELOAD, INC.

(Mailing address: 38 Old Auburn Road, Derry, NH 03038)

Ph: 603-434-6171

Fax: 603-537-0318

E-Mail: LARSONTRK@COMCAST.NET

(Physical Delivery address: Iron Horse Park, High Street, Billerica, MA)

June 16, 2008

Ms Anne K Quinnin, Acting Secretary
Surface Transportation Board
393 E Street, SW
Washington, DC 20224

Refr Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinnin

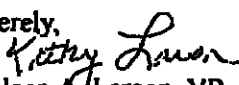
My name is Kathy Larson I am the Vice President of E W Larson Reload, Inc a third-generation freight-car unloading business located at Iron Horse Park, Billerica, MA. Freight-cars of general commodities such as lumber, steel, wallboard, bricks, etc come into our facility via freight-car We in-turn unload the freight cars and reload them onto flatbed trucks for delivery to our customers who are located all over New England

I am writing to you today to offer my company's immense support of the proposed transaction between Norfolk Southern and Pan Am We whole-heartedly feel this transaction would immensely benefit our company in many positive areas

- 1 We believe this transaction will promote rail improvements along one of the primary rail arteries in New England which will allow for more consistent rail service
- 2 Increased competition for the movement of goods in and out of the New England area will help control rates and the service options available
- 3 These improvements to rail service reliability and cost will allow for more freight to be expeditiously and efficiently removed from the New England area highways, benefiting the environment and reducing congestion

In conclusion, we strongly support the application of the Norfolk Southern – Pan Am transaction and request that the Board move as expeditiously as possible to assure approval We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England

Sincerely,


Kathleen A. Larson, VP



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE. Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction is in our best interest, the overall interest of the drayage community, as well as the interest of our customers. This joint venture will produce better service, better equipment utilization, and more competitive rates.

I am Executive Vice President at Eagle Systems. My company performs drayage for the NS as well as other customers.

An efficient and cost competitive transportation infrastructure is essential to the success of our drayage business and that of our customers. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England. This improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.

The proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. The improved route will increase the efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways, especially in the New England area. In addition to improving service for shippers & drayage companies, such a move will be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers & drayage companies in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.



I, Jeff Lang, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement Executed this 26 day of June, 2008

Sincerely,

Jeff Lang

Correspondence



EASTPORT PORT AUTHORITY

Tel. 207-853-4614 Fax: 207-853-9584
Website: www.portofeastport.org
P O. Box 278, Eastport, ME 04631-0278

June 11, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

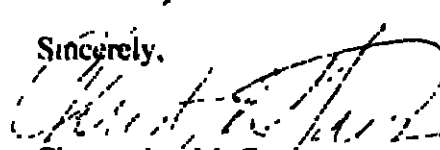
I would like to take this opportunity to express extremely strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways. It is my sincerest hope that you and the entire STB offer immediate and swift approval of the proposal.

As Executive Director of the Eastport Port Authority I am charged with the growth and sustainability of the easternmost international cargo port in the United States located at Eastport, Maine. We in the international shipping industry have known for some time, rail is not only an important part of the future of ground transportation in the United States, rail is the future of ground transportation in the United States. We certainly understand that investment into rail infrastructure is one of the premier investments that can be made in the face of the challenging transportation landscape before the United States.

As such we were extremely pleased to hear of the venture between Pan Am and Norfolk Southern. It clearly represents a strengthening of the rail system in the North East. This will allow for better cooperation, reliability and cost efficiency in this region. It will also allow for a better connection between the shipping ports of the east coast to the hinterlands that is the rest of the United States. With that this project is not only New England beneficial; it is an improvement of the nation's transportation infrastructure.

Again, we strongly urge the STB to act quickly in this matter.

Sincerely,


Christopher M. Gardner
Executive Director
Eastport Port Authority

Correspondence

Firestone[®]
BUILDING PRODUCTS COMPANY

July 7, 2008

FD 35147

RECEIVED
JUL 10 2008
U.S. DEPT. OF TRANSPORTATION

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

My name is Walter Dorman, and I am the Human Resources/Safety Manager at Firestone Building Products in Bristol Connecticut. We receive most of our raw materials via rail, and are exploring the idea of shipping finished product by rail in the near future.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

Sincerely,



Walter E. Dorman
HR/Safety Manager

NOBODY COVERS YOU BETTER

780 James P Casey Road • Bristol, Connecticut 06010-2025

Firestone®
BUILDING PRODUCTS COMPANY

Correspondence

July 7, 2008

FD 35147

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

My name is Walter Dorman, and I am the Human Resources/Safety Manager at Firestone Building Products in Bristol Connecticut. We receive most of our raw materials via rail, and are exploring the idea of shipping finished product by rail in the near future.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

Sincerely,



Walter E. Dorman
HR/Safety Manager



Correspondence

James A. Ginnett
Vice President - External Affairs

One Corporate Center
20 Church Street
Hartford, CT 06103

T 860-895-6918
F 860-895-6483

firstlightpower.com



July 11, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

A handwritten signature in black ink, appearing to read "J. A. Ginnett". The signature is fluid and cursive, with a large, stylized "J" and "G".



July 1, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am the Supervisor in the Transportation Purchasing group at Ford Motor Company. My company transports finished Ford vehicles into the New England market. It is critical that we have cost-effective, efficient and reliable rail transportation into this market.

This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

- 1 We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
- 2 We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
- 3 Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
- 4 These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

I, Bruce Markwardt, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement Executed this 1st day of July, 2008

Sincerely,

A handwritten signature in black ink, appearing to read "B. Markwardt", with a long horizontal flourish extending to the right.

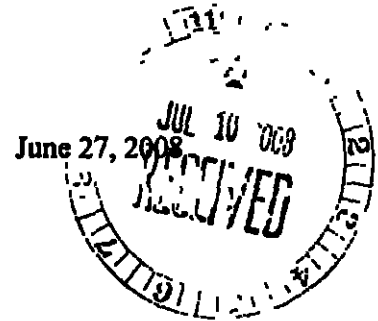
Bruce Markwardt
Supervisor
Transportation Purchasing
Ford Motor Company
Dearborn, Michigan



Formosa Plastics'

Formosa Plastics Corporation, U S A
9 Peach Tree Hill Road
Livingston NJ 07039
Telephone (973)-992-2090
Fax (973)-992-9627

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

I am writing to offer my company's support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

We believe the proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the New England freight markets. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers and receivers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

Richard A. Lissa
Director
Logistics Management Department
Formosa Plastics Corp USA



Correspondence

**GEORGE
APKIN
& SONS, INC.**

Scrap Processing and Recycling

80 State Street, P O Box 509
North Adams, MA 01247
(413) 664-4936 • Fax (413) 664-4693



June 18, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Printed on Recycled Paper

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

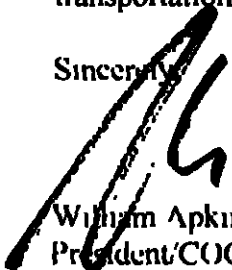
I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly

I am President/COO of George Apkin & Sons, Inc. My company processes scrap metal for recycling and is now in its third generation of family ownership. George Apkin & Sons, Inc. ships scrap steel by rail to steel mills thru out the United States. An efficient and cost competitive transportation infrastructure is essential to the success of our business. This transaction would be in our best interest for expanding rail service in New England for the reasons

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England
2. We believe this improved rail infrastructure will provide for more consistent rail service, allowing for more reliable and efficient use of assets
3. Increased competition for the movement of goods in the New England region will help to control rates and improve service offerings
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion

In conclusion, we support the application of the Norfolk Southern - Pan Am transaction and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,


William Apkin
President/COO



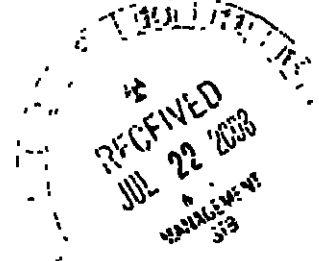
Correspondence

GLOBAL COMPANIES LLC, 800 South Street P O Box 9161, Waltham, MA 02454-9161 ph 781-398-4129 fx 781-398-9256
Bruce R Atkins
Vice President Asset Optimization

batkins@globalp.com
Mobile 978-430-5003

Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 3547



RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

Global Companies LLC utilizes rail transportation on several fronts. The need for increased competitive transportation options into the New England corridor is obvious. There is no doubt that this transaction will improve such dynamics and provide benefits to our business and thus to our customers by expanding our access to rail service in the nations markets, from which a large component of our future product will be derived.

We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries into New England. This in turn will provide more consistent and dependable rail service, thereby allowing for more reliable and efficient use of assets. This should also help to control rates and improve service offerings. With rail being a most cost effective way to move product on a "gallon/ton" moved metric, the increased reliability and efficiency should allow for greater movement of freight by rail and remove trucks from the nation's highways.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Regards,

Bruce R Atkins
Vice President Asset Optimization

**H&M INTERNATIONAL TRANSPORTATION, INC.**

Anne K. Qumlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction is in our best interest, the overall interest of the drayage community, as well as the interest of our customers. This joint venture will produce better service, better equipment utilization, and more competitive rates.

I am Executive Vice President at H&M International Transportation, Inc. My company is a intermodal trucking company, and supports the rail intermodal business by providing drayage and intermodal trucking services to third party shippers.

An efficient and cost competitive transportation infrastructure is essential to the success of our drayage business and that of our customers. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England. This improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.

The proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. The improved route will increase the efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways, especially in the New England area. In addition to improving service for shippers & drayage companies, such a move will be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers & drayage companies in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Alfred D. Iannelli, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 25 day of June, 2008.

Sincerely,

A handwritten signature in black ink that reads 'Alfred D. Iannelli'. The signature is written in a cursive, flowing style.

Alfred D. Iannelli
Executive Vice President
H&M International Transportation, Inc.

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Secretary Williams:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am V.P. Operations at Hanjin Shipping Co., Ltd. My company, Hanjin Shipping, which started its business with a few small container ships in the late 1970s, now provides services through more than 60 container lines and bulk carrier, transporting over 100 million tons of cargo per annum all over the world annually.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here.

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

I, C.H. Kim, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 27 day of June, 2008.

