Anthony J. LaRocca
202 429 8119
alarocca@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
202 429 3000 main
www.steptoe.com

Steptoe
STEPTOE & JOHNSON LLP

302170

ENTERED
Office of Proceedings
April 26, 2021
Part of
Public Record

April 26, 2021

PUBLIC VERSION

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

Re: **STB Docket No. FD 36472, CSX Corporation and CSX Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company**

Dear Ms. Brown:

Enclosed for e-filing in the above-referenced proceeding is a public version of an Amended Application, with appropriate redactions that the Board can place in its docket, pursuant to the Board's decision served on March 25, 2021. We are concurrently filing a highly confidential version of the Amended Application, to be filed under seal.

A filing fee of $9,200 was paid using pay.gov on February 25, 2021. The balance of $376,800 was sent to the Board via wire transfer on April 22, 2021, reflecting a total payment of $386,000. Please contact me with any questions.

F I L E D
April 26, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
April 26, 2021
SURFACE
TRANSPORTATION BOARD

Respectfully submitted,

/s/ Anthony J. LaRocca

Anthony J. LaRocca
Peter W. Denton
Sally Mordi
Attorneys for CSX Corporation and CSX Transportation, Inc.

Enclosures

cc: Louis E. Gitomer
All parties of record

REDACTED – TO BE PLACED ON PUBLIC FILE

CSXT/PAR-8

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

AMENDED APPLICATION

Robert B. Culliford
Pan Am Systems, Inc.
1700 Iron Horse Park
North Billerica, MA 01862
(978) 502-8194

Attorney for Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company and Vermont & Massachusetts Railroad Company

Anthony J. LaRocca
Peter W. Denton
Sally Mordi
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
(202) 429-3000

Louis E. Gitomer
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250

John P. Patelli
Steven C. Armbrust
Jason M. Marques
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1229

Attorneys for CSX Corporation and CSX Transportation, Inc.

Dated: April 26, 2021

TABLE OF CONTENTS

INTRODUCTION AND SUMMARY OF APPLICATION 3

I. THE PROPOSED TRANSACTION WILL NOT HAVE ANTICOMPETITIVE EFFECTS AND WILL PROVIDE SUBSTANTIAL PUBLIC BENEFITS 11

II. PROPOSED SCHEDULE 15

III. INFORMATION PROVIDED IN RESPONSE TO BOARD REGULATIONS 16

Section 1180.6 Supporting Information 16

(a)(1) A description of the proposed transaction 16

(i) A summary of the proposed transaction and contact information for applicants and their counsel 16

(ii) The proposed time schedule for consummation of the proposed transaction. 17

(iii) The purpose sought to be accomplished by the proposed transaction. 17

(iv) The nature and amount of any new securities or other financial arrangements. 18

(a)(2) A discussion of the public interest justifications in support of the application 18

(i) The effect of the transaction on inter- and intramodal competition. 18

(ii) The financial consideration involved in the proposed transaction and any economies to be effected. 19

(iii) The effect of the increase of total fixed charges resulting from the proposed transaction. 19

(iv) The effect of the proposed transaction upon the adequacy of transportation service to the public. 19

(v) The effect of the proposed transaction upon applicant carriers' employees. 21

(vi) The effect of inclusion in the proposed transaction of other railroads in the territory. 22

(a)(3) Any other supporting or descriptive statements applicants deem material. 23

(a)(4) An opinion of applicants' counsel. 26

(a)(5) A list of the State(s) in which any part of the property of applicants is situated. 26

(a)(6) Map (exhibit 1). 27

(a)(7) Explanation of the transaction. 27

(i) Description of the nature of the transaction, significant terms and conditions, and the consideration to be paid.. 27

(ii) Agreement (exhibit 2). 27

(iii) Information on proposed consolidation or merger.. 27

(iv) Court order (exhibit 3). 28

(v) Statement regarding the property involved in the proposed transaction.. 28

(vi) Description of principal routes and termini of the lines, principal points of interchange, and amount of mileage. 28

(vii) Statement regarding governmental financial assistance. 35

(a)(8) Environmental data (exhibit 4). 35

(b)(3) Change in control (exhibit 8). 35

(b)(5) Issues (exhibit 10). 35

(b)(6) Corporate chart (exhibit 11). 36

(b)(7) Information on non-carrier applicants. 36

(b)(8) Discussion of intercorporate or financial relationships. 37

Section 1180.7 Market Analyses 39

(a) Market analysis (exhibit 12). 39

Section 1180.8 Operational Data 40

(a)(1) Safety Integration Plan. 40

(b) Operating plan (exhibit 13). 40

(1) The patterns of service on the properties. 41

(2) Impacts anticipated on commuter or other passenger services. 41

(3) Anticipated equipment requirements of the proposed system. 41

(4) Description of the effect of deferred maintenance or delayed capital improvements. 41

(5) Density charts (exhibit 14).. 41

INDEX TO APPENDICES AND EXHIBITS

APPENDICES

Appendix 1 Impacts of the proposed transaction upon carrier employees.

Appendix 2A Opinion of Counsel for CSX Corporation and CSX Transportation, Inc.

Appendix 2B Opinion of Counsel for Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company and Vermont & Massachusetts Railroad Company.

EXHIBITS

Exhibit 1 Maps.

Exhibit 2 Agreement between Applicants.

Exhibit 3 Court Order. Not applicable.

Exhibit 4 Environmental Matters.

Exhibit 8 Change in Control.

Exhibit 10 Other Issues.

Exhibit 11 Corporate Chart.

Exhibit 12 Market Analysis.

Exhibit 13 Significant Transaction Operating Plan.

Exhibit 14 Density Charts.

Exhibit 22 Amended Verified Statements of Mr. Sean Pelkey; Dr. David Reishus; Dr. William Huneke.

Exhibit 23 Support Letters.

TABLE OF ABBREVIATIONS

747 Merger Sub 1	747 Merger Sub 1, Inc.
747 Merger Sub 2	747 Merger Sub 2, Inc.
Amtrak	National Railroad Passenger Corporation
B&E	Pittsburgh & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad
Board or STB	Surface Transportation Board
Boston & Maine	Boston and Maine Corporation
CN	Canadian National Railway Company
CP	Canadian Pacific Railway Company
CSX	CSX Corporation and CSX Transportation, Inc.
CSXC	CSX Corporation
CSXT	CSX Transportation, Inc.
DOJ	United States Department of Justice
GWI	Genesee & Wyoming Inc.
Mr. Mellon	Timothy Mellon, as Shareholder Representative
Maine Central	Maine Central Railroad Company
MassDOT	Massachusetts Department of Transportation
MBTA	Massachusetts Bay Transportation Authority
Merger Agreement	Agreement and Plan of Merger dated as of November 30, 2020
NECR	New England Central Railroad
Northern	Northern Railroad
NSR	Norfolk Southern Railway Company

NSR Settlement Agreement	Settlement Agreement between CSXT and NSR
P&L	P&L Transportation, Inc.
P&W	Providence and Worcester Railroad Company
PAR	Pan Am Railways, Inc.
PAR Railroads	Boston and Maine Corporation, Maine Central Railroad Company, Portland Terminal Company, Springfield Terminal Railway Company, Northern Railroad, Stony Brook Railroad Company and Vermont and Massachusetts Railroad Company
PAR System	Rail system over which the PAR Railroads own rail lines and provide rail service
PAS	Pan Am Southern LLC
PAS Formation Decision	*Norfolk S. Ry.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC*, FD 35147 et al. (STB served Mar. 10, 2009)
Portland Terminal	Portland Terminal Company
Related Transactions	Transactions requiring STB authorization contemplated in NSR Settlement Agreement and Term Sheet Agreement
SDDC	United States Army Military Surface Deployment and Distribution Command
Sellers	Timothy Mellon, as Shareholder Representative, and Pan Am Systems, Inc.
SMLB	Sarah Mildred Long Bridge
SMS	SMS Rail Lines of New York, LLC
Springfield Terminal	Springfield Terminal Railway Company
STB or Board	Surface Transportation Board
Stony Brook	Stony Brook Railroad Company
Systems	Pan Am Systems, Inc.

Term Sheet Agreement	Term Sheet Agreement among CSXT, NSR and GWI
USDOT	United States Department of Transportation
V&M	Vermont and Massachusetts Railroad Company

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

AMENDED APPLICATION

CSX Corporation ("CSXC"), a non-carrier, and CSX Transportation, Inc. ("CSXT"), a Class I railroad,[1] and 747 Merger Sub 2, Inc. ("747 Merger Sub 2"), a non-carrier, Pan Am Systems, Inc. ("Systems"), Pan Am Railways, Inc. ("PAR"), Boston and Maine Corporation ("Boston & Maine"), Maine Central Railroad Company ("Maine Central"), Northern Railroad ("Northern"), Portland Terminal Company ("Portland Terminal"), Springfield Terminal Railway Company ("Springfield Terminal"), Stony Brook Railroad Company ("Stony Brook"), and Vermont & Massachusetts Railroad Company ("V&M") (collectively, "Applicants"), file this amended application for a significant transaction pursuant to 49 U.S.C. §§ 11323(a)(1), (3), (4), and (5) and 49 C.F.R. Part 1180 (the "Amended Application") seeking approval from the Surface

[1] CSXT is a wholly-owned subsidiary of CSXC. CSXC and CSXT are referred to collectively herein as "CSX." CSXC also controls the following railroads indirectly through CSXT: Allegheny and Western Railway Company, The Baltimore and Cumberland Valley Rail Road Extension Company, The Baltimore and Ohio Chicago Terminal Railroad Company, The Carrollton Railroad, Dayton and Michigan Railroad Company, Fruit Growers Dispatch, Inc., Fruit Growers Express Company, The Indiana Rail Road Company, The Lake Erie and Detroit River Railway Company, North Charleston Terminal Company, Richmond, Fredericksburg and Potomac Railway Company, St. Lawrence & Adirondack Railway Company, The Staten Island Railroad Corporation, The Toledo Ore Railroad Company, and TransKentucky Transportation Railroad, Inc.

Transportation Board ("STB" or the "Board"): (1) for CSXC, CSXT, and 747 Merger Sub 2 to control the railroads controlled by Systems, a non-carrier, and PAR, a direct subsidiary of Systems and a non-carrier, and (2) CSXT to merge the railroads identified below into CSXT (the "Proposed Transaction").

On February 25, 2021, Applicants filed an application for a "minor" transaction, as amended on March 2 and March 10, 2021 (collectively, the "Original Application"). While filed as a "minor" transaction, the Original Application included many of the materials required by the Board's rules for a "significant" transaction. The Board issued a decision, served on March 25, 2021 (the "March 25 Decision"), finding that the Proposed Transaction would be a "significant" transaction. *CSX Corp. & CSX Transp., Inc.—Control and Merger—Pan Am Systems, Inc.*, FD 36472 (STB served March 25, 2021). The Board stated that it will consider the Original Application to be a prefiling notification of the anticipated application and directed Applicants to perfect their application by supplementing their submission with the requisite information for a "significant" transaction between April 25 and June 25, 2021. *Id.*, slip op. at 2. Applicants are submitting this Amended Application pursuant to the Board's March 25 Decision.

Filed along with the Original Application in sub-dockets to this Finance Docket were directly related and pro-competitive requests for Board authority from Norfolk Southern Railway Company ("NSR") that would allow NSR to operate up to one pair of intermodal and automotive trains daily under trackage rights over CSXT's line that runs to the south of the Pan Am Southern LLC ("PAS") route into the Boston MA area, and for Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad ("B&E"), a wholly-owned subsidiary of Genesee & Wyoming Inc. ("GWI"), to operate PAS in lieu of Springfield Terminal upon consummation of the proposed transaction, as more fully described further below. Applicants

request that the Board consider those related requests as part of the Board's consideration of this Amended Application.

INTRODUCTION AND SUMMARY OF APPLICATION

In an Agreement and Plan of Merger dated as of November 30, 2020 (the "Merger Agreement"), CSXC and two wholly-owned subsidiaries, 747 Merger Sub 1, Inc. ("747 Merger Sub 1"), and 747 Merger Sub 2, agreed with (1) Systems, and (2) Timothy Mellon, as Shareholder Representative ("Mr. Mellon," and collectively with Systems, the "Sellers"), for CSXC to acquire Systems, including the rail carriers owned or controlled by Systems.

Systems directly and wholly owns PAR, which in turn directly and wholly owns four rail carriers: Boston & Maine, Maine Central, Portland Terminal, and Springfield Terminal. Boston & Maine directly and wholly owns two rail carriers: Northern and Stony Brook. Boston & Maine also owns a 98% interest in V&M. Collectively, these seven rail carriers (referred to herein as the "PAR Railroads") own rail lines and provide rail service on a rail system (the "PAR System") in New England from Maine in the north to the Boston region in the south. Springfield Terminal operates rail service on the PAR System on behalf of the PAR Railroads pursuant to leases over lines owned and leased by the other PAR Railroads, and none of the other PAR Railroads currently operates.

Boston & Maine also owns a 50% interest in the Class II rail carrier PAS, a 50/50 joint venture between Boston & Maine and NSR. PAS provides rail service between upstate New York and Boston and between Vermont and Connecticut. Springfield Terminal, also a Class II rail carrier, operates PAS as PAS's agent.

Sellers engaged in a competitive auction for the purchase of Systems, and CSXC was the successful bidder. Under the Merger Agreement, the following events will occur upon closing,

which will occur after Board approval is obtained: Systems will be merged with 747 Merger Sub 1, with Systems surviving. Immediately thereafter, Systems will be merged with and into 747 Merger Sub 2, with 747 Merger Sub 2 surviving and the separate corporate existence of Systems ceasing. 747 Merger Sub 2 as the surviving corporation will be renamed Pan Am Systems, Inc. and will be a wholly-owned subsidiary of CSXC. Concurrent with Closing, CSXC will contribute Pan Am Systems, Inc. and all of its subsidiaries to CSXT. CSXT will thereafter control the rail carrier subsidiaries of Pan Am Systems, Inc. and at a future time, yet to be determined, will merge those subsidiaries, except V&M, into CSXT. These events are referred to herein as the "Proposed Transaction."

In connection with the Proposed Transaction, Applicants seek the following Board authority through this Amended Application:

(1) **PAR Railroads Control Authority.** Pursuant to 49 U.S.C. §§ 11323(a)(4) and (5), CSXC, CSXT, and 747 Merger Sub 2, seek authority to control the following rail carriers: Boston & Maine, Maine Central, Northern, Portland Terminal, Springfield Terminal, Stony Brook, and V&M.

(2) **PAR Railroads Merger Authority.** Pursuant to 49 U.S.C. § 11323(a)(3), CSXT seeks authority to merge the following rail carriers into CSXT: Boston & Maine, Maine Central, Northern, Portland Terminal, Springfield Terminal, and Stony Brook. CSXT intends to exercise the requested merger authority at a future time, yet to be determined. CSXT does not request merger authority with respect to V&M because Boston & Maine does not wholly own V&M.

(3) **PAS Control Authority.** Pursuant to 49 U.S.C. §§ 11323(a)(4) and (5), CSXC, CSXT, and 747 Merger Sub 2, seek authority to jointly control PAS. When the

Proposed Transaction is consummated, CSXT will wholly own and control Boston & Maine, which owns 50% of PAS. When PAS was created, Boston & Maine and NSR were given authority to jointly control PAS within the meaning of 49 U.S.C. § 11323. *See Norfolk S. Ry.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC*, FD 35147 et al. (STB served Mar. 10, 2009) (the "*PAS Formation Decision*"). Since CSXT will acquire Boston & Maine, CSXT seeks the same joint control authority over PAS that was granted to Boston & Maine in the *PAS Formation Decision*.[2]

Related to but separate from the Proposed Transaction, CSXT, NSR, and GWI have entered into agreements that will strengthen PAS as an independent rail route for access to rail shippers in New England and enhance rail competition in New England. There are two agreements, a Settlement Agreement between CSXT and NSR which includes an agreement relating to operations at Ayer, MA ("NSR Settlement Agreement"), and a Term Sheet Agreement among CSXT, NSR and GWI ("Term Sheet Agreement"). These agreements are contained as exhibits to the Amended Verified Statement of Mr. Sean Pelkey, CSXT's Vice President, Finance & Treasury. These two agreements contemplate transactions requiring STB authorization ("Related Transactions") that are related to the Proposed Transaction. Pursuant to the Related Transactions, (1) NSR will obtain trackage rights over existing lines owned by four railroads (CSXT, PAR Railroads, a GWI subsidiary, and PAS) to allow NSR additional flexibility with respect to NSR's existing service to intermodal and automotive facilities at Ayer,

[2] Applicants acknowledge that CSXT's ownership of Boston & Maine and its one-half interest in PAS may not result in Applicants acquiring "control" of PAS, as defined in 49 U.S.C. § 10102(3). Nevertheless, Applicants seek this control authority out of an abundance of caution.

MA, and (2) B&E, currently a Class III rail carrier and a wholly-owned subsidiary of GWI, will replace Springfield Terminal as the operator of PAS.

The terms of the Related Transactions are described in more detail below and in materials supporting this Amended Application. As explained below, the agreements with NSR and GWI and the Related Transactions arising out of those agreements will prevent any potential adverse competitive effects with respect to PAS associated with the Proposed Transaction, which includes the acquisition by CSXT of a 50% interest in PAS and the acquisition by CSXT of Springfield Terminal, the current contract operator of PAS. Additionally, the Related Transactions, combined with the Proposed Transaction, will substantially enhance competition by improving access to New England over multiple rail routes. The Applicants anticipate consummating the Proposed Transaction and the Related Transactions at the same time, subject to Board approval of each transaction. However, if the Proposed Transaction is consummated prior to the replacement of Springfield Terminal by B&E and the initiation of PAS operations by B&E, CSXT, NSR, and GWI have agreed that Springfield Terminal will continue to operate PAS until Springfield Terminal is replaced as the PAS operator.[3]

In connection with the Related Transactions, the following requests for Board authority were submitted in sub-dockets:

(1) **NSR Trackage Rights Authority.** Pursuant to 49 U.S.C. § 11323(a)(6), NSR filed notices of exemption in FD 36472 (Sub-No. 1), FD 36472 (Sub-No. 2), FD 36472 (Sub-No. 3), and FD 36472 (Sub-No. 4) to obtain the necessary STB authority to enter into four trackage rights agreements with, respectively, CSXT, Providence and Worcester Railroad Company ("P&W"), Boston & Maine, and

[3] { [redacted] }

PAS. These trackage rights agreements will allow NSR, upon consummation of the Proposed Transaction, to move up to one train pair per day, carrying intermodal and automotive vehicles traffic, between NSR's connection with CSXT near Voorheesville, NY, and the intermodal terminal located near Ayer, MA, over CSXT's east-west rail line between Voorheesville, NY and Worcester, MA, then over P&W's rail line between Worcester, MA and Barbers Station, MA, over Boston & Maine's rail line between Barbers Station, MA and Harvard, MA, and finally over PAS's rail line between Harvard and Ayer. In addition, NSR, on behalf of SMS Rail Lines of New York, LLC ("SMS") and with SMS's consent, filed a notice of discontinuance in *SMS Rail Lines of New York, LLC—Discontinuance of Lease and Operations Authority—In Albany County, NY*, AB-1312X, to obtain the necessary STB authority for SMS to discontinue the operating rights of SMS over the Voorheesville Running Track.

(2) **B&E Operating Authority.** Pursuant to 49 U.S.C. § 11323(a)(2) and 49 U.S.C. § 10502, B&E is filing an amended petition for exemption in FD 36472 (Sub-No. 5) to obtain the necessary STB authority to replace Springfield Terminal as operator of PAS.

The Proposed Transaction and the Related Transactions will result in a realignment of the rail network in New England that will be a major step forward in providing transportation options for New England rail shippers. Applicants anticipate that the Proposed Transaction will allow CSXT to improve rail service and to provide efficient competitive rail service within New England and between New England and CSXT's existing service area in the United States east of

the Mississippi River. The Proposed Transaction will also enable CSXT to efficiently interchange traffic to and from New England with the western railroads.

CSXT will bring to New England rail users its best-in-class rail service and its dynamic operating model that has set new standards for safety[4] and service performance with higher velocity, faster equipment turns and greater consistency.[5] CSXT will be able to offer rail customers in New England unprecedented visibility into their supply chain through the easy to use ShipCSX platform that enables them to track and manage their shipments with much greater precision and confidence. Improved service, increased reliability and highly consistent rail operations will enhance competition, remove truck traffic from congested highways and provide substantial public benefits to New England.

As discussed in the attached Exhibit 12, there will be no adverse impact on competition. When considered together with the Related Transactions, CSXT's acquisition of the PAR Railroads is an end-to-end combination of two railroad networks. CSXT currently connects and interchanges traffic with the PAR System at Barbers Station, MA. It is well recognized that transactions connecting end-to-end carriers generally enhance competition and are unlikely to present competitive concerns.

Only four existing shipper facilities, all in the area just to the north of Boston, have access to both CSXT and the PAR System. As discussed below, CSXT has committed to ensuring the continued access to multiple rail carriers for those shippers by establishing a

[4] In 2020, CSXT set a new company record for the fewest number of FRA reportable personal injuries, had the lowest injury rate (0.81) for all Class I railroads, and has lead the industry two years in a row.
[5] CSXT led U.S. railroads in 2020 for average terminal dwell reported to the STB. CSXT's line-of-road train velocity was 25.4 mph in 2020, a 23% improvement over 2017 levels. Terminal dwell was also dramatically improved in 2020, averaging 18.8 hours or 27% better than 2017. CSX's 2020 averages for line of road train velocity (25.4 mph) and terminal dwell (18.8 hours) are better than the company ever performed in a single week prior to 2018.

switching arrangement to reach PAS. In addition, CSXT is committing to keeping open existing gateways on the PAR System on commercially reasonable terms and to ensuring access to rate regulation remedies if shippers located on the existing PAR System are dissatisfied with rates for connections to other railroads. CSXT requests that the Board impose these commitments as conditions to approval of the Proposed Transaction.

The acquisition of Boston & Maine's interest in PAS will also have no adverse impact on competition. CSXT has ensured that there will be no anticompetitive effects by entering into an agreement with NSR and GWI to have Springfield Terminal replaced by B&E as operator of PAS. B&E will be responsible for setting rates on PAS in a non-discriminatory fashion as to all rail carriers that have the ability to interchange traffic with PAS or otherwise connect to PAS. In addition, CSXT has entered into a Settlement Agreement with NSR, described further below, that will result in enhanced competition in the region. CSXT requests that the Board impose the terms of that Settlement Agreement, which addresses a number of competitive issues, as a condition to its approval of the Proposed Transaction.

Finally, the replacement of Springfield Terminal by B&E as the contract operator of PAS will not have an adverse impact on competition. B&E is owned by GWI and GWI also owns a number of other railroads that operate in New England. However, the common ownership of B&E and other New England rail carriers by GWI will not have an adverse impact on competition for two reasons. First, B&E will be the contract operator of PAS and will be obligated and incentivized to operate PAS in the interest of PAS and not in the interest of any affiliated rail carrier. Second, Applicants have addressed any potential competitive impacts of the B&E contract operations of PAS. PAS operates on a line segment of a GWI-affiliated rail carrier that runs north into Vermont but CSXT, NSR and GWI have made commitments that will

ensure that no shipper or connecting rail carrier on that rail segment will lose the benefits of multi-carrier competition. Applicants request that the Board impose these commitments as conditions to approval of the Proposed Transaction.

The STB should approve the Proposed Transaction because it is clear that the Proposed Transaction, as enhanced by the Related Transactions, will have no adverse impact on competition. In addition, Applicants explain below that rail operations are not expected to change in ways that would require environmental studies or mitigation or that would have any adverse impact on existing passenger service. As to labor, Applicants request that the standard employee protective conditions established in *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979), be imposed on the Proposed Transaction to ensure that any adverse impact from the Proposed Transaction on current employees is addressed.

This Amended Application is organized as follows: Section I explains why the Proposed Transaction will not have any anticompetitive effects and will provide significant public benefits. Section II contains the Board's proposed schedule for this proceeding. Section III provides the specific information required by the Board's regulations and shows that there are no competitive issues raised by the Proposed Transaction that have not been resolved by CSXT's commitments or the Related Transactions. In addition, Applicants have provided the exhibits required under the Board's rules for a "significant" transaction and have developed an Operating Plan (Exhibit 13) showing that the Proposed Transaction and the Related Transactions will not result in any new operations exceeding any of the environmental or historic limits in 49 C.F.R. §§ 1105.7(e)(4) and (5) and 49 C.F.R. §§ 1105.8(b)(1) and (2). Verified Statements are included in Exhibit 22 and letters of support are in Exhibit 23. Applicants respectfully request that the Board approve the Proposed Transaction and the Related Transactions.

I. THE PROPOSED TRANSACTION WILL NOT HAVE ANTICOMPETITIVE EFFECTS AND WILL PROVIDE SUBSTANTIAL PUBLIC BENEFITS

The Board's review of the Proposed Transaction focuses on competitive impacts. Under the governing standard, because the Proposed Transaction does not involve the merger or control of at least two Class I rail carriers, the Board "shall approve" the transaction unless it finds both that:

> (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.

49 U.S.C. § 11324(d).

The Board must approve a transaction unless it finds that it will cause "adverse competitive impacts that are both 'likely' and 'substantial,'" and that those impacts outweigh the public benefits of the transaction and cannot be mitigated through Board-imposed conditions. *Norfolk S. Ry. Co.—Acquisition and Operation—Certain Rail Lines of the Del. and Hudson Ry. Co., Inc.*, FD 35873, slip op. at 14 (STB served Dec. 16, 2014). Examples of adverse competitive impacts "would be the likelihood of significantly higher rates or significantly worsened service, or the likelihood of a combination of the two." *Blackstone Cap. Partners—Control Exemption—CNW Corp. et al*., 5 I.C.C.2d 1015, 1019 (1989).

Applicants' expert economist, Dr. David Reishus, explains why the Proposed Transaction, with the commitments that CSXT is making, will not have any adverse impact on competition. Among other things, Dr. Reishus explains that:

- No shipper will experience a reduction in the number of serving carriers;
- No existing routes will be closed;
- No existing interchange options will be eliminated;

- None of the short lines that connect with the PAR Railroads to be acquired will lose a connecting alternative;
- No Class I railroad that currently has access to rail customers in New England will lose that access; and
- CSXT will commit to keeping open existing gateways on commercially reasonable terms and to ensuring access to rate regulation remedies if shippers are dissatisfied with rates for connections to other railroads.

Dr. Reishus further explains that the agreements with NSR and GWI and the Related Transactions arising out of those agreements will ensure that no adverse competitive impact will result from CSXT's acquisition of (1) Springfield Terminal, the contract operator of and rate-setter for PAS, and (2) Boston & Maine and its 50% interest in PAS. As Dr. Reishus explains, the Related Transactions will result in B&E, not Springfield Terminal or CSXT, operating PAS and setting rates for PAS in a non-discriminatory fashion. The agreements with NSR and GWI will eliminate the possibility that the Proposed Transaction could result in CSXT operations and pricing power over two generally parallel lines (PAS and the existing CSXT east-west mainline in Massachusetts).

Additionally, Dr. Reishus explains that the operation of PAS by B&E will not have an adverse impact on competition as a result of B&E interacting with other New England railroads under common control with B&E. B&E will provide service and set rates for PAS movements under a contract that obligates and incentivizes B&E to act in the interest of PAS as an independent rail carrier and not in the interest of an individual owner or an affiliated company. In addition, CSXT and NSR, as owners of PAS, have agreed that PAS will make certain pricing, haulage and service commitments that will preclude any anticompetitive effects from B&E's operation of PAS. As Dr. Reishus explains, there are two rail shippers and a shortline railroad that currently are served by both PAS and a carrier that is part of the GWI corporate family on a line segment north of East Deerfield, MA. PAS will commit to maintain rates for the two

shippers at current levels with reasonable future cost escalation and will provide rate commitments and haulage services to the shortline railroad to ensure the continued benefit of multi-carrier competition.

Dr. Reishus and Dr. Huneke further explain that the CSXT commitments and agreements producing the Related Transactions will not only eliminate any potential adverse competitive effects of the Proposed Transaction, but will substantially enhance existing competition. While a showing of competitive enhancements is not required in a transaction of this type, the enhancement of competition is a factor that strongly supports the STB's approval of the Proposed Transaction.

In addition, CSX's Vice President, Finance & Treasury, Mr. Sean Pelkey, explains in his attached Amended Verified Statement that the Proposed Transaction will substantially improve rail service and operations in New England. CSXT and the PAR System already have a substantial amount of interchange business between them. In fact, CSXT is already the single largest Class I railroad with whom the PAR System currently does business. The Proposed Transaction therefore unifies two already interconnected rail networks to produce efficient single-line service. Shippers on both the PAR System and on CSXT will see expanded market opportunities if the two systems are unified. In addition, CSXT will bring to New England rail users its best-in-class rail service, the benefits of its dynamic operating model, and new and unprecedented visibility into shippers' supply chains. Improved service, increased reliability and highly consistent rail operations will enhance competition, remove truck traffic from congested highways and provide substantial public benefits to New England. Customers are looking forward to CSXT service and direct access to its highly efficient network, as shown by the 77 support letters included with this Amended Application (see Exhibit 23).

In addition, with the Related Transactions, operation of PAS will be carried out by B&E, a wholly-owned subsidiary of GWI, which already controls four railroads that operate in New England today: New England Central Railroad, Providence and Worcester Railroad, Connecticut Southern Railroad, and St. Lawrence & Atlantic Railroad. Accordingly, GWI has substantial experience and familiarity with the New England rail market. While B&E will operate independently of any GWI affiliate, the operating experience of GWI and familiarity with rail operations in New England will allow B&E to bring quality service to rail shippers on PAS and will create opportunities for operational efficiencies and cost savings that will produce public benefits.

Moreover, the benefits for the public on the PAR System and PAS will not be offset by any operating dislocations. While CSXT expects rail traffic on the PAR System to grow over time, CSXT does not expect to make any significant changes in traffic routes or see any significant growth in traffic volumes in the next few years. With respect to PAS, the agreements reached with NSR and GWI also include capacity additions in the vicinity of Ayer, MA, and the establishment of operating protocols that will improve the efficiency and reliability of operations on PAS. Further, the only significant operating change involves the diversion of one NSR intermodal/automotive train pair per day from the PAS lines to CSXT's roughly parallel lines, potentially freeing up further capacity on the PAS lines. CSXT will divert a small amount of traffic that is local to Ayer, MA, from the CSXT line to PAS, but that traffic is of small enough volume that it can easily be handled on the existing PAS trains. In other respects, B&E will simply take over the operations of PAS that today are conducted by Springfield Terminal, without any expected change in traffic flows.

Thus, this Amended Application establishes the lack of anticompetitive effects of the Proposed Transaction and the extensive public benefits for rail shippers and the communities served by the PAR System and PAS.

II. PROPOSED SCHEDULE

The Board issued a decision, served on April 22, 2021, in which the Board proposed the following procedural schedule:

April 26, 2021	Application due.
May 26, 2021	Board notice of acceptance of application to be published in the Federal Register.
June 16, 2021	Notices of intent to participate in this proceeding due.
June 25, 2021	Descriptions of anticipated responsive, including inconsistent, applications due. Petitions for waiver or clarification with respect to such applications due. Comments, protests, requests for conditions, and any other evidence and argument in opposition to the Application or Related Transactions due. This includes any comments from the U.S. Department of Justice ("DOJ") and U.S. Department of Transportation ("USDOT").
July 26, 2021	Responsive, including inconsistent, applications due.
September 8, 2021	Responses to comments, protests, requests for conditions, and other opposition due, including to DOJ and USDOT filings. Responses to responsive, including inconsistent, applications due. Rebuttal in support of the Application and Related Transactions due.
October 8, 2021	Rebuttal in support of responsive, including inconsistent, applications due.
TBD	Public hearing (if necessary).
November 22, 2021	Final briefs due. (Close of the record.)
February 18, 2022	Service date of final decision.
March 20, 2022	Effective date of final decision.

III. INFORMATION PROVIDED IN RESPONSE TO BOARD REGULATIONS

Pursuant to the Board's regulations at 49 C.F.R. § 1180.4, Applicants submit the following information:

Section 1180.6 Supporting Information

(a)(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:

(i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

The Proposed Transaction is described fully above and incorporated herein by reference. In summary, CSXT will obtain control of the PAR Railroads and eventually merge all but one into CSXT, bringing to New England rail users CSXT's best-in-class rail service, the benefits of its dynamic operating model, and new and unprecedented visibility into shippers' supply chains. At the same time, B&E will take over operations of PAS. Once necessary upgrades to the route between Voorheesville and Ayer are completed for NSR service, at NSR's expense, NSR will be able to operate up to one train pair per day carrying intermodal and automotive vehicles between Voorheesville and Ayer to improve NSR's access to the Boston area.

Applicants and their business addresses are:

CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202
(904) 359-1229

Pan Am Systems, Inc.
1700 Iron Horse Park
North Billerica, MA 01862
(978) 502-8194

Questions and correspondence concerning this application may be addressed to:

For CSX:

Steven C. Armbrust
CSX Transportation, Inc.
500 Water Street J-150
Jacksonville, FL 32202
(904) 359-1229

Louis E. Gitomer
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou@lgraillaw.com

Peter W. Denton
Steptoe & Johnson LLP
1330 Connecticut Ave. NW
Washington DC 20036
(202) 429-6445
pdenton@steptoe.com

For Systems, PAR, Boston & Maine, Maine Central, Northern, Portland Terminal, Springfield Terminal, Stony Brook, and V&M:

Robert B. Culliford
Pan Am Systems, Inc.
1700 Iron Horse Park
North Billerica, MA 01862
(978) 502-8194
rculliford@panamrailways.com

(ii) The proposed time schedule for consummation of the proposed transaction.

Applicants seek to consummate the Proposed Transaction once the Board's decision approving the Proposed Transaction becomes effective.

(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The Proposed Transaction will result in operating economies, improved service, and improved financial viability of the PAR System. The Related Transactions involving PAS will ensure the continued long-term viability of PAS as an independent route for rail traffic moving to and from New England. The purposes sought to be accomplished and the benefits of the

Proposed Transaction and the Related Transactions are discussed in detail in the accompanying Verified Statement of Mr. Pelkey, which is incorporated herein by reference.

(iv) The nature and amount of any new securities or other financial arrangements.

CSXT will not issue new securities in connection with the Proposed Transaction. The purchase price for Systems will be paid by CSXC through a combination of cash and CSXC stock as detailed in definitions of Base Merger Consideration, Cash Merger Consideration, Merger Shares, Stock Adjustment, and Stock Price in the Merger Agreement.

(a)(2) A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including

(i) The effect of the transaction on inter- and intramodal competition, including a description of the relevant markets (see §1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.

The relevant market involves surface transportation in New England to and from locations in Maine in the north, upstate New York in the west, New Haven, CT in the south, White River Jct., VT in north central New England, and the Boston region in the east. The introduction of CSXT's single-line service into New England through the Proposed Transaction will significantly increase the ability of the PAR System, once it is integrated into the CSXT system, to provide intermodal competition. The Related Transactions regarding PAS will enhance intramodal and intermodal competition. Applicants' economic expert, Dr. Reishus, explains there will be no lessening of competition, creation of a monopoly, or restraint of trade in the relevant market. The Verified Statement of Dr. Reishus is incorporated herein by reference. The Market Analysis contained in Exhibit 12 further explains that the Proposed Transaction and the Related Transactions will not have any adverse impact on competition and will, indeed, significantly enhance competition.

(ii) The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, and any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.

CSXC will purchase the stock of Systems from the Sellers for a combination of cash and stock pursuant to the terms of the Agreement. The purchase price is ${{[redacted]}} consisting of {{[redacted]}}% cash and {{[redacted]}}% CSXC stock {{[redacted]}}.

While CSXT expects that rail operations in New England will become much more efficient as a result of the Proposed Transaction, CSXT is not able to quantify the benefits in terms of cost savings or increases in net revenue at this time. CSXT also expects that rail traffic will increase organically over time as CSXT integrates the existing CSXT and PAR System networks, implements its operating model, and makes capital improvements, but CSXT does not expect significant traffic increases to occur in the next few years.

(iii) The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.

CSXT does not expect an increase in fixed charges as a result of the Proposed Transaction.

(iv) The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.

As evidenced by the support letters in Exhibit 23, the Proposed Transaction and Related Transactions will improve rail service in New England. Essential transportation services will be preserved.

Indeed, the agreements that CSXT has entered into with NSR and GWI and the Related Transactions arising from those agreements will result in a significant improvement in adequacy of transportation. With respect to NSR's trackage rights, today, the NSR intermodal trains face

the height limitations of the Hoosac Tunnel, which prevent double-stack operations over PAS since clearance on PAS does not permit the movement of double stack trains through the tunnel. Before reaching the Hoosac Tunnel, a double-stack train approaching from the west must be stopped and fileted, meaning that the top row of containers and trailers must be removed from the intermodal rail cars and loaded onto other intermodal rail cars, resulting in a longer train. Accordingly, existing operations require more intermodal rail cars, and longer transit times as the train must stop while the fileting occurs. In reverse, on a westbound move, the train from the east is single stacked. Once the train passes west beyond the Hoosac Tunnel, it is stopped and toupeed, meaning that the single stack containers and trailers are removed from the single stack and double stacked.

Diverting up to one pair of intermodal and automotive trains operated by NSR per day from the PAS line to the double-stack capable CSXT route between Voorheesville, NY and Worcester, MA, and continuing over Providence and Worcester Railroad Company between Worcester and Barbers Station, Boston & Maine between Barbers Station and Harvard, MA, and then over PAS between Harvard and Ayer, allows NSR to (1) avoid fileting and toupeeing the trains, (2) handle shorter trains, and (3) operate a more efficient and timely train. The effect of diverting these trains to the CSXT route will potentially free up capacity on the PAS mainline.

In addition, the Settlement Agreement with NSR involves the addition of capacity on PAS lines near Ayer and the establishment of operating protocols that will improve the efficiency of operations on PAS and ensure the unimpeded movement of traffic from CSXT's lines into New England.

(v) The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.

As noted above, Springfield Terminal currently operates (1) the PAR System, as the lessee of all rail lines owned by the PAR Railroads, and (2) PAS, as a contract operator. Springfield Terminal currently has one workforce. As a result of the Proposed Transaction, Springfield Terminal will continue to operate the PAR System as it had before the Proposed Transaction, until such time as Springfield Terminal is merged into CSXT, at which time CSXT will operate the PAR System. CSXT does not anticipate adverse effects on Springfield Terminal employees as a result of its control of Systems and Springfield Terminal.

However, in advance of the consummation of the Related Transactions, Springfield Terminal and B&E will enter into implementing agreements with employee representatives to allocate the current Springfield Terminal workforce between Springfield Terminal as operator of the PAR System and B&E as contract operator of PAS. Following these steps, B&E will start operating PAS, replacing Springfield Terminal.

The Applicants do not anticipate any adverse impacts on Springfield Terminal craft employees allocated to operate the PAR System. However, the Applicants understand that B&E does not expect to need the same number of employees who currently operate PAS, and therefore the Applicants expect that some of the Springfield Terminal craft positions allocated to the operation of PAS will be eliminated, as explained in more detail in the Labor Impact Statement attached as Appendix 1, and those Springfield Terminal employees will be able to assert their rights under *New York Dock* and any implementing agreements.

The standard labor protective conditions imposed in *New York Dock Ry.—Control—Brooklyn Eastern Dist.,* 360 I.C.C. 60 (1979) apply to the Proposed Transaction because it

involves a class I carrier (CSXT). *See* 49 U.S.C. § 11326(a). As explained in the related Petition for Exemption by B&E, because that Related Transaction in which B&E will replace Springfield Terminal involves two class II carriers (PAS and Springfield Terminal) and one class III carrier (B&E), Section 11326(a) and *New York Dock Ry.—Control—Brooklyn Eastern Dist*., 360 I.C.C. 60 (1979) also apply to the replacement of PAS operators by B&E.

In addition, imposition of *New York Dock* conditions on the Proposed Transaction and the related B&E Petition for Exemption addresses the concerns of rail labor when PAS was created about the possible impact on employees in the event that Springfield Terminal was replaced in the future with another operator. *See PAS Formation Decision*, slip op. at 15-17. Rail labor specifically requested that the Board impose *New York Dock* conditions on any future change in PAS operator. Now that the Proposed Transaction and the related B&E transaction provide for a change in PAS operator, and fall within Section 11323(a), the parties request that *New York Dock* conditions be applied, as mandated by statute, to the change of the PAS operator, as sought by labor when PAS was created.

The conditions in *Norfolk & Western* as modified by *Mendocino Coast* are the appropriate conditions for the Related Transaction of the grant of trackage rights to NSR. *Norfolk and Western Ry. Co.—Trackage Rights—BN, 354 I.C.C. 605 (1978), as modified by Mendocino Coast Ry., Inc.—Lease and Operate, 360 I.C.C. 653 (1980)*.

(vi) The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.

In light of the voluntarily negotiated agreements between CSXT, NSR, and GWI reflected in the Related Transactions, there is no basis for including another railroad in the Proposed Transaction. Whatever potentially adverse competitive effects might have arisen as a

result of the Proposed Transaction have been addressed through the Related Transactions. Board exemption for the Related Transactions is being sought in sub-dockets to this proceeding.

(a)(3) Any other supporting or descriptive statements applicants deem material.

This Amended Application is supported by three attached Verified Statements in Exhibit 22: (1) Amended Verified Statement of Mr. Sean Pelkey addressing the public benefits that can be expected to result from the Proposed Transaction and the Related Transactions; (2) Amended Verified Statement of Dr. David Reishus, addressing competition issues; and (3) Amended Verified Statement of Dr. William Huneke, addressing the enhanced competition that will result from the Related Transactions.

Amended Verified Statement of Mr. Sean Pelkey: The Amended Application is supported by the Amended Verified Statement of Mr. Pelkey, CSXT's Vice President, Finance & Treasury, who describes the public benefits that will result from the Proposed Transaction. Mr. Pelkey's Amended Verified Statement is incorporated by reference herein. Mr. Pelkey explains that the Proposed Transaction will allow CSXT to expand its customer-centered operations into New England, giving CSXT's existing customers more direct and efficient access to New England markets and the PAR System's existing customers better rail service. The Proposed Transaction will create reliable single-line access to the rest of CSXT's rail network, allowing the rail network in New England to become integrated into CSXT's broader U.S. rail network and providing expanded market access and increased opportunities to divert traffic from truck to rail and remove that traffic from congested highways.

Mr. Pelkey also explains that the Related Transactions will strengthen PAS as an independent route for access to New England rail customers for all carriers that connect to PAS. Included as Exhibits to Mr. Pelkey's Amended Verified Statement are copies of the NSR Settlement Agreement between NSR and CSXT, including a related agreement regarding

operations in Ayer, and the Term Sheet Agreement among CSXT, NSR, and GWI. Mr. Pelkey explains how these agreements will enhance competition and improve rail service. Mr. Pelkey further explains that GWI's operating experience and familiarity with New England rail operations will provide B&E with a solid foundation for improving PAS operations and rail service. In addition, the NSR trackage rights will allow NSR to move double-stack intermodal traffic into the Boston area, which it is unable to do today on PAS.

Mr. Pelkey further describes the commitments that CSXT is making to ensure that no adverse competitive effects will result from the Proposed Transaction and the replacement of Springfield Terminal with B&E as PAS operator.

Amended Verified Statement of Dr. Reishus: Dr. Reishus explains that the Proposed Transaction should be approved because, when considered together with the Related Transactions, the Proposed Transaction will not result in a substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. Dr. Reishus's Amended Verified Statement is incorporated by reference herein.

Dr. Reishus explains that any potential adverse effects on competition from the Proposed Transaction and the Related Transactions are neither likely nor substantial. Dr. Reishus explains that CSXT's acquisition of the PAR System is end-to-end when considered together with the Related Transactions. Transactions like this one that involve vertical integration pose little or no risk for competitive harm and, indeed, provide the opportunity for pro-competitive service improvements. Dr. Reishus further explains that CSXT has made commitments to ensure that no PAR System shipper will lose access to multiple rail carriers and that CSXT will maintain existing gateways on commercially reasonable terms and preserve rate regulation remedies for shippers seeking access to other rail carriers.

As to PAS and the Related Transactions, Dr. Reishus makes the following five points: (1) the agreements that CSXT has reached with NSR and GWI will prevent any potential adverse impact on competition from CSXT's part ownership of PAS and indeed will substantially enhance competition; (2) the replacement of Springfield Terminal with B&E as the operator of PAS will ensure that PAS operations and rates will be competitively neutral and that rail carriers connecting to PAS will have unimpeded access to New England rail customers; (3) any competitive concerns that would arise out of the limited overlap between the current operations of PAS and other GWI-owned rail carriers on PAS's north-south route will be adequately mitigated by the contractual obligations and economic incentives of B&E to operate and set rates in the interest of PAS and independent of any corporate affiliation of B&E and by commitments that have been made by PAS to the relevant shippers and shortline rail carrier; (4) a substantial enhancement of competition will result from the grant of trackage rights to NSR to reach Ayer, MA; and (5) the modification of PAS agreements will ensure the unfettered flow of traffic on the combined CSXT-PAR System lines through Ayer, MA.

Amended Verified Statement of Dr. William Huneke: Dr. Huneke's Amended Verified Statement focuses on the agreements reached by CSXT with NSR and GWI that address potential competitive concerns associated with the Proposed Transaction and PAS. As Dr. Huneke explains, these agreements not only ensure there will be no anticompetitive effects from the Proposed Transaction, they substantially enhance competition in the region. Dr. Huneke's analysis concludes that (1) PAS as operated by B&E will continue to be an independent provider of rail service into and out of New England, ensuring access by multiple carriers to the New England market; (2) NSR will be a stronger competitor as a result of its new trackage rights over CSXT for intermodal and automotive traffic to reach Ayer, MA; and (3) CSXT will have an

efficient and unencumbered route through Ayer, MA for the movement of traffic into and out of New England. While the Board's rules do not require a showing of enhanced competition, the agreement reached by CSXT accomplish this result.

Applicants will furnish the Board with any information concerning this Proposed Transaction that it may require and will participate fully in any proceedings on the Proposed Transaction which the Board deems appropriate.

(a)(4) An opinion of applicants' counsel that the transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.

See Appendices 2A and 2B.

(a)(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

CSXT owns and operates about 19,500 miles of railroad in the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Canadian Provinces of Ontario and Québec.

The PAR System consists of approximately 808 route miles of rail lines, including approximately 724.53 owned and leased (including perpetual freight easement) route miles and approximately 83.62 trackage rights route miles, in Massachusetts, Maine, New Hampshire, and Vermont. The PAS network consists of approximately 425 route miles of rail lines, including approximately 281.38 owned (including perpetual freight easement) route miles and approximately 143.62 trackage rights route miles, in Connecticut, Massachusetts, New Hampshire, New York, and Vermont.

(a)(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit 1 attached hereto.

(a)(7) Explanation of the transaction.

(i) Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).

CSXC is acquiring the stock of Systems. The terms of purchase are set forth in Article 1.1, Definitions of the Merger Agreement in the definitions of the Base Merger Consideration, Merger Shares, the Stock Adjustment, the Stock Price; Article 2.6 Effect on Capital Stock; and Article 2.8 Final Cash Adjustment. The purchase price is ${{[redacted]}}. {{[redacted]}}

(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at §1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.

A copy of the executed Merger Agreement is submitted in Exhibit 2 attached hereto. A copy of the unredacted Merger Agreement has been submitted under seal.

(iii) If a consolidation or merger is proposed, indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of capital stock and other securities to be issued.

The companies surviving the Proposed Transaction will be CSX Corporation, a non-carrier, and CSX Transportation, Inc., a rail carrier subject to the jurisdiction of the Board. Both

are Virginia corporations. Upon acquisition of the stock of Systems, CSXC will contribute the shares of Systems to CSXT, along with the subsidiaries of Systems.

As explained above, CSXT intends to exercise the requested merger authority at a time in the future yet to be determined, based on considerations relating to the execution of labor implementing agreements and tax issues. V&M will not be merged because Boston & Maine does not own 100% of the outstanding stock.

All the stock of CSXT is owned by CSXC. No stock of CSXT will be issued. CSXC will issue {{[redacted]}}.

(iv) Court order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.

Not applicable.

(v) State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.

The Proposed Transaction involves all the property of CSXT and Systems.

(vi) Briefly describe the principal routes and termini of the lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.

CSXT owns and operates about 19,500 miles of railroad in the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Canadian Provinces of Ontario and Québec. The CSXT network includes a rail line between the Boston, MA region and Rotterdam Junction, NY, via Selkirk, NY. The PAS Patriot Corridor also connects the Boston region (via Ayer, MA) and Rotterdam Junction, NY via East

Deerfield, MA. CSXT primarily interchanges traffic with the PAR System (Springfield Terminal) and PAS at Rotterdam Junction, NY and Barbers Station, MA.

The Northern Zone of the Northeast Region of the CSXT system consists of the following corridors and subdivisions: 1) the Selkirk – Boston Corridor (Berkshire & Boston Subdivisions) runs between Selkirk, NY and Boston, MA; 2) the Berkshire Subdivision of the Selkirk – Boston Corridor runs between Selkirk, NY and Ludlow, MA, east of Springfield, MA; 3) the Boston Subdivision of the Selkirk – Boston Corridor runs between Ludlow, MA and Worcester, MA; 4) the River Subdivision runs roughly parallel to the west of the Hudson River between North Bergen, NJ and Selkirk, NY; and 5) the Mohawk Subdivision runs between Syracuse, NY and Selkirk, NY.

The PAR System consists of approximately 808 route miles of rail lines, including approximately 724.53 owned and leased (including perpetual freight easement) route miles and approximately 83.62 trackage rights route miles, in Massachusetts, Maine, New Hampshire, and Vermont. Various PAR Railroads own the PAR System's rail lines, and Springfield Terminal, another PAR subsidiary, leases the lines from the PAR Railroads and operates the PAR System.

Boston & Maine, a subsidiary of PAR, owns approximately 144.18 route miles of main line track, which includes: 1) a rail line extending from the Massachusetts state line to Rigby, ME, a distance of approximately 74.82 route miles; 2) a rail line extending from Barbers Station, MA to Harvard, MA, a distance of approximately 22.87 route miles; 3) a rail line extending from the Massachusetts state line to Concord, NH, a distance of approximately 39.42 route miles; and 4) a rail line extending from Bleachery, MA to Lowell Junction, MA, a distance of approximately 7.07 route miles. Boston & Maine owns perpetual freight easements over various segments of track owned by the Massachusetts Bay Transportation Authority ("MBTA") in

eastern Massachusetts, totaling 149.93 route miles. Additionally, Boston & Maine and Springfield Terminal have overhead trackage rights over Milford-Bennington Railroad Company, between approximately milepost N-16.36, in Wilton, NH, and approximately milepost 19.66, in Lyndeboro, NH. *See Boston and Maine Corp. and Springfield Terminal Ry. Co.—Trackage Rights Exemption—Milford-Bennington R.R. Co.,* FD 33794 (STB served Sept. 13, 1999). Boston & Maine also owns approximately 36.94 route miles of branch line track.[6]

Additionally, Boston & Maine leases approximately 26.64 route miles of main line track, which includes: 1) a rail line extending from CPF 312 to CPF NC, a distance of approximately 9.63 route miles, owned by PAR subsidiary Stony Brook; 2) a rail line extending from Bleachery, MA to CPF NC, a distance of approximately 3.84 route miles, owned by the Massachusetts Department of Transportation ("MassDOT"); 3) a rail line extending from CPF NC to the Massachusetts state line, a distance of approximately 6.20 route miles, owned by MassDOT; and 4) two rail line segments in Concord, NH and White River Junction, VT, totaling a distance of approximately 6.97 route miles, owned by PAR subsidiary Northern.

Maine Central, a subsidiary of PAR, owns approximately 191.64 route miles of main line track, which includes: 1) a rail line extending from the Portland Terminal limit to Waterville, ME, a distance of approximately 78.97 route miles; 2) a rail line extending from Waterville, ME to Bangor, ME, a distance of approximately 54.60 route miles; and 3) a rail line extending from Bangor, ME to Mattawamkeag, ME, a distance of approximately 58.06 route miles. Maine Central also owns approximately 155.26 route miles of branch line track.

[6] In a Notice of Intent to Participate filed in this proceeding on April 5, 2021, the United States Army Military Surface Deployment and Distribution Command ("SDDC") identified purported ambiguities in the maps included in Exhibit 1 to the Original Application with respect to the Boston & Maine branch line running across the Piscataqua River to Kittery, ME. As clarified in the maps included in Exhibit 1 to this Amended Application, PAR System rail access to the Portsmouth US Naval Shipyard runs via the Sarah Mildred Long Bridge ("SMLB"), jointly owned by the states of New Hampshire and Maine. The Boston & Maine Kittery Branch extends between the SMLB and the US Navy-owned bridge over the Piscataqua River.

Portland Terminal, a subsidiary of PAR, owns approximately 13.13 route miles of main line track, which includes: 1) approximately 5.45 route miles between Yard 8 East and the Portland/Falmouth line; 2) approximately 3.08 route miles between Yard 8 East and the So. Portland/Scarborough line; and 3) approximately 4.59 route miles between Mountain Junction and the Woodyard Switch. Portland Terminal also owns approximately 6.82 route miles of branch line track.