Sincerely,



C H Kim

V.P. Operations, Hanjin Shipping Co., Ltd



63 Old Wilton Road
Milford, New Hampshire 03055-3119
Telephone: (603) 673-2040
Fax: (603) 673-1497
www.hendrix-wo.com

June 14, 2008

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E. Street, SW
Washington, DC 20024

RE: The Proposed Norfolk Southern/Pan Am Railways Transaction

Dear Secretary Quinlan,

I am writing on behalf of Hendrix Wire and Cable, to support the proposed joint venture between Norfolk Southern and Pan Am Railways.

We currently use the railroad for inbound shipments of Polyethylene used in the manufacturing of Medium Voltage Distribution Cable; this includes Underground, Aerial and Molded products. We sell this product to public utilities, municipalities, distributors and Wind Farms.

It is important to us to receive our product in bulk containers via the railroad to enable us to achieve savings compared to material delivered in boxes via truckload shipments.

We think that the transaction will promote rail transportation improvements along one of the primary rail arteries in New England. We believe that this will improve delivery service for our company and other users in New Hampshire along with New England. It is important for New England to remain competitive with other locations in the area of rail delivery, as the cost of transportation via the highways will only increase.

In closing, Hendrix Wire and Cable supports the application of the Norfolk Southern – Pan Am Transaction, and request that the Board move immediately to assure approval. We feel this is the best way to improve service and promote growth of transportation options in New England.

Sincerely,

Patti Hilber
Purchasing Manager
philber@hendrix-wo.com

TH

TOTAL P.02

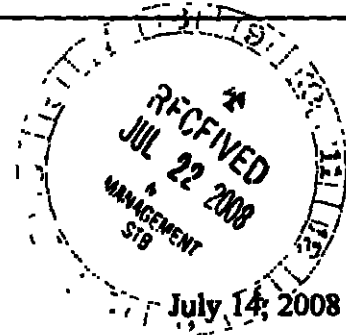
08/28/2008 THU 09:59 [TX/RX NO 97881] 002

Correspondence



Holland COMPANY INC

153 HOWLAND AVENUE
ADAMS, MA 01220-1199
(TEL) 413 743-1292
(FAX) 413 743-1298



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

Subject Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer our strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly

We believe this transaction would be in both our company's and our customers best interest, because it would produce better service, better equipment utilization, and more competitive rates

Through improved competitive rail service the proposed transaction would increase New England shippers' ability to access the US rail network. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

Daniel J Holland
Holland Company, Inc

Hub Group, Inc.



3060 Highland Parkway
Suite 100
Downers Grove, IL 60515

Telephone 630/277-7000 • Fax 630/277-7001
www.hubgroup.com

Correspondence

790?

June 19, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am the Chief Executive Officer of Hub Group, Inc., a \$1.8 billion dollar transportation company that is traded on NASDAQ under the symbol HUBG.

Hub Group is one of the largest intermodal customers in the United States shipping over 600,000 containers in 2007 and contributing over \$1.2 billion dollars in revenue. Hub Group is the largest intermodal customer on the Norfolk Southern shipping in excess of 200,000 containers in 2007. Hub Group ships a variety of commodities and our customers include Sears, Home Depot, Target, Wal-Mart, Kraft, Procter & Gamble, Unilever as well as thousands of shippers large and small.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our customers and my company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern - Pan Am transaction and request that the Board approve the application as expeditiously as possible.

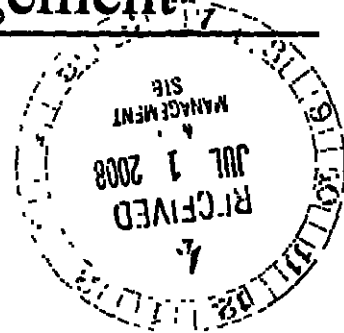
I, David P. Yeager, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 19th day of June 2008.

Sincerely,

David P. Yeager
Vice Chairman
Chief Executive Officer

Intermodal Ramp Management

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

Dear Acting Secretary Quinlan:

My name is Jean Marie Voytyshyn, and I am Executive Vice President of Intermodal Ramp Maintenance (IRM). My company is a contractor which assists in the loading and unloading of intermodal trains.

We currently have received the contract located in Ayers, MA. The benefits to this merger are numerous and a concern to all of us; one most notable benefit is the reduction in air pollution. There is also the benefit to the many highways located in the East. With the decrease in truck traffic we should see a result in less road construction because of the decrease in usage.

IRM is in complete support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. The transaction will only positively impact our company. As a small company, the impact growth potential would be expediential to us.

Therefore, we fully support the Norfolk Southern - Pan Am transaction and request that the Board approve the application as expeditiously as possible.

I, Jean Marie Voytyshyn, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 16th day of June, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean Marie Voytyshyn".



Interstate Commodities, inc.

GRAIN AND FEED INGREDIENTS

June 18, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Dear Secretary Quinlan

Interstate Commodities, Inc. wishes to offer strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways. We urge the Board to approve this promptly.

Interstate Commodities is a grain shipping and trading company headquartered in Troy, NY, with other offices and facilities located in Jacksonville, Florida, Burlington, Vermont, Guelph, Ontario, York, Pennsylvania, and Fresno, California. Our company ships over 50,000 rail cars annually on all of the Class One and short line rail carriers in the United States. Interstate Commodities maintains and provides a private rail car fleet of 4,300 cars to logistically support this volume of rail business.

For many years, Interstate Commodities has focused on the northeast rail markets in the process of shipping grain and grain products to feed manufacturers and integrated poultry processors who supply the food pipeline to the very large northeastern population areas. In that process, Interstate has worked closely with Pan Am Railways and its predecessors.

In these times of economic strain on food and energy to the American consumer, we believe that a cost competitive rail transportation infrastructure is essential to not only our business but to the benefit of every American consumer who deserves the best and most efficient transportation food pipeline service that can be delivered.

The Norfolk Southern and Pan Am Railway transaction will only serve to expand rail service alternatives in New England for the following reasons:

1. The transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. The improved rail infrastructure will provide for more consistent rail service, allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service.
4. Improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways.

In conclusion, Interstate Commodities supports the application of Norfolk Southern and Pan Am Railways and requests that the Board move as expeditiously as possible on approval.

Sincerely,

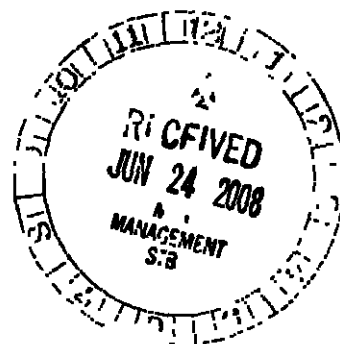
Victor Oberling, Jr., Chairman

PLEASE VISIT US ON THE WEB AT WWW.ICGRAIN.COM



JB Hunt Transport. Inc

Correspondence



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

Dear Acting Secretary Quinlan.

My name is Thomas S. Williams, and I am Senior Vice President of Intermodal for J.B. Hunt Transport. My company is a leading provider of domestic intermodal services and one of the largest purchasers of rail services in the United States.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

Improved rail services will increase service dependability, and provide for more competitive alternatives between rail providers. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Thomas S. Williams".

Thomas S. Williams
Senior Vice President Intermodal



"K" LINE AMERICA, INC.



8730 Stony Point Parkway, Suite 400
Richmond, VA 23235
(804) 560-3600

June 23rd, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am Vice President of "K" Line America, Inc.'s Liner Division. My company is a container line moving cargo internationally and currently uses NS's product to New England.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

David Daly
"K" Line America, Inc.
Vice President Liner Division & Product Management

Correspondence
KATAHDIN
PAPER COMPANY LLC

50 Main Street
East Millinocket, ME 04830

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Christina C. Gray, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 1st day of July, 2008.

Sincerely,

Christina C. Gray

Christina C. Gray, Transportation Supervisor
Katahdin Paper Company LLC



216 Mt Hermon Station Road
Northfield, MA 01360
413-498-5586
413-498-5903 Fax

June 25, 2008

Ms. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Re Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer my strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers, because it would produce better service, better equipment utilization, and more competitive rates

The proposed transaction would increase New England shippers' ability to access the US rail network by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to a diversion of freight traffic off of the highways in the future. While improving the service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Very truly yours,
The Lane Construction Corporation

Patrick J. Paul
Plant Manager

PJP/dw
C DSM, J Crawford, file

Correspondence



June 20, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RECEIVED
JUN 21 2008
U.S. DEPARTMENT OF
TRANSPORTATION

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am responsible for transportation at Madison Paper Industries in Madison, Maine. My company produces paper for magazines and catalogs, and we rely on rail as the primary mode for transporting our product to our customers. We ship in excess of 2,000 carloads annually.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here.

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

Steve Thibert
Manager of Wrapping / Shipping and Customer Service
Madison Paper Industries
stephen.thibert@myllykoski.com
207-696-1257

MYLLYKOSKI NORTH AMERICA

Madison Paper Industries

Main Street, PO Box 129, Madison, ME 04950-0129 Phone (207) 696-1126 Fax (207) 696-1104

Correspondence



MAPLE LEAF

(413) 283 2971
FAX (413) 283-7345

DISTRIBUTION SERVICES, INC.
Palmer Industrial Park, Bondsville, MA 01009

June 16, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

Reference Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan,

We strongly support the proposed joint venture between Norfolk Southern and Pan Am Railways. We urge the Board to approve this transaction promptly.

My company, Mapleleaf Distribution Services, Inc., is an independent, privately-owned warehouse distribution center which is served by the New England Central Railroad (NECR) in central Massachusetts. We built our facility 22 years ago to give shippers the ability to ship their products long distances by rail, with final leg delivery by truck to the many consumers in the New England market. This setup has provided many benefits:

- Reduced cost for freight shipments, which benefits consumers
- Reduced long-haul truck congestion on the nation's highways
- Reduced fuel consumption and exhaust emissions

Since the breakup of ConRail in 1998, Norfolk Southern has had difficulty reaching the New England market effectively. By approving this transaction, we anticipate that we will be able to offer another competitive alternative to both existing and new customers.

Therefore, we support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as quickly as possible.

Sincerely,

MAPLELEAF DISTRIBUTION SERVICES, INC.