The PAR System/Springfield Terminal interchanges traffic with: 1) Canadian National Railway Company ("CN") at Danville Jct., ME;[7] 2) CN at Saint John, NB;[8] 3) Canadian Pacific Railway Company ("CP") at Brunswick, ME;[9] 4) CP at Northern Maine Junction, ME; 5) CSXT at Barbers Station, MA (Worcester); 6) CSXT at Boston, MA;[10] 7) NSR at Ayer, MA;[11] 8) Belfast and Moosehead Lake Railroad at Burnham Jct., ME;[12] 9) Maine Northern Railroad at Mattawamkeag, ME;[13] 10) Maine Northern Railroad at Northern Maine Jct., ME;[14] 11) New Brunswick Southern Railway at Mattawamkeag, ME;[15] 12) New Brunswick Southern Railway at Northern Maine Jct., ME;[16] 13) New Hampshire Northcoast at Dover, NH; 14) PAS at Ayer, MA; 15) PAS at North Charlestown, NH;[17] 16) P&W at Worcester, MA;[18] 17) St. Lawrence &

[7] CN accesses Danville Junction via a haulage arrangement with the St. Lawrence & Atlantic Railroad.
[8] Springfield Terminal accesses Saint John via a haulage agreement with New Brunswick Southern Railway and Eastern Maine Railway.
[9] The Brunswick interchange connects with CP's Brunswick Branch.
[10] This interchange is not regularly used.
[11] This interchange is used only for haulage traffic moving to Walnut Hill, MA / Winchester, MA and for joint Springfield Terminal/NSR intermodal services.
[12] Belfast and Moosehead Lake Railroad has no revenue freight business at this time.
[13] Maine Northern Railroad has access to Mattawamkeag via a haulage agreement with affiliate Eastern Maine Railway.
[14] Maine Northern Railroad has access to Northern Maine Jct. via a haulage agreement with CP.
[15] New Brunswick Southern Railway has access to Mattawamkeag via a haulage agreement with affiliate Eastern Maine Railway.
[16] Maine Northern Railroad has access to Northern Maine Jct. via haulage agreements with CP and Eastern Maine Railway.
[17] This interchange connects to a Springfield Terminal line at Charlestown, NH that is not currently operating.
[18] Physical interchange occurs at Barbers Station, MA.

Atlantic Railroad at Danville Jct., ME; 18) Turners Island Railroad at Portland, ME; 19) New England Southern Railroad (Vermont Rail System) at Concord, NH; and 20) Milford-Bennington Railroad at Wilton, NH.

The PAS network consists of approximately 425 route miles of rail lines, including approximately 281.38 route miles owned (including perpetual freight easement) and approximately 143.62 trackage rights route miles, in Connecticut, Massachusetts, New Hampshire, New York, and Vermont. Springfield Terminal operates PAS on a contract basis. *See PAS Formation* Decision, slip op. at 15-17.

The PAS lines include two main line corridors, referred to as the Patriot Corridor and the Knowledge Corridor. The PAS Patriot Corridor extends between milepost 467.4 at Mechanicville, NY and milepost 311.97 near Willows, MA, a distance of approximately 151.4 miles, inclusive of freight easement rights over MBTA between milepost 329.55 at Fitchburg, MA and milepost 313.77 at Willows, MA, a distance of approximately 15.8 miles. PAS also has trackage rights at the western end of the Patriot Corridor over the CP Freight Subdivision between milepost 467.6 (CPF 468) at Mechanicville, NY and milepost 484.8 (CPF 485) at Mohawk Yard, NY, a distance of approximately 17.2 miles.

The PAS Knowledge Corridor extends between milepost 183.4 at White River Junction, VT and milepost 0.0 at New Haven, CT, a distance of approximately 183.4 miles, inclusive of the following: 1) trackage rights over New England Central Railroad ("NECR") between milepost 183.4 at White River Junction, VT and milepost 110.6 at East Northfield, MA, a distance of approximately 72.8 miles; 2) freight easement rights over MassDOT-owned track assets between milepost 110.6 at East Northfield, MA and milepost 62.0 at Springfield, MA, a distance of approximately 49.7 miles; and 3) trackage rights over National Railroad Passenger

Corporation ("Amtrak") between milepost 62.0 at Springfield, MA and milepost 0.0 at New Haven, CT, a distance of approximately 62 miles. *See Pan Am S. LLC—Acquisition and Operation Exemption—Lines of Boston & Maine Corp.*, FD 35147 (Sub-No. 1), Notice of Exemption at Exhibit 1 (filed June 27, 2008); *PAS Formation Decision*, slip op. at 2; *Mass. Dep't of Transp.—Acquisition Exemption—Certain Assets of Pan Am S. LLC,* FD 35863 (STB served Dec. 24, 2014) (as modified, Mar. 27, 2015).

Additionally, PAS owns approximately 76.42 route miles of branch line track. The PAS lines include the following branch line track:

1) freight easement rights over MassDOT-owned track assets between milepost 0.0 at North Adams, MA and milepost 4.59 at Adams, MA, a distance of approximately 4.59 miles;
2) between milepost 0.0 at Gardner, MA and milepost 1.16 at Heywood, MA, a distance of approximately 1.16 miles;
3) between milepost 28.01 at Ayer, MA and milepost 25.7 at Harvard Station, MA, a distance of approximately 2.3 miles;
4) between milepost 0.0 at Berlin, CT and milepost 8.4 at Derby, CT, a distance of approximately 42.9 miles, inclusive of freight easement rights over Metro North Commuter Railroad from milepost 27 at Waterbury, CT to milepost 8.4 at Derby, CT, a distance of approximately 18.6 miles;
5) freight easement rights over MBTA between milepost 33.72 at Willows, MA and milepost 31.43 at Littleton, MA, a distance of approximately 2.3 miles;
6) freight easement rights over MBTA between milepost 0.0 at Ayer, MA and milepost 5.0 at Groton, MA, a distance of approximately 5 miles;

7) between milepost 12.16, Rotterdam Junction, NY and milepost 0.0 (CPF 477), near Burnt Hills, NY, a distance of approximately 12.16 miles;
8) the Southington Industrial Branch, which is approximately 4.5 miles between Plainville and Southington, CT; and
9) approximately 3.7 miles of trackage rights over CSXT between North Haven and Cedar Hill Yard, CT.

See Pan Am S. LLC—Acquisition and Operation Exemption—Lines of Boston & Maine Corp., FD 35147 (Sub-No. 1), Notice of Exemption at Exhibit 1 (filed June 27, 2008); *Mass. Dep't of Transp.—Acquisition Exemption—Certain Assets of Pan Am S. LLC*, FD 35943, Motion to Dismiss at 7-8 (filed Aug. 14, 2015).

PAS interchanges with the following railroads: 1) CP at Mechanicville, NY;[19] 2) CSXT at New Haven, CT;[20] 3) CSXT at Springfield, MA;[21] 4) CSXT at Rotterdam Jct., NY; 5) NSR at Ayer, MA;[22] 6) NSR at Mechanicville, NY;[23] 7) Battenkill Railroad at Eagle Bridge, NY; 8) Central New England Railroad at Hartford, CT;[24] 9) Connecticut Southern Railroad at Hartford, CT; 10) Housatonic Railroad at Derby, CT;[25] 11) NECR at Brattleboro, VT; 12) NECR at Millers Falls, MA;[26] 13) NECR at White River Jct., VT;[27] 14) Naugatuck Railroad at Waterbury, CT; 15) P&W at Gardner, MA; 16) Pioneer Valley Railroad at Holyoke, MA;

[19] Physical interchange takes place at Mohawk Yard, Glenville, NY.
[20] This interchange is not currently in service. It is used for reciprocal switch delivery for North Haven/New Haven, CT.
[21] This is not a regular interchange. It is used for occasional high-wide and detour movements.
[22] This is not a regular interchange. It is used to exchange empty intermodal and automotive equipment when necessary.
[23] Interchange can physically take place at Mechanicville or Mohawk Yard in Glenville, NY.
[24] This interchange is as of January 1, 2021.
[25] This interchange is not currently used for revenue traffic.
[26] Interchange traffic with NECR is routed via Millers Falls, MA, but the physical interchange is performed at Brattleboro, VT for railroad convenience.
[27] This interchange is not currently used for revenue freight.

17) PAR System/Springfield Terminal at Ayer, MA; 18) PAR System/Springfield Terminal at North Charlestown, NH;[28] 19) Vermont Rail System at Hoosick Jct., NY; 20) Vermont Rail System at Bellows Falls, VT; and 21) Vermont Rail System at White River Jct., VT.

(vii) State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.

No governmental financial assistance is involved in the Proposed Transaction.

(a)(8) Environmental data (exhibit 4). Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transaction, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Section of Environmental Analysis for the proper format of the environmental report.

See Exhibit 4.

(b)(3) Change in control (exhibit 8). If an applicant carrier submits an annual report Form R-1, indicate any change in ownership or control of that applicant carrier not indicated in its most recent Form R-1, and provide a list of the principal six officers of that applicant carrier and of any related applicant, and also of their majority-owned rail carrier subsidiaries. If any applicant carrier does not submit an annual report Form R-1, list all officers of that applicant carrier, and identify the person(s) or entity/entities in control of that applicant carrier and all owners of 10% or more of the equity of that applicant carrier.

CSXT filed annual report Form R-1 on March 31, 2021 for the year ending December 31, 2020. There has been no change in the information submitted in Form R-1 as of the April 26, 2021 date of this filing. Additional information is in Exhibit 8.

Systems is not a Class I railroad and does not file report Form R-1. Additional information is in Exhibit 8.

(b)(5) Issues (exhibit 10). Submit a discussion of any other issues relevant to the transaction.

See Exhibit 10.

[28] This interchange connects to a Springfield Terminal line at Charlestown, NH that is not currently operating.

(b)(6) Corporate chart (exhibit 11). Submit a corporate chart indicating all relationships between applicant carriers and all affiliates and subsidiaries and also companies controlling applicant carriers directly, indirectly or through another entity (with each chart indicating the percentage ownership of every company on the chart by any other company on the chart). For each company: include a statement indicating whether that company is a noncarrier or a carrier; and identify every officer and/or director of that company who is also an officer and/or director of any other company that is part of a different corporate family that includes a rail carrier. Such information may be referenced through notes to the chart.

See Exhibit 11.

(b)(7) If applicant is not a carrier, indicate (i) the type of business in which it is engaged, (ii) the length of time so engaged, and (iii) its present and prospective activities which have or may have a relation to transportation subject to 49 U.S.C. Subtitle IV.

CSXT RESPONSE:

(i) CSX Corporation is not a carrier. CSX Corporation together with its subsidiaries is one of the nation's leading transportation companies.

(ii) CSX Corporation was formed in 1980 as a result of the consolidation of the Chessie System and Seaboard Coast Line. *CSX Corp.-Control-Chessie and Seaboard C.L.I.*, 363 I.C.C. 518 (1980).

(iii) CSX Corporation together with its subsidiaries provide rail-based freight transportation services including traditional rail service, the transport of intermodal containers and trailers, as well as other transportation services such as rail-to-truck transfers and bulk commodity operations. CSX and the rail industry provide customers with access to an expansive and interconnected transportation network that plays a key role in North American commerce and is critical to the long-term economic success and improved global competitiveness of the United States. In addition, freight railroads provide the most economical and environmentally efficient means to transport goods over land.

SYSTEMS RESPONSE:

(i) Systems is not a carrier. Systems together with its subsidiaries is the leading railroad company in New England.

(ii) Systems was formed on May 5, 1998 and acquired the stock of Pan Am Railways, Inc. in 2006.

(iii) Systems owns Pan Am Railways, Inc., a non-carrier holding company that owns or controls railroads directly or indirectly (Boston & Maine Corporation, Maine Central Railroad Company, Portland Terminal Company, Springfield Terminal Railway Company, Northern Railroad, Stony Brook Railroad Company, a 98% interest in the Vermont and Massachusetts Railroad Company), real estate companies (DH Estates, Inc., Hudson River Estates, Inc., Delaware River Estates, Inc., East Street, Inc., and Pine Tree Corporation), an inactive motor carrier (Guilford Motor Express, Inc.), and a 50% interest in the rail common carrier Pan Am Southern LLC.

(b)(8) Intercorporate or financial relationships. Indicate whether there are any direct or indirect intercorporate or financial relationships at the time the application is filed, not disclosed elsewhere in the application, through holding companies, ownership of securities, or otherwise, in which applicants or their affiliates own or control more than 5% of the stock of a non-affiliated carrier, including those relationships in which a group affiliated with applicants owns more than 5% of the stock of such a carrier. Indicate the nature and extent of any such relationships, and, if an applicant owns securities of a carrier subject to 49 U.S.C. Subtitle IV, provide the carrier's name, a description of securities, the par value of each class of securities held, and the applicant's percentage of total ownership. For purposes of this paragraph, "affiliates" has the same meaning as "affiliated companies" in Definition 5 of the Uniform System of Accounts (49 CFR part 1201, subpart A).

CSXT RESPONSE:

The following list shows the carriers in which CSXT owns 5% or more of the stock and the percentage of stock.

Company	Stock
Allegheny and Western Railway Company	100%
The Baltimore and Cumberland Valley Rail Road	100%

Extension Company	
The Baltimore and Ohio Chicago Terminal Railroad Company	100%
The Carrollton Railroad	100%
Dayton and Michigan Railroad Company	85%
The Indiana Rail Road Company	100%
The Lake Erie and Detroit River Railway Company	100%
North Charleston Terminal Company	66%
Richmond, Fredericksburg and Potomac Railway Company	100%
The Staten Island Railroad Corporation	100%
The Toledo Ore Railroad Company	100%
TransKentucky Transportation Railroad, Inc.	100%
Albany Port Railroad Corporation	50%
Augusta and Sommerville Railroad Company	50%
The Belt Railway Company of Chicago	25%
Central Railroad Company of South Carolina	36.47%
Central Transfer Railway & Storage Company	50%
Chatham Terminal Company	50%
Norfolk and Portsmouth Belt Line Railroad Company	42.86%
P&L Transportation, Inc.	35%
Terminal Railroad Association of St. Louis	14.29%
Winston-Salem Southbound Railway Company	50%
Woodstock & Blocton Railway Company	50%

CSXT owns bonds in the Washington and Franklin Railway Company that matured on January 1, 1966 (See Form R-1).

CSXT has made investment advances to the active P&L Transportation, Inc. ("P&L"), and to the inactive railroads the Paducah & Illinois Railroad Company and the Winchester & Western Railroad Company (See Form R-1).

P&L is 35% owned by CSXT, and it owns the following: Paducah and Louisville Railway, Inc., Paducah & Illinois Railroad Company, Evansville Western Railway, Inc., and Appalachian and Ohio Railroad, Inc.

SYSTEMS RESPONSE:

Boston & Maine Corporation	100%
Maine Central Railroad Company	100%
Portland Terminal Company	100%
Springfield Terminal Railway Company	100%
Northern Railroad	100%
Stony Brook Railroad Company	100%
Vermont and Massachusetts Railroad Company	98%
Pan Am Southern LLC	50%

Section 1180.7 Market analyses

(a) For major and significant transactions, applicants shall submit impact analyses (exhibit 12) describing the impacts of the proposed transaction - both adverse and beneficial - on inter-and intramodal competition with respect to freight surface transportation in the regions affected and on the provision of essential services by applicants and other carriers. An impact analysis should include underlying data, a study of the implications of those data, and a description of the resulting likely effects of the proposed transaction on the transportation alternatives that would be available to the shipping public. Each aspect of the analysis should specifically address significant impacts as they relate to the applicable statutory criteria (49 U.S.C. 11324(b) or (d)), essential services, and competition. Applicants must identify and address relevant markets and issues, and provide additional information as requested by the Board on markets and issues that warrant further study. Applicants (and any other party submitting analyses) must demonstrate

both the relevance of the markets and issues analyzed and the validity of their methodology. All underlying assumptions must be clearly stated. Analyses should reflect the consolidated company's marketing plan and existing and potential competitive alternatives (inter- as well as intramodal). They can address: city pairs, interregional movements, movements through a point, or other factors; a particular commodity, group of commodities, or other commodity factor that would be significantly affected by the transaction; or other effects of the transaction (such as on a particular type of service offered).

(c) For significant transactions, specific regulations on impact analyses are not provided so that the parties will have the greatest leeway to develop the best evidence on the impacts of each individual transaction. As a general guideline, applicants shall provide supporting data that may (but need not) include: current and projected traffic flows; data underlying sales forecasts or marketing goals; interchange data; market share analysis; and/or shipper surveys. It is important to note that these types of studies are neither limiting nor all-inclusive. The parties must provide supporting data, but are free to choose the type(s) and format. If not made part of the application, applicants shall make these data available in a repository for inspection by other parties or otherwise supply these data on request, for example, electronically. Access to confidential information will be subject to protective order. For information drawn from publicly available published sources, detailed citations will suffice.

Extensive analyses of the relevant markets are contained in the Amended Verified Statements of Mr. Pelkey and Drs. Reishus and Huneke that are incorporated into this Amended Application. *See also* Exhibit 12.

Section 1180.8 Operational Data

(a) Applications for major transactions must include a full-system operating plan - incorporating any prospective operations in Canada and Mexico - from which they must demonstrate how the proposed transaction would affect operations within regions of the United States and on a nationwide basis. As part of the environmental review process, applicants shall submit:

(1) A Safety Integration Plan, prepared in consultation with the Federal Railroad Administration, to ensure that safe operations would be maintained throughout the merger implementation process.

(2) Information on what measures they plan to take to address potentially blocked crossings as a result of merger-related changes in operations or increases in rail traffic.

Applicants are preparing a Safety Integration Plan, and will file it as part of the record in this proceeding upon completion.

(b) For major and significant transactions: Operating plan (exhibit 13). Submit a summary of the proposed operating plan changes, based on the impact analyses, that will result from the transaction, and their anticipated timing, allowing for any time required to complete

rehabilitation, upgrading, yard construction, or other major operational changes following consummation of the proposed transaction. The plan should make clear the gains in service, operating efficiencies, and other benefits anticipated from the merger. The plan should include:

(1) The patterns of service on the properties, including the proposed principal routes, proposed consolidations of main-line operations, and the anticipated traffic density and general categories of traffic (including numbers of trains) on all main and secondary lines in the system. Identify all yards expected to have an increase in activity greater than 20 percent. Changes in operations may be summarized in a pro forma density chart.

(2) If commuter or other passenger services are operated over the lines of applicant carriers, detail any impacts anticipated on such services, including delays which may be occasioned because a line is scheduled to handle increased traffic due to route consolidations.

(3) The anticipated equipment requirements of the proposed system, including locomotives, rolling stock by type, and maintenance-of-way equipment; plans for acquisition and retirement of equipment; projected improvements in equipment utilization and their relation to operating changes; and how these will lead to the financial and service benefits described in the summary.

(4) A description of the effect of any deferred maintenance or delayed capital improvements on any road or equipment properties involved, the schedule for eliminating such deferrals, details of general system rehabilitation including rehabilitation relating to the transaction (including proposed yard and terminal modifications), and how these activities will lead to the service improvements or operating economies anticipated from the transaction.

See Exhibit 13.

(5) Density charts (exhibit 14). Gross ton-mile traffic density charts shall be filed for applicant carriers containing a map geographically showing those lines handling 1 million gross ton-miles per mile road or more per year and respective densities, expressed in gross ton-miles per year, in each direction, in segments of such lines between major freight yards and terminals, including major intramodal and intermodal interchange points, using the corporate or political subdivision name of the points shown as well as the railroad station name. The mileage of each segment of line shall be provided, and should be shown on the chart. Data shown in the density chart shall be for the latest available full calendar year preceding the filing of the application. At applicants' option data may be shown on the density chart or an explanatory list.

See Exhibit 14.

CONCLUSION

Applicants respectfully request that the Board accept and grant this Amended Application subject to the conditions for the protection of employees in *New York Dock Ry.—Control—Brooklyn Eastern Dist.,* 360 I.C.C. 60 (1979) and the commitments made by Applicants in this Amended Application.

Respectfully submitted,

/s/ Anthony J. LaRocca

Robert B. Culliford
Pan Am Systems, Inc.
1700 Iron Horse Park
North Billerica, MA 01862
(978) 502-8194

Attorney for Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company and Vermont & Massachusetts Railroad Company

Anthony J. LaRocca
Peter W. Denton
Sally Mordi
Steptoe & Johnson LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
(202) 429-3000

Louis E. Gitomer
Law Offices of Louis E. Gitomer, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250

John P. Patelli
Steven C. Armbrust
Jason M. Marques
CSX Transportation, Inc.
500 Water Street
Jacksonville, FL 32202
(904) 359-1229

Attorneys for CSX Corporation and CSX Transportation, Inc.

Dated: April 26, 2021

VERIFICATION
(Section 1180.4(c)(2)(i))

I, Sean Pelkey, declare under penalty of perjury that the foregoing is true and correct, with respect to CSX Corporation and CSX Transportation, Inc. Further, I certify that I am qualified and authorized to make this verification and to file this Amended Application.

/s/ Sean Pelkey

Sean Pelkey
Vice President, Finance & Treasury
CSX Corporation

April 26, 2021

VERIFICATION
(Section 1180.4(c)(2)(i))

I, Robert B. Culliford, declare under penalty of perjury that the foregoing is true and correct, with respect to Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company and Vermont & Massachusetts Railroad Company. Further, I certify that I am qualified and authorized to make this verification and to file this Amended Application.

/s/ Robert B. Culliford

Robert B. Culliford
General Counsel
Pan Am Systems, Inc.

April 26, 2021

CERTIFICATE OF SERVICE

I hereby certify that I have caused the Amended Application in Docket No. FD-36472, *CSX Corporation and CSX Transportation, Inc.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company* to be served electronically or by first class mail, postage pre-paid, on the Secretary of the United States Department of Transportation; the Attorney General of the United States; the Federal Trade Commission; and the Governors, Public Service Commissions, and Departments of Transportation of the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia, and West Virginia, and the District of Columbia, and all parties of record in this proceeding.

/s/ Sally Mordi

Sally Mordi
Attorney for CSX Corporation and
CSX Transportation, Inc.

April 26, 2021

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

APPENDIX 1

Impacts of the Proposed Transaction upon Carrier Employees

Impacts of the Proposed Transaction upon Carrier Employees

CSXT

Employees Affected by the Proposed Transaction

Current Location	Job Classification/Craft	Jobs Transferred	Jobs Abolished	Jobs Created	Year
CSXT does not expect to establish or abolish craft positions on CSXT as a result of the Proposed Transaction. Some positions may be transferred but CSXT cannot determine any specifics at this time.		0 0 0	0 0 0	0 0 0	2022 2023 2024

PAR Railroads Operated by Springfield Terminal

Employees Affected by the Proposed Transaction

Current Location	Job Classification/Craft	Jobs Transferred	Jobs Abolished	Jobs Created	Year
CSXT does not expect to establish or abolish craft positions on the PAR Railroads affecting Springfield Terminal employees as a result of the Proposed Transaction, but there will be impacts as a result of the related change in operator of PAS. Some positions may be transferred but CSXT cannot determine any specifics at this time.		0 0 0	0 0 0	0 0 0	2022 2023 2024

PAS Operated by Springfield Terminal

As a result of the transfer of the operating rights over PAS by PAS and Springfield Terminal to the Pittsburg & Shawmut Railroad, LLC d/b/a Berkshire & Eastern Railroad, and the abolishment of positions on Springfield Terminal, a limited number of employees of Springfield Terminal will be adversely affected. Springfield Terminal employees who do not obtain a position with the new operator or are unable to hold another position on Springfield Terminal and end up furloughed will be eligible for protective benefits under the *New York Dock* conditions. Each chart on the following page indicates the classification, location, jobs transferred, jobs abolished, and jobs created for employees expected to be adversely affected.[1] All employees will be affected in the first year.

[1] The locations where positions are expected to be abolished are where employees report to duty.

REDACTED – TO BE PLACED ON PUBLIC FILE

Classification -->	Dispatch			Engineer			Trainmen			Maintenance of Way		
	Abolished	Created	Transferred	Abolished	Created	Transferred	Abolished	Created	Transferred	Abolished	Created	Transferred
Billerica	6	5	0	0	0		0	0	0	0	0	0
Ayer	0	0	0	17	20		18	20	0	0	0	0
Deerfield	0	0	0	22	20		29	19	0	38	13	0
Fitchburg	0	0	0	1	0		1	0	0	6	4	0
Gardner	0	0	0	0	0		0	0	0	0	0	0
Hoosick	0	0	0	0	0		0	0	0	0	0	0
Mechanicville	0	0	0	1	8		1	8	0	5	4	0
Mohawk	0	0	0	3	0		9	0	0	0	0	0
North Adams	0	0	0	0	0		1	0	0	6	4	0
Plainville	0	0	0	1	0		3		0	1	2	0
Total	**6**	**5**	**0**	**45**	**48**	**0**	**62**	**47**	**0**	**56**	**27**	**0**

Classification -->	Signals			Carmen			Shop Crafts			Draftsmen		
	Abolished	Created	Transferred	Abolished	Created	Transferred	Abolished	Created	Transferred	Abolished	Created	Transferred
Billerica	0	0	0	0	0	0	0	0	0	0	0	0
Ayer	0	1	0	0	2	0	0	0	0	0	0	0
Deerfield	8	3	0	7	6	0	19	12	0	3	2	0
Fitchburg	0	1	0	0	0	0	0	0	0	0	0	0
Gardner	1	0	0	0	0	0	0	0	0	0	0	0
Hoosick	1	0	0	0	0	0	0	0	0	0	0	0
Mechanicville	0	1	0	1	0	0	0	0	0	0	0	0
Mohawk	0	0	0	0	0	0	0	0	0	0	0	0
North Adams	0	0	0	0	0	0	0	0	0	0	0	0
Plainville	1	1	0	0	0	0	0	0	0	0	0	0
Total	**11**	**7**	**0**	**8**	**8**	**0**	**19**	**12**	**0**	**3**	**2**	**0**

Classification -->	Clerical			Total		
	Abolished	Created	Transferred	Abolished	Created	Transferred
Billerica	0	0	0	6	5	0
Ayer	0	0	0	35	43	0
Deerfield	4	3	0	130	78	0
Fitchburg	0	0	0	8	5	0
Gardner	0	0	0	1	0	0
Hoosick	0	0	0	1	0	0
Mechanicville	0	0	0	8	21	0
Mohawk	0	0	0	12	0	0
North Adams	0	0	0	7	4	0
Plainville	0	0	0	6	3	0
Total	**4**	**3**	**0**	**214**	**159**	**0**

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

APPENDIX 2A

Opinion of Counsel for CSX Corporation and CSX Transportation, Inc.

April 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: Docket No. FD-36472, *CSX Corporation and CSX Transportation, Inc.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company*

Dear Ms. Brown:

As counsel for CSX Corporation and CSX Transportation, Inc. (collectively "CSX"), I am familiar with the Amended Application for the control and merger of Pan Am Systems, Inc. and its subsidiaries by CSX and am of the opinion that the transaction described in said Amended Application meets the requirements of law and will be legally authorized and valid, if approved by the Board.

Very truly yours,

/s/ Steven C. Armbrust

Steven C. Armbrust
Assistant General Counsel
CSX Transportation, Inc.

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

APPENDIX 2B

Opinion of Counsel for Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company and Vermont & Massachusetts Railroad Company

April 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: Docket No. FD-36472, *CSX Corporation and CSX Transportation, Inc.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company*

Dear Ms. Brown:

As counsel for Pan Am Systems, Inc. ("Systems"), Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company and Vermont & Massachusetts Railroad Company, I am familiar with the Amended Application for the control and merger of Systems and its subsidiaries by CSX Corporation and CSX Transportation, Inc. and am of the opinion that the transaction described in said Amended Application meets the requirements of law and will be legally authorized and valid, if approved by the Board.

Very truly yours,

/s/ Robert B. Culliford

Robert B. Culliford
General Counsel
Pan Am Systems, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 1

Maps

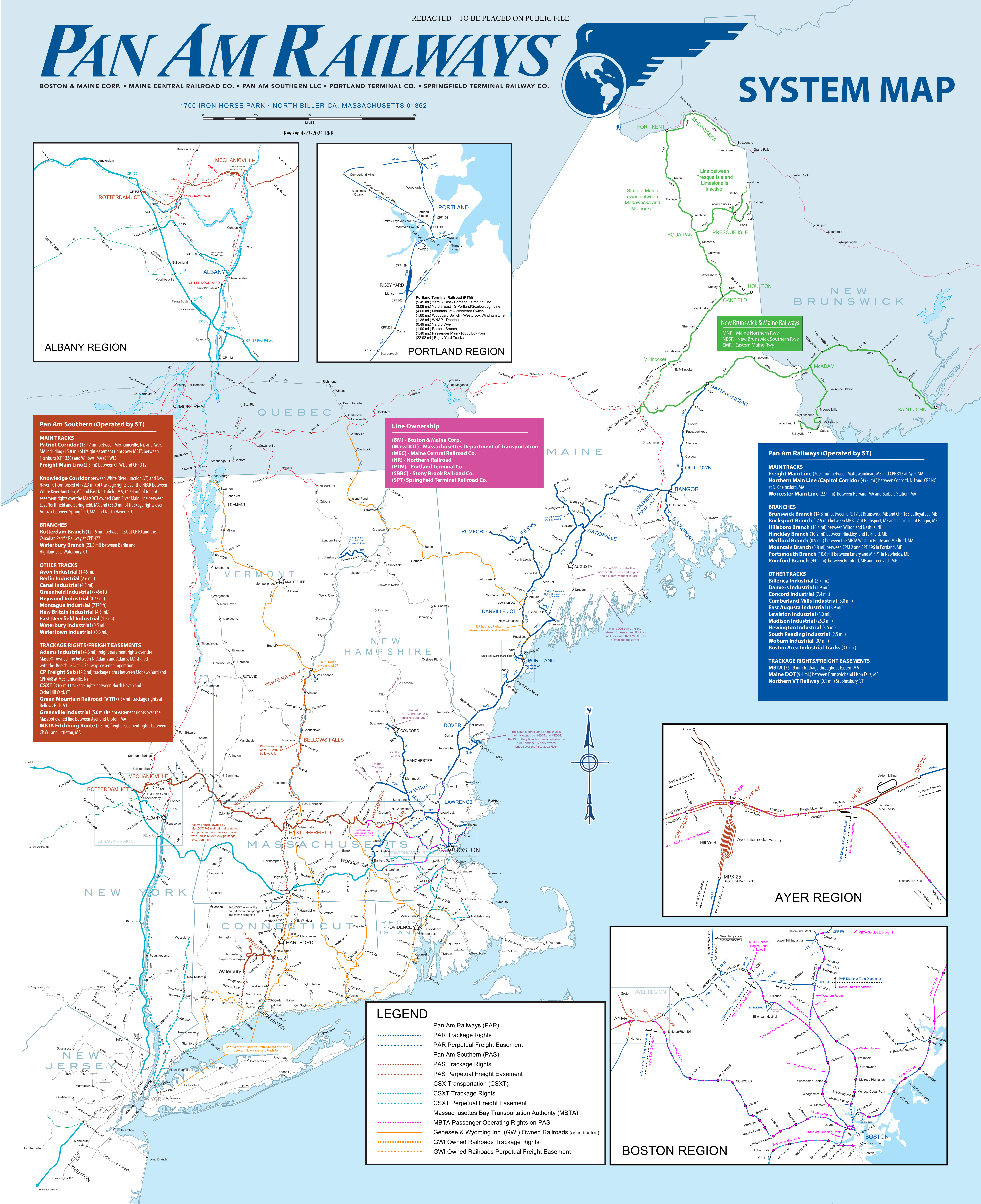
Maps

System Map

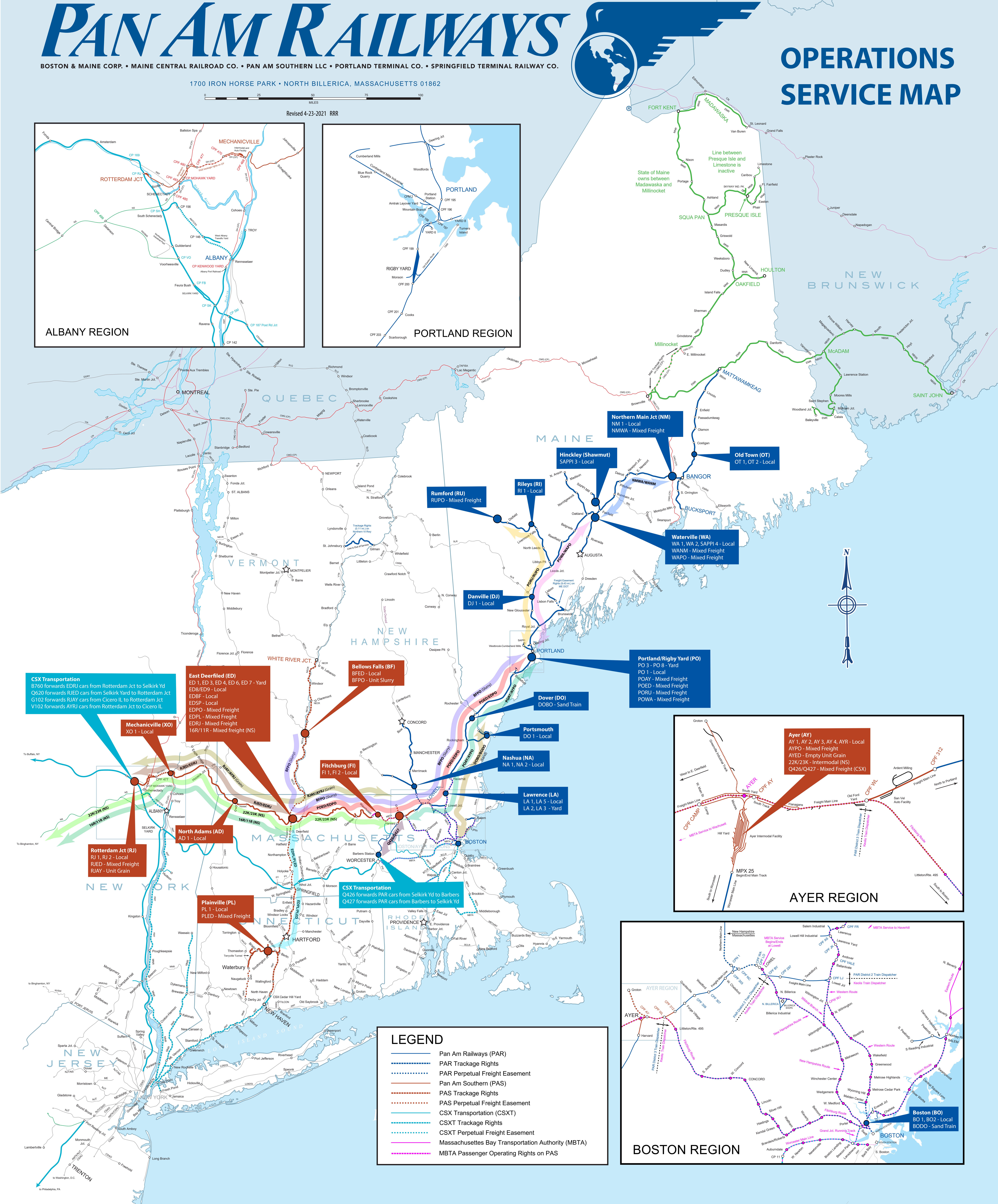
Operations Service Map

Interchange Locations Map

Amtrak Service Routes Map


REDACTED – TO BE PLACED ON PUBLIC FILE
PAN AM RAILWAYS
SYSTEM MAP
BOSTON & MAINE CORP. • MAINE CENTRAL RAILROAD CO. • PAN AM SOUTHERN LLC • PORTLAND TERMINAL CO. • SPRINGFIELD TERMINAL RAILWAY CO.
1700 IRON HORSE PARK • NORTH BILLERICA, MASSACHUSETTS 01862
0 25 50 75 100
MILES
Revised 4-23-2021 RRR
ALBANY REGION
PORTLAND REGION
Portland Terminal Railroad (PTM)
(5.45 mi.) Yard 8 East - Portland/Falmouth Line
(3.08 mi.) Yard 8 East - S Portland/Scarborough Line
(4.60 mi.) Mountain Jct - Woodyard Switch
(1.60 mi.) Woodyard Switch - Westbrook/Windham Line
(1.38 mi.) WN&P - Deering Jct
(0.49 mi.) Yard 8 Wye
(1.90 mi.) Eastern Branch
(1.40 mi.) Passenger Main / Rigby By- Pass
(22.92 mi.) Rigby Yard Tracks
Pan Am Southern (Operated by ST)
MAIN TRACKS
Patriot Corridor (139.7 mi) between Mechanicville, NY, and Ayer, MA including (15.8 mi) of freight easement rights over MBTA between Fitchburg (CPF 330) and Willows, MA (CP WL).
Freight Main Line (2.3 mi) between CP WL and CPF 312
Knowledge Corridor between White River Junction, VT, and New Haven, CT comprised of (72.3 mi) of trackage rights over the NECR between White River Junction, VT, and East Northfield, MA, (49.4 mi) of freight easement rights over the MassDOT owned Conn River Main Line between East Northfield and Springfield, MA and (55.0 mi) of trackage rights over Amtrak between Springfield, MA, and North Haven, CT.
BRANCHES
Rotterdam Branch (12.16 mi.) between CSX at CP RJ and the Canadian Pacific Railway at CPF 477.
Waterbury Branch (23.5 mi) between Berlin and Highland Jct, Waterbury, CT
OTHER TRACKS
Avon Industrial (1.46 mi.)
Berlin Industrial (2.6 mi.)
Canal Industrial (4.5 mi)
Greenfield Industrial (7456 ft)
Heywood Industrial (0.77 mi)
Montague Industrial (7370 ft)
New Britain Industrial (4.5 mi.)
East Deerfield Industrial (1.2 mi)
Waterbury Industrial (0.5 mi.)
Watertown Industrial (0.3 mi.)
TRACKAGE RIGHTS/FREIGHT EASEMENTS
Adams Industrial (4.6 mi) freight easement rights over the MassDOT owned line between N. Adams and Adams, MA shared with the Berkshire Scenic Railway passenger operation
CP Freight Sub (17.2 mi) trackage rights between Mohawk Yard and CPF 468 at Mechanicville, NY
CSXT (3.65 mi) trackage rights between North Haven and Cedar Hill Yard, CT
Green Mountain Railroad (VTR) (.34 mi) trackage rights at Bellows Falls VT
Greenville Industrial (5.0 mi) freight easement rights over the MassDot owned line between Ayer and Groton, MA
MBTA Fitchburg Route (2.3 mi) freight easement rights between CP WL and Littleton, MA
Line Ownership
(BM) - Boston & Maine Corp.
(MassDOT) - Massachusettes Department of Transportation
(MEC) - Maine Central Railroad Co.
(NR) - Northern Railroad
(PTM) - Portland Terminal Co.
(SBRC) - Stony Brook Railroad Co.
(SPT) Springfield Terminal Railroad Co.
New Brunswick & Maine Railways
MNR - Maine Northern Rwy
NBSR - New Brunswick Southern Rwy
EMR - Eastern Maine Rwy
State of Maine owns between Madawaska and Millinocket
Line between Presque Isle and Limestone is inactive
Pan Am Railways (Operated by ST)
MAIN TRACKS
Freight Main Line (300.1 mi) between Mattawamkeag, ME and CPF 312 at Ayer, MA
Northern Main Line /Capitol Corridor (45.6 mi.) between Concord, NH and CPF NC at N. Chelmsford, MA
Worcester Main Line (22.9 mi) between Harvard, MA and Barbers Station, MA
BRANCHES
Brunswick Branch (14.8 mi) between CPL 17 at Brunswick, ME and CPF 185 at Royal Jct, ME
Bucksport Branch (17.9 mi) between MPB 17 at Bucksport, ME and Calais Jct. at Bangor, ME
Hillsboro Branch (16.4 mi) between Wilton and Nashua, NH
Hinckley Branch (10.2 mi) between Hinckley, and Fairfield, ME
Medford Branch (0.9 mi.) between the MBTA Western Route and Medford, MA
Mountain Branch (0.8 mi) between CPM 2 and CPF 196 in Portland, ME
Portsmouth Branch (10.6 mi) between Emery and MP P1 in Newfields, ME
Rumford Branch (44.9 mi) between Rumford, ME and Leeds Jct, ME
OTHER TRACKS
Billerica Industrial (2.7 mi.)
Danvers Industrial (1.9 mi.)
Concord Industrial (7.4 mi.)
Cumberland Mills Industrial (3.8 mi.)
East Augusta Industrial (18.9 mi.)
Lewiston Industrial (8.0 mi.)
Madison Industrial (25.3 mi.)
Newington Industrial (3.5 mi)
South Reading Industrial (2.5 mi.)
Woburn Industrial (.07 mi.)
Boston Area Industrial Tracks (3.0 mi.)
TRACKAGE RIGHTS/FREIGHT EASEMENTS
MBTA (361.9 mi.) Trackage throughout Eastern MA
Maine DOT (9.4 mi.) between Brunswick and Lison Falls, ME
Northern VT Railway (0.1 mi.) St Johnsbury, VT
Maine DOT owns the line between Brunswick and Augusta and is currently out of service
Maine DOT owns the line between Brunswick and Rockland and leases with the CMQ (CP) to provide freight service
The Sarah Mildred Long Bridge (SMLB) is jointly owned by NHDOT and MEDOT. The PAR Kittery Branch extends between the SMLB and the US Navy owned bridge over the Piscataqua River.
Adams Branch - owned by MassDOT. PAS maintains, dispatches and provides freight service, shared with Berkshire Scenic Ry passenger excursion trains.
P&W Overhead Rights on Amtrak/Metro North/CSX between New Haven and Fresh Pond
AYER REGION
BOSTON REGION
LEGEND
Pan Am Railways (PAR)
PAR Trackage Rights
PAR Perpetual Freight Easement
Pan Am Southern (PAS)
PAS Trackage Rights
PAS Perpetual Freight Easement
CSX Transportation (CSXT)
CSXT Trackage Rights
CSXT Perpetual Freight Easement
Massachusettes Bay Transportation Authority (MBTA)
MBTA Passenger Operating Rights on PAS
Genesee & Wyoming Inc. (GWI) Owned Railroads (as indicated)
GWI Owned Railroads Trackage Rights
GWI Owned Railroads Perpetual Freight Easement
QUEBEC
MAINE
NEW BRUNSWICK
VERMONT
NEW HAMPSHIRE
MASSACHUSETTS
NEW YORK
CONNECTICUT
RHODE ISLAND
NEW JERSEY

REDACTED – TO BE PLACED ON PUBLIC FILE



REDACTED – TO BE PLACED ON PUBLIC FILE

PAN AM RAILWAYS

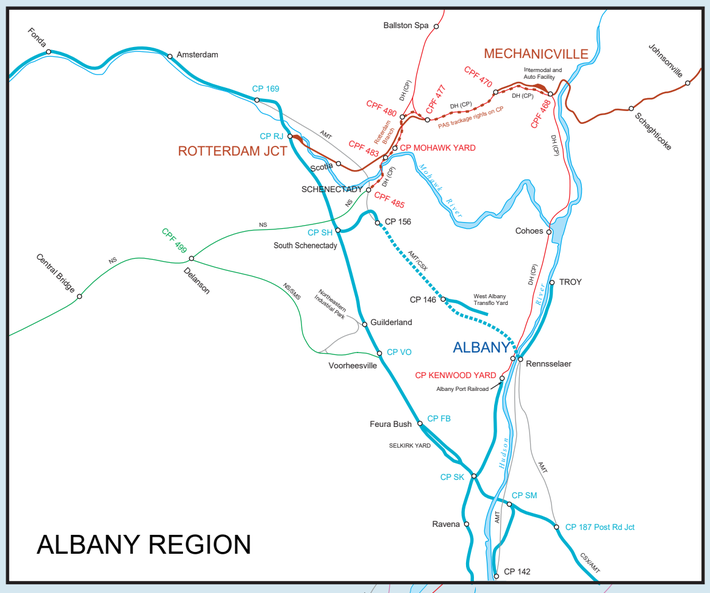
BOSTON & MAINE CORP. • MAINE CENTRAL RAILROAD CO. • PAN AM SOUTHERN LLC • PORTLAND TERMINAL CO. • SPRINGFIELD TERMINAL RAILWAY CO.

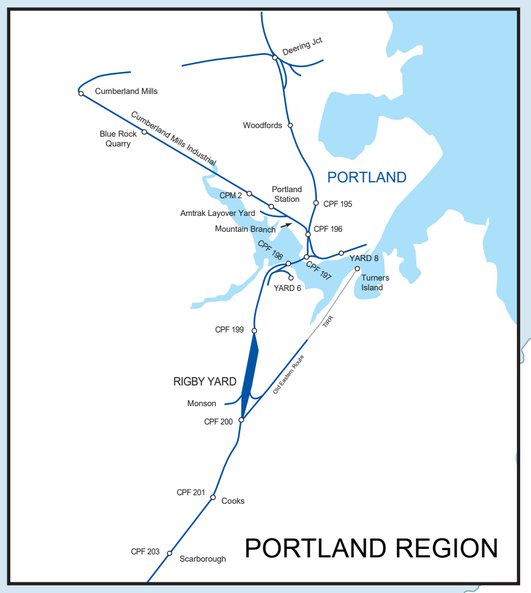
1700 IRON HORSE PARK • NORTH BILLERICA, MASSACHUSETTS 01862

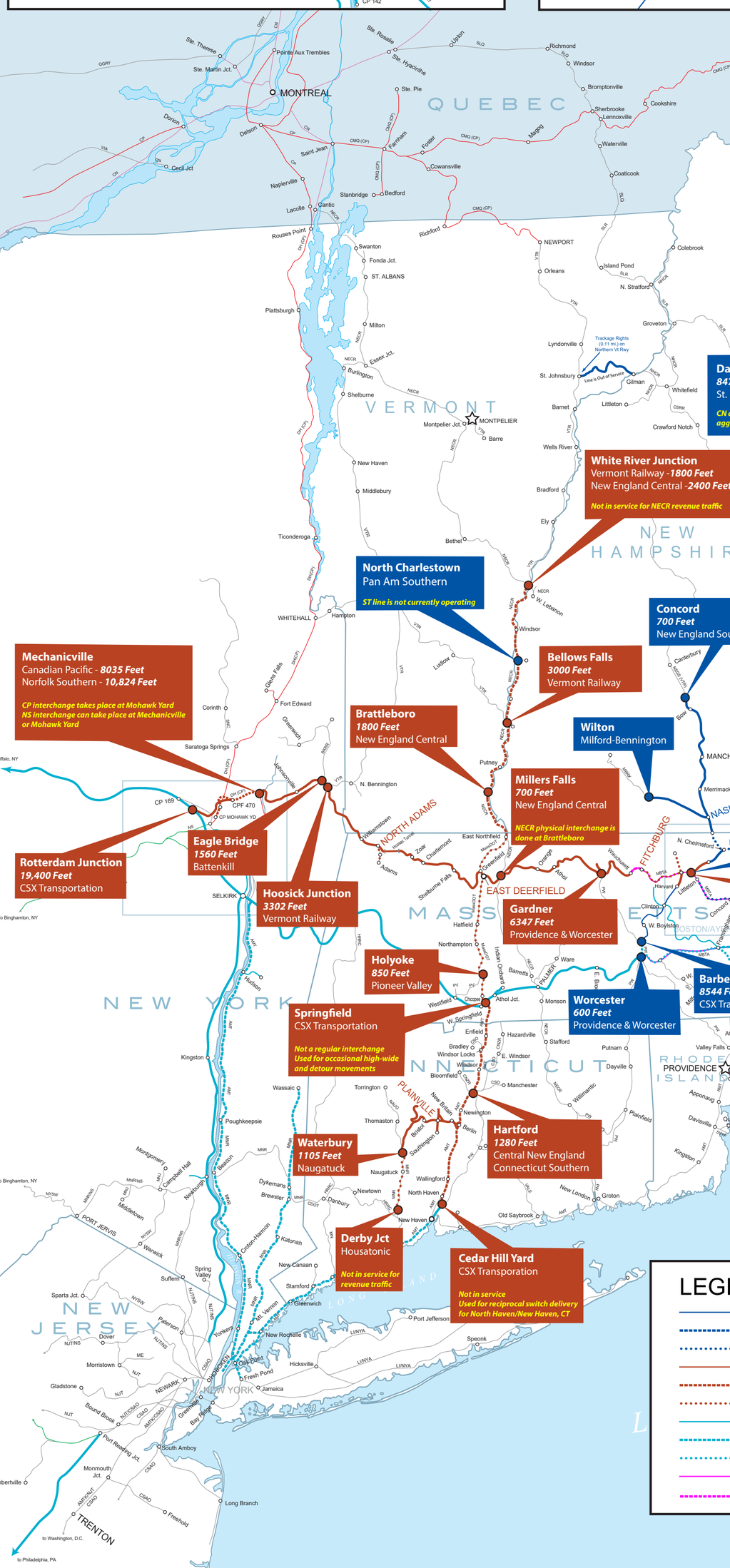
0 25 50 75 100
MILES

Revised 4-23-2021 RRR

INTERCHANGE LOCATIONS MAP

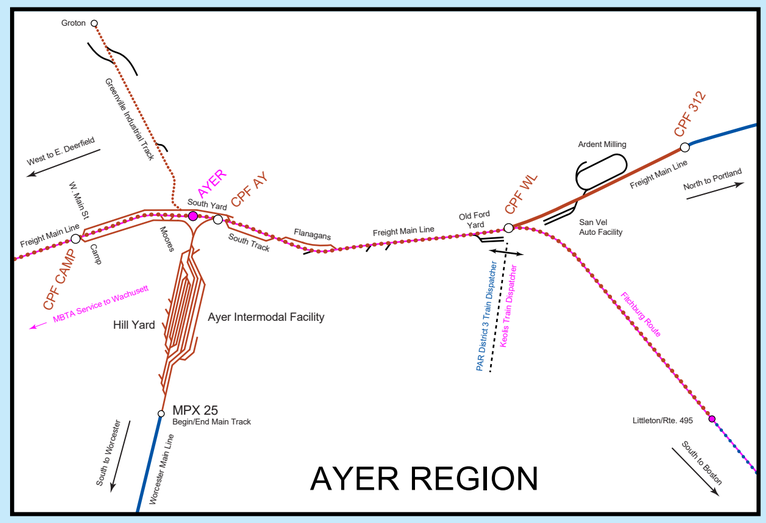


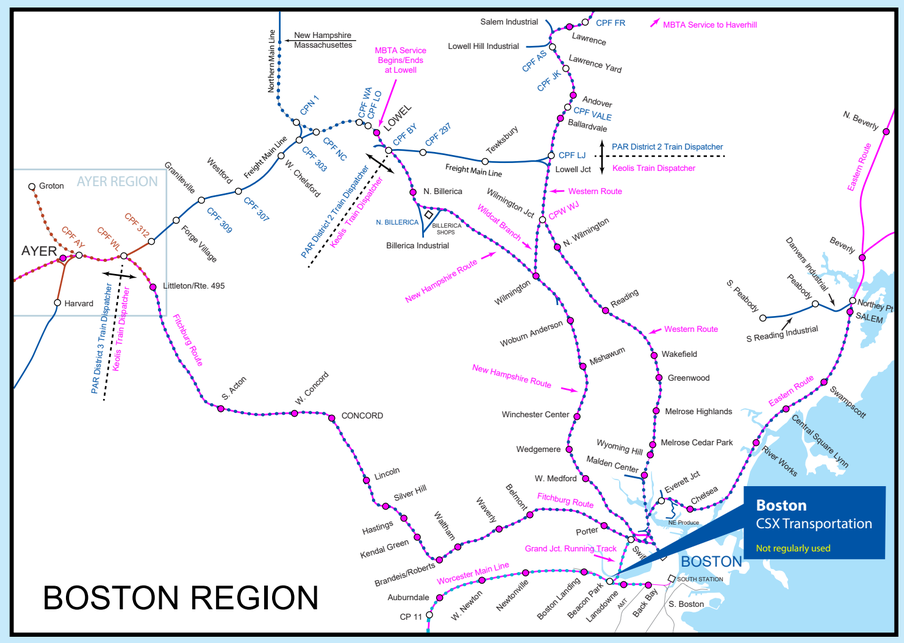




LEGEND

- Pan Am Railways (PAR)
- PAR Trackage Rights
- PAR Perpetual Freight Easement
- Pan Am Southern (PAS)
- PAS Trackage Rights
- PAS Perpetual Freight Easement
- CSX Transportation (CSXT)
- CSXT Trackage Rights
- CSXT Perpetual Freight Easement
- Massachusettes Bay Transportation Authority (MBTA)
- MBTA Passenger Operating Rights on PAS





REDACTED – TO BE PLACED ON PUBLIC FILE

AMTRAK

SERVICE ROUTES MAP

ADIRONDACK SERVICE
Between New York City and Montreal QC

DOWNEASTER SERVICE
Between Boston MA and Brunswick ME

ETHAN ALLEN EXPRESS
Between New York City and Rutland VT

EMPIRE SERVICE
Between New York City and Niagara Falls NY

HARTFORD LINE
Between New Haven CT and Springfield MA

LAKESHORE SERVICE
Between Boston MA and Chicago IL

VALLEY FLYER SERVICE
Between New Haven CT and Greenfield MA

VERMONTER SERVICE
Between Washington DC and St Albans VT

0 25 50 75 100
MILES

Revised 4-23-2021 RRR

LEGEND

- Pan Am Railways (PAR)
- PAR Trackage Rights
- PAR Perpetual Freight Easement
- Pan Am Southern (PAS)
- PAS Trackage Rights
- PAS Perpetual Freight Easement
- CSX Transportation (CSXT)
- CSXT Trackage Rights
- CSXT Perpetual Freight Easement
- Massachusettes Bay Transportation Authority (MBTA)
- MBTA Passenger Operating Rights on PAS

ALBANY REGION

PORTLAND REGION

AYER REGION

BOSTON REGION

CT rail HARTFORD LINE

Developed through a partnership between the Connecticut Department of Transportation (CTDOT), CTrail and Amtrak, The Hartford Line is new regional passenger rail service that expands service between New Haven, Hartford and Springfield. CTDOT is providing the new rail travel option, which consists of Amtrak and CTrail trains operated by a service provider—a joint venture of TransitAmerica Services and Alternate Concepts (TASI/ACI).