A handwritten signature in black ink, appearing to read "Mark A. Marasco".

Mark A. Marasco
President

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction is in our best interest, the overall interest of the drayage community, as well as the interest of our customers. This joint venture will produce better service, better equipment utilization, and more competitive rates.

I am the Company President at Mason Dixon Intermodal. My company focuses on the ever-expanding intermodal industry. We provide a full range of intermodal logistics solutions including trucking, depot and warehouse services. An efficient and cost competitive transportation infrastructure is essential to the success of our drayage business and that of our customers. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England. This improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.

The proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. The improved route will increase the efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways, especially in the New England area. In addition to improving service for shippers & drayage companies, such a move will be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers & drayage companies in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Joseph Rubino, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 24th day of May, 2008.

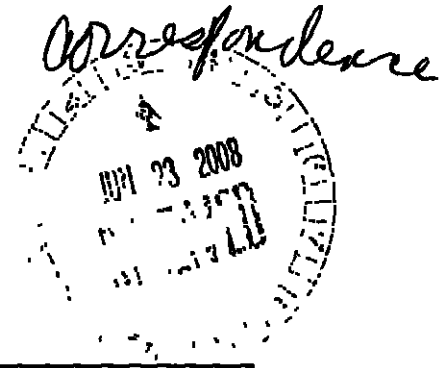
Sincerely,



Joe Rubino
President
Mason Dixon Intermodal

Matson.
Integrated Logistics

1855 Gateway Boulevard, Suite 250
Concord, CA 94520
(925) 887-6200



June 10, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

I am writing to offer my company's support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Robert C. Papworth declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 10th day of June, 2008.

Sincerely,



Robert C. Papworth
President
Matson Integrated Logistics

Mazda North American Operations



June 26, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,
Mazda North American Operations

A handwritten signature in dark ink, appearing to read 'Brenda K. Perez'.

Brenda K. Perez
Manager, National Transportation

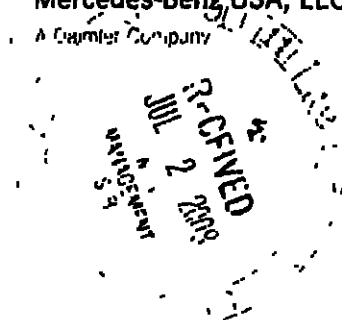
Cc, F. Manning, MNAO
B. Vozzak, W. Tate/NS Corporation



Mercedes-Benz

Correspondence

Mercedes-Benz USA, LLC
A DaimlerChrysler Company



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am the Department Manager, National Import and Domestic Logistics at Mercedes-Benz USA, LLC. My company utilizes all modes of transportation within the United States to transport 75,000 vehicles from our plant in Alabama to franchised Dealers throughout the country. In addition, we produce another 75,000 units for international consumption. These units are moved to the South Eastern Ports of Exit via train and truck transportation.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

cc: [illegible]
[illegible]
[illegible]
[illegible]
[illegible]



א'ב' תרנ"ז, תרס"ח

I, Peter Bresnee, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 23rd day of June, 2008

Sincerely,

John B. Kennedy

Peter R. Bresnec

**Department Manager, National Import & Domestic Logistics
Mercedes-Benz USA, LLC.**

[illegible]



6400 KATILLA AVENUE
CYPRESS CALIFORNIA 90630-5208
(714) 372-6000

MAILING ADDRESS
P.O. BOX 6400
CYPRESS CALIFORNIA 90630-0064

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing in support of the proposed joint venture transaction between Norfolk Southern and Pan Am Railways. We believe the transaction would be in our best interest, as well as the interest of our customers, as it will provide greater flexibility to bring our products to market, improve equipment utilization, and create more competitive rates.

The proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

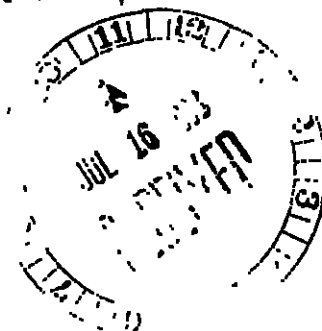
I, Mike Krebs, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 2nd day of July, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Krebs", written in a cursive style.

MOOSEHEAD
BREWRIES LIMITED

Correspondence



July 3, 2008

FD 35147

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE. Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers as it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route would increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving service for the shippers, such a move would be beneficial the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously.

Sincerely,

Bruce Robinson
Vice President
Moosehead Breweries Ltd
89 Main St. West
Saint John, NB E2M 3H2



NEW ENGLAND FOODS

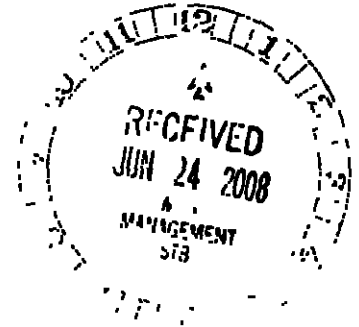
CUSTOMIZED TASTE TECHNOLOGY

Correspondence

Watertown, Massachusetts

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147



RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

Paul C. Quinn
President, NYS

Northeast Paper Services, Inc.

10 Parkway Drive
Scarborough, ME 04074

Phone (207) 883-2261
Fax (207) 883-1263

June 18, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

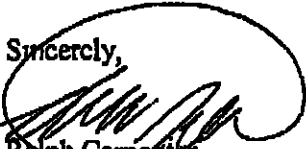
I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am Ralph Carpenter at Northeast Paper Services, Inc. My company is in the business of unloading and loading railcars with paper for the paper industry in the state of Maine. A efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern - Pan Am transaction and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,



Ralph Carpenter
President



PACELLA
Trucking
Express, Inc.

Piggyback Specialists

2558 South Damen Ave
Chicago, IL 60608
773/927-1300
FAX 773/927-9522

June 25, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E. Street, S.W
Washington, DC 20024

RE Proposed Norfolk Southern Railway/Pan Am Railways Transaction
STB Docket No. 35147

I am writing to you to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan AM Railways and do urge the Board to approve it promptly. I believe the transaction is in the best overall interest of the drayage community as well as the interest of our customers. This joint venture will produce better service, better equipment utilization and more competitive rates to enhance intermodal.

I am President of Pacella Trucking Express, Inc. and have been involved in intermodal for most of my lifetime in the Chicagoland area. We do work for all the railroads and they must be in a position to remain competitive. We have a fleet of over 300 units and we also work directly with our customers, some of which are located in the New England area.

The proposed transaction will increase New England shippers' ability to access the U.S. Rail Network by providing improved competitive rail service. The improvements will increase the efficiency of moving freight by rail, and will lead to more freight traffic that will be diverted off of the highways, especially in the New England area. In addition to improving service for shippers and drayage companies, such a move will be beneficial to the environment and reduce congestion expense. I believe that this is a positive move for shippers and drayage companies in New England.

In conclusion, I support the application of Norfolk Southern and Pan Am Railways and request the Surface Transportation Board to move as quickly as possible on approval.

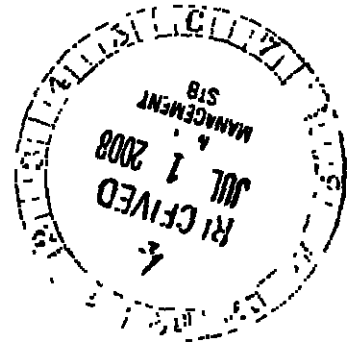
I, William Pacella, declare under penalty of perjury, the foregoing is true and correct and that I am qualified to file this verified statement.
Executed this 25th Day of June, 2008

William Pacella

Correspondence

PolyOne.
Distribution

91 Fitchburg Road
Ayer, MA 01432
978-772-0764
800-678-4732 toll free
978-772-0257 fax



Ann K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

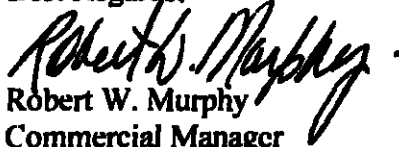
Dear Secretary Quinlan:

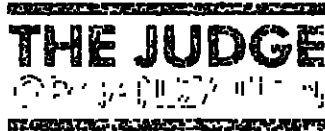
I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

In conclusion, we support the application of Norfolk Southern and Pan Am Transaction.

Best Regards,


Robert W. Murphy
Commercial Manager
Polyone Distribution
91 Fitchburg Road
Ayer, MA 01432



port elizabeth
TERMINAL & WAREHOUSE CORP
Building 201 A Export Street
Port Newark, New Jersey 07114
(973) 491 0600 / Fax (973) 491 0066

June 18, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,



Solutions that Connect.

July 2, 2008

One Kellaway Drive
P O Box 750
Randolph, MA 02368
781-961-8200
781-961-4615 fax
www.roadlink.com

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
385 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction is in our best interest, the overall interest of the drayage community, as well as the interest of our customers. This joint venture will produce better service, better equipment utilization, and more competitive rates.

I am Executive Vice President at RoadLink Transportation Solutions. My company is the largest intermodal transportation drayage company in North America.

An efficient and cost competitive transportation infrastructure is essential to the success of our drayage business and that of our customers. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England. This improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.

The proposed transaction will increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. The improved route will increase the efficiency of moving freight by rail, and will lead to more freight traffic being diverted off of our highways, especially in the New England area. In addition to improving service for shippers & drayage companies, such a move will be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers & drayage companies in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Kendall P. Kellaway, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement.
Executed this 2nd day of July, 2008.

Sincerely,

Kendall P. Kellaway
Executive Vice President



www.roarlogistics.com

June 16, 2008

Arlene K. Quailan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern - Pan Am Railways Transaction
STB Finance Docket No. 35-47

Dear Secretary Williams:

My name is Robert E. Rich III, and I am President of ROAR Logistics, Inc. My company is an intermodal marketing company and a subsidiary of my family business, Rich Products Corporation.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern - Pan Am transaction and request that the Board approve the application as expeditiously as possible.

I, Robert E. Rich III, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 16 day of June, 2008.

Sincerely,
A handwritten signature in black ink, appearing to read "Robert E. Rich III", written over a horizontal line.

Robert E. Rich III
President
ROAR Logistics, Inc.



Correspondence

Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RECEIVED
JUL 14 2001
WASHINGTON
ST

RE Proposed Norfolk Southern / Pam Am Railways Transaction

Dear secretary Quinlan,

My name is David Johansson, and I am Vice President of R.V.J Inc. We are family owned trucking company in Central Massachusetts that specializes in the transloading and delivery of dry bulk goods in and around New England

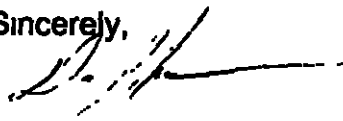
I am writing to express my support for the proposed venture between Norfolk Southern and Pan Am Railways. I feel that improved rail service into and from our area is vital to our future success.

The infrastructure needs to be improved to handle the growing requests for heavier railcars. All of our suppliers have expressed the need to ship cars weighing 286,000 lbs to remain competitive. Currently we are unable to receive cars at this weight. The developments outlined in this transaction will certainly address this concern.

I feel the improved infrastructure and the reliable rail service that will result from this joint venture will positively benefit my company.

Therefore I support the Norfolk Southern-Pan Am railways transaction and request that the board approves the application as quickly as possible.

Sincerely,


David Johansson
Vice president
R V J Inc.
Leominster, MA

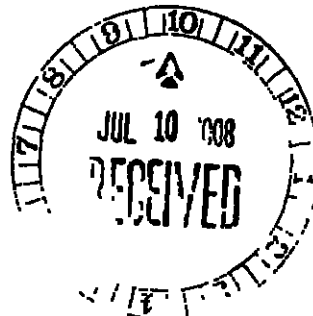
sappi

Fine Paper
North America

Boston Office
225 Franklin Street
Boston MA 02110
Tel +1 617 423 7300

June 23, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly

I am Vice President of Supply Chain at Sappi Fine Paper North America. My company manufactures fine coated paper and pulp and we are a heavy user of rail and truck transportation.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

- 1 We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
- 2 We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
- 3 Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
- 4 These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randy Rotermond'.

Randy Rotermond
Vice President, Supply Chain



Correspondence

Sea-3, Inc. Terminal 190 Shattuck Way Newington, NH 03801-7868 Tel (603)431-5890 Fax. (603) 431-5852 E-mail newington@sea-3.com

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am Vice President, Operations at Sea-3, Inc. My company imports LPG using the rail system, normally from Canada.

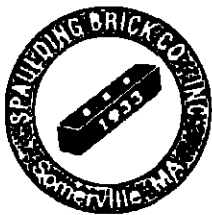
An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

Paul N Bogan
VP Operations



MASSACHUSETTS
120 MIDDLESEX AVENUE
P O BOX 9117
SOMERVILLE, MA 02145-9117
TEL (617) 666 3200
FAX (617) 625 8110

RHODE ISLAND
250 STATION ST
CRANSTON, RI 02910
TEL 401-467-2220
FAX 401-467-2359

NEW HAMPSHIRE
28 DANIEL PLUMMER ROAD - UNIT 7
GOFFSTOWN, NH 03045
TEL 603-647-8442
FAX 603-647-8439

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

June 24, 2008

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

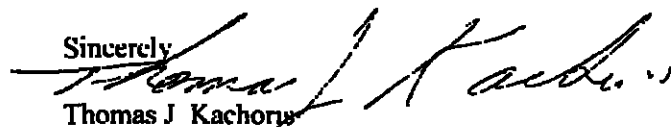
I am the President of the Spaulding Brick Co. My company ships brick in from all over the country and has since 1933.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here.

- 1 We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England
- 2 We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets
- 3 Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings
- 4 These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,


Thomas J. Kachor



**Specialty
MINERALS**

Your Technology Resource®

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35747

RE Proposed Norfolk Southern / Pan Am Railways Transaction



Dear Secretary Quinlan

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly

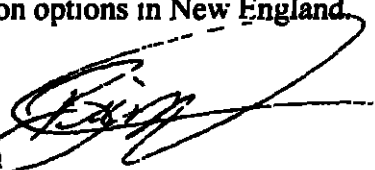
I am the Manager of Rail & Truck Logistics for Specialty Minerals, Inc., and my Adams, MA facility ships approx 20 railcars per week of bulk calcium carbonate via Pan Am Railways

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. I believe that this transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed below

1. I believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England
2. I believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, I support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. I feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,


Bill Hudson
Manager of Rail & Truck Logistics NA
Specialty Minerals, Inc.

Correspondence



Sterilite Corporation
P O Box 8001
Townsend, MA 01469-8001

July 10, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RECEIVED
JUL 11 2008
WASHINGTON

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barry C. Cringan".

Barry C. Cringan
Purchasing Manager

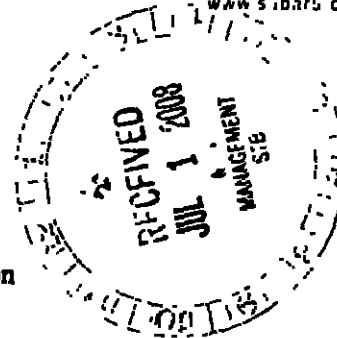
Correspondence



SUBARU.

Subaru of America, Inc.
Subaru Plaza
PO Box 6000
Cherry Hill, NJ 08034 6000
856 488 8500
www.subaru.com

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am the National Transportation Manager at Subaru of America Inc. My company manufactures, imports, exports and distributes new automobiles throughout the United States.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

I, Larry Strug, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 18th day of June, 2008.

Sincerely,


Larry Strug
National Transportation Manager
Subaru of America Inc



Total Transportation Services LLC

Andy Cole
President & Chief Executive Officer

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

**RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147**

Dear Acting Secretary Quinlan:

My name is Andy Cole and I am President & CEO of Total Transportation Services LLC. My company is a third-party logistics company providing transportation brokerage and intermodal services.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request the Board approve the application as expeditiously as possible.

I, Andy Cole, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement.

Executed this 16th day of June, 2008.

Sincerely,

Total Transportation Services LLC
2400 Dallas Parkway • Suite 220 • Plano, Texas 75093
Phone: 214-778-0800 • Fax: 214-778-0880
www.tts-us.com

Abilene, TX
Addison, TX
Bensalem, PA
Burley, ID

Cumming, GA
Dallas, TX
Hillsboro, OR
Hughson, CA
Kent, WA

Los Angeles, CA
Louisville, KY
Memphis, TN
Mesquite, TX
New York, NY

Oklahoma City, OK
Omaha, NE
San Antonio, TX
San Diego, CA
Snowflake, AZ

Tempe, AZ
Toledo, OH
Wilson, NC
Woodstock, GA

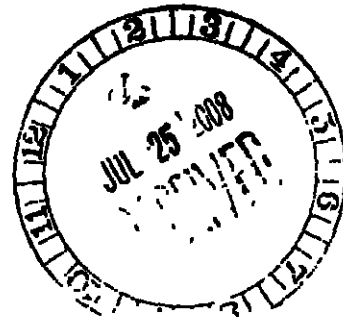
TOYOTA

Nancy Davies
Vice President
Toyota Logistics Services

Toyota Motor Sales U.S.A., Inc.
19150 South West Highway
Irvine, CA 92614

July 15, 2008

FD 35147



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. XXXXX

Toyota Logistics Services, Inc. ("TLS") provides vehicle delivery services to Toyota, Lexus and Scion dealerships throughout the continental United States, often using rail transportation services. As a major consumer of rail transportation services, TLS feels that developments which result in increased competition and access among rail carriers are generally beneficial to both the consumers of those services and the freight markets impacted by those developments. The proposed transaction between Norfolk Southern and Pan Am Railways is potentially such a development and TLS requests that the board act on the matter promptly.

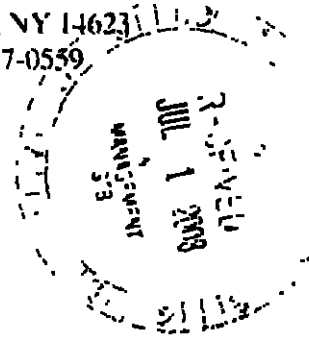
Sincerely,

Nancy Davies



Trailer Transport Systems, Inc.

Main Office - Rochester • 900 Jefferson Rd - Suite 1200 • Rochester, NY 14623
Phone (585) 427-2080 • www.trailertransport.com • Fax (585) 427-0559
Since 1981



June 18, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Dave Buschner, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 18th day of June, 2008.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Buschner".

Dave Buschner
President

Offices:

Buffalo, NY • Harrisburg, PA • Miami, FL • Oakland, CA • Phoenix, AZ

Correspondence

316 Pennsylvania Ave, S E
Suite 300
Washington, DC 20003
202 675 4220 Tel



27 June 2008

Ms Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Subject. STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

As the largest corporate customer of the U.S. Class I Railroad industry, UPS writes in support of the proposed Patriot Corridor joint venture between Norfolk Southern and Pan Am Railways, and urges the Surface Transportation Board (STB) to expeditiously approve the transaction.

In past testimony before the STB, UPS has articulated the need for rail capacity enhancements, additional infrastructure investments, information technology upgrades, and an increased commitment to improve rail service reliability. An efficient, cost competitive transportation infrastructure is essential to the success of UPS, our customers, and the global supply chain. This transaction would provide some much needed relief for the capacity constrained surface transportation network throughout New England.

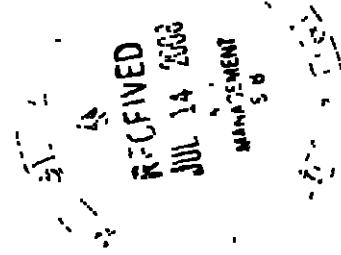
It is our hope that the Board will give this issue prompt review and grant its approval, so that large intermodal rail customers, like UPS, can further utilize the freight rail network to service our customers in a timely, efficient, and environmentally friendly manner. Given the daunting challenges facing our current surface transportation infrastructure, projects that enhance the ability to move freight, like the Patriot Corridor, are critical to maintaining our nation's economic competitiveness.

I, Thomas F. Jensen, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. This document was executed this 27th day of June, 2008.