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 2

Agreement and Plan of Merger

AGREEMENT AND PLAN OF MERGER

by and among

Pan Am Systems, Inc.

and

Timothy Mellon,
as Shareholder Representative,

CSX Corporation,

747 Merger Sub 1, Inc.

and

747 Merger Sub 2, Inc.

Dated as of November 30, 2020

TABLE OF CONTENTS

Page

AGREEMENT AND PLAN OF MERGER 1

ARTICLE I DEFINITIONS 3

1.1 Definitions 3

ARTICLE II THE MERGER; CLOSING 23

2.1 The Merger 23
2.2 Closing 23
2.3 Effective Time 23
2.4 Certificate of Incorporation; Bylaws. 23
2.5 Directors and Officers. 24
2.6 Effect on Capital Stock 24
2.7 Closing Obligations 25
2.8 Final Cash Adjustment 26
2.9 Qualified and Non-Qualified Investors 28
2.10 Withholding Taxes 29

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY 29

3.1 Organization and Authority 29
3.2 Capitalization of the Company and the Acquired Entities 30
3.3 No Conflict 31
3.4 Absence of Certain Changes or Events 32
3.5 Financial Statements 32
3.6 Contracts and Commitments 33
3.7 Absence of Undisclosed Liabilities 35
3.8 Brokers and Other Advisors 35
3.9 Real Property 35
3.10 Intellectual Property 36
3.11 Transactions with Affiliates 38
3.12 Litigation and Orders 38
3.13 Employee Benefit Plans 39
3.14 Workforce 41
3.15 Compliance with Laws 42
3.16 Authorizations 42
3.17 Taxes 42
3.18 Insurance 44
3.19 Environmental Matters 45
3.20 Ownership of Tangible Personal Property 46
3.21 Certain Business Practices 46
3.22 U.S. Trade Laws 46
3.23 Sufficiency of Assets 46

3.24 Customers and Suppliers 46
3.25 No Other Representations and Warranties 47

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUBS 48

4.1 Organization, Standing and Entity Power 48
4.2 Authority 48
4.3 No Conflict 48
4.4 Financing 49
4.5 Solvency 49
4.6 Operations and Ownership of Merger Sub 49
4.7 Parent SEC Documents. 49
4.8 Brokers and Other Advisors 50
4.9 No Other Representations and Warranties 50

ARTICLE V COVENANTS 50

5.1 Covenants of the Company 50
5.2 Cooperation; Efforts to Close 55
5.3 Directors' and Officers' Indemnification and Insurance 57
5.4 Publicity 58
5.5 Insurance Recovery for the Hoosac Tunnel 59
5.6 Reorganization Treatment 59
5.7 Further Assurances 59
5.8 No Solicitation 59
5.9 Notification of Certain Matters 60
5.10 Non-Solicitation 60
5.11 Intercompany Accounts 60
5.12 Intercompany Agreements 60
5.13 Confidentiality 61
5.14 Release 61
5.15 Payoff Letters 62
5.16 Pre-Closing Disposition 63
5.17 Change in Control Severance 63
5.18 [redacted] 63
5.19 ST/PAS Matters 64

ARTICLE VI TAX MATTERS 64

6.1 Preparation of Tax Returns by the Company 64
6.2 Cooperation 64
6.3 Transfer Taxes and Fees 65
6.4 [redacted] 65

ARTICLE VII CONDITIONS TO THE MERGER 65

7.1 Conditions to the Obligations of Parent, Merger Subs and the Company 65
7.2 Conditions to the Obligations of Parent and Merger Subs 66
7.3 Conditions to the Obligations of the Company 67

ARTICLE VIII TERMINATION 67

8.1 Termination 67
8.2 Effect of Termination 69
8.3 Termination Fee. 69

ARTICLE IX MISCELLANEOUS 70

9.1 Shareholder Representative 70
9.2 Non-Survival of Representations, Warranties; Indemnification. 72
9.3 Environmental Liabilities Associated with Identified CERCLA Sites 75
9.4 Environmental Escrow Account Disbursement Procedures 77
9.5 Assignment 80
9.6 No Third-Party Beneficiaries 80
9.7 Expenses 80
9.8 Amendment and Modification 80
9.9 Notices 80
9.10 Governing Law 83
9.11 Severability 83
9.12 Waiver 83
9.13 Counterparts; Facsimile 84
9.14 Entire Agreement 84
9.15 Interpretation 84
9.16 Enforcement in Equity and at Law 84
9.17 Time of Essence 84

LIST OF EXHIBITS

EXHIBIT A	CLOSING DATE FINANCIAL PRINCIPLES
EXHIBIT B	ACQUIRED ENTITIES
EXHIBIT C	EXCLUDED ENTITIES
EXHIBIT D	ALLOCATION STATEMENT
EXHIBIT E	PERMA TREAT TERM SHEET
EXHIBIT F	PAN AM ASSIGNMENT
EXHIBIT G	EXAMPLE CALCULATIONS OF NET WORKING CAPITAL
EXHIBIT H	RAIL PROPERTY ROFR AGREEMENT
EXHIBIT I	FORM OF WRITTEN CONSENT
EXHIBIT J	FORM OF ESCROW AGREEMENT
EXHIBIT K	PRE-CLOSING DISPOSITION PLAN
EXHIBIT L	LETTER OF TRANSMITTAL
EXHIBIT M	SAMPLE INDEBTEDNESS CALCULATION
EXHIBIT N	SAMPLE TRAILING AMOUNT CALCULATION
EXHIBIT O	FORM OF R&W CERTIFICATE

LIST OF DISCLOSURE SCHEDULES

Company Disclosure Schedules

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER, dated as of November 30, 2020 (this "Agreement"), is by and among Pan Am Systems, Inc., a Florida corporation (the "Company"), Timothy Mellon, solely in his capacity as representative of the Shareholders as set forth herein (the "Shareholder Representative"), CSX Corporation, a Virginia corporation ("Parent"), 747 Merger Sub 1, Inc., a Delaware corporation ("Merger Sub 1"), and 747 Merger Sub 2, Inc., a Delaware corporation ("Merger Sub 2" and together with Merger Sub 1, the "Merger Subs"). The Company, Shareholder Representative, Parent, Merger Sub 1 and Merger Sub 2 are referred to collectively herein as the "Parties" and each individually as a "Party."

Background

WHEREAS, the Company owns or controls the Acquired Entities, which are engaged in the business of operating two regional Class II railroads (the "Business");

WHEREAS, the Parent desires to acquire the Company through (i) a merger of Merger Sub 1 with the Company in which the Company is the Surviving Corporation (the "First Merger") and (ii) a merger of the Company into Merger Sub 2 in which Merger Sub 2 is the Surviving Corporation (the "Second Merger," and together with the First Merger, the "Merger");

WHEREAS, the respective Boards of Directors of Parent, Merger Sub 1 and Merger Sub 2 have approved and declared advisable this Agreement and the Merger on the terms and subject to the conditions set forth in this Agreement and have authorized the execution and delivery hereof;

WHEREAS, the Board of Directors of the Company has unanimously (i) determined that it is in the best interests of the Company and the Shareholders, and declared it advisable, to enter into this Agreement with Parent, Merger Sub 1 and Merger Sub 2 providing for the Merger in accordance with the DGCL and the FBCA, (ii) approved this Agreement and the Contemplated Transactions in accordance with the FBCA and (iii) adopted a resolution recommending this Agreement be adopted by the Shareholders;

WHEREAS, in connection with the execution and delivery of this Agreement, the Company will deliver to Parent the unanimous written consent of the Shareholders adopting this Agreement and approving the Merger and the Contemplated Transactions (the "Written Consent") in the form of Exhibit I hereto;

WHEREAS, in connection with the execution and delivery of this Agreement, and as an inducement and condition to Parent's willingness to enter into this Agreement, all of the Shareholders have entered into a Support Agreement (the "Support Agreement") agreeing to certain matters with respect to the Contemplated Transactions;

WHEREAS, in connection with the execution of this Agreement, Parent shall deliver to the Shareholders in accordance with the Allocation Statement, by wire transfer of immediately available funds in accordance with wire transfer instructions delivered by the the Shareholder Representative to Parent an amount equal to [redacted] (the "Deposit"); and

WHEREAS, for Federal income tax purposes, it is intended that the Merger shall qualify as a reoganization within the meaning of Section 368(a)(1)(A) and (a)(2)(D) of the Code, and the Treasury Regulations, and that this Agreement constitutes, and hereby is adopted as, a plan of reorganization.

Terms

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions.

(a) Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Accredited Investor" means an "accredited investor" as that term is defined in Rule 501 of Regulation D of the Securities Act.

"Acquired Entities" means all of the entities listed on Exhibit B attached hereto; and for the avoidance of doubt, not including any of the Excluded Entities listed on Exhibit C attached hereto, which are to be transferred in connection with the Pre-Closing Disposition.

"Acquired Entity PRPs" means the entities listed on Schedule 1.1(c).

"Action" means any claim, action, suit, subpoena, citation, summons, litigation, prosecution, arbitration, inquiry, request for documents, audit, mediation, proceeding or investigation commenced, brought, conducted or heard by or before any Governmental Authority, whether civil, criminal, administrative, judicial or investigative.

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with, such Person (including, in the case of Parent, from and after the Closing, the Surviving Corporation and the Acquired Entities). For purposes of this definition, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other ownership interests, by contract or otherwise. The terms "controlled" and "controlling" have meanings correlative thereto.

"Agreement" has the meaning set forth in the preamble.

"Allocation Statement" means the Statement attached hereto as Exhibit D that shows the allocation by Shareholder of amounts payable to or by any Shareholder under this Agreement.

"Ancillary Documents" means any of the following: the Support Agreement, the Written Consent, the Escrow Agreement, the Pan Am Assignment, the Perma Treat Agreement and the Rail Property ROFR Agreement.

"Applicable Remediation Standards" means the applicable clean up, remedial, corrective or similar standards promulgated by or acceptable to a Governmental Authority having jurisdiction over any such activities at the Identified CERCLA Sites; *provided* that, with respect to any property at the Identified CERCLA Sites owned or controlled by the Acquired Entity PRPs, such standards will be those applicable to railroad, industrial or commercial use, as appropriate.

"Articles of Merger" has the meaning set forth in Section 2.3.

"Audited Financial Statements" has the meaning set forth in Section 3.5(a).

"Authorizations" means permits, licenses, certifications, approvals, registrations, consents, authorizations, franchises, variances and exemptions, in each case, issued or granted by a Governmental Authority, including by the STB.

"Ayer Switching Agreement" means that certain Ayer Switching Agreement dated April 9, 2009, by and between PAS and ST.

"Base Merger Consideration" means [redacted]

"Bonds" has the meaning set forth in Section 3.18.

"Business" has the meaning set forth in the preamble, and for the avoidance of doubt does not include any business or operations conducted by Perma Treat.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in New York, New York, generally are required or authorized by Law or executive order to close, or (iii) a day when the New York Stock Exchange is closed.

[redacted]

"Cash" means the aggregate value of the Company and the Acquired Entities' unrestricted cash and cash equivalents as defined by and determined in accordance with the Closing Date Financial Principles, including marketable securities, bank account deposits, undeposited funds, short term investments and checks and wires deposited but not yet cleared or available and for the avoidance of doubt net of any uncleared checks and wires). Notwithstanding anything herein to the contrary "Cash" (i) shall not include cash and cash equivalents not freely usable or distributable due to legal, regulatory or contractual constraints including, (A) all cash associated with the Positive Train Control Program (which, for the avoidance of doubt, shall mean that the Merger Consideration shall be reduced by the excess of (x) the amount of cash received in connection with the Positive Train Control Program, over (y) the amount spent pursuant to such program), (B) all amounts held in escrow in connection with any merger, consolidation or acquisition of stock or assets effected by the Company or any Acquired Entity to secure obligations with respect to any such transaction (other than the Contemplated Transactions) and (C) all deposits with respect to leases or sublease agreements, and (ii) shall be reduced by the aggregate amount of any net insurance proceeds actually received by the Company or any Acquired Entity not taken into account in determining Net Working Capital from a third party insurer in respect of a casualty loss with respect to the Business (with any such reduction offset by any amounts actually paid to third parties or taken into account in determining Net Working Capital in order to redress such casualty loss).

"Cash Merger Consideration" means [redacted] of the Estimated Merger Consideration.

"Certificate of Merger" has the meaning set forth in Section 2.3.

"Closing" has the meaning set forth in Section 2.2.

"Closing Cash" means the sum of the PAR Cash and the PAS Cash as of immediately prior to Closing calculated in accordance with the Closing Date Financial Principles.

"Closing Date" has the meaning set forth in Section 2.2.

"Closing Date Financial Principles" means (i) the accounting practices, policies, judgments and methodologies set forth on Exhibit A attached hereto and (ii) to the extent not inconsistent with the foregoing clause, first, (a) those that were used in the preparation of the Unaudited Interim Financial Statements, second, (b) those that were used in the preparation of the Audited Financial Statements, and third (c) GAAP.

"Closing Trailing Amount" means the Trailing Amount as of immediately prior to Closing.

"Closing Unpaid Transaction Expenses" means the Unpaid Transaction Expenses as of immediately prior to Closing.

"Closing Unpaid Indebtedness" means the sum of the PAR Unpaid Indebtedness and the PAS Unpaid Indebtedness as of immediately prior to Closing.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and "Treasury Regulations" means the final, temporary or proposed tax regulations promulgated thereunder, as such regulations may be amended from time to time.

"Company" has the meaning set forth in the preamble.

"Company Material Adverse Effect" means any Event (i) that has had or that would reasonably be expected to have, individually or in the aggregate, a material and adverse effect upon the business, assets, liabilities, financial condition or operating results of the Company and the Acquired Entities, taken as a whole, or (ii) that has prevented or materially impaired or delayed, or that would reasonably be expected to prevent or materially impair or delay, the ability of the Company or any Shareholder to consummate the Contemplated Transactions or perform its or their obligations under this Agreement and the Ancillary Documents; *provided*, however, that no Event to the extent attributable to, arising out of or in connection with any of the following, either alone or in combination, shall be deemed to constitute or shall be taken into account in determining whether there has been or there would reasonably be expected to be a "Company Material Adverse Effect" pursuant to clause (i) above: (A) changes in international, national, regional, local or industry economic, market (financial or other) or business conditions, including, without limitation, any disruption thereof and any decline in the price of any security or any market index, (B) general changes in the economy or industry in which the Company and the Acquired Entities operate, (C) national, regional, local or international political or social conditions or unrest (including riots, protests, and demonstrations of whatever kind or for whatever purpose), including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States or other nation, or any of the territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States or other nation, (D) changes or proposed changes in, or in the binding interpretation or implementation of applicable accounting principles (including GAAP) or applicable Laws, (E) general regulatory changes, (F) any flood, hurricane, typhoon, tornado, tsunami,

earthquake, pandemic (including COVID-19), pestilence, outbreak of disease or other public health care crisis or natural disaster, act of God or other force majuere event, (G) the execution and delivery of this Agreement or the public announcement or pendency of the Contemplated Transactions, including any impact on employees and third parties, or the performance of this Agreement and the Contemplated Transactions (*provided* that this clause (G) shall not apply to any representations and warranties that, by their terms specifically address the consequences arising out of the performance of this Agreement or the consummation of the Contemplated Transactions, including for purposes of Section 7.2 and Section 8.1), (H) taking or not taking any action as required by this Agreement (other than pursuant to Section 5.1(b)(i)), or taking or not taking any action at the written request of, or with the written consent of, Parent, (I) the failure, in and of itself, of the Company and any Acquired Entity to meet any published, internally prepared or other estimates of revenues for any period, earnings or other financial projections, performance measures or operating statistics (*provided* that the underlying causes thereof, to the extent not otherwise excluded by this definition, may be deemed to contribute to a "Company Material Adverse Effect") and *provided* further that, with respect to any matter described in any of the foregoing clauses (A), (B), (C), (D), (E) and (F) such matter shall only be excluded so long as such matter does not have a materially disproportionate effect on the Company and Acquired Entities taken as a whole relative to other entities operating in the industry in which the Company and the Acquired Entities operate.

"Confidential Information" has the meaning set forth in Section 5.13.

"Confidentiality Agreement" means the Confidentiality Agreement between Parent and the Company dated June 18, 2020.

"Consideration Deficiency" has the meaning set forth in Section 2.8(a)(ii).

"Consideration Surplus" has the meaning set forth in Section 2.8(a)(i).

"Contemplated Transactions" means the Merger together with the other transactions contemplated by this Agreement and the Ancillary Documents.

"Contracts" means all notes, bonds, mortgages, indentures, leases, licenses, sublicenses, agreements, contracts, commitments and undertakings, written or oral, including any amendments thereto, to which any Person is a party, an obligor or a beneficiary, or by which any of its assets or properties is bound.

"Contribution Protection" means protection from contribution actions or claims as provided by CERCLA Section 113(f)(2), 42 U.S.C. § 9613(f)(2) or as provided under counterpart State Environmental Laws, for Remedial Action Liabilities with respect to the Identified CERCLA Sites.

"Conveyance Amount" means [redacted]

"Credit Facility" means that certain Second Amended and Restated Credit Agreement, dated April 8, 2014, between Pan Am Railways, Inc. and Citibank, N.A.

"Damages" means any damages, loss, Liabilities, interest, cost or expenses (including reasonable expenses) of investigation and reasonable attorneys' fees and expenses in connection with any action, suit or proceeding whether involving a third-party claim or a claim solely between the Parties; *provided* that "Damages" shall exclude (i) punitive or exemplary damages, except to the extent such damages are paid to a third party in a Third Party Claim and (ii) consequential, special, indirect or similar damages (including, for the purposes of clause (ii), lost profits, diminution of value, or damages calculated on multiples of earnings or other metrics approaches), in the case of this clause (ii) to the extent not reasonably foreseeable.

"Data Room" means the virtual data room established in connection with the Contemplated Transactions, located at https://datasiteone.merrillcorp.com/global/projects under project "747".

"Deposit" has the meaning set forth in the recitals.

"DGCL" means the General Corporation Law of the State of Delaware.

"Disclosure Schedules" means the Disclosure Schedules attached hereto being delivered by the Company on the date hereof immediately prior to the execution hereof.

"Dispute Notice" has the meaning set forth in Section 2.8(b).

"Effective Time" has the meaning set forth in Section 2.3.

"Employee" means any employee or any individual consultant or independent contractor employed by, or providing services to, the Company or any Acquired Entity, including those employees on medical leave, family leave, military leave or personal leave under applicable policies. Nothing in this definition is intended to expand the definition of employee for the purposes of any employee protective conditions imposed by the STB or expand application of such conditions to non-applicants.

"Employee Benefit Plan" means any "employee benefit plan" within the meaning of Section 3(3) of ERISA, and each plan, program, arrangement, agreement or policy, whether or not subject to ERISA, and whether written or unwritten, relating to: compensation, employment, consulting, severance, retention, referral incentive, phantom stock, stock purchase, stock option or other equity-based compensation, bonus, incentive, vacation, deferred compensation, supplemental income, employee loan, collective bargaining, change-of-control, transaction bonus, insurance (including any self-insured arrangement), medical, dental, vision, prescription or fringe benefits, life insurance, relocation benefits, perquisites, disability or sick leave benefits, employee assistance program, workers' compensation, supplemental unemployment benefits or post-employment or retirement benefits (including compensation, pension, health, medical or insurance benefits), in each case (i) sponsored, maintained or contributed to, or required to be sponsored, maintained or contributed to, by the Company or any Acquired Entity for the benefit of any current or former employee, officer, director or individual consultant of the Company or any Acquired Entity; or (ii) under which the Company or any Acquired Entity has any actual or contingent Liability, whether present or future.

"Encumbrances" means any claims, liens, encumbrances, pledges, leases, subleases, occupancy agreements, servitudes, mortgages, deeds of trust, security interests, restrictions on transfer, title retentions, rights of first offer, rights of first refusal, easements, options, charges or similar rights, or arrangements of any Person, of any kind whatsoever in respect of a property or asset. Notwithstanding the foregoing, "Encumbrances" shall not include any restrictions under applicable Securities Laws.

"Entity Intellectual Property" means the Entity Owned Intellectual Property and the Entity Licensed Intellectual Property.

"Entity IT Assets" means any and all IT Assets owned, licensed or leased by the Company or any Acquired Entity.

"Entity Licensed Intellectual Property" means any and all Intellectual Property owned by a third party that is licensed or sublicensed (or purported to be licensed or sublicensed), or under which a covenant not to be sued is granted (or purported to be granted), to the Company or an Acquired Entity.

"Entity Owned Intellectual Property" means any and all Intellectual Property that is owned, or purported to be owned, by the Company or any Acquired Entity.

"Environmental Escrow Account" has the meaning set forth in the Escrow Agreement.

"Environmental Escrow Amount" means [redacted]

"Environmental Escrow Funds" means the amount in the Environmental Escrow Account from time to time.

"Environmental Laws" means all applicable international, foreign, federal, state and local Laws concerning pollution or protection of the environment, worker and human health and safety (as related to Releases to Hazardous Substances), Releases or threatened Releases of Hazardous Substances, or the manufacture, processing, distribution, use, treatment, storage, transport or handling of, or exposure to, Hazardous Substances.

"Equity Interests" of any Person means any and all shares of capital stock, partnership interests, membership interests, units of participation or other equity interests of such Person, and all warrants, options or purchase rights, and other securities exchangeable for or convertible or exercisable into, any of the foregoing or otherwise entitle any other Person to share in the equity, profits, earnings, losses or gains of such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" means, with respect to any Person, any trade or business that is a member of the same controlled group of corporations as such Person, within the meaning of Section 414(b) of the Code, that is under common control with such Person, within the meaning of Section 414(c) of the Code, that is a member of the same affiliated service group as such Person, within the meaning of

Section 414(m) of the Code, or that is otherwise required to be aggregated with such Person pursuant to Section 414(o) of the Code.

"Escrow Agent" means Bank of New York Mellon.

"Escrow Agreement" means the agreement among Parent, the Seller Representative and the Escrow Agent in substantially the form and substance as set forth on Exhibit J hereto, which establishes the escrow accounts to deposit the Purchase Price Escrow Amount and the Environmental Escrow Amount.

"Estimated Closing Statement" means a statement agreed to by Parent and the Company reflecting estimates of the Closing Cash, the Closing Unpaid Indebtedness, the Closing Trailing Amount, the Closing Unpaid Transaction Expenses, the Interest Factor (if any) and the Net Working Capital Adjustment and, based on such amounts, a calculation of the Merger Consideration, the Merger Shares and the Cash Merger Consideration.

"Estimated Merger Consideration" means the Merger Consideration as set forth in the Estimated Closing Statement.

"Event" means any event, circumstance, change, occurrence, condition, state of facts or development or effect.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Entities" means those entities set forth on Exhibit C attached hereto and any entity into which any of them may be converted.

"FBCA" means the Florida Business Corporation Act.

"Final Calculation Statement" has the meaning set forth in Section 2.8(b).

"Final Cash Adjustment" means:

(i) if the Final Merger Consideration exceeds the Estimated Merger Consideration, an upward dollar-for-dollar adjustment in an amount equal to the absolute value of such difference; or

(ii) if the Final Merger Consideration is less than the Estimated Merger Consideration, a downward dollar-for-dollar adjustment in an amount equal to the absolute value of such difference.

"Final Merger Consideration" means the Merger Consideration as finally determined in accordance with Section 2.8.

"Final Resolution" means, with respect to each respective Identified CERCLA Site, any of the following:

(i) the execution of a legally-binding Remedial Action Settlement with the USEPA and/or with other Governmental Authorities with jurisdiction over the Identified CERCLA Site,

which accords the Acquired Entity PRPs with Contribution Protection upon the payment to the USEPA or other Governmental Authority of an amount representing the Acquired Entity PRPs' share of the costs incurred by such Governmental Authority or other Persons for the performance of Remedial Actions required at such Site, and the payment by or on behalf of the relevant Acquired Entity PRPs of an amount equal to the Acquired Entity PRPs' share of the costs associated with the required Remedial Actions as determined pursuant to such Remedial Action Settlement (but not including any Post-Remediation OM&M costs);

(ii) the execution of a legally-binding Remedial Action Settlement with the USEPA and/or with other Governmental Authorities with jurisdiction over the Identified CERCLA Site, which accords the Acquired Entity PRPs with Contribution Protection and requires the Acquired Entity PRPs to perform specified Remedial Actions, and completion of the construction and installation of such Remedial Actions (but not including Post-Remediation OM&M) as confirmed by written approval by the relevant Governmental Authority of a written certification of completion of such Remedial Actions and payment by or on behalf of the relevant Acquired Entity PRPs of any amounts due under such Remedial Action Settlement (but not including costs related to Post-Remediation OM&M); or

(iii) the completion of the construction and installation of Remedial Actions at such Identified CERCLA Site required under any unilateral order or other legally binding requirement of a Governmental Authority (but not including Post-Remediation OM&M) as confirmed by written approval by the relevant Governmental Authority of a written certification of completion of the Remedial Action (or the equivalent thereof); or

(iv) the execution of a Remedial Action Settlement with a potentially responsible party ("PRP") group or one or more PRPs, providing for a cashout settlement of the Acquired Entity PRPs' Remedial Action Liabilities with respect to the Identified CERCLA Site and containing an obligation by the settling PRPs to defend, indemnify and hold harmless the Acquired Entity PRPs from and against claims asserted by Governmental Authorities or third parties for such Remedial Action Liabilities with respect to the Site, and payment by or on behalf of the relevant Acquired Entity PRPs of any amounts due under such Remedial Action Settlement.

"Financial Statements" has the meaning set forth in Section 3.5(a).

"First Certificate of Merger" has the meaning set forth in Section 2.3.

"First Merger" has the meaning set forth in the preamble.

"Fraud" means (i) a representation and warranty made by a Party in this Agreement that was false when made, (ii) to such Party's knowledge, such representation and warranty was false when made, (iii) such Party had the intent to induce another Party to act or refrain from acting, (iv) another Party acted in justifiable reliance on such false representation and warranty, and (v) the other Party suffers harm.

"Fundamental Representations" has the meaning set forth in Section 7.2(a).

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time, consistently applied.

"General Public License" means a general public software license, which provides end users the right to use, study, share, copy, and modify Software.

"Governmental Authority" means any domestic, foreign, local, municipal, Federal or state entity with applicable jurisdiction exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, department, board, bureau, agency, commission, court, tribunal, judicial or arbitral body or instrumentality of any union of nations, federation, nation, state, municipality, county, locality or other political subdivision, department or branch thereof.

"Guarantee" of or by any Person means any obligation, contingent or otherwise, of such Person guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) any Indebtedness of any primary obligor or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (ii) to purchase property, securities or services for the purpose of assuring the owner of any Indebtedness of any primary obligor of the payment of such Indebtedness, or (iii) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay any Indebtedness of such primary obligor.

"Hazardous Substances" means any material or substance that is or contains any (i) "hazardous substance," "toxic substance," "regulated substance," "pollutant," "contaminant," "solid waste," "residual waste," "hazardous waste," "petroleum" or words of similar import, as defined pursuant to any Law pertaining to the environment; (ii) any gasoline, diesel fuel, motor oil, waste or used oil, heating oil, kerosene and any other petroleum product or fraction of petroleum.; (iii) any polychlorinated biphenyls or substances containing PCBs; (iv) any asbestos or materials containing asbestos; (v) any per- or polyfluoroalkyl substances; and (v) any other material or substance regulated pursuant to, or for which liability can be imposed pursuant to, any Law pertaining to the environment.

"Hoosac Tunnel Costs" has the meaning set forth in Section 5.5.

"Hoosac Tunnel Loan" means, collectively, the Line of Credit Loan Agreement dated as of March 27, 2020 by and among Norfolk Southern Railway Company and Boston & Maine Corporation (collectively as Lenders), and Pan Am Southern, LLC (as Borrower), and amended by that First Amendment effective as of April 17, 2020, and the promissory notes issued thereunder.

"Identified CERCLA Sites" means the sites identified on Schedule 1.1(e).

"Inactive Acquired Entities" means Northern Railroad, Stony Brook Railroad Company, East Street, Inc., Guilford Motor Express, Inc., Pine Tree Corporation and Vermont & Massachusetts Railroad Company.

"Income Tax" means any Tax that is, in whole or in part, based on or measured by net income or gains, and any business franchise, withholding, branch profits or similar Tax imposed in lieu of a Tax on net income.

"Indebtedness" of the Company or any Acquired Entity means, without duplication, the aggregate amount of the following (including all accrued and unpaid interest and all prepayment penalties, breakage fees and exit fees that would be incurred in connection with the repayment thereof at such time), (i) all obligations of such entity for borrowed money, including under the Credit Facility, (ii) all obligations of such entity evidenced by bonds, debentures, notes, or similar contracts or instruments, (iii) all obligations of such entity evidenced by letters of credit, performance bonds, surety bonds, or similar contracts or instruments to the extent drawn and not repaid, (iv) all indebtedness of others secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property owned or acquired by the Company or any Acquired Entity, (v) all Guarantees by the Company or any Acquired Entity, (vi) all accrued and unpaid Pre-Closing Taxes of the Company and the Acquired Entities that constitute Income Tax, (vii) any Liability for any payroll Tax, the payment of which has been delayed pursuant to Section 2302 of the CARES Act or pursuant to Internal Revenue Service Notice 2020-65, (viii) all obligations for the deferred purchase price of assets, property, goods or services, including all seller notes and "earn-out" payments and purchase price adjustment payments, (ix) all capital lease obligations of the Company or any Acquired Entity determined in accordance with the GAAP, (x) all obligations under any swap, collar or other hedging arrangements, (xi) all obligations for any declared but unpaid dividend or other distribution in respect of the capital stock of the Company or any Acquired Entity, (xii) all obligations pursuant to any settlement agreement, judgement or consent decree, (xiii) project payables for capital expenditure, net of related deposits and receivables, (xiv) casualty reserve due to IBNR and specific case reserves in excess of [redacted] in the aggregate, (xv) all Liabilities related to the Company's and the Acquired Entities' Iron Horse Park and Deerfield locations in excess of [redacted] in the aggregate and (xvi) accounts payable which are greater than one year past due, which shall, in each case in this definition (other than clauses (xiv) and (xv)) be calculated solely by reference to the accounts of the Company and the Acquired Entities set forth in the example calculation attached as Exhibit M hereto. Notwithstanding the foregoing, Indebtedness shall not include, (x) operating or lease obligations other than as contemplated by subsection (ix) above, (y) deferred revenue with respect to any source and deferred tax liability, or (z) obligations solely between or among the Acquired Entities that are wholly owned by the Company. Notwithstanding the foregoing, in no event will any amounts owed by PAS to PAR be treated as Indebtedness for the purposes hereof.

"Indemnified Parties" has the meaning set forth in Section 5.3(a).

"Indemnified Taxes" means, except to the extent taken into account in the calculation of Indebtedness or Net Working Capital, any Liability incurred or suffered by Parent and its Affiliates (including, after the Closing, the Company and the Acquired Entities) arising in connection with, relating to or as a result of any (i) Tax for which the Company and any Acquired Entity is liable arising as a result of or in connection with the Pre-Closing Disposition or (ii) property and excise Tax imposed on the Company or any Acquired Entity by the Governmental Authorities set forth on Schedule 1.1(f) in respect of any Pre-Closing Tax Period but, in the case of this clause (ii) only, only if prior to the Closing such Governmental Authority shall have opened any examination or other inquiry, or shall have notified the Company or any Acquired Entity in writing of an intention to open any such examination or other inquiry,

in respect of any such property or excise Tax. Any amounts paid with respect to Indemnified Taxes shall be deemed, for all applicable Tax purposes, to be a dollar-for-dollar reduction to the Merger Consideration.

"Independent Accountant" means an independent nationally recognized auditing firm selected by Shareholder Representative and Parent that is not the independent auditing firm for any of Parent, Merger Subs, the Company or any Affiliate thereof (or if Shareholder Representative and Parent are unable to agree upon a firm, Shareholder Representative and Parent shall each select a firm and the two selected firms together shall select a third firm) which will act as the Independent Accountant.

"Insurance Policies" has the meaning set forth in Section 3.17(a).

"Intellectual Property" means any and all intellectual property rights and assets, and any and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (i) inventions (whether patentable or unpatentable and whether or not reduced to practice), patents and patent applications together with reissuances, continuations, continuations-in-part, revisions, extensions, reviews, and reexaminations thereof; (ii) trademarks, service marks, trade dress, logos, domain names, and trade names, including goodwill associated therewith, and applications, registrations and renewals in connection therewith; (iii) works of authorship, copyrights, and applications, registrations and renewals in connection therewith; (iv) trade secrets and other confidential business information (including confidential and proprietary ideas), research and development, know how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); and (v) Software.

"Interest Factor" means, if and only if the Closing has not occurred on or before [redacted] an amount equal to simple interest from [redacted] through the Closing Date on [redacted] at a rate of [redacted] per annum calculated based on a 365-day year.

"IT Assets" means any tangible or digital computer systems (including computers, screens, servers, workstations, routers, hubs, switches, networks, firmware, middleware, Software, data communications lines and hardware) and all other information technology equipment, including all documentation related to the foregoing.

"Knowledge" means, (i) with respect to the Company and the Acquired Entities, the actual knowledge of and by the executives listed on Schedule 1.1(a), and (ii) with respect to Parent, the actual knowledge of the executives listed on Schedule 1.1(b), in each case without investigation.

"Laws" mean all federal, state, local or foreign constitutions, common laws, laws, codes, statutes, ordinances, rules, rulings, or regulations, Orders, charges, directives, determinations, executive orders, writs, judgments, injunctions, or decrees of any Governmental Authority.

"Liability" means any indebtedness, guarantees, obligations and other liability whether known or unknown, whether asserted or unasserted, whether absolute or contingent (or based upon any contingency), whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to

become due, including any fines, penalties, losses, costs, interest, charges, expenses, damages, assessments, deficiencies, judgments, awards or settlements.

"Licensed IP Agreements" has the meaning set forth in Section 3.10(f).

"Made available" or "made available" means that the Company has posted, or caused to be posted, such information to the Data Room or actually delivered, or caused to actually be delivered, such information directly to Parent or its Representatives via e-mail or overnight delivery service, in each case no less than two Business Days prior to the date hereof.

"Material Contracts" has the meaning set forth in Section 3.6(a)(xvii).

"Material Customer" has the meaning set forth in Section 3.24(a).

"Material Supplier" has the meaning set forth in Section 3.24(b).

"Merger" has the meaning set forth in the preamble.

"Merger Consideration" means the Base Merger Consideration, plus (1) the Closing Cash, plus (2) the Closing Trailing Amount, plus (3) the Interest Factor, if any, less (4) the Closing Unpaid Indebtedness, less (5) the Closing Unpaid Transaction Expenses, plus or less (6) the Net Working Capital Adjustment.

"Merger Shares" means that number of shares of Parent Common Stock equal to (i) [redacted] of the Estimated Merger Consideration divided by (ii) the Stock Price.

"Merger Sub 1" has the meaning set forth in the preamble.

"Merger Sub 2" has the meaning set forth in the preamble.

"Merger Subs" has the meaning set forth in the preamble.

"Minimum Net Working Capital Amount" means [redacted]

"Minimum Subject Trackage Volume" has the meaning set forth in Section 7.2(h).

"Net Working Capital" means as of any date determination, which can be positive or negative, the sum of the PAR Net Working Capital and the PAS Net Working Capital calculated in accordance with the Closing Date Financial Principles and the example calculation as of June 30, 2020 set forth on Exhibit G attached hereto. Net Working Capital shall not include any Cash, Trailing Amount, Indebtedness or Unpaid Transaction Expenses.

"Net Working Capital Adjustment" means (a) if the aggregate PAR Net Working Capital plus the PAS Net Working Capital is less than the Minimum Net Working Capital Amount, a downward dollar-for-dollar adjustment in an amount equal to the difference between such aggregate PAR Net Working Capital plus the PAS Net Working Capital and the Minimum Net Working Capital Amount; or (b) if the

aggregate PAR Net Working Capital plus the PAS Net Working Capital is greater than the Minimum Net Working Capital Amount, an upward dollar-for-dollar adjustment in an amount equal to the difference between such aggregate PAR Net Working Capital plus the PAS Net Working Capital and the Minimum Net Working Capital Amount.

"Non-Qualified Investor" has the meaning set forth in Section 2.9.

"NS" means Norfolk Southern Railway Company.

[redacted]

"Open Source Materials" means all Software or other material that is distributed as "free software," "open source software" or under a similar licensing or distribution model, including the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), or any other license described by the Open Source Initiative as set forth on www.opensource.org.

"Order" has the meaning set forth in Section 7.1(b).

"Ordinary Course of Business" means the ordinary and usual course of normal day-to-day operations of the Business as conducted by the Company and the Acquired Entities consistent with past practices, except for adjustments and changes in business and operations occurring in response to the COVID-19 pandemic (i) as required pursuant to applicable Law or (ii) to the extent requested by a customer and the Company's response to such request is commercially reasonable.

"Organizational Documents" has the meaning set forth in Section 3.1(a).

"Other Real Properties" has the meaning set forth in Section 3.9(a).

"Other Real Property Agreements" has the meaning set forth in Section 3.9(a).

"Owned Real Property" has the meaning set forth in Section 3.9(a).

"Pan Am Assignment" means the assignment of certain U.S. railway specific trademarks of PAWA to be entered into on the Closing Date between the Company and PAWA as set forth in Exhibit F attached hereto.

"Pan Am Marks" has the meaning set forth in Section 5.18(a).

"PAR" means Pan Am Railways, Inc.

"PAR Cash" means [redacted] of the Cash held by the Company and the Acquired Entities (other than PAS) as of any date of determination.

"PAR Net Working Capital" means [redacted] of the difference, as of immediately prior to Closing, between (a) the current assets (other than Cash and the Trailing Amount) of the Company and the Acquired Entities (other than PAS) (consisting of only those line items and related accounts and subaccounts and adjustments listed on Exhibit G), less (b) the current liabilities (other than Indebtedness and Unpaid Transaction Expenses) of the Company and the Acquired Entities (other than PAS) (consisting of only those line items and related accounts and subaccounts and adjustments listed on Exhibit G). An example of the calculation of PAR Net Working Capital, calculated as of June 30, 2020 for illustrative purposes, is set forth on Exhibit G attached hereto.

"PAR Unpaid Indebtedness" means [redacted] of the unpaid Indebtedness of the Company and the Acquired Entities (other than PAS) at any date of determination.

"Parent" has the meaning set forth in the Preamble.

"Parent Common Stock" means the common stock of Parent, par value [redacted]

"Parent Consent Party" has the meaning set forth in Section 5.1(b).

"Parent Indemnified Parties" has the meaning set forth in Section 9.2(b).

"Parent Material Adverse Effect" means any Event that has prevented or materially impaired or delayed, or that would reasonably be expected to prevent or materially impair or delay, the ability of Parent or Merger Subs to timely consummate the Contemplated Transactions or to timely perform their obligations under this Agreement.

"Parent Related Party" means Parent, each Acquired Entity, their Affiliates, and their respective officers, directors, managers, employees, agents, successors and assigns.

"Parent SEC Documents" has the meaning set forth in Section 4.7(a).

"Party" has the meaning set forth in the preamble.

"PAS" means Pan Am Southern LLC.

"PAS Cash" means [redacted] of the Cash held by PAS as of any date of determination.

"PAS Net Working Capital" means [redacted] of the difference, as of immediately prior to Closing, between (a) the current assets (other than Cash and the Trailing Amount) of PAS (consisting of only those line items and related accounts and subaccounts and adjustments listed on Exhibit G), less (b) the current liabilities (other than Indebtedness and Unpaid Transaction Expenses) of PAS (consisting of only those line items and related accounts and subaccounts and adjustments listed on Exhibit G). An example of the calculation of PAS Net Working Capital, calculated as of June 30, 2020 for illustrative purposes, is set forth on Exhibit G attached hereto.

"PAS Unpaid Indebtedness" means [redacted] of the unpaid Indebtedness of PAS as of any date of determination (except to the extent owed to the Company or any Acquired Entity) for the avoidance of

doubt any amounts owed by PAS to NS pursuant to the Hoosac Tunnel Loan shall be included within the scope of this definition, and not within the scope of the definition of "PAR Unpaid Indebtedness" (and therefore only [redacted] of such amounts under the Hoosac Tunnel Loan shall be taken into account in the definition of "Closing Unpaid Indebtedness").

"PAS Trackage Rights Limitation" means the terms and conditions of Section 3(j) of the ST Joint Use Agreement.

"Paycheck Protection Program" means the program established under Division A, Title I of the CARES Act, as interpreted and applied by the SBA.

"PAWA" means Pan American World Airways, Inc.

"Payoff Letter" has the meaning set forth in Section 5.15.

"Perma Treat" means Perma Treat Corporation.

"Perma Treat Agreement" means an agreement between PAR and Perma Treat on the terms set forth in Exhibit E hereto to be negotiated after the date hereof and prior to the Closing Date and entered into on the Closing Date.

"Permitted Encumbrances" means (i) mechanics', materialmen's, carriers', workmen's, repairmen's, warehousemen's, contractors' or other similar Encumbrances arising or incurred in the Ordinary Course of Business and for amounts which are incurred in the Ordinary Course of Business or by operation of law with respect to any amounts not yet delinquent or which are being contested in good faith by Actions and for which reserves have been established in accordance with GAAP, (ii) trackage rights agreements, interchange agreements, and similar operating agreements regarding use of rail lines as set forth on Schedule 1.1(d) or on any Schedule included under Section 3.9, (iii) Encumbrances for Taxes or other governmental charges or assessments not yet due and payable or that are being contested in good faith and for which an adequate reserve has been made in accordance with GAAP, (iv) Encumbrances affecting the interest of the grantor of any easements benefiting any Property which were not granted by or consented to by the Company and Acquired Entities, (v) Encumbrances, imperfections, minor defects or irregularities in title, easements, claims, liens, charges, security interests, rights-of-way, rights-of-refusal, covenants, restrictions, reversionary interests, and other, similar matters that would not, individually or in the aggregate, reasonably be expected to materially impair the continued use and operation of the Properties to which they relate in the business of the Company and the Acquired Entities as presently conducted, (vi) zoning, building and other similar codes and regulations, (vii) Encumbrances arising in the ordinary course of business under worker's compensation unemployment insurance, social security, retirement and similar legislation, (viii) other statutory liens securing payments not yet due, (ix) purchase money liens and liens securing rental payments under capital lease arrangements, (x) Encumbrances, covenants, restrictions and other, similar matters set forth in any Authorizations referred to in Section 3.19, and (xi) any matters of public record in the applicable recorder's office or that would be disclosed by a current, accurate survey and/or physical inspection of the Properties to which they relate, provided any such matters would not, individually or in the aggregate, reasonably be expected to materially impair the continued use and

operation of the Properties to which they relate in the business of the Company and the Acquired Entities as presently conducted.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated association, corporation, limited liability company, entity or Governmental Authority.

"Post-Closing Tax Period" means any taxable period ending after the Closing Date.

"Post-Remediation OM&M" means any costs, actions or activities required for the operation, maintenance and monitoring of a constructed or implemented Remedial Action, and any Governmental Authority oversight costs related thereto, incurred after approval by the applicable Governmental Authorities of a certification of completion of the Remedial Action (or the equivalent thereof), sign signifying completion of the construction and implementation of the required Remedial Actions.

"PPP Loan" means any loan to the Company or any Acquired Entity pursuant to the Paycheck Protection Program.

"Pre-Closing Disposition" has the meaning set forth in Section 5.16.

"Pre-Closing Disposition Plan" means the step plan attached hereto as Exhibit K.

"Pre-Closing Taxes" means (i) any Taxes of the Company and the Acquired Entities with respect to any Pre-Closing Tax Period or with respect to the pre-Closing portion of any Straddle Period and (ii) all Taxes which would otherwise have been required to be paid in a Pre-Closing Tax Period but the payment of which was deferred pursuant to the CARES Act or any similar provision of state, local or non-U.S. Tax law. The portion of any Tax that is allocable to the pre-Closing portion of any Straddle Period shall be: (x) in the case of real property, personal property and similar ad valorem Taxes, deemed to be the amount of such Taxes for the entire taxable period multiplied by a fraction, the numerator of which is the number of calendar days in such period up to and including the Closing Date, and the denominator of which is the number of calendar days in the entire period; *provided*, however, that appropriate adjustment shall be made with respect to Taxes attributable to any property that was not owned for the entirety of the Straddle Period, and (y) in the case of all other Taxes, determined as though the taxable period terminated at the close of business on the Closing Date. For purposes of determining any Tax attributable to the pre-Closing portion of any Straddle Period in accordance with clause (y) of the preceding sentence, any extraordinary transaction outside the Ordinary Course of Business that occurs on the Closing Date but after the Closing shall be considered to occur on the day following the Closing Date.

"Pre-Closing Tax Period" means any taxable period ending on or prior to the Closing Date.

"Properties" has the meaning set forth in Section 3.9(a).

"Purchase Price Escrow Account" has the meaning set forth in the Escrow Agreement.

"Purchase Price Escrow Amount" means [redacted]

"Purchase ROFR" means the right of first refusal with respect to the rail property subject to that certain Rail ROFR Agreement in the form attached hereto as Exhibit H.

"Qualified Investor" has the meaning set forth in Section 2.9.

[redacted]

"Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers or other receptacles containing Hazardous Substances).

"Releasees" has the meaning set forth in Section 5.14(a).

"Remedial Action" means any action that constitutes a "removal," "remedial action" or "response" as defined by Section 101 of CERCLA, 42 U.S.C. §§ 9601(23), (24).

"Remedial Action Liabilities" means any past, current or future Liability under applicable Environmental Laws to undertake, perform, pay or contribute to payment of the costs of any Remedial Action, including any legally-imposed obligations to reimburse or pay any Governmental Authority for costs of oversight of such Remedial Actions and any Liability for any related enforcement actions.

"Remedial Action Settlements" has the meaning set forth in Section 9.3(f).

"Remediation Manager" means the person or entity engaged pursuant to Section 9.3(d).

"Representatives" means each of the respective attorneys, accountants, officers, employees and other authorized agents, advisors and representatives of Parent, Merger Subs, the Company or the Shareholder Representative.

"Resolution Period" has the meaning set forth in Section 2.8(b).

"Restricted Employees" has the meaning set forth in Section 5.10.

"SBA" means the U.S. Small Business Administration or any successor agency.

"SEC" means the United States Securities and Exchange Commission.

"Second Certificate of Merger" has the meaning set forth in Section 2.3.

"Second Merger" has the meaning set forth in the preamble.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Laws" means the Securities Act; the Securities Exchange Act of 1934, as amended; the Investment Company Act of 1940, as amended; the Investment Advisers Act of 1940, as

amended; the Trust Indenture Act of 1939, as amended; the rules and regulations of the SEC promulgated thereunder, and state securities or "blue sky" Laws.

"Share" has the meaning set forth in Section 2.6(a).

"Shareholder Representative" means Mr. Timothy Mellon.

"Shareholder Representative Expenses" has the meaning set forth in Section 9.1(b).

"Shareholders" means Timothy Mellon, Richard S. Kelso, D. Armstrong Fink, and William H. White.

"Shareholders Agreement" means the Amended and Restated Stockholders Agreement, dated as of May 2013, entered into between the Company and the Shareholders.

"Software" means any and all of the following: (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code; (ii) software databases and compilations, including any and all digital data and collections of data, whether machine readable or otherwise; (iii) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, and menus; and (iv) all documentation, including user manuals and other training documentation, related to any of the foregoing.

[redacted]

"ST" means Springfield Terminal Railway Company.

[redacted]

"STB" means the Surface Transportation Board.

"STB Approval" means receipt of final STB approval or authorization of the Contemplated Transactions pursuant to 49 U.S.C. § 11323 et seq.

"Stock Adjustment" means if the Final Merger Consideration determined pursuant to Section 2.8(a) would otherwise result in the value of the Merger Shares being less than [redacted] of the value of the Final Merger Consideration, then the Final Cash Adjustment shall be reduced and a number of Merger Shares with a value (based on the Stock Price) equal to the amount of such reduction shall be delivered to the Shareholder Representative such that the value of the adjusted number of Merger Shares is equal to [redacted] of the value of the Final Merger Consideration. For the purposes of this definition, the "value of the Merger Shares" shall be calculated based on the Stock Price.

"Stock Price" means a price per Merger Share on the NASDAQ Global Market calculated based on the interval volume weighted average price on Bloomberg of the Parent Common Stock for the 20 trading days ending five Business Days prior to the Closing Date; *provided* that in no event will the Stock Price exceed [redacted] per share or be less than [redacted] per share.

"Straddle Period" means any taxable period that includes but does not end on the Closing Date.

"Subsidiary" shall mean, with respect to any Person, any corporation, entity or other organization, whether incorporated or unincorporated, of which (a) such first Person directly or indirectly owns or controls at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions, or (b) such first Person or another of its Subsidiaries is a general partner or managing member.

"Support Agreement" has the meaning set forth in the preamble.

"Surviving Corporation" has the meaning set forth in Section 2.1.

"Tax" means all U.S. or non-U.S., federal, state, provincial or local income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, escheat, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding or other tax, of any kind whatsoever, together with any interest, penalties, or additions to tax relating thereto.

"Tax Return" means any return, declaration, report, claim for refund information statement, or other written statements or information filed or required to be filed with a Governmental Authority with respect to Taxes, including any such document prepared on a consolidated, combined or unitary basis and also including any schedule or attachment thereto, and including any amendment thereof.

"Termination Date" has the meaning set forth in Section 8.1(b).

"Third Party Claim" has the meaning set forth in Section 9.2(b).

"Trailing Amount" means the aggregate of (i) any portion of a grant for facilities or trackage improvements earned but not yet received by the Company and the Acquired Entities (other than PAS), (ii) any unreimbursed expenditure for infrastructure due from a third party to the Company or the Acquired Entities (other than PAS), and (iii) earned but not yet paid amounts due to the Company and the Acquired Entities (other than PAS) with respect to operating PAS, including a prorated portion of the year end bonus amount, in each case determined by the parties as of immediately prior to the Closing. The Trailing Amount shall be calculated in accordance with the example calculation as of June 30, 2020 set forth on Exhibit N attached hereto.

"Transfer Taxes" has the meaning set forth in Section 6.3.

[redacted]

"Unaudited Interim Financial Statements" has the meaning set forth in Section 3.5(a).

"Unpaid Transaction Expenses" means all costs, fees and expenses incurred by the Company or any of the Acquired Entities at or prior to the Effective Time, or in respect of any Contract or other arrangement entered into at or prior to the Effective Time, related to the Contemplated Transactions, and payable to a third party, whether payable prior to, at or after the Closing, including (i) the fees and disbursements payable to legal counsel or accountants or investment bankers or other consultants and advisors of the Company or any of the Acquired Entities that are payable in connection with the Contemplated Transactions; (ii) any bonus, transaction, change of control, severance, incentive, compensation, phantom stock, termination, retention or similar transaction-related payments to be paid by the Company or the Acquired Entities as a result of the Contemplated Transactions (other than any payments that become due under the Change in Control Agreements set forth on Schedule 3.13(h) as a result of the Contemplated Transactions); (iii) any employer-side employment Taxes on any amounts included as Unpaid Transaction Expenses; and (iv) with respect to the Pre-Closing Disposition, all carve-out costs, formation costs, capital costs, and all other similar costs associated with separating the Excluded Entities from the Company and the Acquired Entities payable by the Company or any of the Acquired Entities, in each case in this definition to the extent unpaid as of the Closing.

"USEPA" means the United States Environmental Protection Agency and any successor agency thereto.

"U.S. Trade Laws" shall mean all statutory and regulatory requirements of any jurisdiction in which a Person operates related to export controls, economic sanctions, trade embargoes, anti-money laundering laws, boycotts, imports, and stipulations governing supply chain security programs, including regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of Commerce's Bureau of Industry and Security, and the U.S. Department of State's Directorate of Defense Trade Controls.

"Waived Payments" has the meaning set forth in Section 5.1(d)(i).

"Written Consent" has the meaning set forth in the preamble.

ARTICLE II
THE MERGER; CLOSING

2.1 The Merger. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the DGCL and the FBCA, at the Effective Time, the Company shall be merged with and into Merger Sub 1 with the Company surviving, and immediately thereafter the Company shall be merged with and into Merger Sub 2, with Merger Sub 2 surviving and the separate corporate existence of the Company shall thereupon cease. Merger Sub 2 shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation") and a wholly owned subsidiary of Parent, and the separate corporate existence of Merger Sub 2, with all of its rights, privileges, immunities, powers and franchises, shall continue unaffected by Merger, except as set forth in this Article II. Without limiting the generality of the foregoing and subject thereto, at the Effective Time, all the property, rights, privileges, immunities, powers and franchises of the Company and Merger Sub 2 shall vest in Merger Sub 2 as the Surviving Corporation and all claims, obligations, debts, liabilities and duties of the Company and Merger Sub 2 shall become the claims, obligations, debts, liabilities and duties of the Merger Sub 2 as the Surviving Corporation. The Merger shall have the effects set forth in this Agreement and specified in the DGCL and FBCA.