Sincerely,

Thomas F. Jensen

Thomas F. Jensen
Vice President





United States Gypsum Company
550 West Adams Street
Chicago, IL 60661-3676
312 436-4000
Fax 312 672-4093

Founded in 1902

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it would lead to more freight traffic to divert off of the highways in the future. While improving the service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

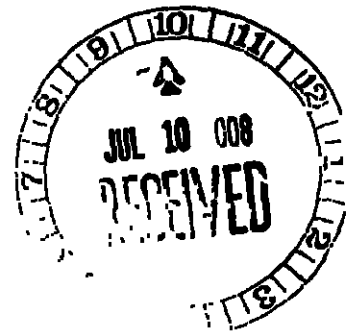
Sincerely,

A handwritten signature in black ink that reads "Timothy McVittie". The signature is written in a cursive, flowing style.

Timothy McVittie
Director, Logistics
United States Gypsum Company



July 9, 2008



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer Verso Paper Corp.'s strong support for the proposed joint venture, "The Patriot Corridor", between Norfolk Southern and Pan Am Railways.

Verso Paper is a leading manufacturer of coated paper products, which are used for magazines and other publications. We operate four paper mills, two of which are located in Maine and are served by Pan Am Railways as the originating rail carrier. We ship a significant portion of our products by rail to customers located in different portions of the country, and believe that the country's rail system is important for our company. I am Verso's Director of Supply with responsibility for Verso's logistics function.

We would like to express our support for the proposed transaction, since we believe that it will lead to improved service and increased reliability, both of which will directly impact our company and our customers. We think the proposal will help reduce highway congestion and offers positive environmental benefits.

In conclusion, we support the Norfolk Southern and Pan Am Railway's transaction and request that the Board approve the application as promptly as possible.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael Partridge".

Michael Partridge
Director of Supply



P O Box 45308 • Omaha, NE 68145-0308
(402) 895-6640

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024



RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Secretary Williams.

My name is Derek J. Leathers, and I am the Chief Operating Officer of Werner Enterprises. Werner is one of the top five truckload carriers, with more than 11,000 drivers, 2,000 office support employees, and over 900 fleet maintenance employees nationwide.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

I, Derek J. Leathers, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 17th day of June, 2008.

Sincerely,

Derek J. Leathers
Chief Operating Officer
Werner Enterprises
dleathers@werner.com



WHEELS CLIPPER

Correspondence

CORPORATE OFFICES
9014 HERITAGE ROAD - SUITE 300
WOODRIDGE, ILLINOIS 60517-5080
(630) 739-0700 • FAX (630) 739-1817



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

I am writing to offer my company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Walt Whitt, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 9th day of June, 2008.

Sincerely,

Walt Whitt
President

WW/dh



WHITE ARROW

Servicing all your transportation needs

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

My name is Cristian Ceausu, and I am the owner and president of White Arrow, Inc. White Arrow is a coast-to-coast shipping company that specializes in LTL freight.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is severe. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

We feel this is the best way to increase efficiency, improve our services and increase available transportation options in the New England area. Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as quickly as possible.

I, Cristian Ceausu, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement Executed this 27th day of June, 2008

Sincerely,



Cristian Ceausu

President, White Arrow, Inc

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 F Street, SW
Washington, DC 20024

June 26, 2008

RF Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

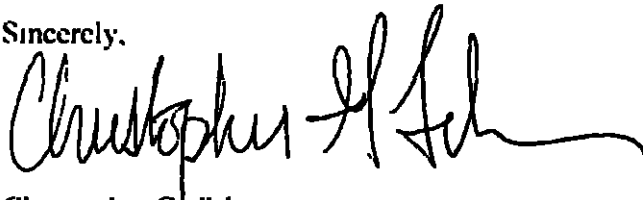
My name is Chris Tabor and I am responsible for material procurement at Wood Structures Inc. located in Biddeford, Maine. Our company is the premiere supplier of structural building components, engineered wood products, wall panels, and specialty building products in New England.

We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

I therefore, we fully support the Norfolk Southern / Pan Am transaction and request that the Board approve the application as expeditiously as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher G. Tabor", with a long, sweeping horizontal line extending to the right.

Christopher G. Tabor
Wood Structures Inc.
P O Box 347
Biddeford, Maine 04005-0347
207-294-5169

Correspondence



Corporate Headquarters
7 Alfred Circle
Bedford, Massachusetts 01730-2349
(781) 275-8400
Fax (781) 275-8812

FD 35147



May 30, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly

I am the President and CEO of wTe Corporation. My company is a significant regional metals and plastics recycler in the northeast. We use the railroad to transport over 80% of our finished goods to domestic steel mills and other consumers.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

- 1 We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England
- 2 We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets
- 3 Increased competition for the movement of goods in and out of New England region will help to control rate and improve service offerings
- 4 These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion



RECYCLED PAPER

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation in New England.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Scott Mellen".

M. Scott Mellen
President,
wTe Corporation

cc David Fink, President, Pan Am Railways

GOVERNMENT OFFICIALS AND COMMUNITIES

Correspondence

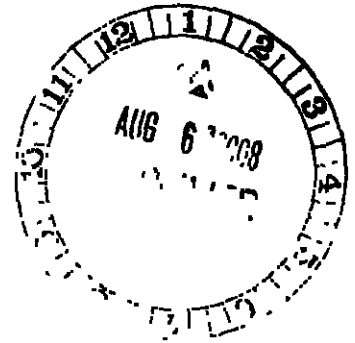


Board of Supervisors

SARATOGA COUNTY

THOMAS J. RICHARDSON

**112 South 4th Ave.
Mechanicville, NY 12118**



Phone. (518) 664-8776
July 24, 2008

FD 35147

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Re Proposed Norfolk Southern/ Pan Am Railways Transaction

Dear Secretary Quinlan,

I am writing to offer the City of Mechanicville's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in the best interest of New York's Capital District because of the "Green" benefits of rail, better service and equipment utilization, and a great opportunity for economic development with the proposed Intermodal Facility within Mechanicville, Stillwater and Halfmoon, New York.

The proposed transaction would increase New York's Capital District shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the Capital Region. Because the improved route will increase transportation opportunities moving freight by rail, it would lead to more freight traffic diverted off the highways, providing reduced congestion, air and noise pollution within our communities. We believe that this is a positive request move for New York's Capital District.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

Thomas J. Richardson
Supervisor

8/19/08

RESOLUTION 166 - 08

**Introduced by Supervisors Daly, Connelly, A. Johnson, Peck, Richardson, Vetch
and Wormuth**

**URGING APPROVAL OF THE PAN AM AND NORFOLK
SOUTHERN INTERMODAL RAILWAY PROJECT BY THE
U.S. SURFACE TRANSPORTATION BOARD**

**WHEREAS, A partnership of Pan Am and Norfolk Southern Railways to be known
as Pan Am Southern has proposed the creation of the Patriot Corridor Joint Venture, and**

**WHEREAS, The Patriot Corridor Joint Venture would site a new intermodal rail
yard on 80 acres in the City of Mechanicville, the Town of Halfmoon and the Town of
Stillwater; and**

**WHEREAS, The rail yard will facilitate the delivery of automobiles and container
shipments of goods by rail throughout New York and New England; and**

**WHEREAS, The rail yard will create new jobs within Saratoga County, and foster
the growth of warehouse and other related facilities which will enhance the economic
well being of the County, and**

**WHEREAS, The improvement of rail facilities for the shipment of freight provides
significant environmental and safety benefits to the general public, and**

**WHEREAS, The project is currently under review by the Surface Transportation
Board of the U.S. Department of Transportation for its approval which is needed for the
project to go forward, and**

**WHEREAS, The Saratoga County Board of Supervisors enthusiastically supports
the project and welcomes its location within the County; now, therefore, be it**

**RESOLVED, That the Saratoga County Board of Supervisors expresses its support
for the creation and siting of an intermodal rail yard in the City of Mechanicville, the
Town of Halfmoon and the Town of Stillwater by the Patriot Corridor Joint Venture
made up of Pan Am and Norfolk Southern railways, and be it further**

RES08-15-08

RESOLVED That Saratoga County Board strongly urges the approval of the project by the Surface Transportation Board of the U.S. Department of Transportation; and be it further

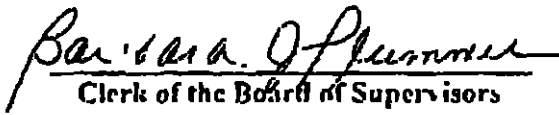
RESOLVED That the Clerk of the Board forward a certified copy of this Resolution to the Surface Transportation Board of the U.S. Department of Transportation

BUDGET IMPACT STATEMENT No budget impact

STATE OF NEW YORK)
)
COUNTY OF SARATOGA)

I, Barbara J. Plummer, Clerk of the Board of Supervisors of Saratoga County, do hereby certify that the foregoing is a true copy, and the whole thereof, of a resolution duly adopted by the Board of Supervisors of said county, on the 19th day of August 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed hereto the official seal of said Board of Supervisors this 20th day of August 2008.


Clerk of the Board of Supervisors
Saratoga County, New York

Correspondence

COUNTY OF WASHINGTON

P.O. Box 297, County Courthouse

Machias, ME 04654

(207) 255-3127

Fax: (207) 255-3313

e-mail: wcco@midmaine.com

Commissioners:

Christopher M. Gardner, Chairman

John B. Crowley, Sr., Commissioner

Kevin L. Shorey, Commissioner

County Manager:

Linda Pagels-Wentworth

Secretary:

Gail Popham

June 11, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

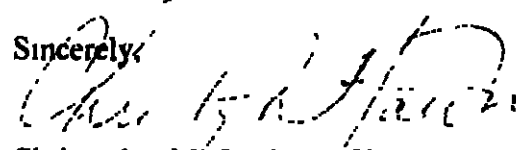
I write today to offer the endorsement of the Washington County Commissioners of the proposed merger between Norfolk Southern and Pan Am Railways. As Commissioners we represent the easternmost county in the United States and our county is served solely by Pan Am Railways. Pan Am is a company that we believe in and have great respect for. Their presence in Washington County is paramount to the supported industries and without them these industries and opportunities would certainly be greatly hampered.

As such we were very happy to hear of the Patriot Corridor plans and Pan Am's involvement. We see that this is a great step to strengthening the rail infrastructure of the North East and as such it strengthens the future possibilities for rail in our region. We feel that rail possibilities are vital to the future economies of not only our county in particular, but to our entire state.