2.2 Closing. Unless this Agreement shall have been terminated and the Contemplated Transactions shall have been abandoned pursuant to Article VIII, the closing of the Contemplated Transactions (the "Closing") shall take place at 9:00 am ET at the offices of K&L Gates LLP, 1601 K Street, NW, Washington, DC within two (2) Business Days following the satisfaction or waiver of the conditions set forth in Article VII (other than those conditions that by their nature are to be satisfied at the Closing, but subject to those conditions in fact being satisfied at Closing), or at such other place, date and time as the Company and Parent may agree in writing (the time and date on which the Closing occurs is hereinafter referred to as the "Closing Date").

2.3 Effective Time. Subject to the provisions of this Agreement, at the Closing, (i) the Parent will cause the First Merger to be consummated by filing a certificate of merger (the "First Certificate of Merger") to be executed, acknowledged and filed with the Secretary of State of the State of Delaware in accordance with the DGCL, (ii) the Company and Parent will cause the Second Merger to be consummated by filing a certificate of merger (the "Second Certificate of Merger") and articles of merger ("Articles of Merger'), to be executed, acknowledged and filed with the Secretary of State of the State of Delaware in accordance with the DGCL and with the Secretary of State of the State of Florida in accordance with the FBCA, respectively. The Merger shall become effective at the time when the Second Certificate of Merger and Articles of Merger have been duly filed or at such later time as may be agreed by the Company and Parent in writing and specified in the Second Certificate of Merger and Articles of Merger (the effective time of the Merger being hereinafter referred to as the "Effective Time").

2.4 Certificate of Incorporation; Bylaws.

(a) At the Effective Time, by virtue of the Merger, the certificate of incorporation of Merger Sub 2, as in effect immediately prior to the Effective Time, shall be the certificate of incorporation of the Surviving Corporation, until thereafter amended or restated as provided therein and by applicable Law, in each case consistent with the obligations set forth in Section 5.3.

(b) At the Effective Time, by virtue of the Merger, and without any further action on the part of the Company and Merger Subs, the bylaws of Merger Sub 2 in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation (except that references therein to the name of Merger Sub 2 shall be replaced by references to the name of the Surviving Corporation), until thereafter amended or restated as provided therein, by the Certificate of Incorporation and by applicable Law, in each case consistent with the obligations set forth in Section 5.3.

2.5 Directors and Officers.

(a) The directors and officers of Merger Sub 2 at the Effective Time shall be the directors and officers of the Surviving Corporation at the Effective Time by virtue of the Merger, until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Certificate of Incorporation and the bylaws of the Surviving Corporation and applicable Law.

2.6 Effect on Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of the Company, Parent, Merger Subs or the holders of any shares:

(a) Merger Consideration. Except as otherwise agreed to in writing between the Shareholder Representative and Parent, each share of Company common stock (each such share, a "Share") issued and outstanding immediately prior to the Effective Time shall be converted automatically into and shall thereafter represent the right to receive a portion of the Estimated Merger Consideration in accordance with the Allocation Statement, subject to adjustment pursuant to Section 2.8, subject to delivery of a duly executed letter of transmittal in the form of Exhibit L hereto (a "Letter of Transmittal"). At the Effective Time, all of the Shares shall no longer be outstanding, shall be cancelled and extinguished automatically and shall cease to exist, and each Shareholder will cease to have any rights with respect to such Shares, except for the right to receive the portion of the Estimated Merger Consideration to be paid in consideration therefor in accordance with this Article II, subject to adjustment pursuant to Section 2.8, subject to delivery of a duly executed Letter of Transmittal.

(b) Merger Sub. Each share of common stock, par value [redacted] per share, of Merger Sub 1, issued and outstanding immediately prior to the Effective Time, shall be converted into and become one share of common stock of the Surviving Corporation prior to the merger with and into Merger Sub 2, and at the effective time of such merger, shall be canceled and extinguished automatically and shall cease to exist. Each share of common stock, par value [redacted] per share, of Merger Sub 2, issued and outstanding immediately prior to the effective time of such merger, shall remain as a validly issued fully paid and non-assessable share of common stock, par value [redacted] per share, of the Surviving Corporation and shall constitute the only outstanding shares of capital stock of the Surviving Corporation immediately after the Effective Time.

2.7 Closing Obligations.

(a) Deliveries of the Company and Shareholder Representative.

(i) No later than the fifth (5th) Business Day prior to the Closing Date, the Company shall deliver to Parent the Estimated Closing Statement along with reasonable supporting details.

(ii) At the Closing, the Company or the Shareholder Representative shall deliver to Parent, or shall cause to be delivered to Parent:

(A) certificates representing the Shares, endorsed in blank and accompanied by executed transfer powers, each in a form reasonably satisfactory to Parent;

(B) the certificate required by Section 7.2(c);

(C) resignations of all of the members of the boards of directors or managers and all executive officers of the Company and the Acquired Entities in their capacity as such (not including any members of the board of directors or managers or any executive officers of PAS who are designees of NS), except as may otherwise be specified by Parent in writing, each in a form reasonably satisfactory to Parent;

(D) evidence reasonably satisfactory to Parent that any amounts to be paid in connection with Closing as set forth on the Estimated Closing Statement are being paid in connection with the Closing;

(E) an executed copy of the Escrow Agreement;

(F) an executed copy of the Pan Am Assignment;

(G) an executed copy of the Perma Treat Agreement;

(H) an executed copy of the Rail Property ROFR Agreement; and

(I) executed copies of the Letters of Transmittal.

(b) Deliveries of Parent.

(i) At Closing, Parent shall deliver or cause to be delivered to Shareholder Representative:

(A) to be shared among Shareholders in accordance with the Allocation Statement, the Estimated Merger Consideration by delivery of (1) the Merger Shares and (2) the Cash Merger Consideration, less the Deposit, the Purchase Price Escrow Amount and the Environmental Escrow Amount, by wire transfer of immediately available funds to the account(s) designated by the Shareholder Representative (and the Shareholder Representative shall cause the Deposit to be similarly shared among Shareholders);

(B) to the Escrow Agent, by delivery by wire transfer of immediately available funds to the accounts set forth in the Escrow Agreement, the Purchase Price Escrow Amount and the Environmental Escrow Amount;

(C) an executed copy of the Escrow Agreement;

(D) an executed copy of the Pan Am Assignment;

(E) an executed copy of the Perma Treat Agreement;

(F) an executed copy of the Rail Property ROFR Agreement;

(G) the certificate required by Section 7.3(c); and

(H) a copy of the decision issued by the STB evidencing STB Approval.

2.8 Final Cash Adjustment.

(a) Upon the earlier to occur of (i) the agreement of Parent and Shareholder Representative (or their deemed agreement) pursuant to Section 2.8(b) with respect to the calculation of the Final Merger Consideration and (ii) the delivery of any report of the Independent Accountant in accordance with Section 2.8(c) with respect to the Final Merger Consideration, as applicable:

(i) Parent shall pay in cash to Shareholder Representative to be shared among Shareholders in accordance with the Allocation Statement, the aggregate amount, if any, by which the Final Merger Consideration exceeds the Estimated Merger Consideration, subject to the Stock Adjustment (the "Consideration Surplus"); *provided* that in no event shall the Consideration Surplus be greater than the Purchase Price Escrow Amount; and

(ii) if the Estimated Merger Consideration exceeds the Final Merger Consideration (the "Consideration Deficiency"), then the Shareholder Representative and Parent shall deliver a joint written notice instructing the Escrow Agent to pay Parent the Consideration Deficiency from the Purchase Price Escrow Amount; *provided* that in no event shall the Consideration Deficiency be greater than the Purchase Price Escrow Amount.

(b) No later than ninety (90) days after the Closing Date, Parent shall deliver to the Shareholder Representative a statement in reasonable detail setting forth its determination as to (i) the Net Working Capital and the resulting Net Working Capital Adjustment, (ii) the Closing Cash, (iii) the Closing Unpaid Indebtedness, (iv) the Closing Unpaid Transaction Expenses, (v) the Trailing Amount, (vi) the Interest Factor (if any) and (vii) based on the foregoing calculations, its resulting calculation of the Final Cash Adjustment and the Merger Consideration ("Final Calculation Statement"). Shareholder Representative shall have thirty (30) days from receipt of the Final Calculation Statement, to give Parent written notice of its objection to any item or calculation contained in the Final Calculation Statement specifying in reasonable detail each disputed items, the amount thereof in dispute and the basis therefor (a "Dispute Notice"). Shareholder Representative may only deliver one Dispute Notice. If Shareholder Representative concurs with the Final Calculation Statement or otherwise does not give Parent a Dispute

Notice within such thirty (30) day period, such Final Calculation Statement shall be deemed final and conclusive with respect to the determination of the Final Cash Adjustment and the Merger Consideration, and shall be binding on the Parties for all purposes under this Agreement. If, however, Shareholder Representative delivers to Parent a Dispute Notice objecting to any items or calculations contained in the Final Calculation Statement within the applicable thirty (30) day period, Shareholder Representative and Parent shall, within thirty (30) days following the date of the Dispute Notice (the "Resolution Period"), attempt in good faith to resolve such objections, and any written resolution by them as to any disputed amount shall be deemed final and conclusive with respect to the determination of the Final Cash Adjustment and the Merger Consideration, and shall be binding on the Parties for all purposes under this Agreement. Parent shall, and shall cause its Affiliates (including the Surviving Corporation and the Acquired Entities) to, provide the Shareholder Representative with reasonable access (with the right to make copies), during normal business hours, to (A) the work papers of the Surviving Corporation and the Acquired Entities used to calculate the amounts set forth in the Final Calculation Statement, (B) the Surviving Corporation and the Acquired Entities' and Parent's accountants or any of its other representatives who participated in the preparation of the Final Calculation Statement and (C) such other books and records and other relevant information of the Surviving Corporation and the Acquired Entities used to calculate the amounts set forth in the Final Calculation Statement, and (D) Employees knowledgeable about the information used in, and the preparation of, the Final Calculation Statement.

(c) If Shareholder Representative and Parent are unable to resolve Shareholder Representative's objections within the Resolution Period, then only those amounts and issues remaining in dispute and Parent's responses thereto will be submitted by Parent and Shareholder Representative for review by the Independent Accountant. The Parties agree to execute, if requested by the Independent Accountant, a reasonable engagement letter with respect to any determination to be made by the Independent Accountant. The Independent Accountant will determine only those issues still in dispute at the end of the applicable Resolution Period and the Independent Accountant's determination will be based upon and consistent with the terms and conditions of this Agreement. The determination by the Independent Accountant will be based solely on written submissions with respect to such disputed items by Parent and Shareholder Representative to the Independent Accountant and not on the Independent Accountant's independent review. Each of Parent and Shareholder Representative will make its initial written submissions to the Independent Accountant no later than ten Business Days following submission of the dispute to the Independent Accountant, and each such Party will be entitled to respond to the initial submission of the other Party and any questions and requests of the Independent Accountant. Discovery shall be limited to documents submitted to the Independent Accountant by either party, or as otherwise requested by the Independent Accountant consistent with this Agreement. Parent and Shareholder Representative shall instruct the Independent Accountant to make its determination within thirty (30) days after its engagement (which engagement will be made by Parent and Shareholder Representative no later than five (5) Business Days after the end of the Resolution Period), or as soon thereafter as possible, and such determination will be set forth in a written statement delivered by the Independent Accountant to Parent and Shareholder Representative. The Final Calculation Statement, as finalized by the Independent Accountant, shall be deemed final and conclusive with respect to the Final Cash Adjustment and the Merger Consideration and shall be binding on Parent and the Shareholder Representative for all purposes under this Agreement. There shall not be any ex parte communications between any Party or its Representatives and the Independent Accounting Firm, and any submissions to the Independent Accounting Firm shall be in

writing and delivered simultaneous to each Party. In deciding any matter, the Independent Accountant (i) will be bound by the provisions of this Section 2.8, and (ii) may not assign a value to any item greater than the greatest value for such item claimed by either Parent or Shareholder Representative or less than the smallest value for such item claimed by Parent or Shareholder Representative. The fees and expenses of the Independent Accountant shall be allocated between Parent and the Shareholder Representative so that Shareholders' share of such fees and expenses shall be equal to the product of (x) and (y), where (x) is the aggregate amount of such fees and expenses, and (y) is a fraction, the numerator of which is the amount in dispute that is ultimately unsuccessfully disputed by Shareholder Representative (as determined by the Independent Accountant), and the denominator of which is the total amount in dispute that is resolved by the Independent Accountant. Parent shall be responsible for the remaining fees and expenses of the Independent Accountant. Except as provided in the preceding sentences, all other costs and expenses incurred by Parent and Shareholder Representative in connection with resolving any dispute hereunder before the Independent Accountant will be borne by the Party incurring such cost and expense. Absent fraud or manifest error, the procedures set forth in this Section 2.8 shall be the sole and exclusive method for resolving disputes with respect to the subject matter of this Section 2.8.

(d) In the event of (i) (A) a Consideration Surplus or (B) the Estimated Merger Consideration equals the Final Merger Consideration, then Parent and Shareholder Representative shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to promptly release all funds in the Purchase Price Escrow Account to the Shareholder Representative to be shared among Shareholders in accordance with the Allocation Statement, in accordance with the terms of the Escrow Agreement, and (ii) a Consideration Deficiency that is less than the Purchase Price Escrow Amount, then Parent and Shareholder Representative shall deliver a joint written instruction to the Escrow Agent instructing the Escrow Agent to promptly release any remaining funds in the Purchase Price Escrow Account, if any, after payment has been made to Parent in accordance with Section 2.8(a)(ii), to the Shareholder Representative to be shared among Shareholders in accordance with the Allocation Statement, in accordance with the terms of the Escrow Agreement.

2.9 Qualified and Non-Qualified Investors. Notwithstanding anything herein to the contrary, each Shareholder shall, at least 10 Business Days prior to the Closing Date, (i) provide a written certification to Parent (in the form provided by Parent) that such holder is an Accredited Investor, along with other evidence reasonably satisfactory to Parent that such holder is an Accredited Investor (including, at Parent's election, a letter from such holder's independent certified public accountant certifying that such holder is an Accredited Investor and a completed "accredited investor" questionnaire in a form provided by Parent) or (ii) if such holder is unable to provide the written certification referred to in clause (i), such holder shall provide a written certification to Parent that such holder is not an Accredited Investor (any such holder with respect to whom the Company or any of Acquired Entities have a current W-2 evidencing that such holder is an Accredited Investor or that has provided the written certification referred to in the foregoing clause (i), a "Qualified Investor", and any such holder with respect to whom the Company does not have such a W-2 and that has provided the written certification referred to in the foregoing clause (ii) (or has failed to provide any such written certification), a "Non-Qualified Investor"). For the avoidance of doubt, the intent of the Parties and this Agreement is that, (i) with respect to each Non-Qualified Investor, the number of Merger Shares to which such Non-Qualified Investor would otherwise be entitled in respect of the Merger Consideration shall be reduced to zero, (ii) the amount of cash to which such Non-Qualified Investor would otherwise be entitled in respect of the Cash Merger Consideration shall be increased by an amount equal to

the number of Merger Shares contemplated by the preceding clause (i) multiplied by the Stock Price, (iii) the number of Merger Shares that would otherwise be issued to the Non-Qualified Investor shall instead be issued to the Qualified Investors pro-rata in accordance with the Allocation Statement and (iv) the amount of cash to which the Qualified Investors would otherwise be entitled in respect of the Cash Merger Consideration shall be decreased by an amount equal to the number of Merger Shares contemplated by the preceding clause (iii) multiplied by the Stock Price.

2.10 Withholding Taxes. Notwithstanding any other provision of this Agreement, Parent, its Affiliates, the Company and the Acquired Entities shall be entitled to deduct and withhold from any amount otherwise payable to any Person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of applicable Law. Amounts so withheld and paid over to the appropriate Governmental Authority shall be treated for all purposes of this Agreement as having been paid to the applicable Person in respect of which such deduction and withholding was made. If Parent determines that any such withholding will be required, Parent shall (i) notify the Company and the Shareholder Representative as promptly as reasonably practicable after making such determination and (ii) cooperate reasonably with the Company and the Shareholder Representative to reduce or eliminate such withholding; *provided* that if any Shareholder fails to deliver to Parent prior to the Closing a properly executed IRS Form W-9, Parent shall have no obligation to notify the Company or the Shareholder Representative of any determination that, with respect to such Shareholder, withholding under Section 1445 of the Code or U.S. federal backup withholding is required.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent and Merger Subs, except as set forth in the corresponding section or subsection (or as otherwise expressly provided therein) of the Company Disclosure Schedules, as of the date hereof and as of the Closing Date, as follows:

3.1 Organization and Authority.

(a) The Company and the Acquired Entities (other than the Inactive Acquired Entities) are duly organized and validly existing and to the extent the concept is applicable, in good standing under the laws of their jurisdiction of organization, and the Company has all requisite entity power and authority to execute, deliver and perform its obligations under this Agreement and the Ancillary Documents to the extent a party thereto and to consummate the Contemplated Transactions, as applicable. The Inactive Acquired Entities have conducted no business or operations within the prior two years and have no assets or Liabilities. The Company and each Acquired Entity (other than the Inactive Acquired Entities) has the requisite entity power and authority to carry on its portion of the Business as currently conducted and to own, lease and operate its properties and assets in the manner in which its properties and assets are currently operated. All necessary entity action and other corporate proceedings required to be taken by the Company to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents to the extent a party thereto and the consummation of the Contemplated Transactions, as applicable, have been duly taken or will be taken before execution of such documents or consummation of such Contemplated Transactions, as applicable. This Agreement has been, and the Ancillary Documents will be, duly executed

and delivered by the Company to the extent a party thereto, and, assuming the due execution by Parent and Merger Subs or other applicable counterparty of this Agreement and the Ancillary Documents, constitute the legal, valid and binding obligations of the Company, enforceable against it in accordance with their terms, except as such enforceability may be limited by Laws applicable to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar Laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies or by general principles of equity. True, complete and correct copies of the organizational documents ("Organizational Documents") of the Company and each Acquired Entity (other than the Inactive Acquired Entities), in each case, in full force and effect as of the date of this Agreement, have been previously made available by the Company to Parent. Neither the Company nor any of the Acquired Entities are in violation of any of the provisions of their respective Organizational Documents. The Company and each Acquired Entity (other than the Inactive Acquired Entities) is authorized or duly qualified or licensed to do business, and to the extent the concept is applicable, is in good standing in each jurisdiction outside of its jurisdiction of organization where the operation of the Business by it requires such qualification, except where the failure to be so duly qualified or licensed or authorized or in good standing has not had, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) The Shareholders are not entitled to any appraisal rights resulting from the Contemplated Transactions pursuant to Organizational Documents of the Company.

3.2 Capitalization of the Company and the Acquired Entities.

(a) Schedule 3.2(a) contains a complete and accurate capitalization table of the Company and each of the Acquired Entities setting forth the authorized Equity Interests of each, name of each interest holder, the number and class of interests held by each interest holder and the total number of interests of each class that are outstanding. Other than the interests listed on such capitalization table, no interests of any class of securities are issued or outstanding by the Company or any of the Acquired Entities. All of the Equity Interests of the Company and each Acquired Entity have been duly authorized and validly issued, and are fully paid and nonassessable, have not been issued in violation of any preemptive or similar rights and were issued in compliance with the Organizational Documents and applicable securities Laws or exemptions therefrom. Except as set forth on Schedule 3.2(a), each Acquired Entity is a direct or indirect, wholly owned Subsidiary of the Company. PAS does not have any Subsidiaries or otherwise own any Equity Interests in any Person.

(b) Schedule 3.2(b) sets forth a list of all Contracts currently in effect in respect of subscriptions, options, warrants, calls, commitments, preemptive rights or other rights of any kind outstanding for the purchase of, or any securities convertible or exchangeable for, any Equity Interests of the Company and the Acquired Entities. Except as set forth in the Organizational Documents of the Company and the Acquired Entities, the Shareholders Agreement and except as imposed under applicable Law, there are no restrictions upon, or obligations with respect to, the voting or transfer of the Equity Interests of the Company and the Acquired Entities. Neither the Company nor any Acquired Entity has Liabilities or obligations to any prior holder of its Equity Interests or any prior holder of rights to acquire any of such Equity Interests pursuant to any Contract or otherwise, in each case with respect to the acquisition or ownership of such Equity Interests. Other than the Shareholders Agreement, neither the Company nor any of the Acquired Entities is party to any shareholders' agreement or other similar Contract

with any holder of Equity Interests of the Company or any of the Acquired Entities, nor does the Company have Knowledge of any such Contract among the holders of Equity Interests of the Company or any of the Acquired Entities.

(c) Other than with respect to the Excluded Entities or as set forth in Schedule 3.2(c), neither the Company nor any Acquired Entity has any ownership interests in any other Person.

3.3 No Conflict.

(a) Except for matters that have not resulted and would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect solely with respect to clauses (ii), (iii) or (iv) below, the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the Contemplated Transactions will not:

(i) violate or conflict with or result in any breach of any provision of the Organizational Documents;

(ii) assuming the receipt of STB Approval, violate any provision of Law to which the Company or any of the Acquired Entities or the conduct by them of the Business is subject or violate, result in a breach of or conflict with any provision of any Order applicable to the Company or any of the Acquired Entities or the conduct of the Business by them that would subject any of them to any penalty;

(iii) violate, breach or constitute a default (with or without notice or lapse of time or both) under or give rise to a right of termination, cancellation, modification, purchase or repurchase, option exercise, put or call, or acceleration of any right, remedy or obligation of the Company or any Acquired Entity or event that, with the giving of notice, the passage of time or otherwise, would constitute a default or give rise to such right), with respect to any Material Contract to which it is a party or by which the Company, or the property or asset of the Company, is bound; or

(iv) result (or, with the giving of notice, the passage of time or otherwise, would result) in the creation or imposition of any Encumbrance other than a Permitted Encumbrance on any of the assets of the Company or any Acquired Entity.

(b) Except for STB Approval, the execution, delivery and performance by the Company of this Agreement and the Ancillary Documents to the extent a party thereto, and the consummation by it of the Contemplated Transactions, do not require any consent, approval license, waiver, permit, from, registration, declaration or other filing with or approval or authorization of any Governmental Authority by or with respect to the Company or any of the Acquired Entities, except for the filing of the First Certificate of Merger, the Second Certificate of Merger and the Articles of Merger as required by applicable Law. The aggregate fair market value of any of the Company or the Acquired Entities which are non-rail carriers governed by the STB is less than [redacted]

(c) Except as set forth on Schedule 3.3(c), there are no rights of first refusal, rights of first offer or similar rights of any Person that would be applicable to any of the Contemplated Transactions or the execution, delivery or performance by the Company under this Agreement.

3.4 Absence of Certain Changes or Events.

(a) Except as set forth on Schedule 3.4(a), since December 31, 2019 through the date hereof, (i) the Company and the Acquired Entities have operated the Business in the Ordinary Course of Business, (ii) there has been no Company Material Adverse Effect and (iii) neither the Company nor any of the Acquired Entities has taken any action that if taken after the date hereof would constitute a violation of Sections 5.1(b)(iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xii), (xiii), (xiv), (xvi), (xviii), (xix), (xx), (xxii) or (xxviii).

3.5 Financial Statements.

(a) The (i) (A) audited consolidated balance sheets and the related combined statements of income, comprehensive income and stockholder's equity/noncontrolling interest and combined statements of cash flows of PAR at December 31, 2017, 2018 and 2019 and for the years then ended, including the footnotes thereto and (B) audited balance sheets and the related statements of income and members' capital and statements of cash flows of PAS at December 31, 2018 and 2019 and for the years then ended, including the footnotes thereto (together, the "Audited Financial Statements"), and (ii) (A) the unaudited, balance sheets and related income statements and statements of cash flows of PAR as of June 30, 2020 and for the six-month period then ended, and (B) the unaudited, balance sheets and income statements and statements of cash flows of PAS as of June 30, 2020 and for the six-month period then ended (together, the "Unaudited Interim Financial Statements," and together with the Audited Financial Statements, the "Financial Statements"), have been made available to Parent by the Company. The Financial Statements are based on the books and records of PAR or PAS, as applicable, and fairly present in all material respects the financial position and results of operations of PAR or PAS, as applicable, and their respective Subsidiaries as of the date or for the periods indicated therein, in accordance with GAAP, except as noted therein. No auditor has or has stated in writing an intention to withdraw its audit opinion with respect to any Audited Financial Statements and the Company has not determined that it must or that it will restate any Financial Statements.

(b) The Company maintains internal controls over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, including policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company and Acquired Entities, (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company and Acquired Entities are being made in accordance with applicable policies, and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company and the Acquired Entities.

3.6 Contracts and Commitments.

(a) Schedule 3.6(a) sets forth as of the date hereof, a true, complete and correct list of each Contract to which the Company or an Acquired Entity is a party or by which the Company or an Acquired Entity or any of its properties or assets is bound or which the Company or any Acquired Entity uses, that is a:

(i) material Contract that relates to the Properties;

(ii) Contract (A) with any Governmental Authority, (B) with NS or any of its Affiliates or (C) under which NS or any of its Affiliates is a third-party beneficiary;

(iii) bonus, pension, profit sharing, retirement or other form of deferred compensation plan;

(iv) contract for the employment of any officer, individual Employee or other person on a full-time or consulting basis providing for base compensation in excess of [redacted] per year;

(v) Contract as obligor, guarantor or lender relating to Indebtedness or any lien (other than Permitted Liens) that obligates the Company or any of the Acquired Entities to make any capital contribution;

(vi) Contract that relates to Indebtedness or Guaranty involving an outstanding principal amount more than [redacted]

(vii) any outstanding settlement offers or other such similar arrangements involving an amount in excess of [redacted]

(viii) a Contract that contains (A) a "most favored nation" provision or other preferred pricing or similar rights, to a customer, supplier, sales representative, distributor or any other Person, or (B) contains any minimum purchase or sale obligation (including take-or-pay Contracts);

(ix) lease or sublease agreement under which it is lessee of, or holds or operates any personal property owned by any other party, for which the annual rental exceeds [redacted], individually, or [redacted] over the life of the lease;

(x) lease or sublease agreement under which it is lessor of or permits any third party to hold or operate any of its personal property, for which the annual rental exceeds [redacted] individually, or [redacted] over the life of the lease;

(xi) Contract or group of related Contracts with the same party (other than standard purchase orders or pricing agreements or programs) for the purchase by the Company or any Acquired Entity of products or services which provided for annual payments in excess

of [redacted] during the trailing twelve (12)-month period ending on the date of the Unaudited Interim Financial Statements;

(xii) Contract or group of related Contracts with a customer (other than standard purchase orders or pricing agreements or programs issued in the Ordinary Course of Business) that provided for annual revenues (based on the trailing twelve (12)-month period ending on the date of the Unaudited Interim Financial Statements to the Company or any Acquired Entity in excess of [redacted]

(xiii) partnership, joint venture, revenue pooling, interline or other similar Contract;

(xiv) Contract made outside the Ordinary Course of Business that is material to the Company or any of the Acquired Entities;

(xv) Contract that was entered into by the Company or any Acquired Entity since January 1, 2017, or has not yet been consummated, and involves the acquisition or disposition, directly or indirectly (whether by mergers, sale of stock or sale of assets) of a business or capital stock or other equity interest of another Person;

(xvi) a PPP Loan; or

(xvii) Contract which (A) materially prohibits the Company or any Acquired Entity from freely engaging in business anywhere in the world, (B) contains any restrictions pursuant to "paper barriers" (as such term is generally understood in the railroad industry) that are applicable to the Company and the Acquired Entities, or (C) contains any provision or covenant limiting in any material respect the ability of the Company or any of the Acquired Entities to compete with or obtain products or services from any Person or limiting the ability of any Person to provide products or services to the Company or any of the Acquired Entities (the contracts of the type covered in clauses (i) through (xvii), the "Material Contracts").

(b) The Company has made available to Parent true, correct and complete copies of all Material Contracts.

(c) (i) Each Material Contract is valid and binding on the Company or the applicable Acquired Entity and in full force and effect and, to the Knowledge of the Company, is valid and binding on the other parties thereto; and (ii) the Company and each Acquired Entity has, and to its Knowledge, each counterparty thereto has, performed in all material respects all obligations required to be performed by it (or them) to date under each Material Contract, and neither the Company, nor any of Acquired Entities, nor to the Company's Knowledge any counterparty, has violated any provision of, or taken or failed to take any act which, with or without notice, lapse of time, or both, would constitute a material default under the provisions of such Material Contract, and neither the Company nor any of its Subsidiaries has received notice that it has breached, violated or defaulted under any Material Contract. For purposes of this Section 3.6(c), when the representations and warranties contained herein are made at the Closing, the references to "Material Contract" shall include any Contract entered into after the date hereof that would have constituted a Material Contract if in effect on the date hereof.

3.7 Absence of Undisclosed Liabilities. Neither the Company nor any Acquired Entity has any material Liabilities, except (i) expenses incurred in connection with the Contemplated Transactions, (ii) as specifically disclosed or reserved against in the Unaudited Interim Financial Statements or set forth on Schedule 3.7, and (iii) for Liabilities incurred in the Ordinary Course of Business since June 30, 2020.

3.8 Brokers and Other Advisors. Except for BMO Capital Markets Corp., no agent, broker, investment banker, finder, intermediary financial advisor or other Person is or will be entitled to any broker's, finder's fee or financial advisory fee or any other similar commission or fee from the Company or any Acquired Entity in connection with the consummation of the Contemplated Transactions.

3.9 Real Property.

(a) Neither the Company nor any Acquired Entity owns any real property, that is either material in value or necessary for the conduct by the Company and the Acquired Entities of any material portion of their operations, except as set forth on Schedule 3.9(a). Neither the Company nor any Acquired Entity is a party to any agreement concerning ownership, the use or occupancy of any other real property ("Other Real Property Agreements", which term shall include without limitations title insurance policies, surveys, property reports and construction contracts) that is either material in value or necessary for the conduct by the Company and the Acquired Entities of any material portion of their operations, except as set forth on Schedule 3.9(a). Schedule 3.9(a) sets forth all such material real property that is owned by the Company or any Acquired Entity ("Owned Real Property"), and the Company or such Acquired Entity has good and valid title to all such Owned Real Property, free and clear of all Encumbrances other than Permitted Encumbrances. Schedule 3.9(a) sets forth all such material real property otherwise used or occupied by the Company or any Acquired Entity in connection with the Business (the "Other Real Properties", and together with the Owned Real Properties, the "Properties") and identifies each related Real Property Agreement and all amendments thereto. True, correct and complete copies of the Other Real Property Agreements, including all amendments thereto, have been made available to Parent prior to the date hereof. Except as set forth on Schedule 3.9(a), the Company and each Acquired Entity, as the case may be, has a valid, binding and enforceable interest under the Other Real Property Agreements as provided therein, free and clear of any Encumbrances, except Permitted Encumbrances, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) (i) Neither the Company nor any Acquired Entity has received or given any written notice of any default under any Other Real Property Agreement, (ii) to the Company's Knowledge, no Event has occurred that with notice or lapse of time, or both, would constitute a default under any Other Real Property Agreement, (iii) no construction, alteration, decoration or other work due to be performed by any counterparty pursuant to any Other Real Property Agreement remains to be performed thereunder and all construction allowances or other sums to be paid to the Company or any Acquired Entity for work performed by or at the request of any of them at any of the Other Real Properties have been paid in full, and (iv) except as set forth on Schedule 3.9(b), none of the Company or any Acquired Entity, within twelve (12) months of the date hereof, has given notice to any landlord under any Other Real Property Agreement indicating that any of them will or will not be exercising any extension or renewal options.

(c) Except for the Purchase ROFR and otherwise as set forth on Schedule 3.9(c), none of the Company or any Acquired Entities has granted or entered into any sublease, license, option, right of first refusal or other contractual right or similar agreement to purchase, assign or dispose of the Properties or to allow or grant to any third party the right to use or occupy the Properties.

(d) The Company and the Acquired Entities, as applicable, have all material Authorizations, which are listed on Schedule 3.9(d), required under applicable Law for the current use and operation of the Business from the Properties, and have complied in all material respects with all conditions of the Authorizations applicable to it, except where failure to have any such Authorization or comply therewith would not have a Company Material Adverse Effect. No material default or violation, or Event that with the lapse of time or giving of notice or both would become a material default or violation, has occurred in the due observance of any Authorization, except where any such default or failure that would not give rise to a Company Material Adverse Effect.

(e) Except as set forth on Schedule 3.9(e), there does not exist any actual, or to the Knowledge of the Company, threatened in writing condemnation or eminent domain proceedings that affect any of the Properties.

(f) Neither the Company nor any Acquired Entities have owned, leased or operated any real property or facility that is currently, or was formerly, owned, leased or operated by Perma Treat.

3.10 Intellectual Property.

(a) Schedule 3.10(a) sets forth a true, correct and complete list of all Intellectual Property registrations (including patent, copyright, trademark and service mark) that have been issued to the Company or any Acquired Entity (that have not been abandoned in the ordinary course of business) and identifies each pending application for registration that the Company or any Acquired Entity has made with respect to any of its Intellectual Property, specifying as to each such item, as applicable, the (i) owner, (ii) jurisdiction, (iii) application or registration number and (iv) application or registration date. Schedule 3.10(a) also identifies any domain name registrations owned or used by the Company or any Acquired Entity in the operation of the Business. Schedule 3.10(b) identifies all material Software owned by or developed by or on behalf of the Company or any Acquired Entity. With respect to each item of Intellectual Property required to be identified on Schedule 3.10(a), and except as expressly set forth on Schedule 3.10(a), to the Company's Knowledge, all such Intellectual Property is subsisting, valid and enforceable.

(b) The Entity Intellectual Property constitutes all Intellectual Property used or held for use in, or otherwise necessary for, the conduct and operations of the Business as currently conducted.

(c) The Company or an Acquired Entity solely and exclusively owns all right, title and interest in and to the Entity Owned Intellectual Property, free and clear of any Encumbrances, except Permitted Encumbrances and (ii) has the valid and enforceable right to use each item of Entity Licensed Intellectual Property in connection with the conduct of the Business as currently conducted. The consummation of the transactions contemplated by this Agreement will not alter, encumber, impair or

extinguish any Entity Owned Intellectual Property or, to the Company's Knowledge, the Company's rights in any Entity Licensed Intellectual Property.

(d) No Action is pending or, to the Company's Knowledge, is threatened that (i) challenges the legality, validity, enforceability, use or ownership of any Entity Owned Intellectual Property or (ii) alleging that the conduct of the Business by the Company and/or the Acquired Entities infringes, misappropriates or otherwise violates the Intellectual Property of any Person.

(e) Except as set forth on Schedule 3.10(e), neither the conduct of the Business as presently conducted by the Company or any Acquired Entity, nor their use of any Entity Owned Intellectual Property, is infringing upon, misappropriating or otherwise violating the rights of any Person. To the Knowledge of the Company, no Person is infringing on, misappropriating or otherwise violating any right of the Company or any Acquired Entity with respect to any of its Intellectual Property.

(f) Set forth on Schedule 3.10(f) is a true, correct and complete list of all licenses, agreements, covenants not to sue or be sued, authorizations and permissions pursuant to which the Company or any Acquired Entity (i) uses any one or more items of Intellectual Property or IT Assets owned by a third party in connection with the Business, other than Software that is generally commercially available on non-discriminatory pricing terms with annual payments of less than [redacted] or (ii) grants a license, right to use or covenant not to be sued under any Intellectual Property or IT Assets to a third party (other than any non-exclusive licenses granted to customers in the ordinary course of business) (each item of (i) and (ii), collectively, the "Licensed IP Agreements"). The Company has made available to Buyer correct and complete copies of each of the Licensed IP Agreements. To the Company's Knowledge with respect to the Company and each applicable Acquired Entity party thereto, and each other counterparty thereto, each of the Licensed IP Agreements is legal, valid, binding, enforceable, and in full force and effect. Neither the Company nor any Acquired Entity is in breach of any of the Licensed IP Agreements, and, to the Company's Knowledge, no other party to any of the Licensed IP Agreements is in breach thereof. Neither the Company nor any Acquired Entity has granted any sublicense with respect to any rights in-licensed under a Licensed IP Agreement. Neither the Company nor any Acquired Entity has received any written notice that the other party to any Licensed IP Agreement intends to cancel, terminate or refuse to renew the same or to exercise or decline to exercise any option or right thereunder.

(g) The Company and each Acquired Entity have taken commercially reasonable measures to protect the proprietary nature of each item of Entity Owned Intellectual Property, including maintaining the confidentiality of all such Intellectual Property, the value of which is contingent upon maintaining the confidentiality thereof. All past and current employees and independent contractors of the Company and the Acquired Entities who have participated or are currently participating in creating any material Intellectual Property for the Company and/or any Acquired Entity have executed invention assignment agreements with the Company or an Acquired Entity, as applicable, whereby such employees and independent contractors presently assign to the Company or an Acquired Entity all right, title and interest they may have in any such Intellectual Property.

(h) Neither the Company nor any Acquired Entity (nor their respective employees or contractors) has incorporated, or otherwise utilized, any Open Source Materials in the creation of any Software that would result in such Software being covered by the General Public License or a similar "viral"

open source licensing regime, which General Public License or other regime would require such Software to be generally made available to the public.

(i) The Entity IT Assets operate and perform in a manner that permits the Company and the Acquired Entities to conduct the Business as currently conducted. The Company and the Acquired Entities have taken commercially reasonable measures, to protect the confidentiality, integrity and security of the Entity IT Assets (and all information and transactions stored or contained therein or transmitted thereby) against any unauthorized use, access, interruption, modification or corruption, including the implementation and periodic testing of (i) data backup, (ii) disaster avoidance and recovery procedures, (iii) business continuity procedures and (iv) encryption and other security protocol technology. To the Company's knowledge, there has been no unauthorized use, access, interruption, modification or corruption of any Entity IT Assets (or any information or transactions stored or contained therein or transmitted thereby).

(j) The Company and the Acquired Entities have complied, and are currently in compliance, in all material respects with all applicable Laws, rules, contractual obligations, policies, and procedures relating to (i) the privacy of the users of the products, services and websites of the Business and/or (ii) the collection, use, storage, processing and disclosure of any personally-identifiable information and other confidential data or information collected or stored by or on behalf of the Business. No claims or actions have been asserted or threatened against the Company or any Acquired Entity by any Person alleging a violation of such Person's privacy, personal or confidentiality rights under any Laws, rules, policies or procedures.

3.11 Transactions with Affiliates. Except pursuant to written Contracts set forth on Schedule 3.11(a), including the Purchase ROFR, or as otherwise set forth in such schedule, and except for any distributions, salaries, bonuses or business expense reimbursement payments (or advances) and other similar payments made or payable in the Ordinary Course of Business and reflected in the Company's or any Acquired Entity's books and records, there are no Contracts with, outstanding amounts payable to or receivable from, or outstanding advances by the Company or any Acquired Entity to any of Shareholders, or to any director, manager, partner or officer of the Company or any Acquired Entity. There are no Contracts between the Company or any of the Acquired Entities, on the one hand, and any of the Shareholders or the Excluded Entities, on the other hand, except for Contracts set forth on Schedule 3.11(b), and as of the Closing Date, after giving effect to the Pre-Closing Disposition there will be no such Contracts, other than the Pan Am Assignment and the Perma Treat Agreement. Neither the Shareholders nor the Excluded Entities directly or indirectly (other than the Shareholders through their ownership of the Shares) owns, or otherwise has any right, title or interest in, to or under, any material property or right, tangible or intangible, that is used by the Company or any of the Acquired Entities. Neither the Company nor any of the Acquired Entities has owned or operated any of the businesses currently owned or operated by any of the Excluded Entities. There are no Contracts between the Company or any of the Acquired Entities (other than PAS), on the one hand, and PAS, on the other hand, except for Contracts set forth on Schedule 3.11(c).

3.12 Litigation and Orders.

(a) Litigation. Except as set forth on Schedule 3.12(a)(x) there are no Actions that are, or were at any time during the past three (3) years, pending (or to the Company's Knowledge threatened in

writing or orally) against the Company or any Acquired Entity or any of their respective properties or assets or any of their respect officers or directors in their capacity as such (i) by [redacted] or (ii) in which the amount in issue is or was greater than [redacted]. Except as set forth on Schedule 3.12(a)(y), to the Company's Knowledge, there are no, and have not been in the past year any, disputes or other disagreements between the Company or any Acquired Entity, on the one hand, and [redacted] on the other hand. Except as set forth on Schedule 3.12(a)(z), there has been no written correspondence in the past year between the Company or any Acquired Entity, on the one hand, and [redacted], on the other hand, outside of the Ordinary Course of Business.

(b) Orders. Except as set forth on Schedule 3.12(a), there is no Order binding upon the Company or any Acquired Entity, nor has there been any such Order at any time during the past three (3) years that would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Neither the Company nor any Acquired Entity is in breach or default (with or without notice or lapse of time, or both), and at no time during the past three (3) years has been a breach or default, under any such Order, which in either event would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

3.13 Employee Benefit Plans.

(a) Except as set forth on Schedule 3.13(a), neither the Company, any Acquired Entity nor any ERISA Affiliate thereof (nor any predecessor of any such entity), sponsors, maintains, contributes to (or has any obligation to contribute to), or has in the past six years or has in the past six years sponsored, maintained, administered or contributed to (or had any obligation to contribute to), or has or is reasonably expected to have any Liability with respect to, any Employee Benefit Plan that is, or has been, (i) a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA, (ii) subject to Title IV of ERISA or Section 412 of the Code, (iii) maintained by more than one employer within the meaning of Section 413(c) of the Code, (iv) subject to Sections 4063 or 4064 of ERISA or (v) a "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA.

(b) Schedule 3.13(b) sets forth a list of each Employee Benefit Plan. The Company has made available to Parent, with respect to each Employee Benefit Plan, to the extent applicable, complete and correct copies of (i) each plan document, including any amendments thereto (or, in the case of any unwritten Employee Benefit Plan, a written summary of the terms of such Employee Benefit Plan), (ii) the most recent summary plan description, (iii) the trust agreement and any insurance documents, and (iv) the two most recent Form 5500 Annual Reports and accompanying schedules and attachments thereto, and all current employee handbooks, manuals and policies. Neither the Company nor any Acquired Entity has announced or otherwise made a commitment to implement any arrangement that, if implemented, would be an Employee Benefit Plan.

(c) Each Employee Benefit Plan has been maintained, funded, operated and administered in all material respects in accordance with the terms of such Employee Benefit Plan and applicable Law, including ERISA and the Code. All premiums, contributions or payments required to be made to each Employee Benefit Plan that have been timely made, pursuant to its terms and provisions and applicable Law. The Company and the Acquired Entities complied in all material respects with the Patient Protection and Affordable Care Act (the "Affordable Care Act") and no event has occurred, and no

condition or circumstance exists, that would reasonably be expected to subject any of the Company and the Acquired Entities to material Liability, penalties, or Taxes under Sections 4980B, 4980D, 4980H, 6721 or 6722 of the Code or any other provision of the Affordable Care Act.

(d) Neither the Company, any Acquired Entity nor, to the Company's Knowledge, any director, manager, partner, officer, Employee of the Company or any Acquired Entity or other Person who participates in the operation of any Employee Benefit Plan has engaged in any transaction with respect to any Employee Benefit Plan, or breached any applicable fiduciary responsibility or obligation under Title I of ERISA that would subject any of them to a penalty or Liability under Section 502(i) or Section 502(l) of ERISA or Section 4975 of the Code.

(e) There are no Actions or claims pending or, to the Knowledge of the Company, threatened in writing against or with respect to any Employee Benefit Plan or the assets of any Employee Benefit Plan (other than routine claims for benefits and appeals of denied claims), and no civil or criminal Action brought pursuant to the provisions of Title I, Subtitle B, Part 5 of ERISA is pending, or to the Knowledge of the Company, threatened in writing against the Company or any Acquired Entity or, to the Knowledge of the Company, any fiduciary of any Employee Benefit Plan with respect to any such Employee Benefit Plan. Neither the Company nor any Acquired Entity has received written notice that any Employee Benefit Plan or any fiduciary thereof is presently the direct or indirect subject of any Action by any Governmental Authority, and to the Knowledge of the Company, no such Action has been threatened in writing. No Employee Benefit Plan has, within the three years prior to the date hereof, been the subject of an examination or audit by a Governmental Authority or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, or similar program sponsored by any Governmental Authority.

(f) Schedule 3.13(f) separately identifies each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code. Each such Employee Benefit Plan and each trust established in connection with each such Employee Benefit Plan (i) is the subject of a favorable determination letter issued by the Internal Revenue Service or (ii) was established by adoption of a prototype or volume submitter plan that is the subject of a favorable opinion letter issued by the Internal Revenue Service upon which the Company or the applicable Acquired Entity is permitted to rely. Since the date of each such determination or opinion letter, no Event has occurred that has resulted or is reasonably likely to result in the revocation of any such determination letter or the inability of the Company or the applicable Acquired Entity to rely on any such opinion letter or that is reasonably likely to adversely affect the qualified status of such Employee Benefit Plan or the exempt status of any such trust. The Company has made available to Buyer a true and complete copy of each such determination or opinion letter.

(g) Neither the Company nor any Acquired Entity has incurred any current or projected Liability in respect to post-employment or retiree health, life insurance and/or other welfare benefits, and neither the Company nor any Acquired Entity has any obligation to provide any such benefits to any retired or former employees or active employees of such Entity following such employee's retirement or termination of service, except in each case, (i) as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, codified as Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Code, or any similar applicable Law, (ii) coverage through the end of the month of retirement or other termination of employment or service, (iii) disability benefits attributable to disabilities occurring at or prior

to retirement or other termination of employment or service, (iv) death benefits attributable to deaths occurring at or prior to retirement or other termination of employment or service and (v) conversion rights at the sole expense of the converting individual.

(h) Except as set forth on Schedule 3.13(h), neither the execution of this Agreement nor consummation of any of the Contemplated Transactions will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, manager, partner, officer, employee, independent contractor or consultant of the Company or any Acquired Entity to any payment or benefit, including any bonus, retention, severance, retirement or job security payment or benefit or any other compensation; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) limit or restrict the right of the Company or any Acquired Entity to merge, amend or terminate any Employee Benefit Plan; (iv) increase the amount payable under or result in any other material obligation pursuant to any Employee Benefit Plan; or (v) require a "gross-up" to any "disqualified individual" within the meaning of Section 280G(c) of the Code. Except as set forth on Schedule 3.13(h), no amount that could be payable in connection with the execution of this Agreement, any of the other Transaction Documents or the transactions contemplated hereby or thereby (either alone or in combination with any other event) by the Company or an Acquired Entity or otherwise could, individually or reasonably be expected to with any other such payment, constitute an "excess parachute payment" within the meaning of Section 280G of the Code or not be deductible pursuant to Section 280G of the Code or could be subject to an excise tax under Section 4999 of the Code.

(i) Neither the Company nor Acquired Entity has any obligation to gross-up, indemnify or otherwise reimburse any current or former Employee for any Tax incurred by such Employee, including under Section 409A or 4999 of the Code.

3.14 Workforce

(a) (i) Schedule 3.14(a)(i) sets forth, as of the date hereof, for each Employee, such Employee's name, employer, title, hire date, location, whether full- or part-time, whether active or on leave (and, if on leave, the nature of the leave and the expected return date), whether exempt from the Fair Labor Standards Act, annual salary or wage rate, most recent annual bonus received and current annual bonus opportunity and (ii) except as set forth on such Schedule, all Employees are employed on an at-will basis by the Company or the applicable Acquired Entity or Entities and may be terminated at any time with or without cause, and without any severance or other Liabilities to any Entity, subject to obligations, if any, arising under applicable Laws or Employee Benefit Plans.

(b) Except as set forth on Schedule 3.14(b), neither the Company nor any Acquired Entity has been or is a party to or bound by any collective bargaining agreement. During the three (3)-year period ending on the date of this Agreement, neither the Company nor any Acquired Entity has experienced, nor is there pending, nor to the Knowledge of the Company, is there threatened in writing, any strike, slowdown, picketing, grievance process, work stoppage, concerted refusal to work overtime, claim of unfair labor practice or other labor dispute affecting the Company or any Acquired Entity.

(c) Except as set forth on Schedule 3.14(c), no material action has been commenced against the Company or any Acquired Entity during the three (3)-year period ending on the date hereof alleging any material breach of any applicable Laws and Orders with respect to labor or employment.

(d) During the three (3)-year period ending on the date hereof, neither the Company nor any Acquired Entity has initiated any plant or facility closing or mass layoff which would trigger any obligations under the WARN Act or any similar state law requiring advanced notice of layoff or facility closing.

(e) During the past three years, there has not been any Action related to, or any material act or material allegation to the Company's Knowledge of or relating to, sex-based discrimination, sexual harassment or sexual misconduct or to the Company's Knowledge, any material breach of any policy of the Company or any of the Acquired Entities relating to the foregoing, in each case, involving the Company or any of the Acquired Entities, or any current or former Employees, nor has there been any settlements or similar out-of-court or pre-litigation arrangements relating to any such matters, nor to the Company's Knowledge has any such Action been threatened in writing.

3.15 Compliance with Laws. Except as set forth on Schedule 3.15, the Company and the Acquired Entities are and in the past three (3) years have been in compliance in all material respects with all Laws applicable to the conduct of the Business. Except as set forth on Schedule 3.15, in the past three (3) years have there have been no written claims have been filed, nor, to the Company's Knowledge, have any been threatened, against the Company or any Acquired Entity by any Governmental Authority, the substance of which has not been resolved, regarding any actual or potential material violation of, or failure to materially comply with, any Law.

3.16 Authorizations. Except as set forth on Schedule 3.16, (i) the Company and Acquired Entities have all of the Authorizations that are required to carry on the Business as presently conducted by them, and each are qualified to hold such Authorizations; (ii) the Company and the Acquired Entities have during the past (3) three years complied with all material requirements in connection with such Authorizations; and (iii) such Authorizations are in full force and effect and, to the Knowledge of the Company, no suspension or cancellation of any of them has been threatened, except in the case of each of the foregoing that are not material to the Business, taken as a whole. Neither the Company nor any Acquired Entity has committed any violation of Law or other act or omission which could give rise to an action by a Governmental Authority to revoke, suspend, amend, limit, terminate or deny original issuance or renewal of any Authorizations, except in the case of the foregoing that are not material to the Business, taken as a whole.

3.17 Taxes. Except as set forth on Section 3.17 of the Disclosure Schedules:

(a) The Company and each Acquired Entity has timely filed, subject to permitted extensions, all Tax Returns that it was required to file. All such Tax Returns were true, accurate and complete in all material respects. All material Taxes owed by the Company or any Acquired Entity (whether or not shown or required to be shown on any Tax Return) have been paid. There are not any outstanding written claims by any taxing authority in a jurisdiction where the Company or any Acquired Entity does

not file Tax Returns that the Company or any Acquired Entity is or may be subject to taxation by that jurisdiction.

(b) The Company and each Acquired Entity is in compliance with all applicable information reporting and Tax withholding requirements under applicable Tax Laws.

(c) No audits, examinations, investigations, suits or other proceedings are currently ongoing, pending or threatened with regard to any Taxes or Tax Returns of the Company or any Acquired Entity. No Governmental Authority has asserted any deficiency, adjustment or claim with respect to Taxes against the Company or any Acquired Entity that has not been resolved with respect to any taxable period for which the period of assessment or collection remains open.

(d) Neither the Company nor any Acquired Entity has waived, extended, or requested a waiver or extension of any statute of limitations in respect of Taxes. Except as set forth on Schedule 3.17(d), no Tax Return of the Company or any Acquired Entity filed within the past six years has been subject to examination or audit.

(e) The unpaid Taxes of the Company and the Acquired Entities for periods ending on or prior to the date of the Financial Statements do not exceed the accruals for current Taxes set forth on the balance sheets included in the Financial Statements, and since the date of the Financial Statements, neither the Company nor any of the Acquired Entities has engaged in any transaction, or taken any other action, other than in the ordinary course of business, that would materially impact any Tax asset or Tax Liability of the Company and the Acquired Entities.

(f) Neither the Company nor any Acquired Entity is a party to any Tax allocation or sharing agreement that will be in effect as of the Closing Date other than any commercial agreement entered into in the Ordinary Course of Business, the primary purpose of which does not relate to Taxes. Except as set forth on Schedule 3.17(f), neither the Company nor any Acquired Entity (i) has been a member of an affiliated group filing a consolidated federal income Tax Return; or (ii) has Liability for the Taxes of any person under Treasury Regulation Section 1.1502-6 (or any other similar provision of state, local or non-U.S. law), as a transferee or successor, by Contract or otherwise (excluding any Contract entered into in the ordinary course of business, the primary focus of which is not Taxes).

(g) Neither the Company nor any Acquired Entities will be required to include any material item of income in, or exclude any material item of deduction from, its gross income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) election by the Company or any Acquired Entity of a change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement," as described in Code Section 7121 (or any corresponding provision of state, local or foreign Tax Law); (iii) intercompany transactions or any excess loss account described in the Treasury Regulations under Code Section 1502 (or any corresponding provision of state, local or foreign Tax Law); (iv) installment sale or open transaction disposition made on or prior to the Closing Date; (v) election under Section 108(i) of the Code; or (vi) prepaid amount, advance payments or deferred revenue received or accrued on or prior to the Closing Date. Neither the Company nor any Acquired Entities is or will be required to include any adjustment in taxable income for any Tax period pursuant to Section 481 or

263A of the Code or any comparable provision under state, local or non-U.S. Law as a result of transactions or events occurring, or accounting methods employed, prior to the date of this Agreement.

(h) There is no claim for Taxes that is an Encumbrance against the properties or assets of the Company or any Acquired Entity other than any Permitted Encumbrances.

(i) Neither the Company nor the Acquired Entities has entered into or participated in a "reportable transaction" within the meaning of Treasury Regulations Section 1.6011-4.

(j) Within the last two years, neither the Company nor any Acquired Entities has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock intended to qualify for tax-free treatment under Sections 355 or 361 of the Code.

(k) Schedule 3.17(k) lists (i) the entity classification of the Company and each Acquired Entity for U.S. federal income Tax purposes, as of the date hereof and as of the Closing Date, and (ii) each entity classification election and change in entity classification that has been made under Treasury Regulation Section 301.7701-3 with respect to the Company and the Acquired Entity for U.S. federal income Tax purposes.

(l) Neither the Company nor the Acquired Entities has sought any relief under, or taken any action in respect of, (i) any provision of the CARES Act related to Taxes (including, but not limited to, the delaying of any payments in respect of payroll Taxes under Section 2302 thereof) or (ii) Internal Revenue Service Notice 2020-65.

(m) Other than as required pursuant to the terms of this Agreement, neither the Company nor any of its Affiliates has taken any action, has failed to take any action, nor does the Company have any Knowledge of any fact or circumstance, that would reasonably be likely to prevent the Merger from qualifying as a reorganization under Section 368 of the Code.

3.18 Insurance. Schedule 3.18(a) of the Company Disclosure Schedule sets forth a true, correct and complete list, as of the date hereof, of (a) all insurance policies and programs of or Contracts for insurance and interests in insurance pools and programs (in each case, including self-insurance and insurance from Affiliates) maintained by the Company or any Acquired Entity or with respect to which the Company or any Acquired Entity is a named insured or otherwise the beneficiary of coverage (collectively, the "Insurance Policies"), and (b) all franchise, construction, fidelity, performance, surety and other bonds, standby letters of credit, cash deposits and similar security arrangements maintained by the Companies (collectively, the "Bonds"). The Company has made available to Parent all Insurance Policies and Bonds. All of the Insurance Policies and Bonds are in full force and effect, all premiums and/or payments that are due for current coverage periods of such Insurance Policies and Bonds have been paid and neither the Company nor any Acquired Entity is in material default thereunder (and neither the Company nor any of the Acquired Entities have taken any action or failed to take any action which, with notice or the lapse of time or both, would constitute such a breach or default, or permit termination or modification of, any such policy), to the Knowledge of the Company, no insurer on any such policy has been declared insolvent or placed in receivership, conservatorship or liquidation, and no notice of cancellation or termination has been received with respect to any such policy, and all pending claims thereunder have been filed in due and

timely fashion and except as disclosed on Schedule 3.18(b) of the Company Disclosure Schedule no claim has been denied or disputed, or has any insurance company threatened to deny or dispute coverage, within the past three years. Such Insurance Policies are with reputable insurers in such amounts and covering such risks as the Company reasonably believes, including based on its past experiences and similarly situated competitors, is adequate for the business and operations of the Company and the Acquired Entities.

3.19 Environmental Matters.

(a) Except as set forth on Schedule 3.19(a) or for matters that have not resulted and would not, individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect,

(i) the Company and the Acquired Entities are and have been in material compliance with all Environmental Laws and Environmental Permits;

(ii) no Hazardous Substance has been Released at, on, under, to, in or from (A) the Properties, (B) any other property or facility now or previously owned, leased or operated by the Company or the Acquired Entities (or any of their respective predecessors), or (C) any property or facility to which any Hazardous Substance has been transported for disposal, recycling or treatment by or on behalf of the Company or the Acquired Entities (or any of their respective predecessors);

(iii) the Company and the Acquired Entities have obtained and hold all Authorizations required by Environmental Laws ("Environmental Permits") to own and conduct the Business as currently owned and conducted, which are listed on Schedule 3.19(a), are in full force and effect; and the Company and the Acquired Entities have not received written notice that any Environmental Permits are reasonably likely to be terminated, revoked, or materially modified;

(iv) (A) no written claims, demands, notices of violation, requests for information, citations, summons, complaints, notices of investigations or inquiries from any Governmental Authority or Person have been received by the Company or any Acquired Entity, (B) no Order has been issued or is otherwise in effect, and (C) no Action is pending, or to the Knowledge of the Company threatened, in each case relating to non-compliance with or Liabilities related to any Environmental Law, Environmental Permit or Hazardous Substance with respect to the Company or any Acquired Entity;

(v) Neither the Company nor any Acquired Entity has assumed by Contract any Liabilities or obligations of third parties arising under or relating to any Environmental Law, Environmental Permit or Hazardous Substance;

(vi) to the Knowledge of the Company, all off-site Hazardous Substances treatment, storage, transport or disposal performed or arranged by or on behalf of the Company or any Acquired Entity has been conducted in compliance with all Environmental Laws; and

(vii) neither the Company nor any Acquired Entity has received any written notice regarding potential or alleged Liabilities under Environmental Law with respect to any off-site Hazardous Substances treatment, storage, transport or disposal.

(b) The Company has made available to Parent copies of all material environmental reports, studies, audits, records, sampling data, site assessments, closure reports, and correspondence with Governmental Authorities related to Environmental Laws, Hazardous Substances or Environmental Permits.

(c) The consummation of the transactions contemplated hereby requires no filings or notifications to be made or actions to be taken pursuant to the New Jersey Industrial Site Recovery Act or the Connecticut Property Transfer Law.

(d) Notwithstanding anything to the contrary in this Agreement, the representations and warranties in this Section 3.19 are the only representations and warranties given by the Company with respect to Environmental Laws, Hazardous Substances or Environmental Permits.

3.20 Ownership of Tangible Personal Property. Except as set forth on Schedule 3.20, the Company and each of the Acquired Entities has good title to, or valid leasehold or license interests, as the case may be, in all of their material respective assets used in the Business, free and clear of all Encumbrances other than Permitted Encumbrances.

3.21 Certain Business Practices. Neither the Company, the Acquired Entities, nor to the Company's Knowledge, any of their respective directors, offices, partners, managers, agents, employees or representatives has, during the past five (5) years, (a) made any unlawful contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other unlawful payment to any Person, private or public, regardless of what form, whether in money, property or services (i) to obtain favorable treatment for the Company or any of the Acquired Entities, (ii) to pay for favorable treatment for the Company or any of the Acquired Entities, (iii) to obtain special concessions or for special concessions already obtained; or (b) established or maintained any fund or asset with respect to the foregoing that has not been recorded properly in the books and records of the Company or any Acquired Entity; or (c) otherwise violated any provisions of the Foreign Corrupt Practices Act of 1977.

3.22 U.S. Trade Laws. The Company and the Acquired Entities are in compliance in all material respects with U.S. Trade Laws.

3.23 Sufficiency of Assets. The assets of the Company and each of the Acquired Entities, taking into account this Agreement and all Ancillary Documents (including the Perma Treat Agreement and the Pan Am Assignment) (and the rights expressly granted and services expressly to be performed hereunder and thereunder), constitute, in all material respects, all of the assets, rights and properties used in the conduct of the business by the Company and each of the Acquired Entities, and are sufficient for the Company and the Acquired Entities to conduct their respective businesses in all material respects as they have conducted such businesses during prior twelve month period.

3.24 Customers and Suppliers.

(a) Section 3.24(a) of the Company Disclosure Schedules sets forth a true and complete list of the ten (10) largest (measured by gross revenue to the Company and the Acquired Entities on a consolidated basis) customers (each, a "Material Customer"), to the Company for the twelve (12) months ended December 19, 2019.

(b) Section 3.24(b) of the Disclosure Schedules sets forth a true and complete list of the ten (10) largest (measured by gross expenditures by the Company and the Acquired Entities on a consolidated basis) suppliers (each, a "Material Supplier") to the Company and the Acquired Entities for the twelve (12) months ended December 19, 2019.

(c) Since December 31, 2019, no Material Customer or Material Supplier has terminated or cancelled, or notified the Company or any of the Acquired Entities that it intends to terminate or cancel, or decreased materially or, to the Knowledge of the Company, threatened to decrease or limit materially (other than due to the COVID-19 pandemic), its relationship with the Company or any Acquired Entity, except with respect to all of foregoing as would not individually or in the aggregate, reasonably be expected to be material to the Company and the Acquired Entities, taken as a whole. Neither the Company nor any of the Acquired Entities is engaged in a material dispute with a Material Customer or Material Supplier. Since December 31, 2019, there has been no material change in the pricing or other material terms of the Company's or any of the Acquired Entities' business relationship with any Material Customer or Material Supplier, except changes made in the Ordinary Course of Business or due to the COVID-19 pandemic which changes would not, individually or in the aggregate, reasonably be expected to be material to any Company and its Subsidiaries, taken as a whole.

3.25 No Other Representations and Warranties. PARENT AND MERGER SUBS ACKNOWLEDGE AND AGREE THAT THEY (A) HAVE HAD AN OPPORTUNITY TO DISCUSS THE BUSINESS OF THE COMPANY AND THE ACQUIRED ENTITIES WITH ITS AND THEIR MANAGEMENT, (B) HAVE HAD REASONABLE ACCESS TO (I) BOOKS AND RECORDS OF THE COMPANY AND THE ACQUIRED ENTITIES AND (II) THE DOCUMENTS MADE AVAILABLE BY THE COMPANY FOR PURPOSES OF THE CONTEMPLATED TRANSACTIONS, (C) HAVE BEEN AFFORDED THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM MANAGEMENT, AND (D) HAVE CONDUCTED THEIR OWN INDEPENDENT INVESTIGATION OF THE COMPANY AND THE ACQUIRED ENTITIES, THE BUSINESS AND THE CONTEMPLATED TRANSACTIONS. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE III, AS QUALIFIED BY THE COMPANY DISCLOSURE SCHEDULES, NEITHER THE COMPANY NOR ANY OTHER PERSON, INCLUDING THE SHAREHOLDERS, MAKES ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE COMPANY OR ANY ACQUIRED ENTITY OR THE BUSINESS, AND THE COMPANY HEREBY DISCLAIMS ANY SUCH OTHER REPRESENTATION OR WARRANTY, AND PARENT HEREBY DISCLAIMS RELIANCE ON ANY SUCH OTHER REPRESENTATIONS AND WARRANTIES. NEITHER THE COMPANY NOR ANY OTHER PERSON, INCLUDING THE SHAREHOLDERS, SHALL BE DEEMED TO MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO (I) ANY PROJECTIONS, ESTIMATES OR BUDGETS HERETOFORE DELIVERED TO OR MADE AVAILABLE TO PARENT OR ANY OF ITS AFFILIATES OR REPRESENTATIVES OF FUTURE REVENUES, EXPENSES OR EXPENDITURES OR FUTURE RESULTS OF OPERATIONS OF ANY OF THE COMPANY OR ANY

ACQUIRED ENTITY OR ANY ASPECT OF THE BUSINESS OR (II) EXCEPT AS EXPRESSLY COVERED BY A SPECIFIC REPRESENTATION AND WARRANTY CONTAINED IN THIS IN THIS ARTICLE III, ANY OTHER INFORMATION OR DOCUMENTS (FINANCIAL OR OTHERWISE) MADE AVAILABLE TO PARENT OR ANY OF ITS AFFILIATES OR REPRESENTATIVES WITH RESPECT TO THE COMPANY, ANY ACQUIRED ENTITY OR ANY ASPECT OF THE BUSINESS.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUBS

Except as disclosed in the Parent Disclosure Schedules, Parent and Merger Subs represent and warrant to the Company, as of the date hereof and as of the Closing Date, as follows:

4.1 Organization, Standing and Entity Power. Each of Parent and Merger Subs is duly organized and validly existing under the Laws of its jurisdiction of organization and has all requisite entity power and authority to carry on its business as presently conducted. Each of Parent and Merger Subs is duly qualified or licensed to do business and is in good standing (where such concept is recognized under applicable Law) in each jurisdiction where the nature of its business or the ownership, leasing or operation of its properties makes such qualification or licensing necessary, other than where the failure to be so qualified, licensed or in good standing would not, individually or in the aggregate, reasonably be expected to have a Parent Material Adverse Effect.

4.2 Authority. Each of Parent and Merger Subs has all entity power and authority to enter into this Agreement and the Ancillary Documents to the extent a party thereto and to consummate the Contemplated Transactions. All necessary entity action and other proceedings required to be taken by each of Parent and Merger Subs to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents to the extent a party thereto and the consummation of the Contemplated Transactions have been duly taken. This Agreement has been, and the Ancillary Documents will be, duly executed and delivered by or on behalf of each of Parent and Merger Subs to the extent a party thereto and, assuming the due execution by the Company of this Agreement and the Ancillary Documents, constitute the legal, valid and binding obligations of each of Parent and Merger Subs, enforceable against them in accordance with its terms, except as such enforceability may be limited by Laws applicable to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar Laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies or by general principles of equity.

4.3 No Conflict.

(a) Except for matters that have not resulted and would not, individually or in the aggregate, reasonably be expected to result in a Parent Material Adverse Effect solely with respect to clauses (i), (iii) or (iii) below, the execution, delivery and performance by Parent and Merger Subs of this Agreement and the consummation by Parent and Merger Subs of the Contemplated Transactions will not:

(i) violate or conflict with or result in any breach of any provision of its organizational documents;

(ii) assuming the receipt of STB Approval, violate any provision of Law to which Parent or Merger Subs is subject or violate, results in a breach of or conflict with any provision of any Order applicable to either of them; or

(iii) violate, breach or constitute a default (with or without notice or lapse of time or both) under or give rise to a right of termination, cancellation, modification, purchase or repurchase, option exercise, put or call, or acceleration of any right, remedy or obligation under any term or provision of any material Contract to which Parent or Merger Subs is a party or event that, with the giving of notice, the passage of time or otherwise, would constitute a default or give rise to such right).

(b) Except for STB Approval, the execution, delivery and performance by Parent and Merger Subs of this Agreement and the consummation by them of the Contemplated Transactions do not require any consent from, license, waiver, permit, registration, declaration or other filing with or approval or authorization of any Governmental Authority, or observation of any waiting period under applicable Laws, by or with respect to them, other than the filing of the First Certificate of Merger, the Second Certificate of Merger and the Articles of Merger as required by applicable Law.

4.4 Financing. Parent will have as of the Closing sufficient cash available to pay any expenses incurred by Parent or Merger Subs in connection with the Contemplated Transactions and the Cash Merger Consideration and any Final Cash Adjustment.

4.5 Solvency. After giving effect to the Contemplated Transactions, at the Effective Time (a) the Surviving Corporation shall be able to pay its debts and obligations in the ordinary course of business as they become due; and (b) the Surviving Corporation will be solvent and will have adequate capital and liquidity with which to engage in its businesses on a consolidated basis.

4.6 Operations and Ownership of Merger Sub. The authorized capital stock of Merger Sub 1 and Merger Sub 2 consists solely, in each case, of [redacted] shares of common stock, par value [redacted] per share, all of which are validly issued and outstanding. All of the issued and outstanding capital stock of Merger Subs, is and immediately prior to the Effective Time will be, owned by Parent. Merger Subs have been formed solely for the purpose of engaging in the Contemplated Transactions and prior to the Effective Time will have engaged in no other business activities and will have no assets, liabilities or obligations of any nature other than (i) as expressly contemplated herein and (ii) liabilities and obligations incidental to its formation and the maintenance of its existence.

4.7 Parent SEC Documents.

(a) Parent has filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) with the SEC required to be filed by Parent since December 31, 2017 (such documents, the "Parent SEC Documents"). As of their respective dates, the Parent SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, applicable to such Parent SEC Documents, and none of the Parent SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under

which they were made, not misleading, unless such information contained in any Parent SEC Document has been corrected by a later-filed Parent SEC Document. The financial statements of Parent included in the Parent SEC Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with GAAP (except, in the case of unaudited statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present in all material respects the financial position of Parent and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to the absence of footnote disclosure and to normal and recurring year-end audit adjustments).

(b) Except (i) as set forth in the financial statements included in Parent's most recent Annual Report on Form 10-K or subsequent Quarterly Reports on Form 10-Q filed by Parent and publicly available prior to the date of this Agreement and (ii) as incurred in the ordinary course of business, neither Parent nor any of its subsidiaries has any Liabilities or obligations of any nature (whether accrued or contingent) that individually or in the aggregate have had or would reasonably be expected to have a Parent Material Adverse Effect.

(c) Other than as required pursuant to the terms of this Agreement, neither Parent nor any of its subsidiaries has taken any action, has failed to take any action, or has Knowledge of any fact or circumstance, that would reasonably be likely to prevent the Merger from qualifying as a reorganization under Section 368 of the Code.

4.8 Brokers and Other Advisors. Except for Goldman & Sachs Co. LLC, no agent, broker, investment banker, financial advisor or other person is entitled to any broker's, finder's or financial advisor's fee, commission or any other similar fee from Parent, Merger Subs or any of their Affiliates in connection with the consummation of the Contemplated Transactions.

4.9 No Other Representations and Warranties. THE REPRESENTATIONS AND WARRANTIES MADE BY PARENT AND MERGER SUBS IN THIS ARTICLE IV ARE IN LIEU OF AND ARE EXCLUSIVE OF ALL OTHER REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUBS, INCLUDING ANY IMPLIED WARRANTIES, AND PARENT AND MERGER SUBS HEREBY DISCLAIM ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES AND THE COMPANY AND EACH SHAREHOLDER HEREBY DISCLAIMS RELIANCE ON ANY SUCH OTHER REPRESENTATIONS AND WARRANTIES.

ARTICLE V
COVENANTS

5.1 Covenants of the Company. The Company hereby covenants and agrees as follows:

(a) Pre-Closing Access. Prior to the Closing, the Company shall (i) give Parent and its Representatives reasonable access to the Company's and each Acquired Entity's personnel, books, records, offices and other facilities and properties during mutually agreeable business hours for the purpose of facilitating the Contemplated Transactions (including in each case as related to the Identified CERCLA

Sites) (ii) make available to Parent and its Representatives, the officers and employees of the Company and the Acquired Entities, including any officers, employees or consultants with knowledge of the Identified CERCLA Sites (and shall instruct such Persons to cooperate with Parent in its investigation of the Business, the Company and the Acquired Entities), to the extent reasonably requested by Parent, and (iii) furnish to Parent and its Representatives such information concerning any of them and the Business which is reasonably requested (but not including any information with respect to any other Person interested in acquiring the Company and the Acquired Entities), and all such information provided to or received by Parent and its Representatives shall be subject to the Confidentiality Agreement; *provided*, however, that any such access shall (A) be granted at reasonable times during normal business hours, with advance notice to the Company, (B) be conducted in such a manner as not to interfere with the normal business operations of the Company and the Acquired Entities, (C) be subject to reasonable policies of the Company or any Acquired Entity, confidentiality obligations to third parties and applicable Laws, (D) be conducted under the supervision of the Company or its designated personnel and (E) be at the risk of Parent and its Representatives. Parent hereby agrees to indemnify and hold harmless the Company and the Acquired Entities and their respective Representatives with respect to any losses resulting from or arising out of such access attributable to Parent or its Representatives. In no event shall Parent, nor shall it permit any of its Representatives to, conduct any environmental sampling or drilling or to speak to or otherwise communicate with any employee, customer, lender or business relation of the Company or the Acquired Entities regarding the Contemplated Transactions prior to Closing without the prior written consent of the Company, which may be given or withheld in its discretion. No investigation by Parent or its Representatives pursuant to this Section 5.1(a) shall affect or be deemed to modify any representation or warranty made by the Company herein or create or constitute any new representation or warranty of the Company or any other Person.

(b) Ordinary Conduct. From and after the date hereof and prior to the Closing Date or earlier termination of this Agreement, except (v) as consented to in writing (including pursuant to the last sentence of this Section 5.1(b)) by Parent, which consent shall not be unreasonably withheld, conditioned or delayed, (w) to the extent required to comply with any applicable Law, (x) as set forth on Schedule 5.1(b), or (y) as otherwise expressly contemplated by this Agreement, including with respect to the grant of the Purchase ROFR immediately prior to Closing, the Company shall (except to the extent contemplated by the Pre-Closing Disposition), and shall cause the Acquired Entities to:

(i) conduct the Business in the Ordinary Course of Business;

(ii) use commercially reasonable efforts to (A) maintain their corporate or other existence in good standing (to the extent applicable), (B) preserve their business organization in a commercially reasonable manner, (C) retain the Employees, (D) maintain business and accounting records relative to the Business at least as complete and accurate as is consistent with past practice, (E) preserve the goodwill of the suppliers, customers and others having substantial business dealings with the Company and the Acquired Entities; (F) maintain the Company and the Acquired Entities' assets in good condition and repair, subject to ordinary wear and tear, (G) maintain procedures for protection of Company Intellectual Property, and (H) maintain presently existing insurance coverages with respect to the Business;

(iii) not (A) enter into, amend, terminate waive any material right under or cancel any Material Contract or any Contract that if in effect on the date hereof would be a Material Contract, except in the Ordinary Course of Business or as required by applicable Law (other than terminations attributable to the end of any term thereof or supplier by the counterparties thereto) or (B) enter into any Contract with any customer or vendor which the Company reasonably anticipates will involve annual payments or consideration furnished by or to the Company or the Acquired Entities (in the aggregate) of more than [redacted]

(iv) not materially increase its work force, and in any event, not hire or terminate other than for cause, any Person with a base salary of [redacted] or more, and not grant any salary, wage or compensation increase or increase any Employee benefit for any Employee (including incentive, commission or bonus payments) other than increases in base compensation for Employees with base compensation of less than [redacted] in the Ordinary Course of Business, except to satisfy contractual obligations existing as of the date hereof;

(v) not sell, transfer, assign, pledge, lease, sublease, license or otherwise transfer or dispose of or create any Encumbrance on, any of the Company's assets, securities, properties, interests, or business with a value in excess of [redacted] other than inventory or obsolete equipment in the Ordinary Course of Business;

(vi) not cancel any debt or waive or compromise any claim or right relating to the Business in one transaction or a series of related transactions, in each case, having a value in excess of [redacted]

(vii) not create, incur, assume, suffer to exist or otherwise become liable with respect to any Indebtedness;

(viii) not make any capital expenditure or commitment for capital expenditures in excess of [redacted] individually or [redacted] in the aggregate except for capital expenses in the capital expenditures budget to be agreed to by the Parties promptly after execution of this Agreement or to repair Property sustaining damage after the date hereof;

(ix) not enter into any joint venture, partnership or other similar third party co-venture or arrangement or purchase any material assets or any securities of any Person (other than supplies and inventory in the Ordinary Course of Business);

(x) not merge or consolidate with or into any other Person or permit any other Person to merge or consolidate with or into it or dissolve or effect a recapitalization or reorganization in any form of transaction, other than the Pre-Closing Disposition;

(xi) except as necessary in order to comply with applicable Laws or the express provisions of this Agreement or respond to changing business conditions, not make any material changes in policies and practices for conducting the Business;

(xii) not make any changes to any accounting methods, practices or policies, except as may be required under applicable Laws or GAAP, in each case as concurred in by the Company's independent public accountant;

(xiii) not settle, consent to the settlement of or compromise (A) [redacted] or (B) any Action, or enter into any consent decree or settlement agreement with any Governmental Authority, filed or otherwise instituted against it, or any officer, director, manager or partner of it, or related to the Business, including in each case with respect to the Identified CERCLA Sites and [redacted], other than, solely in the case of this clause (B), where the amount paid in settlement or compromise involves solely money damages and does not exceed [redacted] individually or [redacted] in the aggregate;

(xiv) maintain all existing state and federal Authorizations necessary to operate the Business without the imposition of any material penalty or material disruption in operations;

(xv) not (A) issue, deliver or sell, or authorize the issuance, delivery or sale of, any Equity Interests, or rights, warrants or options to purchase Equity Interests, (B) split, combine or reclassify any of its Equity Interests, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for Equity Interests, or (C) purchase, redeem or otherwise acquire, or offer to purchase, redeem or otherwise acquire any Equity Interests, or any rights, warrants or options to acquire any such Equity Interests except pursuant to the Shareholders Agreement;

(xvi) not amend its Organizational Documents;

(xvii) not (i) fail to prepare and timely file all Tax Returns required to be filed during such period or timely withhold and remit any Taxes required to be withheld, (ii) file any amended Tax Return, (iii) make, change or revoke any written Tax election, (iv) change any Tax accounting period or adopt or change any Tax accounting method, (v) obtain any Tax ruling or enter into any closing or similar agreement, (vi) surrender any right to claim a Tax refund, offset or other reduction in Tax liability, (vii) settle or compromise any material Liability for Taxes, (viii) agree to an extension or waiver of a statute of limitations for Taxes, or (ix) take any action that could have the effect of increasing the Tax liability, or decreasing any material Tax asset, of Parent, its Affiliates, the Company or any Acquired Entity for a Post-Closing Tax Period;

(xviii) not change an annual accounting period;

(xix) not enter into any agreement, arrangement or understanding with, directly or indirectly, any Shareholder or any Affiliate;

(xx) not enter into, establish, adopt or amend (except as may be required by applicable Law) any Employee Benefit Plan or collective bargaining agreement or any severance, retention, employment, consulting, change in control, pension, retirement, equity incentive, stock

purchase, savings, profit sharing, deferred compensation, consulting, bonus, or other employee benefit, incentive or welfare contract, plan agreement or arrangement, or any trust agreement (or similar arrangement) related thereto, in respect of any current or former director, officer, manager, partner, employee or other service provider of or to the Company or any Acquired Entity or take any action to accelerate the vesting or payment of any such arrangements;

(xxi) not close or relocate any offices or facilities at which the Business is conducted or open any new offices or facilities;

(xxii) not granting any new trackage rights other than operating rights up to five (5) miles to the extent necessary for the purpose of interchange with a third party carrier;

(xxiii) not entering into material Contracts for operating rights (including any haulage rights or any Contracts for operating rights or haulage rights with a term greater than one (1) year);

(xxiv) not abandon any part of its rail lines;

(xxv) make capital expenditures consistent with the capital expenditures budget to be agreed to by the Parties promptly after execution of this Agreement in all material respects;

(xxvi) manage working capital (including the timing of collection of accounts receivable and of the payment of accounts payable and the management of inventory) and deferred revenues in the Ordinary Course of Business in all material respects;

(xxvii) except for nonexclusive licenses granted in the Ordinary Course of Business, not sell, lease, license, sublicense, modify, terminate, abandon or permit to lapse, transfer or dispose of, create or incur any Lien on, or otherwise fail to take any action necessary to maintain, enforce or protect any material Entity Owned Intellectual Property;

(xxviii) not enter into any program or agreement whereby the Company receives cash or other funds that must be spent for specific purposes, including any Positive Train Control Program, or would otherwise give rise to any deferred revenue;

(xxix) not agree, resolve or commit to do any of the foregoing other than clauses (i), (ii), (xiv), (xxv) and (xxvi).

Notwithstanding Section 9.9 or anything to the contrary in this Section 5.1(b), the Parties acknowledge and agree that (x) the Company may request consent from Parent pursuant to this Section 5.1(b) by sending an email to one or more of [redacted] or [redacted] (or such other individuals as Parent may specify by notice to the Company) (each, a "Parent Consent Party") specifically referencing the applicable sub-sections of this Section 5.1(b), and (y) an e-mail from one or more of the Parent Consent Parties specifically referencing this Section 5.1(b) and expressly granting such consent shall constitute a valid form of consent of Parent for all purposes under this Section 5.1(b).

(c) Nothing contained in this Agreement shall give to Parent, directly or indirectly, rights to control or direct the operations of the Company or any Acquired Entity prior to the Closing Date. Prior to the Closing Date, each of the Company and the Acquired Entities shall, exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of their respective operations.

(d) To the extent that (1) any current or former Employee would be entitled to any payment or benefit in connection with the transactions contemplated by this Agreement and (2) such payment or benefit would potentially constitute a "parachute payment" under Section 280G of the Code, the Company or the relevant Acquired Entity shall, prior to the Closing:

(i) use its reasonable best efforts to obtain a binding written waiver by such Employee of any such portion of such parachute payment as exceeds 2.99 times such Employee's "base amount" within the meaning of Section 280G(b)(3) of the Code (the "Waived Payments") to the extent such excess is not subsequently approved pursuant to a stockholder vote by the Company or the applicable Acquired Entity in accordance with the requirements of Section 280G(b)(5)(B) of the Code;

(ii) provide to the Company and the Acquired Entity stockholders all such disclosure as is required under Section 280G(b)(5)(B)(ii) of the Code and provide Parent a reasonable opportunity to review and comment on such disclosure before it is distributed to the Company and the Acquired Entity stockholders and all other documents prepared by the Company or the Acquired Entity in connection with this Section 5.1(d);

(iii) hold a vote of the Company and the Acquired Entity stockholders in a manner that is intended to satisfy the requirements of Section 280G(b)(5)(B) of the Code; and

(iv) deliver to Parent certification that the vote of the Company and the Acquired Entity stockholders solicited in conformity with the requirements of Section 280G(b)(5)(B) of the Code and (x) the requisite Company and Acquired Entity stockholder approval of the Waived Payments was obtained or (y) such stockholder approval was not obtained and, as a consequence, that the Waived Payments shall not be made or provided.

5.2 Cooperation; Efforts to Close.

(a) Each of Parent, Merger Subs and the Company shall use reasonable best efforts to take such actions and do such things and execute such documents as are reasonably necessary, proper, or advisable to consummate the Contemplated Transactions, make effective, and comply with all of the terms of this Agreement (including satisfaction, but not waiver, of the Closing conditions for which it is responsible or otherwise in control, as set forth in Article VII). Each of Parent, Merger Subs and the Company shall reasonably cooperate with each other in connection with all actions to be taken in connection with the foregoing sentence (including satisfaction, but not waiver, of the Closing conditions for which it is responsible or otherwise in control, as set forth in Article VII).

(b) In furtherance and not in limitation of the foregoing, each Party hereto agrees to as promptly as reasonably practicable, file any notification or other filing or form or submission (or, for jurisdictions where submission of a draft prior to formal notification is appropriate, a draft thereof),

necessary to obtain STB Approval; *provided* that in any event Parent shall seek to obtain in the most expeditious manner practicable the STB Approval by filing, either an application pursuant to 49 U.S.C. § 11323 et seq. for approval of the Contemplated Transactions (including all necessary documentation), or, if the Contemplated Transactions are deemed to be "significant" within the meaning of 49 C.F.R. § 1180.2(b), a prefiling notice pursuant to 49 C.F.R. § 1180.4(b)(1), in each case with all necessary filling fees to be at Parent's sole cost and expense, and to promptly make any subsequent record filings with or presentations to the STB in connection with such application or prefiling notice.

(c) Each of Parent, Merger Subs and the Company shall keep the others apprised of the status of matters relating to the completion of the Contemplated Transactions and work cooperatively in connection with obtaining the requisite consents of each applicable Governmental Authority or third-party (*provided* that Parent shall be responsible for obtaining STB Approval), including:

(i) cooperating with each other in connection with filings under applicable Laws in connection with the Contemplated Transactions;

(ii) furnishing to the other Party all information within its possession that is required for any notification or other filing to be made by the other Party pursuant to applicable Laws in connection with the Contemplated Transactions;

(iii) promptly notifying each other of any communications from or with any Governmental Authority with respect to the Contemplated Transactions;

(iv) using commercially reasonable efforts to respond as soon as reasonably practicable to any request by a Governmental Authority for information with respect to the Contemplated Transactions; and

(v) consulting and cooperating with one another in connection with all analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party in connection with proceedings under or relating to applicable Laws in connection with the Contemplated Transactions.

(d) Neither Parent nor Merger Subs nor any of their controlled Affiliates shall acquire or agree to acquire, by merging with or into or consolidating with, or by purchasing assets of or Equity Interests in, or by any other manner, any Person if the entering into of a definitive agreement relating to, or the consummation of such acquisition, merger or consolidation would reasonably be expected to: (i) impose any material delay in the obtaining of, or materially increase the risk of not obtaining, any consents of any Governmental Authority necessary to consummate the Contemplated Transactions or materially extending the expiration of any applicable waiting period; (ii) materially increase the risk of any Governmental Authority seeking or entering an Order prohibiting the consummation of the Contemplated Transactions; or (iii) materially increase the risk of not being able to remove any such Order or appeal or otherwise.

(e) Notwithstanding the foregoing or anything else in this Agreement to the contrary, no Party shall have any obligation to offer or pay any consideration (other than customary filing or processing fees with Governmental Authorities) or take any extraordinary action in order to obtain any consents, approvals or authorizations.

5.3 Directors' and Officers' Indemnification and Insurance.

(a) For a six year period from and after the Effective Time, Parent agrees that it will cause the Surviving Corporation and the Acquired Entities to indemnify and hold harmless each present and former director and officer of the Company or any of the Acquired Entities (in each case, to the extent acting in such capacity) (the "Indemnified Parties"), against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities or awards paid in settlement incurred in connection with any actual or threatened Action, arising out of, relating to or in connection with the fact that such Person is or was a director or officer of the Company or any of the Acquired Entities, or any acts or omissions occurring or alleged to occur prior to the Effective Time in such Person's capacity as a director or officer of the Company or any Acquired Entity, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent that the Company or any Acquired Entity would have been permitted under applicable law and its Organizational Documents in effect on the date of this Agreement to indemnify such Person, and the Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) advance expenses (including reasonable legal fees and expenses) incurred in the defense of any Action, including any expenses incurred in successfully enforcing such Person's rights under this Section 5.3 regardless of whether indemnification with respect to or advancement of such expenses is authorized under the Organizational Documents of the Company or of any Acquired Entity, *provided* that the Person to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Person is not entitled to indemnification pursuant to this Section 5.3. In the event of any such Action (x) neither Parent nor the Surviving Corporation nor any Acquired Entity shall settle, compromise or consent to the entry of any judgment in any Action in which indemnification has been sought by such Indemnified Party hereunder without the consent of the Indemnified Party (not to be unreasonably withheld, delayed or conditioned), unless such settlement, compromise or consent relates only to monetary damages for which the Surviving Corporation or any Acquired Entity is entirely responsible or includes an unconditional release of such Indemnified Party from all liability arising out of such Action or such Indemnified Party otherwise consents in its sole discretion and (y) the Surviving Corporation and any Acquired Entities shall reasonably cooperate with the Indemnified Party in the defense of any such matter. In the event any Action is brought against any Indemnified Party and in which indemnification could be sought by such Indemnified Party under this Section 5.3, (i) the Surviving Corporation shall have the right to control the defense thereof after the Effective Time, (ii) each Indemnified Party shall be entitled to retain his or her own counsel, whether or not the Surviving Corporation shall elect to control the defense of any such Action (iii) the Surviving Corporation shall pay all reasonable fees and expenses of any counsel retained by an Indemnified Party promptly after statements therefor are received, and (iv) no Indemnified Party shall be liable to Parent or the Surviving Corporation or any Acquired Entity for any settlement effected without his prior written consent; *provided* that for purposes of clause (iii) the Indemnified Party on behalf of whom fees and expenses are paid provides an undertaking to repay such fees and expenses if it is ultimately determined that such Person is not entitled to indemnification pursuant to this Section 5.3).

(b) Any Indemnified Party wishing to claim indemnification under Section 5.3 upon learning of any such Action, shall promptly notify the Surviving Corporation thereof, but the failure to notify shall not relieve the Surviving Corporation of any liability it may have to such Indemnified Party except to the extent such failure materially prejudices the indemnifying Party.

(c) For a period of six years after the Effective Time, the provisions in the Surviving Corporation's and the Acquired Entities' Organizational Documents with respect to indemnification, advancement of expenses and exculpation of former or present directors and officers shall be no less favorable to such directors and officers than such provisions contained in the Company's and the Acquired Entities' Organizational Documents in effect as of the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six years after the Closing Date in any manner that would adversely affect the rights thereunder of any such individuals.

(d) In connection with the Closing, the Company shall purchase from its insurance carriers, no later than the Closing Date, a six year prepaid "tail policy" providing at least the same coverage and amounts and containing terms and conditions that are no less advantageous in the aggregate to the insureds than the current policies of directors' and officers' liability insurance and fiduciary liability insurance maintained by the Company and the Acquired Entities with respect to claims arising from facts or events that occurred at or before the Closing Date, including the Contemplated Transactions. The Company shall (and Parent shall cause the Surviving Corporation to) maintain such "tail policy" in full force and effect and continue to honor its obligations thereunder. Parent also agrees to cause the Surviving Corporation to honor and perform under all indemnification agreements and the advancement of expenses agreements set forth on Schedule 5.3(d). The cost of such tail insurance shall not be considered an Unpaid Transaction Expense and Parent shall reimburse the Company for the cost thereof in connection with the Closing.

(e) If the Surviving Corporation or any Acquired Entity or any of their respective successors or assigns (i) shall consolidate with or merge into any other corporation or entity and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any other entity, then, and in each such case, proper provisions shall be made so that the successors and assigns of the Surviving Corporation or any Acquired Entity shall assume all of the obligations set forth in this Section 5.3.

(f) The provisions of this Section 5.3 shall survive the Closing and the Effective Time, are intended to be for the benefit of, and shall be enforceable by, each of the Indemnified Parties and their heirs and representatives.

(g) The rights of the Indemnified Parties under this Section 5.3 shall be in addition to any rights such Indemnified Parties may have under the Organizational Documents of the Company or any of the Acquired Entities, or under any applicable Contracts or Laws. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or any of the Acquired Entities or their officers, directors and employees, it being understood that the indemnification provided for in this Section 5.3 is not prior to, or in substitution for, any such claims under any such policies.

5.4 Publicity. None of Parent, Merger Subs or the Company or any of their Representatives shall issue or cause the publication of any press release or other public announcement, or otherwise communicate with the media, concerning the Contemplated Transactions without the prior consent of the other such Parties hereto, except (i) as such release or announcement may be required by Law or stock exchange rules (it being acknowledged that Parent may disclose this Agreement and the Contemplated

Transaction pursuant to Item 8.01 of Form 8-K), in which case the disclosing Party shall notify the other Parties hereto and, to the extent possible, allow such other Parties reasonable time to comment on such release or announcement in advance of such issuance and such comments will be considered in good faith or (ii) to the extent the contents of such release or announcement have previously been released publicly by a Party or are consistent in all material respects with materials or disclosures that have previously been released publicly, in both cases, without violation of this Section 5.4.

5.5 Insurance Recovery for the Hoosac Tunnel. From and after the Closing, to the extent any principal amounts are paid by PAS to PAR in connection with the repayment of any indebtedness pursuant to the Hoosac Tunnel Loan (including any such amount that is forgiven, offset or for which there is a forbearance without any payment to PAR from PAS, which shall be deemed to be paid at the time of such forgiveness, offset or forbearance), Parent shall, or shall cause its applicable Affiliate to, pay to the Shareholders, in accordance with the Allocation Statement, [redacted] of such principal amounts received by PAR by wire transfer of immediately available funds. If the cost of repairs and improvements to the Hoosac Tunnel after its collapse in 2020 (the "Hoosac Tunnel Costs") is not fully recovered by the Company or any of the Acquired Companies prior to Closing, from and after Closing, Parent shall cause the Surviving Corporation and the Acquired Companies to, (i) use commercially reasonable efforts to pursue and collect as promptly as practicable on the claim asserted by PAR against AIG insurance company for the Hoosac Tunnel Costs (including by litigation with experienced counsel) and (ii) upon the Shareholder Representative's request, update the Shareholder Representative as to the status thereof in reasonable detail. As soon as reasonably practicable after receipt by Parent, the Surviving Corporation or any of the Acquired Companies of any payment in connection with such claim, Parent shall, or shall cause its applicable Affiliate to, pay to the Shareholders, in accordance with the Allocation Statement, the Conveyance Amount by wire transfer of immediately available funds.

5.6 Reorganization Treatment. The Parties intend the Merger to qualify as a reorganization under Section 368(a)(1)(A) and (a)(2)(D) of the Code and the Parties will take the position for all tax purposes (including the filing of all Tax and information returns) that the Merger so qualifies unless a contrary position is required by a final determination within the meaning of Section 1313 of the Code. The Company and Parent shall, and shall cause their respective Affiliates to, cooperate reasonably to enable their respective counsel to deliver opinions in support of such intended treatment, including by delivery of tax representation letters, dated as of the Closing Date and signed by an officer, containing customary representations in support of such opinions (with any appropriate modifications to reflect the terms and conditions of this Agreement).

5.7 Further Assurances. On and after the Closing Date, and for no further consideration, the Parties will take all appropriate action and execute all documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out any of the provisions hereof or to more effectively complete the Contemplated Transactions.

5.8 No Solicitation. The Company (i) shall immediately cease and cause to be terminated any activities, discussions or negotiations commenced prior to the date of this Agreement by the Company or the Acquired Entities with any parties other than Parent with respect to the Contemplated Transactions, (ii) shall not initiate or engage in any such activities, discussions or negotiations after the date hereof (unless this Agreement is otherwise terminated) with any third party regarding the foregoing and (iii) shall not

provide, directly or indirectly, any Confidential Information to any parties other than Parent and its Representatives with respect to the Contemplated Transactions, including removing access to the Data Room by any parties other than Parent and its Representatives.

5.9 Notification of Certain Matters. Each Party shall promptly notify the other Parties in writing of any Action that has been instituted or, to the Knowledge of the Company or the Knowledge of Parent, threatened against such Party to restrain, prohibit or otherwise challenge the legality or validity of any of the Contemplated Transactions. Each Party hereto shall promptly notify the other Parties in writing of the occurrence of any matter or event that would or would reasonably be expected to cause any of the conditions set forth in Section 7.1 not to be satisfied. The Company shall promptly notify Parent in writing of the occurrence of any matter or event that would or would reasonably be expected to cause any of the conditions set forth in Section 7.2 not to be satisfied. Each of Parent and Merger Subs shall promptly notify the Company in writing of the occurrence of any matter or event that would or would reasonably be expected to cause any of the conditions set forth in Section 7.2(h) not to be satisfied. The Company shall promptly notify Parent of any notice or other communication from any Person asserting that such Person's consent is required, or that such Person is entitled to compensation or consideration from any of Parent, Merger Subs, the Company or any of their respective Affiliates, in connection with the Contemplated Transactions or any notice, letter or other communication received from a Governmental Authority with respect to any material matters. The delivery of any notice pursuant to this Section 5.9 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

5.10 Non-Solicitation. Each Shareholder shall not, and shall not permit or cause any of its respective Affiliates (including the Excluded Entities) to, at any time from and after the date hereof and prior to eighteen (18) months after the Closing Date, directly or indirectly, (i) solicit the employment or services (whether as an employee, consultant, independent contractor or otherwise) of any individual who is an Employee as of the date hereof (the "Restricted Employees"), or seek to persuade any Restricted Employee to discontinue employment or engagement, in each case without Parent's prior written consent, or (ii) hire in any capacity (whether as an employee, consultant, independent contractor or otherwise) any Restricted Employee, unless such Person has been terminated by Parent or any of its Affiliates subsequent to the Closing and has not been employed or engaged by the Company or any Acquired Entity for a period of at least six (6) months prior to the date of such hire, without Parent's prior written consent. For purposes of this Section 5.10, the terms "solicit the employment or services" shall not be deemed to include generalized searches for employees through media advertisements of general circulation, employment search firms, open job fairs or otherwise.

5.11 Intercompany Accounts. Effective at the Closing, all intercompany accounts or indebtedness, between any of the Shareholders, the Excluded Entities or any of their respective Affiliates (other than the Company or the Acquired Entities), on the one hand, and the Company or any of the Acquired Entities, on the other hand, shall be settled or otherwise eliminated and unless Parent otherwise consents, it being understood that, from and after the Closing, Parent, the Company and the Acquired Entities shall have no obligation or liability (including any Tax liability) with respect to any such intercompany accounts or indebtedness or the settlement or elimination thereof.

5.12 Intercompany Agreements. Effective at the Closing, all arrangements, understandings or Contracts, including all obligations to provide goods, services or other benefits, by any of the Shareholders,

the Excluded Entities or any of their respective Affiliates (other than the Company or the Acquired Entities), on the one hand, and the Company or any of the Acquired Entities, on the other hand, that are not otherwise covered under Section 5.11, shall be terminated without any party having any continuing obligations or Liability to the other, except for (a) this Agreement and the Ancillary Documents and (b) any arrangements, understandings or Contracts listed in Schedule 5.12.

5.13 Confidentiality. The Shareholder Representative acknowledges that the success of the Company and the Acquired Entities after the Effective Time depends upon the continued preservation of the confidentiality of information regarding the business, operations and affairs of the Company and the Acquired Entities (including trade secrets, confidential information and proprietary materials, which may include the following categories of information and materials: methods, procedures, computer programs and architecture, databases, customer information, lists and identities, employee lists and identities, pricing information, research, methodologies, contractual forms, and other information, whether tangible or intangible, which is not publicly available generally) and the terms of this Agreement, the Ancillary Documents and the Contemplated Transactions, to the extent not publicly disclosed as permitted by the Agreement (collectively, the "Confidential Information") accessed or possessed by the Shareholder Representative and its Affiliates and that the preservation of the confidentiality of such information by the Company and the Acquired Entities (prior to the Effective Time), the Shareholders, the Shareholder Representative and their respective Affiliates is an essential premise of the transactions contemplated by this Agreement. The Shareholder Representative shall hold, and shall cause its Representatives to hold, in confidence and not disclose to any other Person or use (other than (i) for the purposes of enforcing the rights of the Shareholder Representative or the Shareholders under this Agreement and any other agreements entered into in connection with the Contemplated Transactions or (ii) in the Ordinary Course of Business), any Confidential Information. Notwithstanding the foregoing, any such Person may disclose Confidential Information as and to the extent required by Applicable Law, so long as the disclosing party (x) provides prior written notice, where permitted thereof to the party whose information will be disclosed and (y) uses commercially reasonable efforts to cause such information so disclosed to be kept confidential.

5.14 Release.

(a) Effective as of the Closing (in the case of the following clauses (i) and (ii)) and effective as of the date hereof (in the case of the following clause (iii)), each of Parent, on behalf of itself and each of its Affiliates (including the Company and the Acquired Entities), and Shareholders, on behalf of themselves and each of their respective Affiliates, or any Person claiming by, through or for the benefit of any of them, and each of their respective successors and assigns, hereby irrevocably, unconditionally and completely waives and releases and forever discharges the other party to this Agreement and its Affiliates (including, in the case of Parent, the Company and the Acquired Entities) and each of their respective directors, officers, employee, heirs, executors, administrators, successors and assigns (such released Persons, the "Releasees"), in each case from all demands, Actions, causes of action, suits, accounts, covenants, Contracts, losses and Liabilities whatsoever of every name and nature, both in law and in equity, arising out of or related to events, circumstances or actions taken by the Releasees (including the Company and the Acquired Entities) (i) occurring or failing to occur, in each case, at or prior to the Closing, including in connection with Contemplated Transactions, (ii) relating to any alleged inaccuracy or miscalculations in, or otherwise relating to the preparation of the Allocation Statement and the calculations set forth therein, or the allocation of any proceeds hereunder (including by the Shareholder Representative) or (iii) relating

to the payment of the Deposit to the Shareholder Representative on the date hereof or any payment (or failure to make payment) of such amount by the Shareholder Representative after the date hereof. No party hereto shall make, and neither party hereto shall permit any of its Affiliates to make, and each party hereto covenants never to, and to cause its Affiliates not to, assert or voluntarily assist any Person in any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any of the Releasees with respect to any Liabilities released pursuant to this Section 5.14(a). Without limitation of the foregoing, each of Parent, on behalf of itself and each of its Affiliates (including the Company and the Acquired Entities), and Shareholders, on behalf of themselves and each of their respective Affiliates, or any Person claiming by, through or for the benefit of any of them, and each of their respective successors and assigns hereby waives the application of any provision of law, including California Civil Code Section 1542, that purports to limit the scope of a general release. Section 1542 of the California Civil Code provides:

> "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

(b) Notwithstanding the foregoing, Section 5.14(a) shall not constitute a release from, waiver of, or otherwise affect any rights of any Party or its Affiliates with respect to (i) Fraud or under this Agreement or any Ancillary Document or any Liability or Contract expressly contemplated by this Agreement or any Ancillary Document or any other agreement to be in effect between Parent and Shareholders (or their respective Affiliates) after the Closing, or any enforcement thereof, (ii) if such releasing party is an Employee, rights to earned but unpaid wages or compensation, benefits and unreimbursed business expenses and (iii) rights to indemnification under the Organizational Documents or coverage under any directors' and officers' liability insurance of the Company or any of the Acquired Entities.

(c) Each Releasee that is not a Party (including, in the case of Parent as the releasing party, each Shareholder) shall be a third-party beneficiary of this Section 5.14.

5.15 Payoff Letters. No later than three Business Days prior to the Closing Date, the Company shall deliver to Parent payoff letters with respect to any Indebtedness of the types set forth in clauses (i) through (v) of the definition thereof (excluding the Hoosac Tunnel Loan and including any PPP Loan, if still outstanding at such time), of the Company and the Acquired Entities outstanding as of immediately prior to the Effective Time (including under the Credit Facility), to be provided by the lenders or creditors in respect thereof, dated within a reasonable time prior to the Closing Date, which shall, in each case, (a) set forth the aggregate amount of Indebtedness arising under or owing or payable thereunder and in connection therewith on the Closing Date and (b) acknowledge and agree that, upon payment of such aggregate amounts on the Closing Date, the Company and the Acquired Entities shall have paid in full all amounts arising under or owing or payable thereunder and in connection therewith, and all Liens related to such Indebtedness shall be released, each in form and substance reasonably satisfactory to Parent (the "Payoff Letters"). Without limiting the foregoing, the Company shall, and shall cause each Acquired Entity to, cooperate with and take all actions reasonably requested by Parent in order to facilitate the termination

and payoff of all of the Indebtedness of the Company and the Acquired Entities (including under the Credit Facility) (and, in each case, related release of Encumbrances) at the Closing.

5.16 Pre-Closing Disposition. Notwithstanding anything in this Agreement to the contrary, the parties acknowledge and agree that prior to the Closing, the Company and its Subsidiaries will take all actions and steps to effectuate the transactions in Pre-Closing Disposition Plan in accordance with applicable Law, including by procuring all necessary third-party or governmental consents, approvals or permits (all such actions, the "Pre-Closing Disposition"). Neither the Company nor the Shareholders shall modify or amend the Pre-Closing Disposition Plan in any material respect unless it has received the prior written consent of Parent (not to be unreasonably withheld, conditioned or delayed). If Parent requests, the Company shall provide or cause to be provided all of the material implementing documents in respect of the Pre-Closing Disposition to Parent for its review and comment reasonably in advance of execution. The Company shall keep Parent reasonably informed as to the status of the Pre-Closing Disposition (including providing updates upon Parent's request).

5.17 Change in Control Severance. Parent agrees that following the Closing, it will pay or cause to be paid, all amounts when and if they become due and payable under and in accordance with the terms of the change in control severance agreements set forth on Schedule 5.17.





ARTICLE VI
TAX MATTERS

6.1 Preparation of Tax Returns by the Company. The Company shall prepare or cause to be prepared and timely file or cause to be filed, all income and other material Tax Returns for the Company and the Acquired Entities for all Pre-Closing Tax Periods that have not yet been filed but which are due on or before the Effective Time. All such Tax Returns shall be prepared consistently with the past practice of the relevant entity, except as otherwise required by applicable Laws. At least thirty (30) days prior to the due date for each such income Tax Return prepared by Company, the Company shall submit such Tax Return to Parent for Parent's review, comment and approval, which approval may be withheld only if such Tax Return has not been prepared in accordance with the requirements of this Section 6.1. The Company shall incorporate any reasonable comments from Parent.

6.2 Cooperation. Parent, the Company, the Surviving Corporation and Shareholder Representative shall cooperate, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns pursuant to Section 6.1 and Section 6.2, and any audit, litigation or other proceeding with respect to Taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such audit, litigation

or other proceeding and making Employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder.

6.3 Transfer Taxes and Fees. Any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other similar fees and charges (including any penalties and interest) incurred in connection with consummation of the Contemplated Transactions by this Agreement and the other Ancillary Documents (other than with respect to the Disposition) ("Transfer Taxes") shall be borne by Parent. The Parties shall cooperate with each other in connection with the filing of any Tax Returns relating to Transfer Taxes, including joining in the execution of any such Tax Return or other documentation where necessary. Upon request of Parent, Shareholder Representative shall use its commercially reasonable efforts to obtain any certificate or other document from any Person as may be necessary to mitigate, reduce or eliminate any Transfer Tax. Unless otherwise required by applicable Law, the party required by Law to file a Tax Return with respect to such Transfer Taxes shall timely prepare, with the other party's cooperation, and file such Tax Return, and shall promptly provide to the other party copies of all filed Tax Returns relating to Transfer Taxes and reasonable evidence that all Transfer Taxes have been timely paid.