By completing this merger, rail of the North East becomes better connected and more competitively viable for the future. Not only do we see it as beneficial, we see it as absolutely necessary. Failure to allow for this type of innovation and cooperation in the rail industry at this time would only prevent us from growing this crucial piece of our transportation infrastructure. In these times of energy and thus transportation crisis, we feel as though the rail industry must be best appreciated for the solutions it can offer us.

Please carry forward our endorsement and with that we encourage the STB's as well

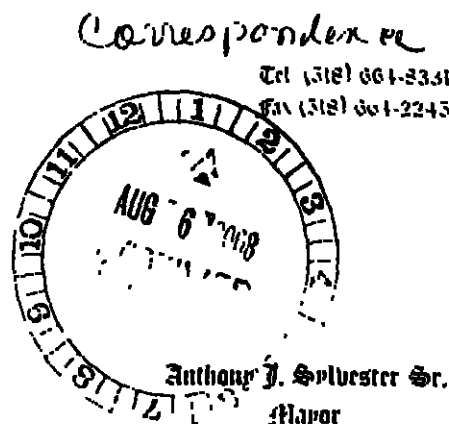
Sincerely,


Christopher M. Gardner - Chairman
Washington County Commissioners

36 North Ham Street
Mechanicville, NY 12118

City of Mechanicville

New York



July 24, 2008

Office of the Mayor

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

Re: Proposed Norfolk Southern/ Pan Am Railways Transaction

Dear Secretary Quinlan,

I am writing to offer the City of Mechanicville's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in the best interest of New York's Capital District because of the "Green" benefits of rail, better service and equipment utilization, and a great opportunity for economic development with the proposed Intermodal Facility within Mechanicville, Stillwater and Halfmoon, New York.

The proposed transaction would increase New York's Capital District shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the Capital Region. Because the improved route will increase transportation opportunities moving freight by rail, it would lead to more freight traffic diverted off the highways, providing reduced congestion, air and noise pollution within our communities. We believe that this is a positive request move for New York's Capital District and a tremendous economic boost for the City Of Mechanicville which has lost much of its industry over the last three decades.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

Sincerely,

Anthony J. Sylvester Sr.
Mayor



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIRMAN,
Municipal Program Committee

COMMITTEES
Agriculture and Forestry
Economic Development
Health and Welfare
Labor

MINORITY TASK FORCES
Agriculture, Tourism and
Outdoor Recreation
Real Property Taxation

OFFICE OF THE
ASSEMBLY CLERK

August 26 2008

Mr. Charles D. Nottingham
Chairman
Surface Transportation Board
395 I Street, SW
Washington, DC 20024

Re: Proposed Pan Am Railways / Norfolk Southern Joint Venture

Dear Mr. Chairman:

I am notifying you of my support for the proposed Patriot Corridor Joint Venture between Pan Am and Norfolk Southern Railways. This joint venture will service the growing need for freight rail in New York and allow for increased rail competition throughout New York and New England. Greater customer access to freight rail will create more competition between rail providers and also the trucking industry. Competition will help reduce and control the cost of shipping household and commercial products. Shipping freight by the Patriot Corridor will benefit the general public end user in numerous ways. Shipping household and industrial products by rail will help combat inflation, provide environmental benefits and safety benefits. I urge the board to promptly approve the Patriot Corridor Joint Venture application.

As you know freight by rail provides environmental benefits by reducing CO₂ emission and using less imported diesel fuel to move diesel customer products. The Patriot Corridor will also reduce the congestion on our nation's highways. Less truck traffic on our highways provides added safety to automobile motorists who travel these highways.

The Patriot Corridor Joint Venture proposes to invest upwards of \$50 million dollars in my Assembly District, which is part of New York's Capital Region. The venture creates a new intermodal / automotive terminal in the towns of Hallmoon, Mechanicville and Stillwater. The Patriot Corridor Joint Venture will return rail to Saratoga County and increase area shippers' ability to access the US rail network.



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

ROY J. McDONALD
Assembly District 12

CHAIRMAN
County Planning Committee

COMMITTEES
Plans and Means
Veterans Affairs
Housing and Urban Affairs
LEADS

MINORITY TASK FORCES
Agriculture, Tourism and
Outdoor Recreation
Real Property Tax Reform

Mr. Chairman, I urge you to approve this filing because of the tremendous economic, environmental and safety benefits for New York, New England and my Assembly District.

Thank you for your attention to this matter.

Sincerely,

Roy McDonald
Member New York State Assembly

Correspondence



**Public Service
of New Hampshire**

The Northeast Utilities System

107 Selden Street, Herk, CT 06037

Northeast Utilities Service Company

P O Box 270

Hartford, CT 06141-0270

Phone (860) 665-4578

Fax (860) 665-4550

Jody TenBrock, Manager

Fuels Department

July 7, 2008

Vernon A Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20433

RE Proposed NS / PAR Transaction
STB Finance Docket No 35147

Dear Secretary Williams

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly

I am the Manager of the Fuels Purchasing and Supply Department for Public Service of New Hampshire. We move 750,000 to 850,000 tons of coal annually using both the NS and Pan Am railroad.

An efficient and cost competitive transportation infrastructure is essential to the success of our business. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

- 1 We believe the transition will promote rail infrastructure improvements along one of the primary rail arteries in New England
- 2 We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets
- 3 Increased competition for the movement of goods in and out of the New England region will help to control rates and improve service offerings
- 4 These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways, benefiting the environment and reducing congestion

In conclusion, we support the application of the Norfolk Southern Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

I, Jody TenBrock, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement.

Executed this 7th day of July, 2008

Sincerely,

Jody TenBrock
Manager, Fuel Purchasing and Supply

Correspondence

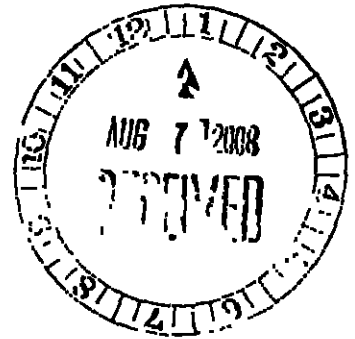


TOWN OF STILLWATER

ESTABLISHED 1788 - SITE OF THE TURNING POINT OF THE AMERICAN REVOLUTION

Anne K Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147



Re. Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer the City of Stillwater's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in the best interest of New York's Capital District because of the "Green" benefits of rail, better service and equipment utilization, fewer blocked crossings and a great opportunity for economic development with the proposed Intermodal Facility within Halfmoon, Mechanicville and Stillwater, New York

The proposed transaction would increase New York's Capital District shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the Capital Region. Because the improved route will increase transportation opportunities moving freight by rail, it would lead to more freight traffic diverted off the highways, providing reduced congestion, air and noise pollution within our communities. We believe that this is a positive move for New York's Capital District.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval

Sincerely,

Supervisor
Shawn P. Connelly

BOX 700, STILLWATER, NY 12170 - (518) 664-6148 FAX (518) 664-9537

Town Supervisor
Shawn P. Connelly
Town Clerk
Sue Cunningham

Town Board Members
Artie Baker
Ken Petronis
Lisa Bruno
Virginia Whitman

Attorney
Cutler, Trainor & Cutler, LLP
Engineers
The Chazen Companies



August 8, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

Re Letter of Support for Proposed Norfolk Southern/Pan Am Railways Joint Venture

Dear Ms. Quinlan:

I am writing this letter on behalf of the Saratoga Economic Development Corporation (SEDC) to strongly support the joint venture proposed by Norfolk Southern and Pan Am Railways. The transaction would be in the best interest of Saratoga County because of the "green" benefits of rail, better service, equipment utilization and economic development with the proposed intermodal facility within Halfmoon, Mechanicville and Stillwater, New York.

The proposed transaction would increase New York's Capital District shippers' ability to access the US Rail network by providing improved competitive rail service. The improved route will increase transportation opportunities moving freight by rail and offer opportunities to our regional manufacturing businesses. With the cost of fuel on the rise, our business community needs cost-effective options to ship raw materials and finished products to the marketplace. The direct and indirect jobs that will be created as a result of the intermodal facility will also provide an economic boost to the region. We believe this is a positive request and will provide a much-needed resource and economic benefit to our community.

I strongly support the Norfolk Southern and Pan Am project and request that the board move on this action as expeditiously as possible. Please feel free to contact me if I can be of any assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dennis A. Brobston".

Dennis A. Brobston
President

Congress of the United States
Washington, DC 20515

August 21, 2008

Ms Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20024

Dear Ms Quinlan.

We are writing in support of the proposed Norfolk Southern/ Pan Am Railways joint venture

The proposed transaction between Norfolk Southern and Pan Am Railways' represents an opportunity to improve freight rail capacity and competition in New York and New England. It will greatly benefit rail customers and the general public by providing improved access to the national rail network and shipping alternatives making rail transportation in New York and New England more efficient and accessible. Over the past few years we have worked closely with Pan Am to expand and improve commuter and intercity rail passenger service on both the Fitchburg Commuter Rail Line and the Connecticut River Rail Line. We look forward to continuing that relationship as those projects move forward.

We understand that there have been submissions from one or more interested parties from our Districts during the environmental phase of your review and there may be other submissions during your general comment period. We would hope that each will be given due and careful attention. It is our hope that this new entity will continue to work to address environmental concerns and that the improved rail infrastructure and increased rail traffic proposed by this joint venture will eliminate instances of prolonged rail idling within our Districts. We also ask that the Board consider the importance of productive negotiations between the state of Massachusetts and the new rail entity when dealing with trackage rights.

Again, we would like to reiterate our support of this proposed joint venture. If you have any questions or concerns please feel free to contact us.

Sincerely,


John W. Olver
Member of Congress


James McGovern
Member of Congress

Correspondence

KIRSTEN E GILLIBRAND
20th District New York

HOUSE ARMED SERVICES COMMITTEE
HOUSE COMMITTEE ON AGRICULTURE



Congress of the United States
House of Representatives
Washington, DC 20515-3220

August 1, 2008

Honorable Charles D Nottingham
Chairman
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

FD 35147

Re Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Mr Chairman

I am writing to offer my strong support for the proposed Patriot Corridor Joint Venture transaction between Norfolk Southern and Pan Am Railways. This transaction strikes the proper balance of new investment in freight rail and increased competition in New York and New England. I urge the board to promptly approve it.