ARTICLE VII
CONDITIONS TO THE MERGER

7.1 Conditions to the Obligations of Parent, Merger Subs and the Company. The respective obligations of Parent and the Merger Subs on one hand and the Company on the other hand to effect the Contemplated Transactions shall be subject to the satisfaction or waiver by Parent and the Company, as applicable, at or prior to the Effective Time of the following:

(a) No Law that restrains, enjoin, makes illegal or otherwise prohibits the Contemplated Transactions shall have been enacted, adopted or promulgated and be in effect.

(b) No temporary restraining order, preliminary or permanent injunction, decree, judgment, legal restraint, writ, ruling, consent or other order of a court of competent jurisdiction or other Governmental Authority (an "Order") which materially restricts, restrains, enjoins, makes illegal or otherwise prohibits the Contemplated Transactions will have been issued, entered or enforced and be in effect.

(c) No action or proceeding by a Governmental Authority seeking an Order which impairs, restrains, enjoins, makes illegal or otherwise prohibits the Contemplated Transactions shall be pending.

7.2 Conditions to the Obligations of Parent and Merger Subs. The obligation of Parent and Merger Subs to effect the Contemplated Transactions shall be subject to the satisfaction or waiver by Parent and Merger Subs at or prior to the Closing of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Company set forth in the Section 3.1, Section 3.2 and Section 3.8 (collectively, the "Fundamental Representations") shall be true and correct in all material respects as of the Closing Date, except any such representations and warranties that are made as of a specific date shall be true and correct in all material respects only on and as of such date and (ii) each of the other representations and warranties of the Company contained in this Agreement will be true and correct as of the Closing Date except any such representations and warranties that are made as of a specific date shall be true and correct only on and as of such date, and except, in the case of this clause (ii), for the failure or failures of such representations and warranties to be so true and correct (after excluding any effect of "materiality" or "Company Material Adverse Effect" qualifications or similar qualifications as to materiality set forth in any such representation or warranty) that have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(b) Covenants and Agreements. The Company and the Shareholder Representative will have performed in all material respects all of the covenants and agreements required to be performed by it or him under this Agreement prior to the Closing.

(c) Company's Officer's Certificate. The Company will have delivered to Parent a certificate from a duly authorized officer, dated as of the Closing Date, stating that the conditions applicable to the Company specified in subsections (a) and (b) of this Section 7.2 have been satisfied.

(d) No Company Material Adverse Effect. A Company Material Adverse Effect will not have occurred.

(e) Support Agreement. The Support Agreement and the Written Consent, in each case duly executed by the parties thereto, shall be in full force and effect.

(f) Closing Deliveries. The Company and Shareholder Representative will have delivered all of the closing deliverables set forth in Section 2.7(a).

(g) STB Approval. STB Approval shall have been obtained and shall not be subject to any term or condition that is not acceptable to Parent in Parent's reasonable discretion.

(h) [redacted]



7.3 Conditions to the Obligations of the Company. The obligations of the Company to effect the Contemplated Transactions will be subject to the satisfaction or waiver by the Company at or prior to the Closing of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Parent and Merger Subs set forth in the Section 4.1, Section 4.2 and Section 4.8 shall be true and correct in all material respects as of the Closing Date, except any such representations and warranties that are made as of a specific date shall be true and correct in all material respects only on and as of such date and (ii) each of the other representations and warranties of Parent and Merger Subs contained in this Agreement will be true and correct as of the Closing Date except any such representations and warranties that are made as of a specific date shall be true and correct only on and as of such date, and except, in the case of this clause (ii), for the failure or failures of such representations and warranties to be so true and correct (after excluding any effect of "materiality" or "Parent Material Adverse Effect" qualifications or similar qualifications as to materiality set forth in any such representation or warranty) that has not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) Covenants and Agreements. Parent and Merger Subs will have performed in all material respects all of the covenants and agreements required to be performed by them under this Agreement prior to the Closing.

(c) Officer's Certificate. Parent will have delivered to Shareholder Representative a certificate from a duly authorized officer of Parent, dated as of the Closing Date, stating that the applicable conditions specified in subsections (a) and (b) of this Section (h) have been satisfied and certifying that it has corporate authority to execute this Agreement and consummate the Contemplated Transactions.

(d) Closing Deliveries. Parent and Merger Subs will have delivered all of the closing deliveries set forth in Section 2.7(b).

(e) No Parent Material Adverse Effect. No Parent Material Adverse Effect will have occurred.

(f) STB Approval. STB Approval shall have been obtained.

ARTICLE VIII
TERMINATION

8.1 Termination. This Agreement may be terminated by written notice (given by Parent to the Company or by the Company to Parent, as the case may be) at any time prior to the Closing:

(a) by the mutual written consent of the Company and Parent;

(b) [redacted]

(c) by either the Company or Parent, if (i) STB Approval has been denied and such denial has become final and nonappealable, (ii) any Governmental Authority will have issued a final nonappealable Order enjoining or otherwise prohibiting the consummation of the Contemplated Transactions or (iii) any Law has been enacted, adopted or promulgated and is in effect that restrains, enjoins, makes illegal or otherwise prohibits the Contemplated Transactions;

(d) by Parent:

(i) if it and Merger Subs are not in material breach of their obligations under this Agreement, and if (A) at any time that any of the representations and warranties of the Company herein become untrue or inaccurate such that Section 7.2(a) would not be satisfied or (B) there has been a breach on the part of the Company of any of its covenants or agreements contained in this Agreement such that Section 7.3(b)7.2(b) would not be satisfied, and, in both clause (A) and clause (B), such breach or failure to be true or accurate (if curable) has not been cured within thirty (30) days after Parent has provided written notice thereof to the Company;

(ii) if (A) all of the conditions to Closing set forth in Sections 7.1 and (h) have been satisfied (other than those conditions that, by their terms, cannot be satisfied until the Closing but which are reasonably expected to be satisfied at the Closing), (B) Parent has confirmed in a written notice to the Company that it is ready, willing and able to perform its obligations to effect the Contemplated Transactions and (C) the Company fails to fulfill its obligation to effect the Contemplated Transactions within two (2) Business Days of such written notice pursuant to the immediately preceding clause (B); or

(iii) if the Company fails to deliver to Parent, by 12:00 p.m. on the date immediately following the date hereof, a copy of the duly executed and delivered Written Consent; or

(e) by the Company:

(i) if the Company is not in material breach of its obligations under this Agreement, and if (A) at any time that any of the representations and warranties of Parent and Merger Subs herein become untrue or inaccurate such that Section 7.3(a) would not be satisfied or (B) there has been a breach on the part of Parent and Merger Subs of any of their covenants or agreements contained in this Agreement such that Section 7.3(b) would not be satisfied, and, in both case (i) and case (i), such breach or failure to be true or accurate (if curable) has not been cured within thirty (30) days after the Company has provided written notice thereof to Parent; or

(ii) if (A) all of the conditions to Closing set forth in Sections 7.1 and 7.2 have been satisfied (other than those conditions that, by their terms, cannot be satisfied until the Closing but which are reasonably expected to be satisfied at the Closing), (B) the Company has confirmed in a written notice to Parent that it is ready, willing and able to perform its obligations to effect the Contemplated Transactions and (C) Parent and Merger Subs fails to fulfill their obligation to effect the Contemplated Transactions within two (2) Business Days of such written notice pursuant to the immediately preceding clause (C).

8.2 Effect of Termination. In the event of termination by the Company or Parent pursuant to Section 8.1, this Agreement will become void and have no effect, the Contemplated Transactions will be terminated without further action by any Party, and except as provided in this Section 8.2 or Section 8.3, there will be no Liability on the part of any Party to any other Party. If this Agreement is terminated as provided herein:

(a) all confidential information received by Parent or Merger Subs with respect to the Business will be treated in accordance with the Confidentiality Agreement, which will remain in full force and effect notwithstanding the termination of this Agreement;

(b) the obligations of the Parties set forth in Section 5.13, this Section 8.2, Section 8.3 and Article IX will remain in full force and effect; and

(c) subject to Section 8.3, the termination of this Agreement will relieve any Party from Liability for its breach of this Agreement that occurred prior to such termination, other than in the case of Fraud or a material breach of this Agreement that is the consequence of an act or omission by such Party with the actual knowledge that the taking of such act or failure to take such action would be a material breach of this Agreement.

[redacted]

[redacted]

[redacted]

[redacted]

ARTICLE IX
MISCELLANEOUS

9.1 Shareholder Representative.

(a) By virtue of the approval and adoption of this Agreement by the Shareholders and delivery of the Written Consent, and without the need for further action by any Shareholder, each of the

Shareholders will be deemed to have agreed to irrevocably appoint Mr. Timothy Mellon (which, by execution of this Agreement, hereby accepts such appointment) as his sole and exclusive agent, attorney-in-fact and as Shareholder Representative, for and on behalf of the Shareholders with full power of substitution, to give and receive notices and communications hereunder and to take any and all action permitted or required for the Shareholders or Shareholder Representative under this Agreement, including (i) to execute and deliver on behalf of the Shareholders any amendment, consent or waiver under this Agreement and the Ancillary Documents, (ii) to assert, and to agree to resolution of, all claims and disputes hereunder or thereunder, including under Section 2.8 and Section 9.2 hereof, (iii) to retain legal counsel and other professional services, at the expense of the Shareholders, in connection with the performance by the Shareholder Representative of this Agreement and the Ancillary Documents, (iv) to execute and deliver on the Shareholders' behalf all documents and instruments which may be executed and delivered pursuant to this Agreement and the Ancillary Documents, (v) to make and receive notices and other communications pursuant to this Agreement and the Ancillary Documents and service of process in any Action arising out of or related to this Agreement and the Ancillary Documents, (vi) to negotiate, settle or compromise any Action arising out of or related to this Agreement or the Ancillary Documents or any of the transactions hereunder or thereunder, including to take any action (or determine not to take action) in connection with the defense, prosecution, settlement, compromise or other resolution of any claim for indemnification pursuant to Section 9.2, and (vii) to do each and every act and exercise all rights that are either (x) necessary or appropriate in the judgment of the Shareholder Representative for the accomplishment of the foregoing or (y) mandated or permitted by the terms of this Agreement or the Ancillary Documents. For the avoidance of doubt, none of the provisions of this Section 9.1 shall serve to authorize, appoint or empower the Shareholder Representative as the representative or exclusive agent of the Shareholders with respect to the Support Agreement (or with respect to any rights, obligations or actions to be taken thereunder). The power of attorney granted in this Section 9.1 is coupled with an interest and is irrevocable, may be delegated by the Shareholder Representative and shall survive the death or incapacity of each Shareholder. The Person appointed as Shareholder Representative may be changed by the Shareholders by unanimous agreement from time to time. Notwithstanding the foregoing, in the event of a resignation of Shareholder Representative or other vacancy in the position of Shareholder Representative, such vacancy may be filled by a majority vote of the other Shareholders. Neither the removal of, nor the appointment of a successor to, the Shareholder Representative shall affect in any manner the validity or enforceability of any actions taken or agreements, understandings or commitments entered into by the prior Shareholder Representative, which shall continue to be effective and binding on the Shareholders. No bond will be required of Shareholder Representative, and Shareholder Representative will not receive any compensation for his services. Notices or communications to or from Shareholder Representative will constitute notice to or from the Shareholders. For the avoidance of doubt, none of the provisions of this Section 9.1 shall serve to authorize, appoint or empower the Shareholder Representative as the representative or exclusive agent of the Shareholders with respect to the Support Agreement (or with respect to any rights, obligations or actions to be taken thereunder).

(b) The Shareholder Representative will not be liable to the Shareholders for any act done or omitted hereunder as Shareholder Representative while acting in good faith and without gross negligence or willful misconduct. The Shareholders (in accordance with the Allocation Statement) will indemnify Shareholder Representative and hold the Shareholder Representative harmless against any and all losses, costs, or expenses arising out of or in connection with the acceptance or administration of

Shareholder Representative's duties hereunder, including the reasonable fees and expenses of any legal counsel retained by Shareholder Representative ("Shareholder Representative Expenses"); *provided*, that in the event that any such Shareholder Representative Expense is finally adjudicated to have arisen from the bad faith, gross negligence or willful misconduct of Shareholder Representative, Shareholder Representative will reimburse the other Shareholders their proportionate amount of such Shareholder Representative Expense attributable to such bad faith, gross negligence or willful misconduct. A decision, act, consent or instruction of Shareholder Representative, including an amendment, extension or waiver of this Agreement, will constitute a decision of the Shareholders and will be final, conclusive and binding upon the Shareholders; and Parent and Merger Subs may rely upon any such decision, act, consent or instruction of the Shareholder Representative and the Shareholders will indemnify and hold Parent harmless in accordance with the Allocation Statement from any action taken by Parent and Merger Subs in accordance with instructions given by the Shareholder Representative. Parent and Merger Subs are hereby relieved from any liability to any Person for any acts or omissions by it in accordance with such decision, act, consent or instruction of Shareholder Representative or the failure of the Shareholder Representative to act in accordance with this Agreement, including any act or omission by Shareholder Representative with respect to the distribution of moneys to the Shareholders.

9.2 Non-Survival of Representations, Warranties; Indemnification.

(a) None of the representations, warranties, covenants and agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants, or agreements, shall survive the Closing Date, except for (i) Fraud, for which Shareholders shall be liable, in the case of Fraud by the Company; (ii) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing Date which shall survive until fully performed in accordance with their respective terms; and (iii) those covenants and agreements contained in this Article IX.

(b) Effective at and after the Closing, the Shareholders each (severally, in accordance with the Allocation Statement, and not jointly) hereby indemnify Parent, its Affiliates (including the Surviving Corporation and the Acquired Entities), and their respective officers, directors, managers, employees, agents, successors and assigns (collectively, "Parent Indemnified Parties") against and agrees to hold each of them harmless from any and all Damages incurred or suffered by any Parent Indemnified Party arising out of:

(i) any Indemnified Taxes;

(ii) any Liabilities (including Liabilities arising under or related to Environmental Laws or Hazardous Substances) to the extent related to any of the Excluded Entities or their respective businesses or operations; and

(iii) [redacted]



(c) Parent agrees to give prompt notice in writing to the Shareholder Representative of the assertion of any claim or the commencement of any suit, action or proceeding by any third party in respect of which indemnity may be sought under Section 9.2(b) ("Third Party Claim"). Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Parent and applicable Parent Indemnified Parties). The failure to so notify the Shareholder Representative shall not relieve the Shareholders of their obligations hereunder, except to the extent such failure shall have prejudiced the Shareholders.

(d) The Shareholder Representative shall be entitled to control and appoint lead counsel for defense of any Third Party Claim, in each case at its own expense, subject to the limitations set forth in Section 9.2(e), (f) and (g).

(e) The Shareholder Representative shall not be entitled to assume or maintain control of the defense of such Third Party Claim and shall pay the fees and expenses of counsel retained by the Parent Indemnified Party if (i) the Third Party Claim relates to or arises in connection with (A) any criminal proceeding, action, indictment, allegation or investigation or (B) any proceeding, action or investigation by the STB, (ii) the Third Party Claim seeks an injunction or other equitable relief against a Parent Indemnified Party or any of its Affiliates that would restrict or otherwise affect the operation of its business in any material respect, (iii) the Shareholder Representative has failed or is failing to diligently defend or resolve the Third Party Claim or (iv) the Third Party Claim is brought by NS or any of its Affiliates. If any Parent Indemnified Party is entitled to control the defense of any Third Party Claim (including pursuant to the foregoing exceptions set forth in this Section 9.2(e)), Parent shall exercise such control on behalf of such Parent Indemnified Party, and Parent shall obtain the prior written consent of the Shareholder Representative before entering into any settlement of such Third Party Claim, which consent shall not be unreasonably withheld, delayed or conditioned (unless, in the case of any criminal proceeding regarding Indemnified Taxes, such settlement does not provide for monetary penalties, fines or other monetary

damages in excess of [redacted], in which case the consent of the Shareholder Representative shall not be required).

(f) If the Shareholder Representative shall assume the control of the defense of any Third Party Claim in accordance with the provisions of this Section 9.2, the Shareholder Representative shall obtain the prior written consent of the Parent before entering into any settlement of such Third Party Claim, which consent shall not be unreasonably withheld, delayed or conditioned, *provided* that consent of the Parent shall not be required for any such settlement if (i) the sole relief provided is monetary damages that are paid in full by the Shareholders or the Excluded Entities, (ii) such settlement does not permit any order, injunction or other equitable relief to be entered, directly or indirectly, against the affected Parent Indemnified Parties or any of their Affiliates, (iii) such settlement includes an irrevocable and unconditional release of such Parent Indemnified Parties and their Affiliates from all Liability on claims that are the subject matter of such Third Party Claim and (iv) such settlement does not include any statement as to or any admission of fault or culpability on behalf of any Parent Indemnified Party or any of its Affiliates.

(g) In circumstances where the Shareholder Representative is controlling the defense of a Third Party Claim in accordance with this Section 9.2, Parent and the affected Parent Indemnified Parties shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of their choice for such purpose, in which case the fees and expenses of such separate counsel shall be borne by the Parent Indemnified Parties; *provided* that in such event the Shareholders shall pay the fees and expenses of such separate counsel (i) incurred by a Parent Indemnified Party prior to the date the Shareholder Representative assumes control of the defense of the Third Party Claim or (ii) if the Parent Indemnified Party shall reasonably conclude that (A) there is a material conflict of interest between the Shareholders or any of their Affiliates and the Parent Indemnified Party in the conduct of the defense of such Third Party Claim or (B) there are specific defenses or claims available to the Parent Indemnified Party which are different from or additional to those available to the Shareholders or any of their Affiliates and which could be materially adverse to the Shareholders or any of their Affiliates. In circumstances where the Shareholder Representative is controlling the defense of a Third Party Claim in accordance with this Section 9.2, the Shareholder Representative shall keep Parent and the affected Parent Indemnified Parties reasonably informed with respect to such Third Party Claim and cooperate with Parent and the Parent Indemnified Parties in connection therewith.

(h) Each Party shall cooperate, and cause its Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(i) In the event a Parent Indemnified Party has a claim for indemnity under this Section 9.2 against the Shareholders that does not involve a Third Party Claim, the Parent Indemnified Party agrees to give prompt notice in writing of such claim to the Shareholder Representative. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Parent Indemnified Party). The failure to so notify the Shareholder Representative shall not relieve the Shareholders of their obligations hereunder, except to the extent such failure shall have prejudiced the Shareholders. If the Shareholder Representative notifies the Parent Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim

that the Shareholder Representative disputes the Shareholders' indemnity obligation to the Parent Indemnified Party for any Damages with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved in accordance with Section 9.10.

(j) The amount of any Damages payable under this Section 9.2 by the Shareholders shall be net of any amounts actually recovered by the Parent Indemnified Parties under applicable insurance policies, or from any other Person alleged to be responsible therefor; *provided* that nothing herein shall require a Parent Indemnified Party to take any action to recover or realize any such amounts. The Shareholders shall not be liable under this Section 9.2 for any Damages relating to any matter to the extent that the amount of such Damages reduced the Final Merger Consideration.

(k) Parent shall make, or cause the applicable Parent Indemnified Party to make, commercially reasonable efforts to mitigate any Damages payable under this Section 9.2.

(l) No right of indemnification hereunder shall be limited by reason of any investigation or audit conducted before or after the Closing or the knowledge of any Party of any breach of a representation, warranty, covenant or agreement by the other party at any time, or the decision of any Party to complete the Closing.

9.3 Environmental Liabilities Associated with Identified CERCLA Sites. The Parties agree that Remedial Action Liabilities from and after the Closing with respect to the Identified CERCLA Sites shall be addressed in the manner set forth in this Section 9.3.

(a) The Parties will establish the Environmental Escrow Account at the Closing pursuant to this Agreement and the Escrow Agreement through the deposit of the Environmental Escrow Amount for the performance and payment, pursuant to the terms and conditions of this Section 9.3, of all actions required to obtain a Final Resolution of the Remedial Action Liabilities with respect to the Identified CERCLA Sites.

(b) The eligible uses of the Environmental Escrow Account ("Eligible Uses") shall be for: (i) actual costs incurred in the defense against Remedial Action Liability claims related to the Identified CERCLA Sites (including attorney fees, Remediation Manager and other consultant and expert fees, investigation costs and other pre-litigation and litigation costs); (ii) actual costs for the negotiation of Remedial Action Settlements; (iii) any amounts required under any Remedial Action Settlement or Governmental Authority-approved Remedial Action or remedial design, regardless of the timing of when such amounts are required to be paid; (iv) Damages for Remedial Action Liabilities as determined and finally adjudicated by a final and unappealed order of a court of competent jurisdiction (including related attorney fees, Remediation Manager and other consultant and expert fees, investigation costs and other pre-litigation and litigation costs in connection with obtaining such order); (iv) the actual costs of the management and performance of any remedial investigations, feasibility studies, risk assessments, and the design, construction and implementation of any Remedial Actions at the Identified CERCLA Sites; and (v) actual costs related to a Remedial Action (including any removal action or remedial design under CERCLA) approved by the applicable Governmental Authority for such Identified CERCLA Site.

(c) The Environmental Escrow Account shall not be utilized for, and any Damages that may be otherwise be claimed by the Parent or Acquired Entity PRP shall be reduced to the extent that, any such Damages result from (i) the willful misconduct or gross negligence of Parent or Acquired Entity PRP, their Affiliates, or their respective officers, directors, managers, employees or agents occurring after Closing; or (ii) any change in the use of any property at the Identified CERCLA Sites by Parent or any Acquired Entity to a use other than a railroad, commercial or industrial use.

(d) The Acquired Entity PRP shall engage ERM or another qualified and experienced environmental consultant mutually agreed upon by the Shareholder Representative and Parent (which mutual agreement shall not be unreasonably withheld, conditioned or delayed) (the "Remediation Manager") to manage and oversee, with the assistance of legal counsel where necessary, the response to Remedial Action Liability claims and the performance of any Remedial Actions required to be performed by the Acquired Entity PRPs at the Identified CERCLA Sites.

(e) The Acquired Entity PRP and Remediation Manager shall have control with respect to responding to any claims relating to Remedial Action Liabilities related to the Identified CERCLA Sites, including any negotiations with the USEPA or other Governmental Authority with respect to such Remedial Action Liabilities and, where applicable, the performance by the Remediation Manager of any Remedial Actions at the Identified CERCLA Sites. The Parties agree to the following procedures:

(i) The Acquired Entity PRP or Remediation Manager shall provide the Shareholder Representative for review and comment drafts of any settlement proposals, consent orders, consent decrees, proposed work plans, reports or other submissions that the Acquired Entity PRP or Remediation Manager intends to deliver or submit to a Governmental Authority prior to said submission. The Shareholder Representative shall have thirty (30) days or such shorter time as is reasonable under the circumstances to provide comments to the Acquired Entity PRP and Remediation Manager regarding any such draft submissions. Such review shall be at the sole expense of the Shareholder Representative. The Acquired Entity PRP and Remediation Manager shall provide good faith consideration to the comments provided by the Shareholder Representative and shall incorporate all such comments that the Acquired Entity PRP and Remediation Manager determine in good faith are reasonable.

(ii) The Acquired Entity PRP and Remediation Manager shall promptly provide copies to the Shareholder Representative of all written notices, final submissions, final work plans and final reports, and any other documents or communications to or from any Governmental Authority concerning the Remedial Actions at the Identified CERCLA Sites.

(iii) The Shareholder Representative may, solely at their own expense, hire their own consultants, attorneys or other professionals to monitor the Remedial Action, including any field work.

(iv) To the extent any field work at the Identified CERCLA Sites is being performed by the Acquired Entity PRP or the Remediation Manager, such parties shall afford the Shareholder Representative the opportunity to collect split samples of any samples collected by the Acquired Entity PRP, the Remediation Manager or their representatives.

(v) The Acquired Entity PRP or Remediation Manager shall provide the Shareholder Representative with notice of any meetings with any Governmental Authority concerning the Remedial Action Liability as the Identified CERCLA Sites. To the extent permitted under applicable Law, the Shareholder Representative shall have the right to have its representatives or consultants attend such meeting, *provided* that the costs related to such attendance shall be the sole responsibility of Shareholder Representative.

(vi) In communications with any Governmental Authority or other Person regarding any Remedial Action Liabilities relating to the Identified CERCLA Sites, Parent, the Acquired Entity PRPs, the Remediation Manager, the Shareholder Representative and their representatives shall not advocate or take any position that would materially hinder or render materially more difficult or costly the Remedial Action to be undertaken or that is materially inconsistent with obtaining completion of the Remedial Action consistent with the terms of this Section 9.3.

(f) The Acquired Entity PRPs shall use all commercially reasonable efforts to negotiate settlements with the USEPA and other Governmental Authorities and/or other potentially responsible parties for resolution of Remedial Action Liabilities related to the Identified CERCLA Sites ("Remedial Action Settlements"), subject to the terms of this Section 9.3. Such Remedial Action Settlements may be in the form of an administrative order on consent, a consent order and agreement, a consent decree or other agreement. Any such Remedial Action Settlement provided that the Remedial Action Settlement must be consistent with the provisions of Sections 9.3(g)-(h) below.

(g) The Acquired Entity PRPs and Remediation Manager shall use all commercially reasonable efforts to seek and negotiate, and the Shareholder Representative agrees to support, the selection and implementation of Remedial Actions at Identified CERCLA Sites conducted in a cost-effective manner using commercially reasonable methods for investigations, corrective action, remediation and containment to achieve the Applicable Remediation Standards using, where possible, risk-based standards, engineering, use or institutional controls or deed or other restrictions applicable to railroad, industrial or commercial properties; provided that such measures will not materially interfere with the use of any properties owned, leased or operated by Parent or any Acquired Entity PRP within the Identified CERCLA Sites for railroad, commercial or industrial uses.

(h) Except in the case of Fraud and those matters subject to the Shareholders' obligations under Section 9.2(b)(ii), from the date of the Closing, (i) the Shareholders' sole obligations pursuant to this Agreement with respect to any Liabilities arising under Environmental Law or related to Hazardous Substances shall be to provide for the deposit of the Environmental Escrow Amount in the Environmental Escrow Account; and (ii) Parent on behalf of itself and each Parent Related Entity does hereby release, hold harmless and forever discharge the Shareholders and Shareholder Representative from any and all Liabilities arising under Environmental Laws or related to Hazardous Substances of any kind or character, whether predicated on common law, statute, strict liability, or otherwise, whether known or unknown, that it now has, or in the future may have conferred upon it, by virtue of any statute or common law principle.

9.4 Environmental Escrow Account Disbursement Procedures.

(a) From time to time, and in any event not more often than once per calendar month, any Acquired Entity PRP shall be entitled to submit a Disbursement Request to the Shareholder Representative. For purposes hereof, a "Disbursement Request" shall mean a written request for disbursement of a portion of the Environmental Escrow Funds from the Environmental Escrow Account to pay for, or to reimburse any Acquired Entity PRP for payments previously made by or on behalf of such Acquired Entity PRP with respect to, the Eligible Uses, and shall contain the following: (1) a statement of the amount of the requested disbursement (the "Requested Disbursement Amount") and (2) documentation supporting the amount of the Disbursement Request, including paid third party invoices and/or receipts for such amount or such other reasonable supporting documentation relating to the cost or expense for which such disbursement is sought (the "Supporting Documentation").

(b) Shareholder Representative shall have until 3:00 p.m. (Boston, Massachusetts time) on the tenth (10th) Business Day following its receipt of a Disbursement Request (each such period of time being referred to as a "Review Period") to provide the relevant Acquired Entity PRP with written notice approving or disapproving, in whole or in part, the applicable Requested Disbursement Amount (each, a "Disbursement Response"). Shareholder Representative shall not disapprove all or any part of any Disbursement Request unless and to the extent (1) the claimed amounts are not Eligible Uses, (2) the Eligible Use for which such disbursement is sought has been shown to have been performed in manner which does not comply with Applicable Remediation Standards, or (3) all or part of the Supporting Documentation is inaccurate or omitted from the Disbursement Request (*provided* that the relevant Acquired Entity PRP shall have the right to cure such inaccuracy or omission as described below). If Shareholder Representative disapproves of any Requested Disbursement Amount, the Disbursement Response must contain a reasonably detailed description of (a) the item(s) in the Disbursement Request of which Shareholder Representative disapproves (the "Disapproved Representative Items") and the reason(s) for Shareholder Representative's disapproval, and (b) the dollar amount requested in the applicable Disbursement Request applicable to the Disapproved Representative Items (the "Disapproved Disbursement Amount"). Notwithstanding the foregoing, if the Disbursement Response disapproves of all or a portion of the Requested Disbursement Amount because all or part of the Supporting Documentation is inaccurate or omitted from the Disbursement Request, then the relevant Acquired Entity PRP shall be entitled to amend and resubmit such Disbursement Request (a "Resubmitted Disbursement Request") to correct any alleged inaccuracies and include any allegedly omitted Supporting Documents within ten (10) days following receipt of the Disbursement Response, in which case Shareholder Representative shall deliver an amended Disbursement Response to the relevant Acquired Entity PRP within five (5) business days following receipt of the amended and resubmitted Disbursement Request (the "Resubmission Review Period").

(c) The Parent and Shareholder Representative, through their respective Authorized Representatives (as defined in the Escrow Agreement) shall execute and deliver to the Escrow Agent a Joint Release Notice (as defined in the Escrow Agreement) directing the Escrow Agent to disburse as to each Disbursement Request:

(i) The entire Requested Disbursement Amount in accordance with the applicable Disbursement Request if the Acquired Entity PRP (1) does not receive the Shareholder Representative's Disbursement Response within the Review Period, in which case the Shareholder Representative shall be deemed to have approved the disbursement of the entire Requested

Disbursement Amount, or (2) receives, during the Review Period, the Shareholder Representative's Disbursement Response approving disbursement of the entire Requested Disbursement Amount.

(ii) With respect to a Disbursement Request subject to a Disbursement Response delivered during the Review Period that identifies a Disapproved Disbursement Amount, an amount equal to the difference between the Requested Disbursement Amount and the Disapproved Disbursement Amount described in a Shareholder Representative's Disbursement Response received by the Acquired Entity PRP during the Review Period. The Acquired Entity PRP shall be entitled to include in any subsequent Disbursement Request a request for disbursement of Escrow Funds for any unpaid disapproved amount from a previous Disbursement Request.

(iii) With respect to any Disapproved Disbursement Amount for which the Acquired Entity has submitted a Resubmitted Disbursement Request:

(A) The entire Requested Disbursement Amount set forth in the Resubmitted Disbursement Request if the Acquired Entity PRP (1) does not receive the Shareholder Representative's Disbursement Response within the Resubmission Review Period, in which case the Shareholder Representative shall be deemed to have approved the disbursement of the Requested Disbursement Amount, or (2) receives, during the Review Period, the Shareholder Representative's Disbursement Response approving disbursement of the entire Requested Disbursement Amount.

(B) With respect to a Resubmitted Disbursement Request subject to a timely Disbursement Response delivered within the Resubmission Review Period that identifies a Disapproved Disbursement Amount, an amount equal to the difference between the Requested Disbursement Amount and the Disapproved Disbursement Amount described in a Shareholder Representative's Disbursement Response to the Resubmitted Disbursement Request.

(iv) In the event that the Acquired Entity PRP and the Shareholder Representative subsequently agree to, or a court of competent jurisdiction by a final unappealed order determines, the amount due and owing the Acquired Entity PRP, the amount so agreed to or determined that has not otherwise been disbursed pursuant to this Section 9.4(c).

(d) The Shareholder Representative may submit a Final Disbursement Request to the Parent, for review and approval by the Parent, if the Final Disbursement Conditions (as defined below) have been satisfied. The Final Disbursement Request shall include documentation evidencing a Final Resolution of all Remedial Action Liabilities at all Identified CERCLA Sites and (ii) the payment of all amounts due and owing to the Parent and Acquired Entity PRPs for Eligible Uses incurred to achieve such Final Resolution as to all Identified CERCLA Sites pursuant to the terms of Section 9.3 (the "Final Disbursement Conditions"). The Parent shall have the right to disapprove a Final Disbursement Request only on the basis that the Final Disbursement Conditions have not been satisfied, in which case the Parent's notice to Shareholder Representative disapproving the Final Disbursement Request shall specifically describe and provide supporting documentation for any claim that the Final Disbursement Conditions have not been satisfied. Upon the approval by the Parent of a Final Disbursement Request, or in the event of a

dispute, a final unappealed order issued by a court of competent jurisdiction determining that the Final Disbursement Conditions have been satisfied, the Parent and Shareholder Representative, through their respective Authorized Representatives, shall execute and deliver to the Escrow Agent a Joint Release Notice directing the Escrow Agent to make a final disbursement of any remaining Environmental Escrow Funds to the Shareholder Representative to be shared among Shareholders in accordance with the Allocation Statement.

(e) If not otherwise resolved between the Shareholder Representative and the relevant Acquired Entity PRP or Parent pursuant to the provisions of this Section 9.4, any dispute between the parties concerning a Disbursement Request, a Disbursement Response, or the Final Disbursement Conditions shall be resolved by a court of competent jurisdiction as provided in Section 9.10 of this Agreement.

9.5 Assignment. This Agreement and the rights hereunder will not be assignable or transferable by any Party hereto except as expressly contemplated herein without the prior written consent of the other Parties hereto except Parent may transfer or assign its rights, interests or obligations under this Agreement, in whole or in part, (i) to one or more of its Affiliates or (ii) following the Closing, to any Person; *provided* that no such transfer or assignment shall relieve Parent of its obligations hereunder or enlarge, alter or change any obligation of any other party hereto or due to the Shareholders. Notwithstanding the above, this Agreement will inure to the benefit of, and be binding upon and enforceable against, the respective successors and permitted assigns of the Parties.

9.6 No Third-Party Beneficiaries. Except for the provisions of Section 5.3, Section 5.14, Section 8.2, Section 8.3 and Section 9.2, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and nothing herein expressed or implied will give or be construed to give to any Person (including Employees), other than the Parties and such respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

9.7 Expenses. Except as otherwise provided herein, the Company, the Shareholder Representative, Parent and Merger Subs will each be liable for their own respective costs and expenses incurred in connection with the negotiation, preparation, execution or performance of this Agreement, whether or not the Closing will have occurred. Parent will be responsible for all of its costs and expenses incurred in connection with obtaining STB Approval (including all filing fees relating thereto).

9.8 Amendment and Modification. This Agreement may not be amended except by an instrument or instruments in writing signed and delivered on behalf of each of the Parties hereto. Any Party may, only by an instrument in writing, waive compliance by any other Party to this Agreement with any term or provision of this Agreement on the part of such other Party to be performed or complied with.

9.9 Notices. All notices and other communications hereunder will be in writing and will be deemed given (a) on the date of delivery if delivered personally, (b) on the date of transmission if sent via email or facsimile transmission to the email address or facsimile number given below, with confirmation of delivery, (c) on the Business Day after delivery to a reputable nationally recognized overnight courier service or (d) upon receipt after being mailed by registered or certified mail (return receipt requested) to the Parties at the following addresses:

(i) If to Parent or the Company after Closing, to:

CSX Corporation
500 Water Street
Jacksonville, FL 32202
Attention: [redacted]
Fax: [redacted]
E-mail: [redacted]

With required copies to (which will not constitute notice):

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017
Attention: [redacted]
Fax: [redacted]
E-mail: [redacted]

(ii) If to the Company prior to Closing, to:

Pan Am Systems, Inc.
c/o Pan Am Railways, Inc.
1700 Iron Horse Park
North Billerica, MA 01862
Attn. [redacted]
Fax: [redacted]
Phone: [redacted]

With a required copy (which will not constitute notice) to:

K&L Gates LLP
1601 K Street, NW
Washington, DC 20006
Attention: [redacted]
E-mail: [redacted]
Facsimile: [redacted]

K&L Gates LLP
1601 K Street, NW
Washington, DC 20006
Attention: [redacted]
E-mail: [redacted]
Facsimile: [redacted]

(iii) If to Shareholder Representative:

Pan Am Systems, Inc.
c/o Pan Am Railways, Inc.
1700 Iron Horse Park
North Billerica, MA 01862
Attn. [redacted]

Fax: [redacted]
Phone: [redacted]

With a required copy (which will not constitute notice) to:

K&L Gates LLP
1601 K Street, NW
Washington, DC 20006
Attention: [redacted]
E-mail: [redacted]
Facsimile: [redacted]

K&L Gates LLP
1601 K Street, NW
Washington, DC 20006
Attention: [redacted]
E-mail: [redacted]
Facsimile: [redacted]

Such addresses may be changed from time to time by means of a notice given in the manner provided in this Section 9.9 (*provided* that no such notice will be effective until it is received by the other Party hereto).

9.10 Governing Law.

(a) This Agreement will be governed by, and construed in accordance with, the Laws of the State of Delaware applicable to contracts executed in and to be performed in that state. Except for disputes to be resolved under Section 2.8, all Actions arising out of or relating to this Agreement will be heard and determined exclusively in a Delaware Chancery Court; *provided*, however, that if such court does not have jurisdiction over such Action, such Action will be heard and determined exclusively in any federal court located in the State of Delaware or other Delaware state court. Consistent with the preceding sentence, the Parties hereto hereby (i) submit to the exclusive jurisdiction of the Delaware Chancery Court or federal courts sitting in Delaware or other Delaware State Court for the purpose of any Action arising out of or relating to this Agreement brought by any Party and (ii) irrevocably and unconditionally waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the Contemplated Transactions may not be enforced in or by any of the above-named courts.

(b) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE CONTEMPLATED TRANSACTIONS. EACH PARTY CERTIFIES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH ABOVE IN THIS SECTION 9.10.

9.11 Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance will be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability will not affect the legality, validity or enforceability of any other provision hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, (a) a suitable and equitable provision will be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances will not be affected by such invalidity or unenforceability, nor will such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

9.12 Waiver. Waiver of any term or condition of this Agreement by any Party will be effective if in writing and will not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement. No failure or delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or

partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

9.13 Counterparts; Facsimile. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when one or more such counterparts have been signed by each Party and delivered to the other Parties. Signatures of the Parties transmitted by facsimile or other electronic communication means will be binding and effective for all purposes.

9.14 Entire Agreement. This Agreement, including the Disclosure Schedules, Exhibits, Ancillary Documents hereto and the Confidentiality Agreement contain the entire agreement and understanding between the Parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous agreements, negotiations, correspondence, undertakings and understandings, oral or written, relating to such subject matter.

9.15 Interpretation. All references to immediately available funds or dollar amounts contained in this Agreement will mean United States dollars. The table of contents and headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. The words "include," "includes" and "including" when used in this Agreement will be deemed to be followed by the phrase "without limitation." Unless the context otherwise requires, references in this Agreement to Articles, Sections, Exhibits and Disclosure Schedules will be deemed references to Articles and Sections of, and Exhibits and Disclosure Schedules to, this Agreement. Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement. The Parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Nothing in this Agreement will be construed to require any Party hereto to violate any Law.

9.16 Enforcement in Equity and at Law. The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, except as otherwise expressly provided herein, the Parties will be entitled to seek injunctive relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at Law or in equity, in each case without the need to post a bond or provide other security.

9.17 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

[SIGNATURE PAGES TO FOLLOW]

DocuSign Envelope ID: B1FB07B8-DC63-4EAE-820B-1718054B43D3

IN WITNESS WHEREOF, the Parties have caused this Agreement and Plan of Merger to be duly executed as of the date first written above.

CSX CORPORATION

BY: [redacted]

NAME: [redacted]

TITLE: [redacted]

747 MERGER SUB 1, INC.

BY: [redacted]

NAME: [redacted]

TITLE: [redacted]

747 MERGER SUB 2, INC.

BY: [redacted]

NAME: [redacted]

TITLE: [redacted]

Solely with respect to Section 5.19

Pan American World Airways, Inc.

BY: [redacted]

NAME [redacted]

TITLE: [redacted]

COMPANY

Pan Am Systems, Inc.

BY: [redacted]

NAME: [redacted]

TITLE: [redacted]

SHAREHOLDER REPRESENTATIVE



BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 3

Court Order

Court Order

Not applicable

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 4

Environmental Matters

Environmental Matters

Pursuant to 49 C.F.R. § 1105.6(b)(4), Environmental Assessments will normally be prepared in actions involving a merger or the acquisition of control when the proposed transaction will result in operational changes that would exceed the thresholds set out in 49 C.F.R. §§ 1105.7(e)(4) or (5). An Environmental Assessment is not required here because those thresholds will not be exceeded. As explained in the Application in response to 49 C.F.R. § 1180.6(a)(8), the Proposed Transaction will not result in any new operations exceeding any of the environmental or historic limits in 49 C.F.R. §§ 1105.7(e)(4 and 5) and 49 C.F.R. §§ 1105.8(b)(1 or 2). Therefore, environmental documentation is not required for this Application.

Applicants are consulting with the Board's Office of Environmental Analysis ("OEA") regarding the Proposed Transaction and the Related Transactions. In a letter to OEA dated April 7, 2021, attached hereto as Exhibit 4-A and incorporated herein by reference, CSXT provided segment-specific traffic information for the rail lines that are covered by the Proposed Transaction and the Related Transactions, along with additional support for the lack of a need for the Board to prepare environmental documentation in connection with the Application.

As a preliminary matter, the Operating Plan set out in Exhibit 13 demonstrates that the Proposed Transaction and Related Transactions are not expected to result in any significant changes in rail operations, other than a small impact on traffic flows on two routes running generally west-to-east, each shown on the map in Attachment 2 to Exhibit 4-A: (1) the "Northern Route" on PAS between Rotterdam Junction, NY and Ayer, MA, and (2) the "Southern Route" between Voorheesville, NY and Ayer, MA. As discussed further below, neither the Southern

Route nor the Northern Route runs through a class I or a nonattainment area under the Clean Air Act. The traffic changes will result from two provisions of the NSR Settlement Agreement.

First, section IX of the NSR Settlement Agreement provides that CSXT will interchange certain carload traffic moving to/from Ayer shippers at Rotterdam, NY to run over the Northern Route for a transitional period. This traffic currently moves on the Southern Route through Worcester, MA. CSXT expects that the carloads that are diverted from the Southern Route to the Northern Route will be handled in existing PAS trains, so the traffic diversions will not cause any increase in train counts on the Northern Route, but they will result in a decrease in carload traffic moving over the Southern Route, including over the line segment that traverses the Wachusett Reservoir. Those changes are reflected in Attachments 2 and 3 to Exhibit 4-A.

Second, section IV of the NSR Settlement Agreement provides that NSR will obtain trackage rights for one intermodal/automotive train pair per day (one train in each direction) over the Southern Route between the Voorheesville, NY, area and Ayer. These trackage rights over the Southern Route will allow NSR to move double-stack intermodal trains into Ayer, which NSR cannot do today on the Northern Route. The diversion from the Northern Route to the Southern Route will have no adverse impact on the environment, and the ability to avoid the disassembly operation and related activity in a yard will be beneficial to the environment. Use of the Southern Route by NSR instead of an interchange to PAS over the Northern Route will have the following impacts on traffic volumes, as reflected fully in Attachment 3 to Exhibit 4-A:

1. There will be an increase of one intermodal/automotive train pair per day to and from Ayer over the Southern Route, and a decrease of one train pair per day, to and from Ayer on the Northern Route.

2. The gross ton-miles per year on the Northern Route will be reduced by the diversion of the pair of NSR intermodal/automotive trains to the Southern Route. However, that reduction will be offset to some extent by an increase in gross ton miles per year on the Northern Route resulting from CSXT's diversion of traffic from the Southern Route to the Northern Route, as discussed above. The result is a net decrease in gross ton-miles per year on the portion of the Northern Route through Mechanicville (the point of interchange with NSR). Attachments 2 and 3 to Exhibit 4-A show the reduction in gross ton-miles by segment on the Northern Route. Annual gross ton-miles on the remaining segment of the Northern Route between Mechanicville and Rotterdam will increase by 24% as a result of CSXT's diversion of traffic from the Southern Route to the Northern Route, as discussed above.

3. The diversion of the NSR intermodal/automotive train pair to the Southern Route will increase trains on that line by one NSR train pair per day, or one train in each direction. CSXT will not increase the number of trains it operates over the Southern Route. The addition of a single train pair is well below the STB's threshold set out in 49 C.F.R. § 1105.7(e)(5).

4. The gross ton-miles per year on the Southern Route will be increased by the diversion of the NSR intermodal/automotive train pair from the Northern Route. However, that increase in gross ton-miles will be offset to some extent by the reduction of gross ton-miles per year from the CSXT traffic that will be diverted from the Southern Route to the Northern Route, as discussed above. The net effect will be an increase in gross ton-miles per year on the Southern Route as shown in Attachments 2 and 3 to Exhibit 4-A. The net increases are well below the STB's thresholds in 49 C.F.R. § 1105.7(e)(5).

5. On the Southern Route line segment between Worcester, MA and Ayer, there will be an increase of one train pair per day, as the pair of NSR intermodal/automotive trains will now traverse this line segment. However, this increase of a pair of trains is well below the STB's thresholds in 49 C.F.R. § 1105.7(e)(5).

6. The gross ton-miles per year on the Worcester-to-Ayer segment of the Southern Route will increase 67% on a net basis as a result of the addition of the pair of NSR intermodal/automotive trains and the reduction of carloads that CSXT moves today on that line segment that will be moved post-transaction on the Northern Route. The net increase in gross ton-

> miles of 67% on the Worcester-to-Ayer segment is well below the thresholds set out in 49 C.F.R. § 1105.7(e)(5).

In all other respects, the Proposed Transaction and Related Transactions will be environmentally neutral since its objective is to improve rail service that currently exists and expand market opportunities that will result from more reliable and consistent operations. Over time, Applicants expect rail traffic to increase as rail users in New England identify new market opportunities and convert existing truck movements to rail. The degree to which rail traffic will increase cannot be estimated at this time, as it is expected to result more from organic growth. However, the likely increase in rail traffic will have positive environmental consequences as freight is moved from trucks to rail, with reductions in fuel consumption, air emissions and highway congestion. Moreover, with improved rail operations, the existing rail network in New England will become more fluid, resulting in fewer idling locomotives, less delay at interchange locations, and fewer power swaps with connecting carriers. All these developments will have substantial benefits for the environment.

As discussed in further detail in Exhibit 4-A, the existing PAR System line between Worcester, MA and Ayer, MA runs for short segments along or over the Wachusett Reservoir. Local communities have expressed concern regarding that rail line over the years, and have had prior discussions with representatives of the PAR Railroads regarding ways to strengthen or improve the line. CSXT understands that such upgrades have not been made thus far due to a lack of private or public funding. The Proposed Transaction will have little impact on rail movements on the line, as detailed further in Exhibit 4-A. CSXT is actively engaged in discussions with representatives from local communities to explore ways to strengthen the rail

infrastructure in the area, and CSXT has identified concrete steps that can be taken, at CSXT's expense, to upgrade that line segment. As an initial step, CSXT plans to upgrade approximately 7.6 miles of track adjacent to the Wachusett Reservoir to FRA Class 3 track standards. Unlike the PAR Railroads, CSXT has the financial ability to reasonably address these stakeholder concerns, and CSXT is confident that it can resolve these issues.

As to energy resources, the Board's regulations, 49 C.F.R. § 1105.7(e)(4) Energy, do not identify specific thresholds but instead ask for the following information:

(i) Describe the effect of the proposed action on transportation of energy resources.

There is not expected to be any change in operations on the existing CSXT network with respect to the handling of energy resources.

On the existing PAR System, CSXT intends to implement its first-in-class rail operations, resulting in increasingly consistent and reliable service. CSXT's trip-plan system, which focuses on individual cars rather than trains, will improve transit times and reliability. Changes in traditional switching and yard management practices will be made to achieve ambitious schedules, reduce the variability in rail operations and increase reliability. All these changes will benefit shippers of energy resources as well as other New England rail users. Accordingly, the Proposed Transaction will improve the transportation of energy resources over the rail lines to be acquired. With respect to PAS operations, B&E will replace Springfield Terminal as PAS operator without substantially changing the operations that currently exist. The other changes to traffic flows identified above will not affect the transportation of energy resources.

(ii) Describe the effect of the proposed action on recyclable commodities.

The effect of the Proposed Transaction and Related Transactions on recyclable commodities will be the same as the effect on energy resources described above.

(iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why.

CSXT expects the Proposed Transaction and Related Transactions to result in an increase in overall energy efficiency on the PAR System as a result of the improvements in operations and efficiencies achieved through expansion of single-line service. Other than the two changes to traffic flows described above, CSXT does not expect the Proposed Transaction and Related Transactions to otherwise have any effect on the current CSXT system. As described in the Operating Plan, CSXT's operations require a plan for the efficient movement of individual cars. This reduces inefficient movement of cars and more efficient use of locomotives, with corresponding reductions in fuel use. With respect to PAS operations, B&E will replace Springfield Terminal as PAS contract operator without substantially changing the operations that currently exist. The two changes to traffic flows identified above will not affect overall energy efficiency, because they merely shift small amounts of existing traffic between two routes.

(iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) An average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

CSXT does not expect the Proposed Transaction or Related Transactions to result in the diversion of any rail traffic to motor carriage. Indeed, CSXT expects the opposite to occur. CSXT expects that its best-in-class service model once implemented on the PAR System will

allow it to divert traffic from trucks to rail. The efficiency and reliability of our rail service will allow more traffic to move from trucks to rail.

The thresholds established in 49 C.F.R. § 1105.7(e)(5) Air, are set forth below with the effects of the Proposed Transaction and Related Transactions described following the italicized criteria.

> *(i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) An increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. 10901 (or 10502) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in subsection (5)(i)(A) will apply.*

As described above and established further in Exhibit 4-A, the Proposed Transaction and Related Transactions will not result in an increase in rail traffic of 100 percent (measured in gross ton miles annually) or at least eight trains per day on CSXT or on any segment of rail line affected by the Proposed Transaction or Related Transactions. Nor will there be an increase in rail yard activity of at least 100 percent (measured by carload activity). There will be no increase in truck traffic. CSXT expects that over time the volume of truck traffic will decline. CSXT does not plan to construct a new line or reinstitute service over a previously abandoned line. As established further in Exhibit 4-A, the rehabilitation and upgrade project associated with an existing connection between an NSR line and a CXT line in the area of Voorheesville, NY will not require construction authority from the STB.

(ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) An increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line, (B) An increase in rail yard activity of at least 20 percent (measured by carload activity), or (C) An average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. 10901 (or 49 U.S.C. 10502), or a case involving the reinstitution of service over a previously abandoned line, only the three train a day threshold in this item shall apply.

The following counties in (1) Connecticut: Fairfield, Hartford, Litchfield, Middlesex, New Haven, New London, Tolland, and Windham and (2) Massachusetts: Dukes are class I or nonattainment areas under the Clean Air Act.

As described above and established further in Exhibit 4-A, the Proposed Transaction and Related Transactions will not result in an increase in rail traffic of 50 percent (measured in gross ton miles annually) or at least three trains per day on CSXT or on any segment of rail line affected by the Proposed Transaction or Related Transactions in any of the counties that are class I or nonattainment areas under the Clean Air Act. The only segment of rail line that will see an increase in rail traffic of greater than 50 percent (Worcester-Ayer), is not located in a class I or nonattainment area. Nor will there be an increase in rail yard activity of at least 20 percent (measured by carload activity). There will be no increase in truck traffic. CSXT expects the volume of truck traffic to decline. CSXT does not plan to construct a new line or reinstitute service over a previously abandoned line.

(iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency

plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

The PAR Railroads and PAS do not transport ozone depleting materials.

REDACTED – TO BE PLACED ON PUBLIC FILE

EXHIBIT 4-A

Peter W. Denton
202 429 6445
pdenton@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
202 429 3000 main
www.steptoe.com

Steptoe

April 7, 2021

VIA ELECTRONIC MAIL

Danielle Gosselin
Acting Director, Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: **STB Docket No. FD 36472, CSX Corporation and CSX Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company**

Dear Ms. Gosselin:

I am writing to provide you with certain information regarding the Transaction that is the subject of a Notice filed by CSX and Pan Am Systems, Inc. on February 25, 2021 in Docket No. FD 36472.[1] Specifically, we are providing information regarding three issues:

(1) segment-specific traffic information for the rail lines that are covered by the Transaction that is the subject of the February 25, 2021 Notice;
(2) information relating to the rail line that runs along the Wachusett Reservoir between Worcester, MA, and Ayer, MA; and
(3) information relating to the re-establishment of a connection between the rail lines of NSR and CSXT near Voorheesville, NY, that is related to requests by NSR for trackage rights authority on CSXT lines that were filed in sub-dockets to Docket No. FD 36472.

[1] Unless otherwise defined in this letter, the acronyms and defined terms used in this letter are the same as those used in the February 25, 2021 Notice and Applicants' Response to Initial comments, filed on March 18, 2021. The February 25, 2021 Notice was originally filed as an Application for a "minor" transaction. In a decision served on March 25, 2021, the STB treated the Application as a Notice for a "significant" transaction. Applicants intend to file an Application for approval of the transactions described in the Notice on April 26, 2021.

Steptoe

Segment-Specific Traffic Information

As explained in the Notice, the Transaction covers the rail lines currently owned by the PAR Railroads and the rail lines owned by Pan Am Southern LLC ("PAS"). Attached to this letter at Attachment 1 is a map showing the 2019 gross tons by segment on the lines of the PAR Railroad and PAS. As explained in the Notice, the Transaction is not expected to result in any change in traffic levels, train counts, traffic volumes or traffic routing on the lines of the PAR Railroads and PAS to the east of Ayer, MA. Accordingly, we have not made further calculations of traffic data on those lines to the east of Ayer.