This transaction proposes to invest upwards of \$50 million dollars in my district and create a new intermodal / automotive terminal in the towns of Halfmoon, Mechanicville and Stillwater. This project will return rail to Saratoga County and increase area shippers' ability to access the US rail network, by providing improved competitive rail service. While trucks dominate the nation's freight markets, especially in the Capital District, this new improved route will increase transportation opportunities for moving freight by rail.

It is my strong belief that this corridor will lead to more freight traffic diverted off our highways, providing reduced congestion, air and noise pollution within our communities. I believe that this is a positive move for New York and my district, and thus I urge you to approve this filing as expeditiously as possible.

Sincerely,

Kirsten E. Gillibrand

Kirsten Gillibrand
Member of Congress

RAILROADS

NATIONAL RAILROAD PASSENGER CORPORATION

60 Massachusetts Avenue NE, Washington, DC 20002
te 202 906 3963 fax 202 906 2850

223282

Alex Kummant
President and Chief Executive Officer



August 14, 2008

ENTERED
Office of Proceedings

AUG 15 2008

Part of
Public Record



Ms Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re Finance Docket No 35147, *Norfolk Southern Ry, Pan Am Railways, et al - Joint Control and Operating/Pooling Agreements - Pan Am Southern LLC*

Dear Ms Quinlan

I am writing to express Amtrak's support for the application by Pan Am Railways (Pan Am) and Norfolk Southern Railway (NS) to create and control a new joint venture railroad, Pan Am Southern

As I describe below, Amtrak has significant relationships with both NS and Pan Am. While we do not currently operate over the Pan Am rail lines that will be conveyed to Pan Am Southern, this proceeding is important to us for a number of reasons. Our dealings with NS and Pan Am over the past few years, and the rail infrastructure investments that will result from approval of their application, lead us to believe that the joint venture is good news for both passenger and freight rail in southern New England, and warrants the Board's approval.

NS is the largest freight operator on the Amtrak-owned Northeast Corridor ("NEC"). In the nine years since NS acquired freight rights between New York and Washington from Conrail, it has been a strong partner in efforts to improve freight and passenger rail service and infrastructure along the NEC. NS has had considerable success in reversing the long contraction of NEC freight rail traffic and facilities, as evidenced by its recent rebuilding of a long abandoned freight yard along the NEC at Trainer, Pennsylvania. NS has also developed proactive, mutually beneficial, relationships with states and passenger rail partners. One example is the innovative public-private partnership between NS and the state of Delaware that has led to the reopening of the Shellpot Bridge freight bypass route around Amtrak's busy Wilmington, Delaware, station.

Amtrak's Boston to Portland, Maine, *Dowheaster* service, which operates over Pan Am, will celebrate its seventh anniversary this year. The *Dowheaster* has been a resounding success. Ridership has increased by 79% in just the past three years. Pan Am has played a significant role in that success. Pan Am's dispatching has been a key contributor to the *Dowheaster's* on-time performance, which in most years has been among the highest of any Amtrak route. Agreements between Pan Am and the Northern New England Passenger Rail Authority (NNEPRA), Amtrak's state partner, led to reductions in running time and the addition of a fifth round trip last year. Pan Am and NNEPRA are also working together to extend the *Dowheaster* service from Portland to Brunswick, Maine.



If the application is approved, the joint venture will acquire Pan Am's freight trackage rights over Amtrak's Springfield Line between Springfield, Massachusetts, and New Haven, Connecticut. Pan Am currently uses these rights to connect its Waterbury Branch, a Connecticut line that is isolated from the remainder of Pan Am's system, with its east-west "Patriot Corridor" line at East Deerfield, Massachusetts. A significant portion of NS's financial contribution to the joint venture will be used to fund track improvements on the Patriot Corridor, which the joint venture will also acquire.

This proceeding is also very important to future intercity passenger rail service in Massachusetts and Vermont. For a number of years, the state of Vermont, with Amtrak's support, has pursued plans for the initiation of state-supported Amtrak service from Albany, New York, to Bennington and Rutland, Vermont. This service would utilize the Patriot Corridor line between Mechanicville, New York, and Hoosick Junction, New York. In preparation for this service, significant federal and state investments have been made in the Vermont-owned portion of the route between Hoosick Junction and Rutland. The investments in the Patriot Corridor between Mechanicville and Hoosick Junction that will result from approval of the joint venture application would facilitate future passenger rail service to Rutland via that line.

The joint venture will also acquire Pan Am's Connecticut River Line from Springfield to East Northfield, Massachusetts. The Pioneer Valley Transit Authority is currently working with the Massachusetts Executive Office of Transportation and the Vermont Agency of Transportation on a federally-funded study of the restoration of passenger rail service over this line. For a number of reasons, including a large student population market and linkage to the NEC, Amtrak believes that passenger rail service on the Connecticut River Line has great potential and could produce significant public benefits. We view the conveyance of that line to the joint venture, with its enhanced financial resources, as a positive development in efforts to restore passenger service.

The creation of Pan Am Southern will result in significant additional investments in rail infrastructure, and enhanced prospects for both passenger and freight rail service, in southern New England. With highways gridlocked, oil prices at unprecedented levels, and an urgent need to reduce greenhouse gas emissions associated with transportation, the importance of increasing the volume of passenger and freight traffic that moves by rail has never been greater. Amtrak urges the Board to approve the pending application.

Sincerely,

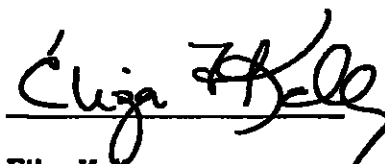
A handwritten signature in black ink, appearing to read "Alex Kummant", written over a horizontal line.

Alex Kummant
President and Chief Executive Officer

cc Charles D. Nottingham, Chairman
Francis P. Mulvey, Vice Chairman
W. Douglas Buttrey, Board Member
All Parties of Record

CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the foregoing letter of Alex Kummant, President and Chief Executive Officer of the National Railroad Passenger Corporation ("Amtrak"), to be served upon all parties of record in STB Finance Docket No 35147 this 14th day of August, 2008 by first class mail, postage prepaid. The foregoing letter is the only filing made to date by Amtrak in this proceeding.

A handwritten signature in black ink, appearing to read "Eliza Kelly", written over a horizontal line.

Eliza Kelly
Legal Assistant
National Railroad Passenger
Corporation

Correspondence



**CANADIAN
PACIFIC**

Jane O'Hagan
VP Strategy and
External Affairs

Suite 500
Gulf Canada Square
401 - 8th Avenue SW
Calgary AB T2P 4Z4

Tel (403) 319-8742
Fax (403) 205-9142
email jane.o'hagan@cpr.ca

June 18, 2008

Ms Anne Quinlan
Acting Secretary
Surface Transportation Board
395 East Street S W
Washington, D C 20024

Dear Acting Secretary Quinlan

I am writing to express the support of Canadian Pacific (CP) and its Delaware and Hudson (D&H) Railway Company subsidiary for the application of Norfolk Southern Railway and PanAm Railways for the creation of PanAm Southern in Finance Docket 35147, and urge the prompt approval of the transaction

PanAm Railways has historically been an important connection for CP's D&H subsidiary, and with the D&H, forms the primary competitive rail route into New England versus CSX's single line service. This competitive rail route has suffered from a lack of volume and density, and from a corresponding lack of investment. The PanAm Southern transaction breaks this cycle by injecting the single largest infusion of capital into New England railroading since the federally-funded rebuilding of Conrail more than two decades ago.

This capital investment, combined with CP's ongoing investment in the D&H properties, will create a newly competitive rail route from United States and Canadian points to and from New England.

CP believes that the transaction is pro-competitive, offering shippers new rail options into the Northeast and New England, while preserving existing connections and services. Shippers on CP will benefit from improved service into New England, strengthening competitive alternatives to other rail and truck competition that is pervasive in the region.

We also support construction of the new multimodal facilities at Ayer, MA and Mechanicville, NY. These new facilities are badly needed additions to the regional infrastructure that will strengthen competition for automotive and intermodal traffic, will improve local economies and will produce environmental benefits by diverting truck traffic to rail.

Sincerely,


Jane O'Hagan
Vice-President Strategy
And External Affairs



CANADIAN
PACIFIC

Correspondence



**CLAREMONT CONCORD RAILROAD
CORPORATION**

PO BOX 1596 CLAREMONT NEW HAMPSHIRE 03743
TEL 603-442-1198 FAX 603-442-8935 E-MAIL OFFICE@THECCRR.COM



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am the General Manager at Claremont Concord Railroad Corporation. My company is a short line railroad that operates two segments: one at Claremont, NH, and the other at West Lebanon, NH. We presently interchange with Pan Am Railways at Claremont Junction, NH, and White River Junction, VT.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in the best interest for expanding rail service alternatives in New England for the reasons detailed here:

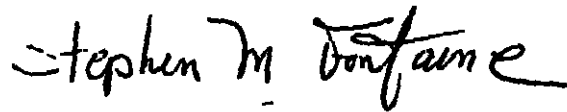
1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service thereby allowing for more reliable and efficient use of assets.
3. A strengthened connection between **Claremont Concord Railroad** and Norfolk Southern **through Pan Am Southern** will promote improved rail service in the region and increase competitive options for rail customers.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area highways benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern - Pan Am transaction and request that the Board move as expeditiously as possible to assure approval. We feel

this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England

I, **Stephen M. Fontaine**, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement Executed this **9th** day of **July**, 2008

Sincerely,

A handwritten signature in black ink that reads "Stephen M. Fontaine". The signature is written in a cursive style with a large, stylized "S" and a long, sweeping underline.

**Stephen M Fontaine, General Manager
Claremont Concord Railroad Corporation**



CLAREMONT CONCORD RAILROAD CORPORATION

P.O. BOX 1588 CLAREMONT NEW HAMPSHIRE 03743
TEL 603-542-6155 FAX 603-542-6035 E-MAIL OFFICE@THECCRR.COM



Claremont Concord Railroad Corporation Comments,

Claremont Concord Railroad (CCRR) is a short line railroad operating in western New Hampshire. We have two (2) operations: Claremont, New Hampshire, and West Lebanon, New Hampshire.