The Notice also explained that in connection with CSX's acquisition of a 50% interest in PAS, CSXT has entered into a Settlement Agreement with NSR, the other 50% owner of PAS. The NSR Settlement Agreement was included in the Notice as an attachment to the Verified Statement of CSXT's Mr. Sean Pelkey. The NSR Settlement Agreement will have a small impact on traffic flows on two routes running generally west-to-east, each shown on the map in Attachment 2: (1) the "Northern Route" on PAS between Rotterdam Junction, NY and Ayer, MA, and (2) the "Southern Route" between Voorheesville, NY and Ayer, MA. Attachment 2 reflects the expected traffic changes for the Northern and Southern Routes, which are also set out in the chart contained in Attachment 3 to this letter. As explained below, those changes in traffic are well below the thresholds set out in the STB's regulations for identifying transactions that require the preparation of an Environmental Assessment under 49 C.F.R. § 1105.6(b)(4).[2]

The traffic changes will result from two provisions of the NSR Settlement Agreement. First, section IX of the NSR Settlement Agreement provides that CSXT will interchange certain carload traffic moving to/from Ayer shippers at Rotterdam, NY to run over the Northern Route for a transitional period. This traffic currently moves on the Southern Route through Worcester, MA. CSXT expects that the carloads that are diverted from the Southern Route to the Northern Route will be handled in existing PAS trains, so the traffic diversions will not cause any increase in train counts on the Northern Route, but they will result in a decrease in carload traffic moving over the Southern Route, including over the line segment that traverses the Wachusett Reservoir. Those changes are reflected in Attachments 2 and 3.

Second, section IV of the NSR Settlement Agreement provides that NSR will obtain trackage rights for one intermodal/automotive train pair per day (one train in each direction) over the Southern Route between the Voorheesville, NY, area and Ayer. These trackage rights over the Southern Route will allow NSR to move double-stack intermodal trains into Ayer, which NSR cannot do today on the Northern Route. Use of the Southern Route by NSR instead of an interchange to PAS over the Northern Route will have the following impacts on traffic volumes:

1. There will be an increase of one intermodal/automotive train pair per day to and from Ayer over the Southern Route, and a decrease of one train pair per day, to and from Ayer on the Northern Route.

[2] Neither the Northern Route nor the Southern Route runs through a class I or nonattainment area under the Clean Air Act.

2. The gross ton-miles per year on the Northern Route will be reduced by the diversion of the pair of NSR intermodal/automotive trains to the Southern Route. However, that reduction will be offset to some extent by an increase in gross ton miles per year on the Northern Route resulting from CSXT's diversion of traffic from the Southern Route to the Northern Route, as discussed above. The result is a net decrease in gross ton-miles per year on the portion of the Northern Route through Mechanicville (the point of interchange with NSR). Attachments 2 and 3 show the reduction in gross ton-miles by segment on the Northern Route. Annual gross ton-miles on the remaining segment of the Northern Route between Mechanicville and Rotterdam will increase by 24% as a result of CSXT's diversion of traffic from the Southern Route to the Northern Route, as discussed above.

3. The diversion of the NSR intermodal/automotive train pair to the Southern Route will increase trains on that line by one train pair per day, or one train in each direction. The addition of a single train pair is well below the STB's threshold set out in 49 C.F.R. § 1105.7(e)(5).

4. The gross ton-miles per year on the Southern Route will be increased by the diversion of the NSR intermodal/automotive train pair from the Northern Route. However, that increase in gross ton-miles will be offset to some extent by the reduction of gross ton-miles per year from the CSXT traffic that will be diverted from the Southern Route to the Northern Route, as discussed above. The net effect will be an increase in gross ton-miles per year on the Southern Route as shown in Attachments 2 and 3. The net increases are well below the STB's thresholds in 49 C.F.R. § 1105.7(e)(5).

5. On the Southern Route line segment between Worcester, MA and Ayer, there will be an increase of one train pair per day, as the pair of NSR intermodal/automotive trains will now traverse this line segment. However, this increase of a pair of trains is well below the STB's thresholds in 49 C.F.R. § 1105.7(e)(5).

6. The gross ton-miles per year will change on the Worcester-to-Ayer segment of the Southern Route as a result of the addition of the pair of NSR intermodal/automotive trains and the reduction of carloads that CSXT moves today on that line segment that will be moved post-transaction on the Northern Route. The net increase in gross ton-miles of 67% on the Worcester-to-Ayer segment is well below the thresholds set out in 49 C.F.R. § 1105.7(e)(5).

Steptoe

Wachusett Reservoir Line

As noted above, the line between Worcester and Ayer runs for short segments along or over the Wachusett Reservoir. Years prior to the announcement of the Transaction, the Massachusetts Department of Transportation ("MassDOT"), the Massachusetts Water Resources Authority ("MWRA"), and representatives of local communities in the area and state and local governments expressed concern over that rail line and have had discussions with representatives of the PAR Railroads over the years regarding ways to strengthen or improve the line. CSXT understands that changes to the rail infrastructure have yet to be made due to a lack of funding from the PAR Railroads or from public sources.

We appreciate that there are longstanding concerns about rail infrastructure and operations over the Reservoir. However, the Transaction will have only a de minimis impact on rail movements on the line, as seen in several ways: (1) only one intermodal/automotive train pair per day will be added to the line, well below the level of train traffic that triggers the need for environmental reporting; (2) the line currently handles only a single train, each direction, so the addition of one pair of intermodal/automotive trains per day can easily and safely be accommodated on the line; (3) the train pair to be added is an intermodal/automotive train, and such trains are substantially less prone to rail accidents than carload trains; (4) intermodal containers pose less risk to the Reservoir than carload traffic, and the carload traffic that is currently moving on the line will actually be reduced; (5) while the gross ton-miles per year on the line segment will increase, as described above, the percentage change is well below the STB's threshold set out in 49 C.F.R. § 1105.7(e)(5).

While the Transaction does not give rise to environmental reporting requirements, CSXT acknowledges that local communities have previously raised concerns about rail traffic in the vicinity of the Reservoir. Those concerns should be and will be addressed once CSXT acquires the PAR Railroads. One of CSXT's core tenets is to operate safely, in order to protect its employees, its customers' freight, and the communities in which CSXT operates. Accordingly, CSXT takes very seriously any stakeholder concerns about the potential impacts of rail operations. And unlike the PAR Railroads, CSXT has the financial wherewithal to reasonably address these stakeholder concerns.

CSXT has already reached out to representatives of MassDOT and MWRA to explore ways to strengthen the rail infrastructure in the area and to address their concerns over rail transportation on the line between Worcester and Ayer. CSXT has looked at prior proposals for infrastructure improvements and has identified concrete steps that can be taken, at CSXT's expense, to upgrade that line segment. CSXT has invited reactions to these ideas from MassDOT and MWRA and is confident that steps can be taken to address the concerns they have long held about the existence of the line.

Steptoe

Voorheesville Connection to CSXT

You also asked for information about construction of a connection between the lines of NSR and CSXT in the area of Voorheesville, NY, that will allow NSR to enter CSXT's line and take advantage of the Southern Route trackage rights described above. As noted previously, the NSR Settlement Agreement provides that NSR will obtain trackage rights over the Southern Route to run one pair of intermodal/automotive trains per day between Voorheesville and Ayer. NSR requested the required trackage rights authority in a Related Transaction that has been filed as a sub-docket to Finance Docket No. 36472. NSR included a copy of the draft trackage rights agreement with its request. Article 4.C of that agreement states that the connection with CSXT's tracks will be made in the vicinity of Voorheesville, NY. The draft agreement states:

> Prior to commencing operations over the Trackage Rights, NSR shall (i) prepare in good faith consultation with CSXT and provide to CSXT for approval, which shall not be unreasonably withheld, plans pursuant to the specifications in Attachment A to this Agreement, including the costs to construct a connection between the NSR track that runs between Delanson, NY and Schenectady, NY and the CSXT track that runs between Rotterdam Jct., NY and Voorheesville, NY, which shall be able to handle the Subject Traffic at speeds reasonably acceptable to CSXT (the "Improvements");

As noted in the excerpt above, the two lines at issue are the NSR line between Delanson, NY, and Schenectady, NY, and the CSXT line between Rotterdam Jct., NY, and Voorheesville, NY. Those two lines already exist, and they are shown on the map attached as Attachment 4 to this letter. As seen in the map, the two lines meet at Voorheesville, although today there is not an active connection. In addition, a connection between the two lines previously existed and the tracks used to make the connection remain in place, although the connecting track needs to be rehabilitated to support train movements. Authority to abandon the connecting track was not previously sought or granted by the STB or its predecessor. To reconnect the two lines and re-establish the connection, NSR will simply need to upgrade the existing NSR-owned track leading to the CSXT track in Voorheesville and rehabilitate the existing connecting tracks. CSXT will need to install a new turnout at the point of the connection.

This rehabilitation and upgrade project will not require construction authority from the STB, because there will be no extensions of or additions to a rail line that require prior STB approval under 49 U.S.C. § 10901. The project would not enable NSR to penetrate or invade any new markets using the Southern Route that are not now accessible to NSR via the Northern Route. *See Canadian National—Control—EJ&E West Co.*, FD 35087, Decision No. 9, slip op. at 2-3 (STB served Apr. 23, 2008). Moreover, the proposed construction involves the rehabilitation and upgrade of existing track and the re-establishment of a previous connection. No new or extended rail line is required.

We hope that this information is helpful. Please let us know if you have further questions.

Steptoe

Respectfully submitted,

/s/ Peter W. Denton

Anthony J. LaRocca
Peter W. Denton
Sally Mordi
Attorneys for CSX Corporation and CSX Transportation, Inc.

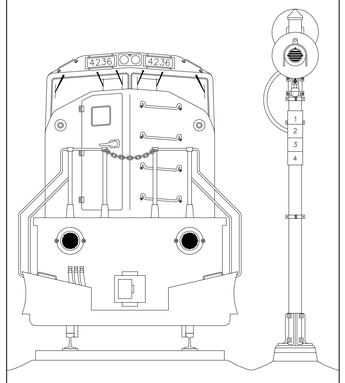
Enclosures

cc: Louis E. Gitomer

REDACTED – TO BE PLACED ON PUBLIC FILE

PAN AM RAILWAYS

SPRINGFIELD TERMINAL RAILWAY CO.
BOSTON & MAINE CORPORATION
MAINE CENTRAL RAILROAD CO.
PORTLAND TERMINAL COMPANY
PAN AM SOUTHERN



2019
ANNUAL FREIGHT DENSITY
(MILLION GROSS TONS)

ATTACHMENT 1

LEGEND:

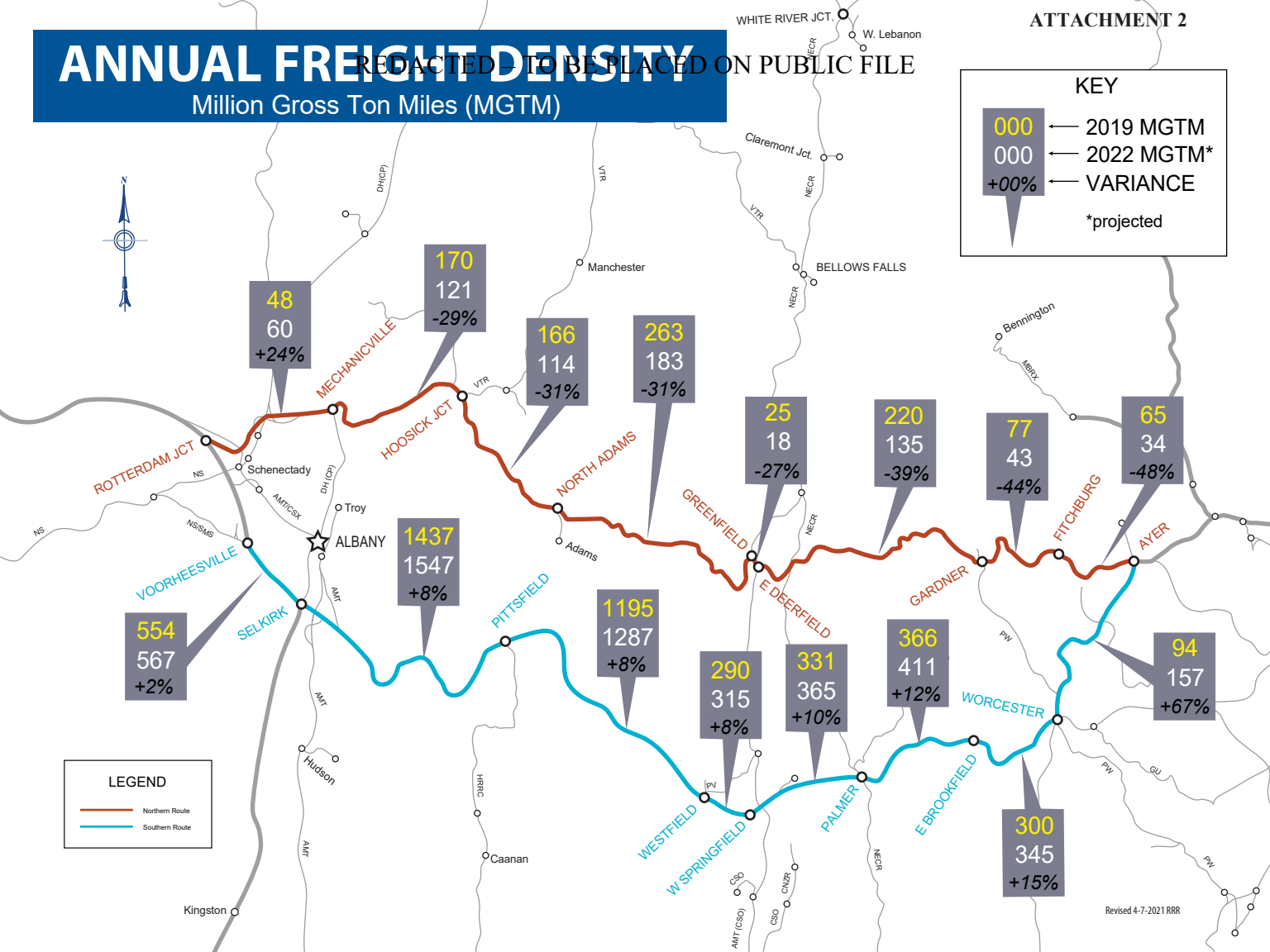
BCLR	BAY COLONY RAILROAD CORP.
BKRR	BATTENKILL RAILROAD
BML	BELFAST AND MOOSEHEAD LAKE RAILROAD
CARX	CANADIAN AND ATLANTIC RAILROAD
CCRR	CLAREMONT CONCORD RAILROAD CORP.
CLP	CLAREDON AND PITTSFORD RAILROAD
CMQ	CENTRAL MAINE & QUEBEC
CN	CANADIAN NATIONAL RAILWAYS
CP	CANADIAN PACIFIC RAIILWAYS
CSX	CSX TRANSPORTATION, INC.
DH	DELAWARE AND HUDSON RAILWAY CO.
DTRR	DANBURY TERMINAL RAILROAD
GMRC	GREEN MOUNTAIN RAILROAD CORP.
GU	GRAFTON & UPTON RAILROAD
HRRC	HOUSATONIC RAILROAD
LVRC	LAMOILLE VALLY RAILROAD CO.
MNCW	METRO NORTH COMMUTER RAILROAD CO.
NBS	NEW BRUNSWICK SOUTHERN
NECR	NEW ENGLAND CENTRAL RAILROAD
NEGS	NEW ENGLAND SOUTHERN RAILROAD CO. INC.
NHN	NEW HAMPSHIRE NORTHCOAST CORP.
NHVT	NEW HAMPSHIRE AND VERMONT RAILROAD CO.
PVRR	PIONEER VALLEY RAILROAD CO. INC.
PW	PROVIDENCE AND WORCESTER RAILROAD CO.
SLR	SAINT LAWRENCE AND ATLANTIC RAILROAD
TSRD	TWIN STATE RAILROAD CO.
VALE	THE VALLEY RAILROAD CO.
VTR	VERMONT RAILROAD INC.
WACR	WASHINGTON COUNTY RAILROAD

ATTACHMENT 2

ANNUAL FREIGHT DENSITY

Million Gross Ton Miles (MGTM)

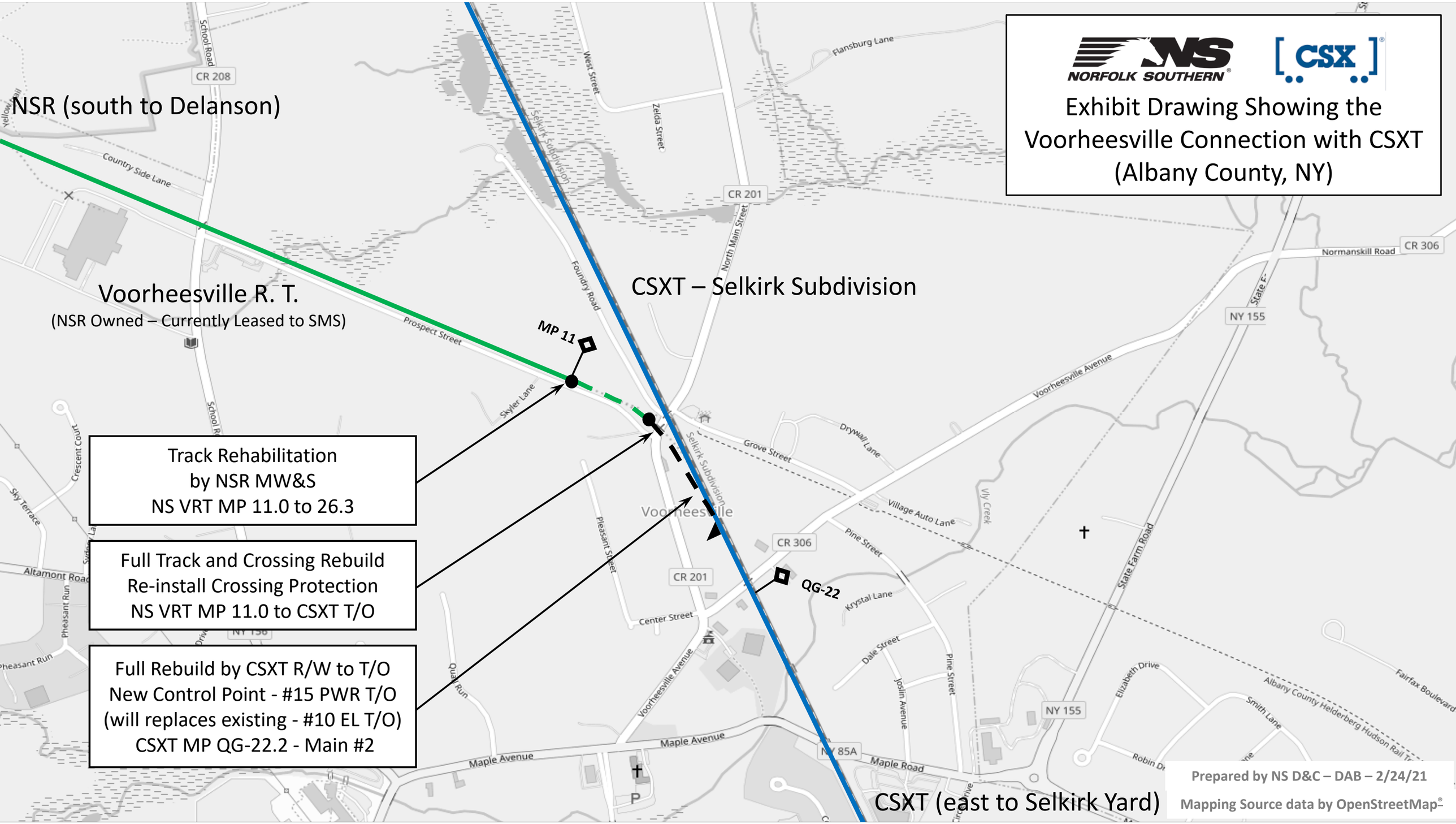
REDACTED – TO BE PLACED ON PUBLIC FILE



ATTACHMENT 3

Chart Reflecting Traffic Changes for the Northern and Southern Routes

	2019	**2022**	
Northern Route:	**Total MGTMs**	**Total MGTMs**	**Variance**
Rotterdam-Mechanicville	48	60	24%
Mechanicville-Hoosick Jct	170	121	-29%
Hoosick Jct-N. Adams	166	114	-31%
N. Adams-Greenfield	263	183	-31%
Greenfield-East Deerfield	25	18	-27%
East Deerfield-Gardner	220	135	-39%
Gardner-Fitchburg	77	43	-44%
Fitchburg-Ayer	65	34	-48%
	2019	**2022**	
Southern Route:	**Total MGTMs**	**Total MGTMs**	**Variance**
Voorheesville-Selkirk	554	567	2%
Selkirk-Pittsfield	1,437	1,547	8%
Pittsfield-Westfield	1,195	1,287	8%
Westfield-West Springfield	290	315	8%
West Springfield–Palmer	331	365	10%
Palmer-East Brookfield	366	411	12%
East Brookfield-Worcester	300	345	15%
Worcester-Ayer	94	157	67%


NSR (south to Delanson)
Voorheesville R. T.
(NSR Owned – Currently Leased to SMS)
CSXT – Selkirk Subdivision
CSXT (east to Selkirk Yard)
MP 11
QG-22
Track Rehabilitation
by NSR MW&S
NS VRT MP 11.0 to 26.3
Full Track and Crossing Rebuild
Re-install Crossing Protection
NS VRT MP 11.0 to CSXT T/O
Full Rebuild by CSXT R/W to T/O
New Control Point - #15 PWR T/O
(will replaces existing - #10 EL T/O)
CSXT MP QG-22.2 - Main #2
Exhibit Drawing Showing the
Voorheesville Connection with CSXT
(Albany County, NY)
Prepared by NS D&C – DAB – 2/24/21
Mapping Source data by OpenStreetMap®
CR 208
CR 201
CR 306
NY 155
NY 85A
Flansburg Lane
West Street
Zelda Street
Selkirk Subdivision
Foundry Road
North Main Street
Normanskill Road
Country Side Lane
Prospect Street
Skyler Lane
Grove Street
Drywall Lane
Village Auto Lane
Pine Street
Krystal Lane
Dale Street
Center Street
Maple Avenue
Maple Road
Voorheesville Avenue
Pleasant Street
Quay Run
Vly Creek
State Farm Road
Elizabeth Drive
Smith Lane
Fairfax Boulevard
Albany County Helderberg Hudson Rail Trail
Altamont Road
Pheasant Run
Sky Terrace
Crescent Court
School Road

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 8

Change in Control

Change in Control

CSXT RESPONSE:

CSXT filed Annual Report Form R-1 on March 31, 2021 for the year ending December 31, 2020. There has been no change in the information submitted in Form R-1 as of the April 26, 2021 date of this filing.

The principal officers of CSX Corporation are:

James M. Foote, President and Chief Executive Officer

Kevin S. Boone, Executive Vice President and Chief Financial Officer

Tammy D. Butler, Vice President – Internal Audit and Compliance

Nathan D. Goldman, Executive Vice President - Chief Legal Officer and Corporate Secretary

Sean R. Pelkey, Vice President – Finance & Treasury

Diana B. Sorfleet, Executive Vice President and Chief Administrative Officer

Mark K. Wallace, Executive Vice President and Chief Sales & Marketing Officer

Angela C. Williams, Vice President and Chief Accounting Officer

The principal officers of CSXT are:

James M. Foote, President and Chief Executive Officer

Kevin Boone, Executive Vice President and Chief Financial Officer

Jamie Boychuk, Executive Vice President of Operations

Nathan D. Goldman, Executive Vice President and Chief Legal Officer

Diana B. Sorfleet, Executive Vice President and Chief Administrative Officer

Mark K. Wallace, Executive Vice President of Sales and Marketing

The principal officers of the controlled railroad subsidiaries are:

Allegheny and Western Railway Company

Evan T. Bell, President

Sean R. Pelkey, Vice President and Treasurer

Mark D. Austin, Corporate Secretary

The Baltimore and Cumberland Valley Rail Road Extension Company

Evan T. Bell, President

Sean R. Pelkey, Vice President and Treasurer

Angela C. Williams, Vice President

Mark D. Austin, Corporate Secretary

The Baltimore and Ohio Chicago Terminal Railroad Company

William C. Albright, President

Sean R. Pelkey, Vice President and Treasurer

Mark D. Austin, Vice President - Corporate Secretary

Steven C. Armbrust, Assistant Corporate Secretary

The Carrollton Railroad

Sean R. Pelkey, Vice President and Treasurer

David A. Hoffman, Vice President

Steven C. Armbrust, Corporate Secretary

Dayton and Michigan Railroad Company

Evan T. Bell, President

Sean R. Pelkey, Vice President and Treasurer

Mark D. Austin, Corporate Secretary

The Indiana Rail Road Company

Peter K. Mills, Chief Executive Officer and President

Michael Engel, Senior Vice President and Chief Financial Officer, Treasurer

Robert Babcock, Senior Vice President Operations & Business Development

Larry F. Kaelin, Vice President Coal & Energy Marketing

Peter Ray, Vice President – Engineering

Shae LaDune, Corporate Secretary

The Lake Erie and Detroit River Railway Company

Maurice J. O'Connell, President

Sean R. Pelkey, Vice President and Treasurer

Kim Rice Bongiovanni, Vice President

Steven C. Armbrust, Corporate Secretary

Benoit M. Miserany, Assistant Corporate Secretary

North Charleston Terminal Company

Randall W. Hunt, President

Edward Boyle, Vice President

Anthony DiDeo, Vice President

Mark R. George, Vice President

Thomas L. McDuffie, Vice President and Controller

Christopher Nekirk, Vice President

Todd Reynolds, Vice President

Cindy M. Sanborn, Vice President

Vanessa A. Sutherland, Vice President

Richmond, Fredericksburg and Potomac Railway Company

William C. Albright, President

Sean R. Pelkey, Vice President and Treasurer

Steven C. Armbrust, Vice President

Mark D. Austin, Corporate Secretary

The Staten Island Railroad Corporation

Peter J. Shudtz, President

Sean R. Pelkey, Vice President and Treasurer

Steven C. Armbrust, Corporate Secretary

The Toledo Ore Railroad Company

Aleek S. Young, President

Sean R. Pelkey, Vice President and Treasurer

Mark D. Austin, Corporate Secretary

TransKentucky Transportation Railroad, Inc.

Kendall L. Gulley, President

Sean R. Pelkey, Vice President and Treasurer

Steven C. Armbrust, Corporate Secretary

SYSTEMS RESPONSE:

Systems and its subsidiary railroads do not submit annual report Form R-1 to the Board. There has been no change in ownership or control of Systems in the past year.

The principal officers of Systems are:

David Fink, President

Phil Kingman, Secretary

The principal officers of the non-carrier holding company Pan Am Railways, Inc. are:

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

The majority owned rail carrier subsidiaries and their officers are:

Boston & Maine Corporation

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Maine Central Railroad Company

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Portland Terminal Company

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Springfield Terminal Railway Company

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Northern Railroad

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Stony Brook Railroad Company

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Vermont & Massachusetts Railroad Company

David Fink, President

Eric Lawler, Treasurer

Robert Culliford, Secretary

Pan Am Southern LLC (50% owned by Boston & Maine and 50% owned by NSR)[1]

[1] The officer positions of Pan Am Southern LLC consist of a President and a Secretary, which alternate between the Boston & Maine member and the NSR member. The Boston & Maine member currently holds the position of

Owner of 10% or more of the equity of Systems

Timothy Mellon owns more than 10% of the equity in Systems.

President.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 10

Other Issues

Other Issues

The scope of the Board's review of this transaction is narrowly focused on competitive effects. As explained in detail in the Amended Application and the supporting verified statements of CSXT's witnesses, there will be no adverse impact on competition from the Proposed Transaction and the Related Transactions and, indeed, the Proposed Transaction and the Related Transactions will substantially enhance competition. Any potential competitive concern has been fully addressed through agreements entered and to be entered by CSXT with other railroads through trackage rights and haulage and through commitments that CSXT has made in the Amended Application, which it has requested be imposed by the Board on the transaction.

In addition, the projected significant improvement in railroad operations will result in strong public interest benefits through more efficient train movements, more reliable service and better information for shippers to manage their logistical needs. The rail network in New England will be stronger as the New England rail network is brought into CSXT's national rail network and the physical infrastructure is improved. PAS will become a stronger and more stable provider of rail service between upstate New York and New England.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 11

Corporate Chart

CORPORATE CHART

Corporate Chart for CSX Corporation and CSX Transportation, Inc.

A corporate chart indicating the relationships among applicants CSX Corporation ("CSXC"), a non-carrier, and CSX Transportation, Inc. ("CSXT"), a Class I railroad, all affiliates and subsidiaries of CSXC and CSXT, and any companies controlling CSXC and CSXT, directly, indirectly or through another entity, is attached hereto.[1]

The following entities identified on the chart are rail carriers:

Allegheny and Western Railway Company

The Baltimore and Cumberland Valley Rail Road Extension Company

The Baltimore and Ohio Chicago Terminal Railroad Company

The Carrollton Railroad

Dayton and Michigan Railroad Company

The Indiana Rail Road Company

The Lake Erie and Detroit River Railway Company

North Charleston Terminal Company

Richmond, Fredericksburg and Potomac Railway Company

The Staten Island Railroad Corporation

The Toledo Ore Railroad Company

TransKentucky Transportation Railroad, Inc.

Albany Port Railroad Corporation

Augusta and Sommerville Railroad Company

The Belt Railway Company of Chicago

[1] The indents on the chart reflect ownership (*i.e.,* a company indented on a line means it is owned by the company immediately above it).

Central Railroad Company of South Carolina

Central Transfer Railway & Storage Company

Chatham Terminal Company

Norfolk and Portsmouth Belt Line Railroad Company

P&L Transportation, Inc.

Terminal Railroad Association of St. Louis

Winston-Salem Southbound Railway Company

Woodstock & Blocton Railway Company

The other entities identified on the chart are not rail carriers.

No officer or director of applicants CSXC or CSXT is also an officer or director of another company that is part of a different corporate family that includes a rail carrier.

Corporate Chart for Pan Am Systems, Inc.

A corporate chart indicating the relationships among applicant Pan Am Systems, Inc. ("Systems"), a non-carrier, all affiliates and subsidiaries of Systems, and any companies controlling Systems, directly, indirectly or through another entity, is attached hereto.

The following entities identified on the chart are rail carriers:

Boston and Maine Corporation ("Boston & Maine")

Maine Central Railroad Company

Springfield Terminal Railway Company

Portland Terminal Company

Stony Brook Railroad Company

Northern Railroad

Vermont and Massachusetts Railroad Company

Pan Am Southern LLC ("PAS")

The other entities identified on the chart are not rail carriers.

PAS is jointly controlled by Boston & Maine and Norfolk Southern Railway Company ("NSR"). The following officers[2] or Management Committee members of PAS are also officers of various Systems railroads described in Exhibit 8 of this Application:

David Fink

Eric Lawler

Robert Culliford

[2] The officer positions of PAS consist of a President and a Secretary, which alternate between the Boston & Maine member and the NSR member. The Boston & Maine member currently holds the position of President.

CSX CORPORATION (NAICS-551112)

Subsidiaries and Affiliates (direct and indirect)

as of March 31, 2021

	NAICS*	Name of Subsidiary	Oracle Co. Number	State/Country of Incorporation	Principle Business	% of Ownership	Name of Subsidiary or Affiliate
		Group I - Transportation					
		Intermodal and Logistics					
1	532411	CSX Equipment Leasing, LLC	0013	Delaware	Holding Company	100.00	CSX
2	48849	CSX Intermodal Terminals, Inc.	6260	Delaware	Management of intermodal terminals	100.00	CSX
3		Memphis Intermodal Terminal, LLC		Delaware	Management of intermodal terminals	50.00	CSXIT
4	551112	Residual Enterprises Corporation ("Residual")	0010	Delaware	Holding Company	100.00	CSX
		Rail Transportation					
5	482111	CSX Transportation, Inc. ("CSXT")	1000	Virginia	Transportation	100.00	CSX
6		Albany Port Railroad Corporation	N/A	Delaware	Switching Center	50.00	CSXT
7	482111	Allegheny and Western Railway Company	1010	Pennsylvania	Transportation	51.30	CSXT
8	539312	Atlantic Land and Improvement Company, The ("AL&I")	1030	Virginia	Real Estate	100.00	CSXT
9	23311	Wesjax Development Company	N/A	Florida	Real Estate Development	9.92	AL&I
10	482111	Augusta and Summerville Railroad Company	1910	Georgia	Transportation	50.00	CSXT
11	482111	Baltimore and Cumberland Valley Railroad Extension Company	1060	Pennsylvania	Transportation	58.61	CSXT
12	482111	Baltimore and Ohio Chicago Terminal Railroad, LLC, The	1080	Illinois	Transportation	100.00	CSXT
13	48821	Beaver Street Tower Company	1915	Florida	Transportation	50.00	CSXT
14	48821	Belt Railway Company of Chicago	N/A	Illinois	Transportation	25.00	CSXT
15	482111	Carrollton Railroad, The ("CR")	1120	Kentucky	Transportation	100.00	CSXT
16	482111	TransKentucky Transportation Railroad, Inc.	1130	Kentucky	Transportation	100.00	CR
17	482111	Central Rail Road Company of South Carolina, The	N/A	South Carolina	Transportation	36.47	CSXT
18	48821	Central Transfer Railway and Storage Company	1920	Kentucky	Transportation	50.00	CSXT
19	48821	Chatham Terminal Company	N/A	Georgia	Transportation	50.00	CSXT
20	23311	CSX Realty Development, LLC ("CRD")	1200	Georgia	Real Estate	100.00	CSXT
21	23311	Tanyard Cove Associates, LLC	N/A	Maryland	Real Estate Development	50.00	CRD
22	53311	CSXT Intellectual Properties Corporation ("CSXTIP')	1420	Delaware	Intellectual Property	100.00	CSXT
23		PTC220, LLC	N/A	Delaware	Radio Licenses	14.29	CSXTIP
24		CSX Transportation International, Inc.	1761	Delaware	Sales agency	100.00	CSXT
25	551112	CSX Transportation Terminals, Inc. ("CTTI")	1762	Delaware	Holding Company	100.00	CSXT
26	482111	Dayton and Michigan Railroad Company	1330	Ohio	Transportation	85.47	CSXT
27	551112	DOCP Holdings, Inc. ("DOCP")	1740	Delaware	Holding Company	100.00	CSXT
28	551112	DOCP Acquisition LLC ("DOCP-LLC")	N/A	New York	Holding Company	9.10)	DOCP
						0.90)	CSXT
29	551112	Delaware Otsego Corporation ("DOC")	N/A	New York	Holding Company	100.00	DOCP-LLC
30	482111	New York, Susquehanna and Western Railway Company, The ("NYS")	N/A	New Jersey	Rail Trainsportation	100.00	DOC
31		Susquehanna Bulk Systems, Inc.	N/A	New Jersey		100.00	NYS
32		Central New York Railroad Corporation	N/A	New York	Transportation	100.00	DOC
33		Syracuse, Binghamton and New York Railroad Corporation	N/A	New York	Transportation	100.00	DOC
34		Susquehanna Properties, Inc.	N/A	New York	Real Estate Holding Co.	100.00	DOC
35		Cooperstown and Charlotte Valley Railway Corporation	N/A	New York	Transportation	100.00	DOC
36		Georgetown and High Line Railway Company, LLC	1790	Delaware	Real Estate Holding Co.	100.00	CSXT
37	23111	Holston Land Company, Incorporated	1390	Virginia	Real Estate	100.00	CSXT
38	482111	Lake Erie and Detroit River Railway Company, The	1430	Canada	Transportation	100.00	CSXT
39		Meteorcomm LLC	N/A	Delaware	Radio Design and Technology	25.00	CSXT
40	551112	Midland United Corporation ("MUC")	1480	Indiana	Railroad Holding Co.	100.00	CSXT
41	482111	Indiana Rail Road Company, The	N/A	Indiana	Rail Trainsportation	100.00	MUC
42	482111	Norfolk and Portsmouth Belt Line Railroad Company	N/A	Virginia	Transportation	42.86	CSXT
43	48821	North Charleston Terminal Company	1500	South Carolina	Transportation	66.67	CSXT
44	551112	P&L Transportation, Inc. ("P&L")	1750	Delaware	Holding Company	35.00	CSXT

CSX CORPORATION (NAICS-551112)

Subsidiaries and Affiliates (direct and indirect)

as of March 31, 2021

	NAICS*	Name of Subsidiary	Oracle Co. Number	State/Country of Incorporation	Principle Business	% of Ownership	Name of Subsidiary or Affiliate
45		Four Rivers Finance Co., Inc.	N/A	Delaware	Finance Company	100.00	P&L
46	482111	Paducah and Louisville Railway, Inc. ("PLR")	N/A	Indiana	Transportation	100.00	P&L
47		Paducah & Illinois Railroad Company	N/A	Kentucky	Transportation	33.33	PLR
48		Evansville Western Railway, Inc.	N/A	Delaware	Transportation	100.00	P&L
49		Appalachian and Ohio Railroad, Inc.	N/A	West Virginia	Transportation	100.00	P&L
		Midway Southern Railway, Inc.	N/A	Delaware	Management of Intermodal Terminal	100.00	P&L
50		WK Land Holdings, Inc. ("WKL")	N/A	Kentucky	Real Estate	100.00	P&L
51		Four Rivers Land Terminal East, LLC	N/A	Kentucky	Real Estate Development	90.00	WKL
52		Four Rivers Land Terminal, LLC	N/A	Kentucky	Real Estate Development	90.00	WKL
53		Railmarketplace.com Inc.	N/A	Delaware	Joint venture	20.00	CSXT
54	532411	Rail Wagons, Inc. ("R-W")	1540	Delaware	Equipment Financing	100.00	CSXT
55	532411	Fruit Growers Express Company ("FGE")	1550	Delaware	Railroad Equipment	100.00	R-W
56	482111	Fruit Growers Dispatch, Inc.	1553	Delaware	Transportation	100.00	FGE
57	23311	Real Estate and Improvement Company of Baltimore City, The	1560	Maryland	Real Estate	100.00	CSXT
58	482111	Richmond, Fredericksburg & Potomac Railway Company	1580	DE & VA	Transportation	100.00	CSXT
59	42186	Seaboard Coast Line Railway Supplies, Inc.	1600	Georgia	Stockpiling Materials	100.00	CSXT
60	531190	St. Lawrence & Adirondack Railway Company	1490	Canada	Rail Property Lessor	100.00	CSXT
61	482111	Staten Island Railroad Corporation, The ("SIRC")	1620	New York	Transportation	100.00	CSXT
62	23311	Staten Island - Arlington, Inc.	1630	Virginia	Real Estate	100.00	SIRC
63	482111	Terminal Railroad Association of St. Louis	N/A	Missouri	Transportation	14.29	CSXT
64	482111	Toledo Ore Railroad Company, The	1680	Virginia	Transportation	100.00	CSXT
65	532411	TTX Company	N/A	Delaware	Equipment Leasing	19.654	CSXT
66	482111	Winston-Salem Southbound Railway Company ("WSSB")	1970	North Carolina	Transportation	50.00	CSXT
67	482111	Woodstock & Blocton Railway Company	N/A	Alabama	Transportation	50.00	CSXT
						50.00	Helm General Corp.
		Distribution Services					
68	48821	Total Distribution Services, Inc. ("TDSI")	7100	Virginia	Transportation and Distribution Svcs	100.00	CSX
						10.00)	CSX Tech
69	48821	TRANSFLO Terminal Services, Inc.	5600	Delaware	Bulk Distribution Svcs	100.00	CSX
		Multimodal Services					
70	551112	CSX de Mexico, S.A. de C.A.	4810	Mexico	Holding Co.	90.00)	BusMan
						10.00)	WP Land
		Group II - Holding Companies					
71	551112	CSX Business Management, Inc. ("BusMan")	4800	Delaware	Holding Company	100.00	CSX
72	53311	CSX IP, LLC	7086	Delaware	Intellectual Property	100.00	BusMan
73	551112	OutSide Plant Reliant Engineering LLC ("OSPRE")	4840	Delaware	Plant Support	100.00	BusMan
74	551112	WP Land Holdings, Inc.("WP Land")	4830	Delaware	Holding Company	100.00	BusMan
75	551112	CWT Savannah Holdings, LLC ("CWT Holdings")	7200	Delaware	Holding Company	49.00	WP Land
76	541618	CWT Savannah Hotel, LLC	7201	Delaware	Real Estate Company	100.00	CWT Holdings
77	23311	CWT Savannah Club, LLC	7202	Delaware	Real Estate Company	100.00	CWT Holdings
78	551112	CSX Capital Trust I	N/A	Delaware	Holding Company	100.00	CSX
79	551112	CSX Rail Holding Corporation ("CSX Rail")	7080	Delaware	Holding Company	100.00	CSX
		Group III - Technology					
80	541513	CSX Technology, Inc. ("CSX Tech")	6400	Virginia	Computer Management Svcs	100.00	CSX
81	541511	Chessie Computer Services, Inc.	6420	Delaware	Computer Programs	100.00	CSX Tech
82	541511	Cybernetics & Services, LLC	6480	Virginia	Computer Programs	100.00	CSX Tech

CSX CORPORATION (NAICS-551112)

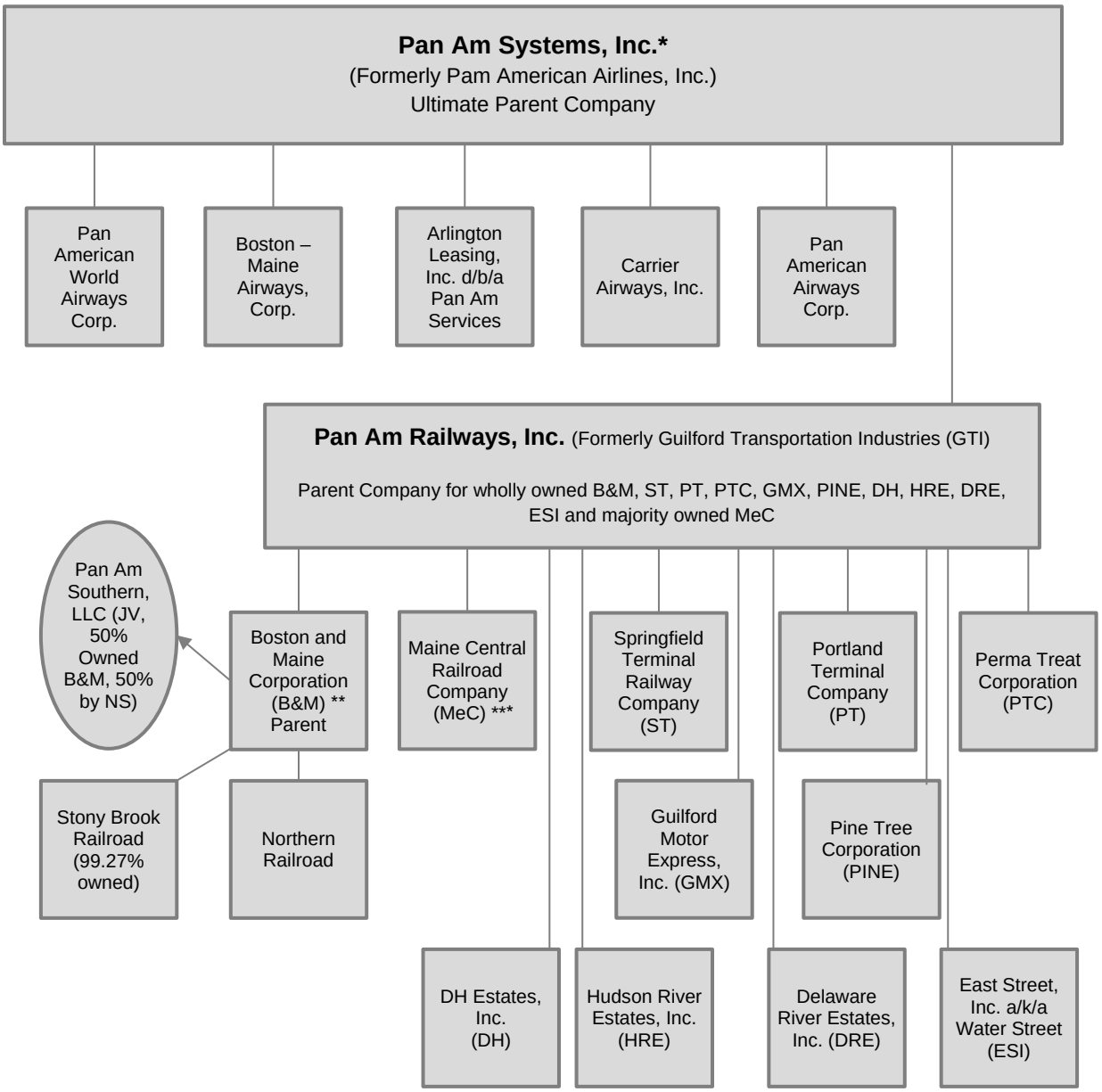
Subsidiaries and Affiliates (direct and indirect)

as of March 31, 2021

	NAICS*	Name of Subsidiary	Oracle Co. Number	State/Country of Incorporation	Principle Business	% of Ownership		Name of Subsidiary or Affiliate
83	541214	CSX Payroll Services, Inc. ("CSXPS")	5920	Delaware	Computer Programs	100.00		CSX Tech
84	541214	CSX Non Rail Payroll Services, Inc.	6020	Delaware	Payroll Services	100.00		CSXPS
85	541214	CSX Rail Payroll Services, Inc.	5940	Delaware	Payroll Services	100.00		CSXPS
		Group IV - Other						
86	524126	CSX Insurance Company ("Insurance")	5850	South Carolina	Insurance	100.00		CSX
		Group VI - Conrail Affiliates and Subsidiaries						
87	551112	CRR Holdings LLC ("CRR Holdings")	7090	Delaware	Holding Company	42.00	7	CSX Rail
88	551112	Green Acquisition Corp. ("Green")	7050	Pennsylvania	Holding Company	100.00		CRR Holdings
89	551112	Conrail Inc. ("Conrail")	N/A	Pennsylvania	Holding Company	100.00		Green
90	482111	Consolidated Rail Corporation ("CRR")	N/A	Pennsylvania	Rail Transportation	100.00		Conrail
91		CRR Investments, Inc.	N/A	Delaware	Cash Management	100.00		CRR
92		Indiana Harbor Belt Railroad Company	N/A	Indiana	Switching and terminal Company	51.00		CRR
93		Penn Central Communications Company	N/A	Connecticut	Radio License repository	100.00		CRR
		Group VII - PanAm Acquisition Subsidiaries						
94		747 Merger Sub 1, Inc.	N/A	Delaware	Holding Company	100.00		CSX
95		747 Merger Sub 2, Inc.	N/A	Delaware	Holding Company	100.00		CSX
		CSX Non-Profit Entities						
		CSX Foundation Inc.	7300	Florida	Non-Profit			
		CSX Employee Disaster Relief Fund, Inc.	7400	Florida	Non-Profit			
		Savannah Harbor, L.L.C.	N/A	Delaware	Non-Profit LLC - propery owner's ass'n	99.00		CRD
						1.00		Brampton
								Plantation

* NAICS - North American Industry Classification System

7 Voting & Managerial Interest: 50% CSX Corporation and 50% Norfolk Southern Corporation



* Unless otherwise noted, Pan Am Systems, Inc. owns directly or indirectly (through Pan Am Railways, Inc.) 100% of the issued and outstanding stock of its subsidiaries.
** Vermont and Massachusetts Railroad Company is majority-owned by Boston and Maine Corporation.
*** Pan Am Railways, Inc. owns 100% of Maine Central Railroad common stock, and over 80% of preferred stock.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 12

Market Analysis

MARKET ANALYSIS

This Exhibit 12 presents the market analysis of the Proposed Transaction prescribed by the Board's regulations at 49 C.F.R. § 1180.7. Applicants' market analysis is supported by the Amended Verified Statements of witnesses Mr. Sean Pelkey, Dr. David Reishus and Dr. William Huneke, (set forth in Exhibit 22 to this Amended Application), and the statements of supporting shippers (set forth in Exhibit 23 to this Amended Application). Those materials are incorporated by reference in this Exhibit 12.

The proposed transaction does not involve the merger or control of two or more Class I railroads. Accordingly, the Board's analysis in this proceeding is governed by 49 U.S.C. § 11324(d). Under Section 11324(d), the Board must approve the transaction unless it finds both that: (1) the transaction is likely to result in a 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 explained, under Section 11324(d), the Board "must grant the application unless there will be adverse competitive impacts that are both 'likely' and 'substantial.'" *The Indiana Rail Road Co.—Acquisition—Soo Line R.R. Co.*, FD 34783, slip op. at 4 (STB served April 11, 2006). Moreover, "even if there will be likely and substantial anticompetitive impacts, we may not disapprove the transaction unless the anticompetitive impacts outweigh the benefits and cannot be mitigated through conditions." *Fortress Investment Group, LLC—Control—Florida East Coast Ry. LLC*, FD 35031, slip op. at 4 (STB served Sept. 28, 2007). *See also Kansas City Southern—Control—The KCS Railway Co. et al.,* 7 S.T.B. 933, 947-948 (2004); *Canadian National, et al.—Control—Duluth, et al.* 7 S.T.B.

526, 538 (2004); *Canadian National, et al.—Control—Wisconsin Central Transp. Corp.*, *et al.*, 5 S.T.B. 890, 899 (2001).

As demonstrated below, the Proposed Transaction will not result in any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States. To the contrary, the Proposed Transaction will enhance competition in New England, improve the rail network and rail service, and will not have any adverse competitive effects whatsoever. Thus, under § 11324(d) and the Board's interpretation of the statute, approval of the Proposed Transaction is not only warranted, but required.

I. Description of the Relevant Markets

The Proposed Transaction involves the acquisition by CSX of the rail carriers that are owned by Pan Am Systems, Inc., referred to herein as the PAR Railroads, and the 50% interest in Pan Am Southern LLC ("PAS") that is owned by the Boston & Maine, a PAR Railroad.[1] All of the rail lines at issue are located in New England within the following states: New York, Vermont, Massachusetts, Connecticut, New Hampshire and Maine. The lines of the PAR Railroads, referred to herein as the "PAR System," are located in Eastern Massachusetts, New Hampshire and Maine. The lines of PAS extend east-west between upstate New York and a point just past Ayer, Massachusetts, to the west of Boston, referred to as the "Patriot Corridor," and is bisected at East Deerfield, Massachusetts by a north-south line running between Vermont and Connecticut, referred to as the "Connecticut River Line" or the "Conn River Line."

The lines of the PAR Railroads interconnect with PAS at two points in eastern Massachusetts in the vicinity of Ayer, MA. First, PAS interconnects with the PAR System at

[1] Unless otherwise defined in this Exhibit, the acronyms and defined terms used in this Exhibit are the same as those used in the Amended Application to which this Exhibit is attached.

Harvard, MA, just south of Ayer. A line of the PAR Railroads extends from Harvard south to Barbers Station. This line is separated from the remaining PAR System by a stretch of PAS extending between Harvard and a point just east of Ayer, CPF 312. The interconnection at CPF 312 is the second location where PAS interconnects with the PAR System. The PAS line segment between Harvard and CPF 312 which connects the eastern portion of the PAR System with the line segment between Harvard and Barbers Station is referred to as the "Island Line."

At the western end of the PAS Line, PAS interconnects with NSR at Mechanicville, NY. CP also has access to PAS at Mechanicville. PAS interconnects with CSXT at Rotterdam, NY, just west of Mechanicville. The PAS Patriot Corridor interconnects with various north-south New England railroads, in addition to the PAR System, that serve a small portion of New York, Vermont (with connections to Canada), Massachusetts, Connecticut, and Rhode Island. These connecting railroads include Vermont Railway ("VTR")[2] and the GWI-owned New England Central Railroad, Inc. ("NECR"), Connecticut Southern Railroad, Inc. ("CSO"), and Providence and Worcester Railroad Company ("P&W"). CN and CP traffic can also connect to PAS along the Patriot Corridor via the connections with the Vermont railroads.

In addition to the interconnections with PAS described above, the PAR system also interconnects with a number of other railroads. The PAR line between Harvard and Barbers Station described above connects with the P&W at Barbers Station. CSXT moves traffic onto the PAR System over the P&W line between Worcester, MA and Barbers Station. In addition, the principal line of the PAR System runs between eastern Massachusetts and Mattawamkeag, Maine toward the Canadian border. At this point it connects to the Irving-owned New Brunswick & Maine Railways ("NBM"),[3] a set of three connected short line railroads serving

[2] This Exhibit refers to the affiliated Vermont Rail System railroads as VTR.
[3] NBM Railways consists of New Brunswick Southern Railway ("NBSR"), Eastern Maine Railway ("EMRY")

northern Maine and running to St. John, New Brunswick. The PAR Railroads have haulage rights over the NBM, so the PAR System provides an economically independent service between the Canadian Province of New Brunswick and eastern Massachusetts that connects with the southern New England U.S. mainlines (CSXT and PAS). The PAR System also interconnects with CP (on the recently acquired CMQ line) at Brownsville Junction (via the NBM haulage) and physically at Northern Maine Junction. In addition, the PAR System connects with the GWI-owned St. Lawrence & Atlantic Railroad Company ("SLR") at Danville Junction, Maine. The SLR, in turn, connects with the GWI-owned St. Lawrence & Atlantic Railroad (Quebec) Inc. ("SLQ") in Quebec and with CN in Quebec.