The Claremont operation interchanges with both Pan Am and New England Central (NECR) at Claremont Junction, NH. West Lebanon interchanges with Pan Am and NECR at White River Junction, VT.

Historically, the majority of CCRR's traffic was received from Pan Am's predecessor – B&M, later Springfield Terminal (ST). This traffic has all but disappeared, CSX traffic being moved over to NECR, and NS business moving over to CP (Vermont Railway) & NECR. Even traffic from Maine has been diverted around Pan Am.

This erosion of traffic occurred primarily because of the unreliable operating schedule of the road freight that services this area – EDWJ north, and WJED south, and dwell time at East Deerfield. At best, this train took two (2) days to make a round trip between East Deerfield and White River Junction. Now the train is a spare job, running at best once a week. Also contributing to this decline has been the pricing, along with delays in pricing response.

I would think that with the Pan Am Southern, we can work to improve the service, or at formulate an alternative – perhaps through NECR working the line – that would provide CCRR with consistent and timely service at competitive prices that would allow us to develop business opportunities more directly with NS. Several of our customers have been forced to receive or ship to other sources not served by NS because of this issue, quite often paying a higher transportation price. Consistent service and better pricing would also allow us to explore other markets.

Respectfully,

Stephen M. Fontaine, Business Development, General Manager
Claremont Concord Railroad Corporation



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction
STB Finance Docket No 35147

Dear Acting Secretary Quinlan

My name is Dennis H Miller, and I am President and CEO of Iowa Interstate Railroad. My company is a regional railroad located in Iowa and Illinois. We operate between Omaha and Chicago and generally handle agricultural products. We are also the originator of approximately 500 million gallons of ethanol generated from three plants. Within one year we will add another 500 million gallons of production from an additional three plants. This product tends to move to the east coast where the refineries and blenders are located.

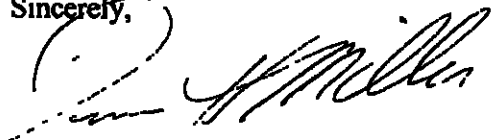
We would like to express our wholehearted support for the proposed transaction between Norfolk Southern and Pan Am. The need for increased competitive transportation options in New England is acute. There is no doubt that the improved services that will result from the infrastructure development called for in this transaction will help to improve the transportation alternatives for shippers. Therefore, the transaction can only positively impact our company. As I stated earlier, we will have approximately one billion gallons of ethanol to move within the next year and the infrastructure along the east coast needs to be ready to handle this volume in a safe manner.

More reliable rail services will increase service reliability, and provide for more competitive rates. In addition, the increase in rail options will allow for more freight traffic to be diverted off of our crowded highways, which will be beneficial for improving the environment and reducing highway congestion.

Therefore, we fully support the Norfolk Southern – Pan Am transaction and request that the Board approve the application as expeditiously as possible.

I, Dennis H. Miller, declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement. Executed this 22nd day of June, 2008

Sincerely,

A handwritten signature in cursive script, appearing to read "Dennis H. Miller". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

NB Southern Railway

11 Gifford Road, P.O. Box 3189, Saint John, N.B., Canada E2M 4X8
Tel: 506-632-5810 Fax: 506-632-5818

July 11, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan:

I am writing to offer my company's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am the General Manager at New Brunswick Southern Railway and Eastern Maine Railway. Our company is a strong partner with Pan Am Railway and in the past couple of years, we have worked together to improve service and open up new markets. We see this new proposed service as an opportunity to open new intermodal and freight opportunities from truck customers in Atlantic Canada. Our region is in need of new services to improve transportation costs and this proposed service is very important to us as a railway and to our customers.

An efficient and cost competitive transportation infrastructure is essential to the success of our business and that of our customers. This transaction would be in our best interest for expanding rail service alternatives in New England for the reasons detailed here:

1. We believe the transaction will promote rail infrastructure improvements along one of the primary rail arteries in New England.
2. We believe this improved rail infrastructure will provide for more consistent rail service, thereby allowing for more reliable and efficient use of assets.
3. Increased competition for the movement of goods in and out of the New England region and Atlantic Canada will help to control rates and improve service offerings.
4. These improvements to rail service reliability and cost will allow for more freight to be removed from New England area and Atlantic Canadian highways, benefiting the environment and reducing congestion.

In conclusion, we support the application of the Norfolk Southern - Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ian Simpson", written over a horizontal line.

**General Manager
N.B. Southern Railway**

Correspondence

New Hampshire Northcoast

POST OFFICE BOX 429

OSSIPEE, NEW HAMPSHIRE 03864

TEL (603) 539-2789

FAX (603) 539-8060

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, NW
Washington, DC 20024

FD 35147



Re Proposed Norfolk Southern – Pan Am Railways Transaction

Dear Secretary Quinlan,

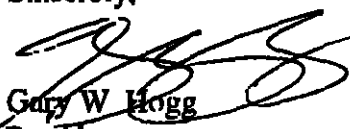
I am writing on behalf of New Hampshire Northcoast Railroad to offer strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways. We urge the Board to approve this transaction promptly.

We believe this transaction would be in our best interests, and to those of our customers, by improving freight service and reliability while being able to maintain competitive rates. The proposed transaction would increase the opportunities for all New England railroads to realize access to the entire regional rail network and help provide competitive services throughout.

While the trucking industry currently dominates most freight markets, especially in New England, the improved route structure from this transaction will increase the efficiency of rail in a manner that is not only beneficial to the environment but also diverts a portion of traffic from the growing congestion on our highway network.

Again, we believe this transaction can help provide our freight customers and business prospects with a competitive alternative, or as an attractive addition, to the trucking industry for their delivery needs. We support the application of Norfolk Southern and Pan Am and request the Board move towards approval as expeditiously as possible.

Sincerely,


Gary W. Hogg
President

cc File

75 West Commercial Street, Suite 204
Portland, Maine 04101 4631
207-780-1000 Tel
207-780-1001 Fax
www.AmtrakDowneaster.com

Martin I. Eisenstein
Chairman



**NORTHERN NEW ENGLAND
PASSENGER RAIL AUTHORITY**

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE Proposed Norfolk Southern / Pan Am Railways Transaction

Dear Secretary Quinlan

I am writing to offer my organization's strong support for the proposed joint venture between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly.

I am the Executive Director of the Northern New England Passenger Rail Authority (NNEPRA). A creation of the Maine Legislature, NNEPRA manages the state-supported Amtrak Downeaster passenger train which operates five round-trips daily between Portland, Maine and Boston, Massachusetts.

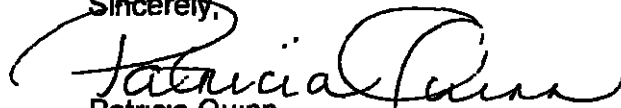
The Downeaster operates over 78 miles of Pan Am owned track which was rehabilitated to Class 4 prior to the start of service on December 15, 2001. Because of the working partnership NNEPRA and Amtrak have with Pan Am, the Downeaster has achieved great success and has earned national acclaim as a premier example of passenger service. In addition to having an outstanding on-time performance record and one of the best customer satisfaction ratings in the entire Amtrak system, the Downeaster has benefited from infrastructure improvement projects completed cooperatively with Pan Am since the start of service. Those projects have most notably reduced overall travel time by 20 minutes, and added capacity to support one additional daily round-trip frequency which have resulted in a 43% increase in ridership since 2005. All projects have been completed on time and on budget. Currently, NNEPRA is working with Pan Am to expand service to Brunswick, Maine and improve infrastructure surrounding the Portland Station.

The joint venture between Norfolk Southern and Pan Am will further enhance the strength of the infrastructure supporting Downeaster service by improving one of

the primary rail arteries in New England. This will provide for more consistent rail service and a more reliable and efficient use of assets while stimulating our economy by increasing competition for the movement of goods in and out of the New England region.

In conclusion, we support the application of the Norfolk Southern – Pan Am transaction, and request that the Board move as expeditiously as possible to assure approval. We feel this is the best way to improve service, enhance efficiency, and promote growth of transportation options in New England.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia Quinn". The signature is fluid and cursive, with a large initial "P" and "Q".

Patricia Quinn
Executive Director

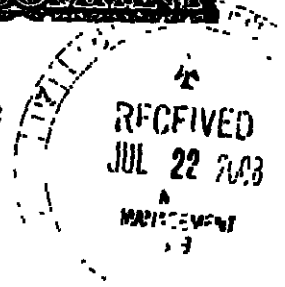
Correspondence

SANDERSVILLE RAILROAD COMPANY

POST OFFICE BOX 269
SANDERSVILLE, GEORGIA 31082

July 3, 2008

BEN J. TARBUTTON, JR.
VICE PRESIDENT



Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20024

RE: Proposed Norfolk Southern/Pan Am Railways Transaction

STB Finance Docket No. 35147

Dear Acting Secretary Quinlan:

I am writing to offer the Sandersville Railroad Company's strong support for the proposed joint venture transaction between Norfolk Southern and Pan Am Railways and to urge the Board to approve it promptly. We believe the transaction would be in our best interest, as well as the interest of our customers because it would produce better service, better equipment utilization, and more competitive rates.

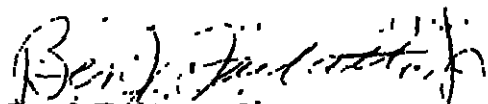
The proposed transaction would increase New England shippers' ability to access the US rail network, by providing improved competitive rail service. In addition, trucks dominate the nation's freight markets, especially in the New England area. Because the improved route will increase the efficiency of moving freight by rail, it will lead to more freight traffic being diverted off of our highways. In addition to improving service for shippers, such a move would be beneficial to the environment and reduce congestion expense. We believe that this is a positive move for shippers in New England.

In conclusion, we support the application of Norfolk Southern and Pan Am and request the Board move as expeditiously as possible on approval.

I, Ben J. Tarbutton, Jr., declare under penalty of perjury that the foregoing is true and correct and that I am qualified and authorized to file this verified statement.

Executed this 11th day of July, 2008.

Sincerely,


Ben J. Tarbutton, Jr.