CSXT is a large Class I railway with operations in 23 states across the eastern U.S., including New York, Massachusetts and Connecticut, and into Canada. CSXT's mainline into New England runs between Selkirk, New York and Springfield and Worcester in Massachusetts. As noted above, the CSXT mainline connects with the PAR System near Worcester with an interchange at Barbers Station. That traffic moves over the Island Line into New England on the remaining PAR Railroad lines. The CSXT mainline also continues east from Worcester serving freight shippers in the greater Boston and southeastern Massachusetts area over a variety of lines, many owned by the MBTA. CSXT previously had a direct, physical connection with the PAR System north of Boston, but that connection is not currently in place. As noted above, CSXT also interconnects with PAS at Rotterdam, NY.

In terms of traffic flows, the PAR System predominantly handles heavy carload freight originating or terminating in New England, moving over 50,000 carloads in 2019.[4] The PAR System handled a significantly smaller number of intermodal units in 2019, about 5,000. The

and Maine Northern Railway ("MNR").
[4] References to data are based on the Amended Verified Statement of Dr. Reishus.

PAR System serves shippers in a variety of industries, but given its location in northern New England, the largest commodity groups are: paper products (approx. 33% of PAR System carloads in 2019); sand, gravel, and similar bulk commodities (approx. 16%); and clay and concrete products (approx. 14%). The two largest interchanges between the PAR System and other rail carriers are at Ayer, with an interchange with PAS, and Barbers Station, with an interchange with CSXT. The PAR System originates or terminates the vast majority of the traffic handled on PAR Railroad lines.

As to PAS, most of the PAS traffic is handled on PAS's east-west Patriot Corridor. A significant amount of PAS traffic involves freight hauled on NSR's behalf. {{[redacted]}} PAS moved more than 37,000 non-haulage freight carloads in 2019. Setting aside traffic hauled on behalf of NSR, overhead traffic represents over a third of PAS traffic while 40 percent of PAS traffic is deliveries to PAS shippers.

II. The Proposed Transaction Will Not Have Any Adverse Impact on Competition

PAR System

When considered in tandem with the Related Transactions, CSXT's acquisition of the PAR Railroads is an "end-to-end" transaction, meaning that the primary economic effect is to connect continuous rail routes under common ownership. This will result in a Class I, single-line operation between the eastern U.S. network served by CSXT and northern Maine (with additional haulage to New Brunswick). As CSXT integrates the PAR System into the CSXT system, it will bring to bear the tools and resources of a Class I railroad that should improve

customer service and transparency, speed, and reliability for shippers on the PAR System and create additional transportation options.

End-to-end rail mergers such as this one allow railroads to improve the efficiency of their networks and make operational improvements that translate into higher-quality service for shippers. Such rail mergers create new single line service, which is widely recognized by shippers as a more reliable and higher-quality alternative to interline service. End-to-end rail mergers such as this one also often result in operational efficiencies – in areas such as car handling, scheduling, customer service, and coordination across the network – that benefit shippers. Further, a rail merger that creates an improved – and thus more competitive – rail alternative can also put competitive pressure on competing rail carriers to improve performance and can strengthen rail as a competitor with other modes of transportation.

Given the predominantly end-to-end nature of the connection between CSXT and the PAR System, there are very few areas where there is even a potential for a reduction in direct competition between CSXT and the PAR System. There are only four shippers, three located in Everett, Massachusetts and one in Boston, that have previously been served independently by both the PAR Railroads and CSXT. Everett is an inner industrial suburb adjacent to Boston with difficult rail connections to reach the less congested portion of the freight rail network located outside the urban center. Accordingly, direct rail service to these shippers by CSXT today would be difficult even if the facilities were in place for CSXT to reach locations north of Boston. Nevertheless, to ensure that these shippers do not lose a competitive option as a result of the Proposed Transaction, CSXT has committed to provide the option of switching service to connect these shippers to PAS which then connects to the rest of the U.S. rail network via its direct connections with NSR and CP at Mechanicville. As a result of this commitment, there

would be no reduction in horizontal competition to any shipper located on the PAR System as a result of the Proposed Transaction.

There will also not be any reduction in vertical competition. In an end-to-end transaction, the primary economic effect is to connect continuous rail routes under common ownership. End-to-end transactions may alter the economics of upstream and downstream movements and routing of traffic and can raise theoretical concerns about reduction in competition to shippers based on the vertical relationships among railroads. The primary concern regarding vertical effects is the ability of a merged end-to-end carrier to divert or fully foreclose traffic in a manner that inefficiently restricts competition and harms shippers served by the carrier. However, the conditions under which this type of "vertical foreclosure" leads to reductions in competition in relevant markets are extremely limited and are generally absent from railroad markets. The combined railroad may have the incentive, for economic and efficiency reasons, to shift more traffic to single-line service over its own merged rail lines than before the merger. Such a change, however, is not a reflection of additional market power or an attempt to obtain additional market power through foreclosure of an alternative interchange railroad. Nor does it demonstrate that shippers have been harmed.

While the conditions do not exist for concerns over vertical foreclosure, CSXT has nevertheless made commitments to ensure that no such competitive harm will result from the Proposed Transaction. In particular, as described by CSXT's witness Mr. Pelkey, CSXT has committed to (a) keep all existing active gateways affected by the Proposed Transaction open on commercially reasonable terms, and (b) waive any right CSXT might otherwise have under the Board's rules to refuse requests by shippers to establish local, separately challengeable rates for movements on the PAR System to an interchange with another rail carrier.

PAS

As to PAS, CSXT will acquire both Boston & Maine's 50 percent ownership interest in PAS and PAS's current contract operator and rate-setter, Springfield Terminal. By replacing Springfield Terminal with Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad ("B&E"), a GWI subsidiary, as the operator and price setter for PAS, CSXT has eliminated any potential for competitive harm that would occur if CSXT, through its acquisition of an interest in PAS or its acquisition of the PAS operator, were able to exercise control over the price of access to New England over PAS or otherwise prevent rail carriers from accessing New England through PAS. There are currently two direct routes to and from New England through upstate New York – PAS and CSXT's mainline route described earlier. Through a series of agreements with NSR and GWI, CSXT has structured the Proposed Transaction to eliminate any risk of competitive harm relating to these two roughly parallel routes.

First, through an agreement among CSXT, NSR and GWI, B&E will step into the shoes of Springfield Terminal to operate and set rates on PAS. CSXT will retain no control over rates or operations of PAS. B&E will be obligated by contract to set rates and to operate PAS in the interest of PAS as an independent rail carrier and not as a means to advance the interests of the individual owners. Thus, under the structure of the operating agreement, B&E will have the incentive and flexibility to compete for traffic against CSXT and other transportation alternatives available to shippers. This operating agreement preserves PAS as an independent rail option connecting New England to the broader US rail network.

Second, CSXT and NSR have agreed that NSR will have, for the next seven years, the right to purchase (or have sold) CSXT's share of PAS under a specified financial mechanism. These rights ensure that NSR will have the opportunity to obtain full control and financial

benefit from PAS' continuing operations. However, CSXT intends to continue using PAS as an alternative route for movement of freight to and from New England. Indeed, an element of the agreement with NSR involves a commitment by CSXT to route certain traffic over PAS for a specified period of time. CSXT will remain committed to the viability of PAS.

Third, apart from the existence of roughly parallel routes from upstate New York into New England, overlap between the areas served by PAS and CSXT is extremely limited. The north-south line of PAS intersects with CSXT's main east-west line at Springfield, MA. There are a few shippers located in Springfield that can be served by both PAS and CSXT. However, the agreement to have B&E set rates and operate PAS in the interest of PAS as an independent rail carrier ensures that the Springfield shippers will continue to have access to two competing rail carriers with independent and unilateral interests. There will be no reduction in competitive options for these shippers.

B&E

Finally, the substitution of B&E for Springfield Terminal as the operator of PAS will have no adverse impact on competition. B&E is a subsidiary of GWI, but it will be obligated by contract to operate in the interest of PAS and not in the interest of its corporate parent or affiliates.

GWI owns a number of other rail carriers that operate in New England. These include NECR, which runs from Vermont to Connecticut, SLR, which runs through New Hampshire and Maine and connects with the PAR System at Danville Junction, ME, P&W, which operates in Massachusetts, Connecticut and Rhode Island and interconnects with both the PAS and CSXT main lines in Massachusetts, and CSO, which operates in Connecticut and Massachusetts. While some of these GWI-affiliated rail carriers interconnect with PAS at a number of locations, there

only is an overlap in the service provided by PAS and a GWI-affiliated rail carrier in a single area along the north-south line that bisects PAS. In fact, PAS operates on portions of the PAS line north of Deerfield, MA, using trackage rights from NECR. There are two rail shippers on the PAS line north of East Deerfield, MA, who today can be served by PAS and a GWI railroad, NECR. Those shippers are located between Bellows Falls and White River Junction, VT. In addition, there is one railroad, VTR, that currently can interchange with both PAS and NECR at Bellows Falls and White River Junction. After the transaction, VTR and the shippers it serves will only have the option, at these two junctions, of interchanging with a GWI-owned railroad, NECR, or with PAS, which will be operated by a GWI-owned railroad.

There are two reasons why this competitive overlap will not harm competition. First, as noted above, B&E will be operated independently of GWI or its other affiliated rail carriers. B&E will be an agent of PAS and will be obligated by contract to operate and set rates in the interest of PAS, including the obligation to compete with NECR for traffic that will benefit PAS. Second, CSXT and NSR, as future and current owners of PAS, and GWI, as the owner of the future PAS contract operator, have made several commitments to ensure that existing competition is not lost as a result of the Proposed Transaction.

For the two shippers currently served by both PAS and NECR, the parties have committed that PAS will establish rates for these customers at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS. As to VTR, the parties have committed that:

(1) For movements to and from the east with connections to the PAR System, PAS will establish rates at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS.

(2) For movements to and from the west with connections to CSXT at Rotterdam, NY, PAS will establish rates for movements between Hoosick Junction (where VTR interchanges with PAS today) and Rotterdam (where PAS connects with CSXT) at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS.

(3) VTR moves traffic to and from storage facilities at East Deerfield, MA, a location on PAS. To ensure that rates on these movements remain at competitive levels, PAS will agree to provide haulage between the storage facilities at East Deerfield and Bellows Falls (haulage already exists between Bellows Falls and White River Junction) at rates that are the average of current interline rates for those movements for as long as B&E is operator of PAS.

(4) PAS will commit to providing VTR with service that is the same or better as that provided today on the movements described above.

(5) Finally, B&E will not share with any other GWI-controlled rail carriers any information regarding rate divisions from connecting railroads that B&E becomes aware of as a result of operating PAS.

GWI-affiliated rail carriers also provide service in Connecticut in areas served by PAS along the PAS line between Springfield, MA, and New Haven, CT. However, CSXT also provides service to shippers south of Springfield, MA, so no shipper on the PAS lines south of Springfield will be left without competitive options.

III. The Proposed Transaction Will Enhance Competition

As explained above, under Section 11324(d), the Board must approve the transaction unless it finds both that: (1) the transaction is likely to result in a 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. There is no need for the proponents of a transaction, other than a merger involving Class I railroads, to show that competition will be enhanced or improved. However, the STB has often looked with approval on non-class I mergers that have the potential for enhancing competition. When a proposed transaction has the potential to enhance competition, as it does here, the STB should view such a transaction as a unique opportunity to advance the public interest in a competitive and strong rail network.

The Proposed Transaction and the Related Transactions will enhance competition in several ways. First, it will strengthen the rail network in New England and improve rail service. The service and operating benefits to be achieved by the Proposed Transaction and Related Transactions are described in the Verified Statement of Mr. Pelkey. As explained by Mr. Pelkey, the Proposed Transaction and Related Transactions will allow CSXT to expand its customer-centered operations further into New England. This will give CSXT's existing customers more direct and efficient access to New England markets. At the same time, it will give the PAR System's existing customers better rail service and create reliable single-line access to the rest of CSXT's rail network. The PAR System in New England will become integrated into CSXT's broader U.S. rail network, providing expanded market access.

The improvement of rail service and integration of the New England rail network into the national rail network enhances competition in two substantial and concrete ways. First, a more efficient rail network will force other railroads to attempt to improve their service in order to compete. Second, a more efficient rail network will create increased opportunities to divert traffic from truck to rail and remove that traffic from congested highways. Rail competition with other transportation modes will improve. These competitive benefits are recognized by rail

shippers, who overwhelmingly support the Proposed Transaction and Related Transactions. See the 77 letters of support in Exhibit 23.

There are a number of other ways in which the Proposed Transaction and Related Transactions will enhance competition. First, the operation of PAS by B&E will strengthen PAS as a viable competitive alternative to CSXT for movements of traffic into New England. As a contract operator of PAS, B&E will have the incentive and ability to improve and expand PAS operations. Its compensation as a contract operator is tied to performance incentives. B&E will have the opportunity and incentive to dedicate the resources needed to streamline, expand, and improve the efficiency of PAS operations.

Second, the change of ownership of PAS will make PAS a financially stronger rail carrier. A major catalyst for the creation of PAS was the concern over the ability of the prior owners of the line segments that were ultimately contributed to PAS to make the financial commitments to keep those lines viable. While NSR became a co-owner of PAS when PAS was created, the prior owner remained a half-owner with continuing limits on the ability to financially support PAS. With CSXT as a co-owner of PAS along with NSR, the financial strength and viability of PAS as an independent carrier connecting New England with the rest of the U.S. rail network will be improved.

Third, the Settlement Agreement between CSXT and NSR gives NSR the capability to provide double-stack intermodal service into the Boston area by avoiding a tunnel constraint that exists on PAS today. Today, NSR must remove a layer of intermodal containers in New York State before moving on PAS. By granting NSR trackage rights over a route that can handle double-stack intermodal traffic, NSR will have an enhanced ability to compete with CSXT. This agreement also enhances NSR's intermodal service competitive position versus highway carriers.

Such a competitive enhancement can take trucks off the highway and bring environmental benefits. Indeed, converting the single stack service by NSR into double stack is a green initiative because of the elimination of the need to break double stack trains into single stack trains and then rebuilding double stack trains on the reverse move.

Fourth, the Settlement Agreement with NSR also removes a potential competitive restraint on CSXT's movement of rail traffic into and out of New England. When PAS was created, PAS granted Springfield Terminal overhead trackage rights over a rail segment near Ayer, MA, allowing Springfield Terminal to connect the northern lines of the PAR System to CSXT. But the trackage rights had a volume cap, and traffic over that line segment has consistently exceeded the volume cap. CSXT and NSR have agreed to modify that volume cap and replace it with a process that will allow current traffic volume to move over the overhead trackage rights and to enable the development of capacity to handle any increase in that traffic. By modifying the volume cap, the parties have eliminated an element of the trackage rights that could have restrained CSXT's ability to reach rail shippers in New England.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 13

Significant Transaction Operating Plan

EXHIBIT 13

OPERATING PLAN - SIGNIFICANT

This Operating Plan is submitted in support of the application (the "Application") of CSX Corporation ("CSXC") and CSX Transportation, Inc. ("CSXT") (CSXC and CSXT are collectively referred to as "CSX"), 747 Merger Sub 2, Inc., Pan Am Systems, Inc. ("Systems"), Pan Am Railways, Inc. ("PAR"), Boston and Maine Corporation ("Boston & Maine"), Maine Central Railroad Company ("Maine Central"), Northern Railroad ("Northern"), Portland Terminal Company ("Portland Terminal"), Springfield Terminal Railway Company ("Springfield Terminal"), Stony Brook Railroad Company ("Stony Brook"), and Vermont & Massachusetts Railroad Company ("V&M") (collectively, "Applicants"), for Surface Transportation Board ("STB" or "Board") approval of the acquisition by CSX of Systems – including its rail carrier subsidiaries, and its interest in Pan Am Southern LLC ("PAS") – and the merger of certain Pan Am subsidiaries into CSXT (the "Proposed Transaction").

Systems is the parent company of PAR, a non-carrier whose rail carrier subsidiaries own and operate an approximately 808-route mile single unified regional freight rail network (the "PAR System"). PAR's subsidiary Boston and Maine and Norfolk Southern Railway Company ("NSR") jointly own PAS, which consists of an approximately 425-route mile regional freight rail network (the "PAS Network"). The PAR System and PAS transport a total of approximately 90,000 freight carloads and 83,000 intermodal and haulage units annually, and their operations span six states across the northeast U.S. Maps of the PAR System and the PAS Network are included in Exhibit 1 of the Application. The PAR System and PAS utilize a total of approximately 1,476 railcars and 102 locomotives. The primary commodities handled include grain, sand and gravel, food products, lumber, paper and pulp, chemicals and plastics, petroleum, processed minerals, metals, scrap metal, finished automobiles, and intermodal trailers and containers.

Springfield Terminal, a PAR subsidiary, operates all of the PAR System's lines, as well as the PAS Network. Springfield Terminal leases the PAR System's

lines from other PAR subsidiaries that own the lines. PAS owns or has perpetual freight easements or trackage rights over all lines in the PAS Network, and Springfield Terminal operates the PAS Network on a contract basis as the agent of PAS. No Pan Am subsidiary other than Springfield Terminal provides rail operations over the PAR System or PAS.

The Proposed Transaction will result in CSX acquiring Boston & Maine and its 50% ownership interest in PAS, and in CSX acquiring Springfield Terminal and merging that railroad into CSXT. Separately, CSXT, NSR, and Genesee & Wyoming Inc. ("GWI") have entered into agreements regarding the operation of PAS that will further strengthen PAS as a viable rail route for shippers and enhance rail competition in New England. There are two agreements: (1) a Settlement Agreement between CSXT and NSR ("NSR Settlement Agreement"), which includes an Ayer Operations Protocol, Engineering Planning, and Capacity Roadmap (the "Ayer Operations Protocol"), and (2) a Term Sheet Agreement among CSXT, NSR and GWI ("Term Sheet Agreement"). These agreements are contained as exhibits to the Verified Statement of Mr. Sean Pelkey submitted with the Application.

These two agreements contemplate transactions that are integrally related to the Proposed Transaction (the "Related Transactions"), including: (1) Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad ("B&E"), a class III carrier wholly owned by GWI, will enter into an agreement with PAS to operate the PAS Network on a contract basis as the agent of PAS, replacing Springfield Terminal (the "B&E/PAS Transaction"), and (2) NSR will obtain trackage rights over existing lines owned by four carriers (CSXT, Boston & Maine, Providence & Worcester Railroad Company (a GWI subsidiary), and PAS) to allow NSR additional flexibility with respect to NSR's existing service to an intermodal facility located on the PAS Network at Ayer, MA (the "NSR Trackage Rights Transaction").

Accordingly, after consummation of the Proposed Transaction and the Related Transactions, CSXT will take over operations by Springfield Terminal as

lessee of the PAR System's lines, and B&E will take over operations by Springfield Terminal as contract operator of the PAS Network lines.[1]

CSXT owns and operates about 19,500 miles of railroad in the States of Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia, the District of Columbia, and the Canadian Provinces of Ontario and Québec. The CSXT network includes a rail line between the Boston, MA region and Rotterdam Junction, NY via Selkirk, NY. The PAS Patriot Corridor also connects the Boston region (via Ayer, MA) and Rotterdam Junction, NY via East Deerfield, MA. CSXT primarily interchanges traffic with Springfield Terminal/PAS at Rotterdam Junction, NY and with Springfield Terminal/PAR at Barbers Station, MA.

B&E is a class III carrier wholly owned by GWI. GWI controls four shortline rail carriers in New England, and GWI will be able to use its operating expertise and knowledge of the region to provide efficient rail service on PAS. PAS will require B&E to provide non-discriminatory service to all carriers connecting with PAS. PAS will also require B&E to set PAS rates at levels that are competitively neutral to connecting rail carriers.

As described in the Verified Statement of Dr. David Reishus included with the Application, the Proposed Transaction is an end-to-end combination of the existing CSXT and PAR System rail networks. The Proposed Transaction will result in a more efficient connection of New England rail markets with the rest of CSXT's eastern United States rail markets. It will also permit CSXT to bring its customer-oriented and reliable rail operations to New England rail users. The operation of

[1] The Applicants anticipate consummating the Proposed Transaction and the B&E/PAS transactions at the same time, subject to Board approval of each transaction. However, if the Proposed Transaction is consummated prior to the B&E/PAS transaction, CSXT, NSR, and GWI have agreed that Springfield Terminal will continue to operate PAS until B&E or another third-party operator is able to replace Springfield Terminal as the PAS operator.

PAS by B&E will strengthen PAS as a viable competitive alternative to CSXT for movements of traffic to and from New England.

With two small exceptions described fully below resulting from the NSR Settlement Agreement, the Proposed Transaction and the Related Transactions will not produce significant changes to the existing routes, patterns, or types of service for the PAR System, PAS, or CSXT, or redirect existing traffic over those systems. Instead, CSXT will modernize and introduce efficiencies to the PAR System's operations, emphasizing consistency, reliability, and careful data measurement and management. Operating efficiencies on the PAR System will come from decreased car cycles, fewer assets, and new synergies created from fewer handlings due to single-line service and capital improvements. B&E has agreed to "step into the shoes" of Springfield Terminal as operator of PAS, providing substantially all of the operating services that Springfield Terminal currently provides on behalf of PAS.

Additionally, the Proposed Transaction will eliminate existing interchanges between CSXT and the PAR System/Springfield Terminal, creating a direct, efficient single-line rail connection between New England and the rest of the eastern United States currently served by CSXT. Over time, these operating improvements will remove traffic from congested highways and expand market opportunities for shippers moving traffic into and out of New England. However, in the foreseeable future, rail traffic volume on the existing rail networks is not expected to change significantly.

I. Pre-Transaction Operations

A. Train Operations

As described further below, the PAR System network consists of approximately 808 route miles of rail lines, including approximately 724.53 owned and leased (including perpetual freight easement) route miles and approximately 83.62 trackage rights route miles, in Massachusetts, Maine, New Hampshire, and Vermont. The PAS network consists of approximately 425 route miles of rail lines, including approximately 281.38 owned (including perpetual freight easement) route

miles and approximately 143.62 trackage rights route miles, in Connecticut, Massachusetts, New Hampshire, New York, and Vermont. The nationwide CSXT system consists of about 19,500 miles of railroad. This Operating Plan discusses all CSXT rail lines in the area of the PAR System and the PAS network, consisting of the Northern Zone of the CSXT Northeast Region.

Set forth below is a summary of train operations on the PAR System, the PAS network, and the CSXT system, including a description of road trains, local trains, and yard trains. A map depicting train operations is included in Exhibit 1 to the Application. A chart listing these trains in greater detail is included below.

i. Summary of PAR System Train Operations

Springfield Terminal currently operates the following trains on the PAR System. No other PAR subsidiaries operate on the PAR System.

Road Trains:

- NMWA/WANM – between Waterville, ME and Northern Maine Jct, ME
- POWA/WAPO – between Rigby Yard, Portland, ME and Waterville, ME
- PORU/RUPO – between Rigby Yard, Portland, ME and Rumford, ME
- POAY/AYPO – between Rigby Yard, Portland, ME and Ayer, MA
- POED – Rigby Yard, Portland, ME to PAS East Deerfield Yard, MA

Local Trains: Springfield Terminal operates local trains to primarily serve rail customers, based in the following locations: Lawrence, MA; Boston, MA; Nashua, NH; Portsmouth, NH; Dover, NH; Portland, ME; Danville, ME; Rileys, ME; Waterville, ME; Shawmut, ME; and Old Town, ME.

Yard Trains: Springfield Terminal operates yard trains at Rigby Yard, Portland, ME to classify inbound and outbound rail traffic.

ii. Summary of PAS Network Train Operations

Springfield Terminal functions as a contract operator for PAS and serves as PAS's agent, unlike Springfield Terminal's role as the lessee and operating carrier of the PAR System. NSR has trackage rights over the PAS line between Mechanicville, NY and Ayer, MA, but Springfield Terminal currently operates NSR

trains over that segment pursuant to a haulage agreement between PAS and NSR. Springfield Terminal currently operates the following trains on the PAS network:

Road Trains:

- RJED/EDRJ – between Rotterdam Jct, NY and East Deerfield, MA
- EDPL/PLED – between East Deerfield, MA and Plainville, CT
- EDPO – originates at East Deerfield, MA and terminates at PAR Rigby Yard, Portland, ME
- BFPO – unit slurry train received from the VTR interchange at Bellows Falls, VT, to Portland, ME
- RJAY/AYRJ – unit grain trains (as needed) between Rotterdam Jct, NY and Ayer, MA {{[redacted]}}
- NSR trains 16R/11R – between Mohawk, NY and East Deerfield, MA
- NSR intermodal trains 22K/23K – between Mechanicville, NY and Ayer, MA

Local Trains: Springfield Terminal, on behalf of PAS, operates local trains to primarily serve rail customers, based in the following locations: Ayer, MA; Fitchburg, MA; East Deerfield, MA; Plainville, CT; North Adams, MA; Mechanicville, NY; and Rotterdam, NY.

Yard Trains: Springfield Terminal, on behalf of PAS, operates yard trains at East Deerfield, MA to classify inbound and outbound rail traffic (operating hump yard).

Table 1: PAR and PAS Operations

Train	On Duty	Arrival	DOS	Origin	Destination	Pickup	Setoff	Crew Change	Direction	RR
POAY	0100	1900	7 DOW	PORTLAND	AYER	Lowell 1000	-	Lowell 1600	WEST	Pan Am
AYPO	0200	1200	7 DOW	AYER	PORTLAND	-	-	Lowell 0330	EAST	Pan Am
PORU	0700	2330	EVERY OTHER DAY	PORTLAND	RUMFORD	N/ Leeds 1400	N/ Leeds 1400, Riley's 1615, Dixfield 2145	Riley's 1900	EAST	Pan Am
WANM	1000	1800	MTWTF	WATERVILLE	N. ME JCT.	-	-	-	EAST	Pan Am
23K	1200	2200	7 DOW	AYER	MECHANICVILLE	-	-	-	WEST	PAS
EDRJ	1300	0400	Sa,M,W	DEERFIELD	ROTTERDAM	Hoosic Jct. 2100	-	Mechanicville 2359	WEST	PAS
RJED	1300	0100	Su,Tu	ROTTERDAM	DEERFIELD	-	-	-	EAST	PAS
POED	1400	0900	7 DOW	PORTLAND	DEERFIELD	Lowell 2330, Ayer, Fitchburg, Gardner	Dover, Lawrence 2100	Lowell 2330	WEST	Both
22K	1500	0500	7 DOW	MECHANICVILLE	AYER	-	-	Gardner 0300	WEST	PAS
BFPO	1500	2300	Sa	BELLOW FALLS	PORTLAND	-	-	-	EAST	PAS
EDBF	1600	2100	MTWTF	DEERFIELD	BELLOWS FALLS	-	Brattleboro	-	WEST	PAS
RUPO	1900	1700	EVERY OTHER DAY	RUMFORD	PORTLAND	Riley's 0400, Danville 1300	Danville 1300	Riley's 0700	WEST	Pan Am
POWA	1930	0530	7 DOW	PORTLAND	WATERVILLE	-	Danville 2300	Leeds Jct. 0200	EAST	Pan Am
EDPL	2000	0700	M	DEERFIELD	PLAINVILLE	-	Hartford	-	WEST	PAS
WAPO	2000	0600	7 DOW	WATERVILLE	PORTLAND	-	-	-	WEST	Pan Am
PLED	2000	0800	F	PLAINVILLE	DEERFIELD	Hartford	-	-	EAST	PAS
BFED	2100	0200	TWTFS	BELLOWS FALLS	DEERFIELD	Brattleboro	-	-	EAST	PAS
11R	2100	0900	7 DOW	DEERFIELD	MOHAWK	Hoosic Jct. 0300	Hoosic Jct. 0300	-	WEST	PAS
16R	2100	0900	7 DOW	MOHAWK	DEERFIELD		Hoosic Jct. 0230		EAST	PAS
NMWA	2200	0800	MTWTF	NO ME JCT	WATERVILLE	-	-	-	WEST	Pan Am
EDPO	2300	2300	7 DOW	DEERFIELD	PORTLAND	Lawrence 1600	Gardner, Fitchburg, Ayer, Lawrence 1600	Lowell 0800	EAST	Both

Traffic averages for the PAR and PAS networks in 2020 are shown in Table 2 below.

Table 2: 2020 Traffic Averages

	Train Count	Avg Loaded	Avg Empty	Avg Total	Avg Tons	Avg Length
PAR/ST	1,870	32	28	60	5,359	3,811
PAS	1,270	31	24	55	5,337	4,414

iii. Summary of CSXT Train Operations

The Northern Zone of the Northeast Region of the CSXT system consists of the following corridors and subdivisions:

The **Selkirk – Boston Corridor (Berkshire & Boston Subdivisions)**, running between Selkirk, NY and Boston, MA, carries a heavy concentration of intermodal traffic, featuring four high-priority United Parcel Service ("UPS") trains, one pair of automotive trains in and out of East Brookfield, MA, and merchandise trains that carry traffic to and from the PAR System, the Boston Area, southern Massachusetts, and Connecticut.

The **Berkshire Subdivision** of the Selkirk – Boston Corridor runs between Selkirk, NY and Ludlow, MA, east of Springfield, MA. There are approximately 11.4 trains a day on this subdivision (five intermodal, four merchandise, and two automotive). Seven trains originate/terminate at Worcester, MA, two trains originate/terminate at East Brookfield, MA, and two trains originate/terminate at West Springfield, MA. The trains have an average length of 6,974 feet, with 6,610 average tons, and 32.5 MPH average velocity.

The **Boston Subdivision** of the Selkirk – Boston Corridor runs between Ludlow, MA and Worcester, MA. There are approximately 7.5 trains a day on this subdivision (five intermodal and 2.5 merchandise), all of which originate/terminate at Worcester, MA. The trains have an average length of 5,352 feet, with 5,316 average tons; and 26.7 MPH average velocity.

The **River Subdivision** runs roughly parallel to the west of the Hudson River between North Bergen, NJ and Selkirk, NY. This is a very busy subdivision with a single main track and sidings, carrying six high priority UPS trains a day, along with Chicago – East Coast intermodal traffic and merchandise traffic to/from Selkirk – East Coast and the Southeast. There are approximately 23.1 trains a day on this subdivision (12 intermodal, 10 merchandise, and 1.1 bulk). The trains have an average length of 7,361 feet, with 7,557 average tons; and 24.8 MPH average velocity.

The **Mohawk Subdivision** runs between Syracuse, NY and Selkirk, NY. This is a very busy subdivision with a double main track, carrying nine high-priority UPS trains, Chicago – East Coast intermodal traffic, and merchandise

traffic flowing to/from the Midwest and East Coast. There are approximately 32.7 trains a day on this subdivision (16 intermodal, 12 merchandise, 3 automotive, 1.7 bulk).

Table 3: CSXT Trains

Selkirk

Selkirk Destination			
TRAIN	ORIG CITY	DEST CITY	SETOUT
Q019	WORCESTER MA	SELKIRK NY	CHGT
Q364	AVON IN	SELKIRK NY	SEL
Q368	CHICLEARI IL	SELKIRK NY	SEL
Q404	PHIGREENW PA	SELKIRK NY	SELA, SEL, BAIL
Q410	WAYCROSS GA	SELKIRK NY	SEL
Q422	ROCMOUNT NC	SELKIRK NY	SEL, FPNYT, NYOP
Q425	WESSPRING MA	SELKIRK NY	SEL
Q427	BARSTATIO MA	SELKIRK NY	SEL
Q434	OAKISLAND NJ	SELKIRK NY	SEL, SELA
Q560	CINCINNAT OH	SELKIRK NY	SEL
Q621	MASSENA NY	SELKIRK NY	SEL
Q626	BUFFALO NY	SELKIRK NY	SEL
Q634	COLUMBUS OH	SELKIRK NY	SEL
Q704	NEWYOROAK NY	SELKIRK NY	CLTR, CBSTR, SEL

Selkirk Originations			
TRAIN	ORIG CITY	DEST CITY	BLOCKS PU
Q363	SELKIRK NY	AVON IN	CLEC, IND, SAUB
Q367	SELKIRK NY	CHICLEARIIL	CHUP, CHBR
Q403	SELKIRK NY	PHIGREENW PA	PAV, PHIG, SCK, KGT, WDB
Q409	SELKIRK NY	WAYCROSS GA	NBG, RIC, WAX
Q421	SELKIRK NY	ROCMOUNT NC	RMT, BACB, CLTR
Q424	SELKIRK NY	WESSPRING MA	PTHR, NIV, WSF, WSCS, CDH
Q426	SELKIRK NY	WORCESTER MA	BAST, WOPW, BEAC, AYER
Q433	SELKIRK NY	OAKISLAND NJ	DORA, OLD
Q436	SELKIRK NY	WORCESTER MA	WBMA, PLNE, NGGU, FRM
Q561	SELKIRK NY	CINCINNAT OH	CIN, LDT, SSY, CHG
Q620	SELKIRK NY	MASSENA NY	SYR, ROTJ, MACM
Q627	SELKIRK NY	BUFFALO NY	BUF, BUCT, NIA
Q635	SELKIRK NY	COLUMBUS OH	FTRTR, CBS, FART
Q701	SELKIRK NY	NEWYOROAK NY	NYOPB, FPNY, FPNYT, NYOP, FPBE

Selkirk Through Trains				
TRAIN	**ORIG CITY**	**DEST CITY**	**BLOCKS PU**	**SETOUT**
Q001	NBERGEN NJ	BEDPARK IL		
Q002	BEDPARK IL	NBERGEN NJ		WORT
Q003	SOUKEARNY NJ	BEDPARK IL	CHGT	
Q004	BEDPARK IL	SOUKEARNY NJ		
Q007	NBERGEN NJ	ROSELAKE IL		
Q008	ROSELAKE IL	NBERGEN NJ		
Q009	PORNEWEI NJ	BEDPARK IL		
Q010	BEDPARK IL	PORNEWEI NJ		
Q017	WORCESTER MA	BEDPARK IL		
Q020	BEDPARK IL	WORCESTER MA		
Q022	SYRACUSE NY	WORCESTER MA		
Q115	WORCESTER MA	SYRACUSE NY		SEL
Q157	PHIGREENW PA	NORWESOHI OH		
Q158	NORWESOHI OH	PHIGREENW PA	RHTA	
Q159	PORNEWEI NJ	SYRACUSE NY		
Q162	NORWESOHI OH	PORNEWEI NJ		
Q168	CHIFIVNIN IL	PORNEWEI NJ		
Q169	PORNEWEI NJ	CHIFIVNIN IL		
Q205	EASBROOKF MA	LOUISVILL KY	MARA	
Q212	BUFFALO NY	PORNEWEI NJ		
Q264	BUFFALO NY	EASBROOKF MA		SELA
Q567	PORNEWEI NJ	WALBRIDGE OH	CHIH, WALB, NBSM, BUFA	

West Springfield

West Springfield Destination				
TRAIN	**ORIG CITY**	**DEST CITY**	**BLOCKS PU**	**SETOUT**
Q424	SELKIRK NY	WESSPRING MA	NO PU	WSF, WSCS, CDH

West Springfield Origination				
TRAIN ID	**ORIG CITY**	**DEST CITY**	**BLOCKS**	**SETOUT**
Q425	WESSPRING MA	SELKIRK NY	SEL	NO SO

West Springfield Through Trains				
TRAIN	**ORIG CITY**	**DEST CITY**	**BLOCKS PU**	**SETOUT**
Q017	WORCESTER MA	BEDPARK IL	CHGT	NO SO
Q019	WORCESTER MA	SELKIRK NY	CHGT	NO SO
Q020	BEDPARK IL	WORCESTER MA	NO PU	SFDT
Q022	SYRACUSE NY	WORCESTER MA	NO PU	NO SO
Q115	WORCESTER MA	SYRACUSE NY	ESLT, LACI, NWOC, INDT	NO SO
Q205	EASBROOKF MA	LOUISVILL KY	NO PU	NO SO
Q264	BUFFALO NY	EASBROOKF MA	NO PU	NO SO
Q426	SELKIRK NY	WORCESTER MA	NO PU	NO SO
Q427	BARSTATIO MA	SELKIRK NY	NO PU	NO SO
Q436	SELKIRK NY	WORCESTER MA	NO PU	NO SO

Worcester

Worcester Destination						Worcester Origination				
TRAIN	**ORIG CITY**	**DEST CITY**	**BLOCKS PU**	**SETOUT**		**TRAIN**	**ORIG CITY**	**DEST CITY**	**BLOCKS PU**	**SETOUT**
Q020	BEDPARK IL	WORCESTER MA	NO PU	WORT, WOPT		Q017	WORCESTER MA	BEDPARK IL	CHGT	NO SO
Q022	SYRACUSE NY	WORCESTER MA	NO PU	WORT		Q019	WORCESTER MA	SELKIRK NY	CHGT	NO SO
Q426	SELKIRK NY	WORCESTER MA	NO PU	BAST, BEAC, AYER, WOPW		Q115	WORCESTER MA	SYRACUSE NY	SYRT, EZMT, SEL, KEAT	NO SO
Q436	SELKIRK NY	WORCESTER MA	NO PU	FRM, NGGU, WBMA		Q427	WORCESTER MA	SELKIRK NY	SEL	NO SO

No Through Trains

Table 4: CSXT Local Service

ORIG CITY	DEST CITY	TRAIN	Notes
Cedar Hill, CT	Cedar Hill, CT	B746	5 Customers, Works to New Haven and back at night
		B747	10 Customers, Works to New Haven and back during the day
Framingham	Framingham	B725	Moves traffic to Attleboro for Middleboro locals and picks up Middleboro cars to go back to Framingham
Middleboro, MA	Middleboro, MA	B726	Moves traffic to Attleboro for Framingham and picks up cars from Framingham for Middleboro
		B727	12 customers, Works customers between Middleboro and Attleboro

		B729	6 customers, Works customers between Middleboro and Braintree, MA
Hartford, CT	Hartford, CT	B744	Shuttles cars between Hartford and West Springfield
Readville, MA	Readville, MA	B710	6 customers, Works customers from Readville to Walpole, also scheduled to Stoughton MA on Tues, Thur
		B731	Shuttles all the local traffic from Readville, Walpole, surrounding areas to Framingham and brings traffic back to Readville
Walpole, MA	Walpole, MA	B733	17 customers, Works customers west of Walpole on Wednesday and customers towards Mansfield the rest of the week
Westboro, MA	Westboro, MA	B723	4 customers, Works between Westboro and Worcester
Worcester, MA	Worcester, MA	B722	Shuttles cars between Worcester, Westboro, and Framingham
West Springfield, MA	West Springfield, MA	B730	10 customers, Works between West Springfield and Pittsfield
		B740	3 customers, Works between West Springfield and East Brookfield
		B741	11 Customers, Works customers around West Springfield
Selkirk, NY	Selkirk, NY	B765	1 Customer, down on the Hudson River
South Schenectady, NY	South Schenectady, NY	B761	14 customers, Works customers from South Schenectady west to Herkimer, NY and Troy, NY
		B760	Works PAS interchange at Rotterdam Jct and SMS interchange at Guilderland.
Kingston, NY	Kingston, NY	C711	34 customers, Works customers along the River sub between Selkirk and NYC

iv. Description of the PAR System Lines

The PAR System network consists of approximately 808 route miles of rail lines, including approximately 724.53 owned and leased (including perpetual freight easement) route miles and approximately 83.62 trackage rights route miles, in Massachusetts, Maine, New Hampshire, and Vermont. The PAR System is a key conduit for rail freight originating and terminating in the densely populated

Northeast U.S. region, and it serves as a destination point for trade flows into Portland, ME, Boston, MA, and smaller metropolitan areas in New England. In 2019, the PAR System moved 51,170 freight carloads, representing 98% of its gross revenue for the year, and 5,054 intermodal units, representing 2% of its gross revenue. Various PAR subsidiaries own the PAR System's rail lines, and Springfield Terminal, another PAR subsidiary, leases the lines from the PAR subsidiaries and operates the PAR System.

Boston & Maine, a subsidiary of PAR, owns approximately 144.18 route miles of main line track, which includes: 1) a rail line extending from the Massachusetts state line to Rigby, ME, a distance of approximately 74.82 route miles; 2) a rail line extending from Barbers Station, MA to Harvard, MA, a distance of approximately 22.87 route miles; 3) a rail line extending from the Massachusetts state line to Concord, NH, a distance of approximately 39.42 route miles; and 4) a rail line extending from Bleachery, MA to Lowell Junction, MA, a distance of approximately 7.07 route miles. Boston & Maine owns perpetual freight easements over various segments of track owned by the Massachusetts Bay Transportation Authority ("MBTA") in eastern Massachusetts, totaling 149.93 route miles. Additionally, Boston & Maine and Springfield Terminal have overhead trackage rights over Milford-Bennington Railroad Company, between approximately milepost N-16.36, in Wilton, NH, and approximately milepost 19.66, in Lyndeboro, NH.[2] Boston & Maine also owns approximately 36.94 route miles of branch line track.

Additionally, Boston & Maine leases approximately 26.64 route miles of main line track, which includes: 1) a rail line extending from CPF 312 to CPF NC, a distance of approximately 9.63 route miles, owned by PAR subsidiary Stony Brook; 2) a rail line extending from Bleachery, MA to CPF NC, a distance of approximately 3.84 route miles, owned by the Massachusetts Department of Transportation ("MassDOT"); 3) a rail line extending from CPF NC to the Massachusetts state line,

[2] *See Boston and Maine Corp. and Springfield Terminal Ry. Co.—Trackage Rights Exemption—Milford-Bennington R.R. Co.*, FD 33794 (STB served Sept. 13, 1999).

a distance of approximately 6.20 route miles, owned by MassDOT; and 4) two rail line segments in Concord, NH and White River Junction, VT, totaling a distance of approximately 6.97 route miles, owned by PAR subsidiary Northern.

Maine Central, a subsidiary of PAR, owns approximately 191.64 route miles of main line track, which includes: 1) a rail line extending from the Portland Terminal limit to Waterville, ME, a distance of approximately 78.97 route miles; 2) a rail line extending from Waterville, ME to Bangor, ME, a distance of approximately 54.60 route miles; and 3) a rail line extending from Bangor, ME to Mattawamkeag, ME, a distance of approximately 58.06 route miles. Maine Central also owns approximately 155.26 route miles of branch line track.

Portland Terminal, a subsidiary of PAR, owns approximately 13.13 route miles of main line track, which includes: 1) approximately 5.45 route miles between Yard 8 East and the Portland/Falmouth line; 2) approximately 3.08 route miles between Yard 8 East and the So. Portland/Scarborough line; and 3) approximately 4.59 route miles between Mountain Junction and the Woodyard Switch. Portland Terminal also owns approximately 6.82 route miles of branch line track.

v. Description of the PAS Lines

The PAS Network consists of approximately 425 route miles of rail lines, including approximately 281.38 route miles owned (including perpetual freight easement) and approximately 143.62 trackage rights route miles, in Connecticut, Massachusetts, New Hampshire, New York, and Vermont. Springfield Terminal operates PAS on a contract basis.[3] PAS serves as a critical link to the Boston market for intermodal and automotive trade flows. In 2019, PAS moved 37,238 freight carloads, representing {{[redacted]}} of its gross revenue for the year, and 77,883 intermodal & haulage units, representing {{[redacted]}} of its gross revenue.

The PAS lines include two main line corridors, referred to as the Patriot Corridor and the Knowledge Corridor. The PAS Patriot Corridor extends between

[3] *See Norfolk S. Ry. Co.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC*, FD 35147 (STB served Mar. 10, 2009).

milepost 467.4 at Mechanicville, NY and milepost 311.97 near Willows, MA, a distance of approximately 151.4 miles, inclusive of freight easement rights over MBTA between milepost 329.55 at Fitchburg, MA and milepost 313.77 at Willows, MA, a distance of approximately 15.8 miles. PAS also has trackage rights at the western end of the Patriot Corridor over the Canadian Pacific Railway Company ("CP") Freight Subdivision between milepost 467.6 (CPF 468) at Mechanicville, NY and milepost 484.8 (CPF 485) at Mohawk Yard, NY, a distance of approximately 17.2 miles.

The PAS Knowledge Corridor extends between milepost 183.4 at White River Junction, VT and milepost 0.0 at New Haven, CT a distance of approximately 183.4 miles, inclusive of the following: 1) trackage rights over New England Central Railroad ("NECR"), a wholly-owned subsidiary of GWI, between milepost 183.4 at White River Junction, VT and milepost 110.6 at East Northfield, MA, a distance of approximately 72.8 miles; 2) freight easement rights over MassDOT-owned track assets between milepost 110.6 at East Northfield, MA and milepost 62.0 at Springfield, MA, a distance of approximately 49.7 miles; and 3) trackage rights over National Railroad Passenger Corporation ("Amtrak") between milepost 62.0 at Springfield, MA and milepost 0.0 at New Haven, CT, a distance of approximately 62 miles.[4]

Additionally, PAS owns approximately 76.42 route miles of branch line track. The PAS lines include the following branch line track:

1) freight easement rights over MassDOT-owned track assets between milepost 0.0 at North Adams, MA and milepost 4.59 at Adams, MA, a distance of approximately 4.59 miles;
2) between milepost 0.0 at Gardner, MA and milepost 1.16 at Heywood, MA, a distance of approximately 1.16 miles;

[4] *See Pan Am S. LLC—Acquisition and Operation Exemption—Lines of Boston & Maine Corp.*, FD 35147 (Sub-No. 1), Notice of Exemption at Exhibit 1 (filed June 27, 2008); *Norfolk S. Ry. Co.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC*, FD 35147 (STB served Mar. 10, 2009); *Mass. Dep't of Transp.—Acquisition Exemption—Certain Assets of Pan Am S. LLC,* FD 35863 (STB served Dec. 24, 2014) (as modified, Mar. 27, 2015).

3) between milepost 28.01 at Ayer, MA and milepost 25.7 at Harvard Station, MA, a distance of approximately 2.3 miles;
4) between milepost 0.0 at Berlin, CT and milepost 8.4 at Derby, CT, a distance of approximately 42.9 miles, inclusive of freight easement rights over Metro North Commuter Railroad from milepost 27 at Waterbury, CT to milepost 8.4 at Derby, CT, a distance of approximately 18.6 miles;
5) freight easement rights over MBTA between milepost 33.72 at Willows, MA and milepost 31.43 at Littleton, MA, a distance of approximately 2.3 miles;
6) freight easement rights over MBTA between milepost 0.0 at Ayer, MA and milepost 5.0 at Groton, MA, a distance of approximately 5 miles;
7) between milepost 12.16, Rotterdam Junction, NY and milepost 0.0 (CPF 477), near Burnt Hills, NY, a distance of approximately 12.16 miles;
8) the Southington Industrial Branch, which is approximately 4.5 miles between Plainville and Southington, CT; and
9) approximately 3.7 miles of trackage rights over CSXT between North Haven and Cedar Hill Yard, CT.[5]

B. Interchanges

The PAR System and PAS interchange with a diverse group of partners, including four Class I railroads (CSXT, NSR, Canadian National Railway Company ("CN"), CP) and various Class II and Class III railroads. The PAR System's network includes 20 interchange locations, and PAS's Network includes 21 interchange locations. The multiple interchange options throughout the PAR System and the PAS Network results in operating freedom and flexibility for the PAR System and PAS. A list of interchange partners and locations is provided in Tables 3 and 4 below and shown in a map included in Exhibit 1 to the Application. These tables

[5] *See Pan Am S. LLC—Acquisition and Operation Exemption—Lines of Boston & Maine Corp.*, FD 35147 (Sub-No. 1), Notice of Exemption at Exhibit 1 (filed June 27, 2008); *Mass. Dep't of Transp.—Acquisition Exemption—Certain Assets of Pan Am S. LLC*, FD 35943, Motion to Dismiss at 7-8 (filed Aug. 14, 2015).

show revenue interchange partners and locations, and the physical interchange locations may be different in certain circumstances.

Table 5: PAR System/Springfield Terminal
Interchange Partners & Locations

Interchange Partner	Location
CN	Danville Jct., ME[6]
CN	Saint John, NB[7]
Canadian Pacific	Brunswick, ME[8]
Canadian Pacific	Northern Maine Jct., ME
CSXT	Barbers Station, MA (Worcester)
CSXT	Boston, MA[9]
Norfolk Southern	Ayer, MA[10]
Belfast and Moosehead Lake Railroad	Burnham Jct., ME[11]
Maine Northern Railroad	Mattawamkeag, ME[12]
Maine Northern Railroad	Northern Maine Jct., ME[13]
New Brunswick Southern Railway	Mattawamkeag, ME[14]
New Brunswick Southern Railway	Northern Maine Jct., ME[15]
New Hampshire Northcoast	Dover, NH
Pan Am Southern	Ayer, MA
Pan Am Southern	North Charlestown, NH[16]
Providence and Worcester	Worcester, MA[17]
St. Lawrence & Atlantic Railroad	Danville Jct., ME
Turners Island Railroad	Portland, ME

[6] CN accesses Danville Junction via a haulage arrangement with the St. Lawrence & Atlantic Railroad.
[7] Springfield Terminal accesses Saint John via a haulage agreement with New Brunswick Southern Railway and Eastern Maine Railway.
[8] The Brunswick interchange connects with CP's Brunswick Branch.
[9] This interchange is not regularly used.
[10] This interchange is used only for haulage traffic moving to Walnut Hill, MA / Winchester, MA and for joint Springfield Terminal/NSR intermodal services.
[11] Belfast and Moosehead Lake Railroad has no revenue freight business at this time.
[12] Maine Northern Railroad has access to Mattawamkeag via a haulage agreement with affiliate Eastern Maine Railway.
[13] Maine Northern Railroad has access to Northern Maine Jct. via a haulage agreement with Canadian Pacific.
[14] New Brunswick Southern Railway has access to Mattawamkeag via a haulage agreement with affiliate Eastern Maine Railway.
[15] Maine Northern Railroad has access to Northern Maine Jct. via haulage agreements with Canadian Pacific and Eastern Maine Railway.
[16] This interchange connects to a Springfield Terminal line at Charlestown, NH that is not currently operating.
[17] Physical interchange occurs at Barbers Station, MA.

New England Southern Railroad (Vermont Rail System)	Concord, NH
Milford-Bennington Railroad	Wilton, NH

Table 6: PAS Interchange Partners & Locations

Interchange Partner	Location
Canadian Pacific	Mechanicville, NY[18]
CSXT	New Haven, CT[19]
CSXT	Springfield, MA[20]
CSXT	Rotterdam Jct., NY
Norfolk Southern	Ayer, MA[21]
Norfolk Southern	Mechanicville, NY[22]
Battenkill Railroad	Eagle Bridge, NY
Central New England Railroad	Hartford, CT[23]
Connecticut Southern Railroad	Hartford, CT
Housatonic Railroad	Derby, CT[24]
New England Central Railroad	Brattleboro, VT
New England Central Railroad	Millers Falls, MA[25]
New England Central Railroad	White River Jct., VT[26]
Naugatuck Railroad	Waterbury, CT
Providence and Worcester	Gardner, MA
Pioneer Valley Railroad	Holyoke, MA
Springfield Terminal	Ayer, MA
Springfield Terminal	North Charlestown, NH[27]
Vermont Rail System	Hoosick Jct., NY
Vermont Rail System	Bellows Falls, VT
Vermont Rail System	White River Jct., VT

[18] Physical interchange takes place at Mohawk Yard, Glenville, NY.
[19] This interchange is not currently in service. It is used for reciprocal switch delivery for North Haven/New Haven, CT.
[20] This is not a regular interchange. It is used for occasional high-wide and detour movements.
[21] This is not a regular interchange. It is used to exchange empty intermodal and automotive equipment when necessary.
[22] Interchange can physically take place at Mechanicville or Mohawk Yard in Glenville, NY.
[23] This interchange is as of January 1, 2021.
[24] This interchange is not currently used for revenue traffic.
[25] Interchange traffic with New England Central Railroad is routed via Millers Falls, MA, but the physical interchange is performed at Brattleboro, VT for railroad convenience.
[26] This interchange is not currently used for revenue freight.
[27] This interchange connects to a Springfield Terminal line at Charlestown, NH that is not currently operating.

C. Yards

The PAR System's and PAS's properties include 12 interchange yards and facilities, which are listed in Table 5 below. The various yards throughout the two systems provide strategic access and proximity to large, fast-growing consumption markets such as New York and Boston.

Table 7: PAR/PAS Interchange Yards & Facilities

Yard	Location
Mattawamkeag	Mattawamkeag, ME
Northern Maine Junction	Hermon, ME
Waterville Yard	Waterville, ME
Rigby Yard	South Portland, ME
Lawrence Yard	Lawrence, MA
Nashua Yard	Nashua, NH
Ayer Yard/Hill Yard	Ayer, MA
Fitchburg Yard	Fitchburg, MA
Gardner Yard	Gardner, MA
Deerfield Yard	East Deerfield, MA
Hoosick Junction	Hoosick, NY
Mechanicville Yard	Mechanicville, NY
Rotterdam Yard	Rotterdam Jct., NY

The Northern Zone of the Northeast Region of the CSXT system includes the following eight yards and terminals:

Selkirk, NY. This is the second largest hump yard by area on the entire CSXT system, processing over 1,000 cars a day with the ability to process more than 2,000. Twenty yard jobs and one local train works out of Selkirk. Traffic moves back and forth from the upper East Coast to the Midwest, Mid-Atlantic, and Southeast. Selkirk includes a large locomotive shop and service center, along with a car shop. Two merchandise trains originate/terminate in Selkirk, running to/from the Northeast.

West Springfield, MA. This CSXT "satellite" yard services the CSXT customer base in the region, and serves as an interchange point with the Connecticut Southern Railroad to forward cars to the CSXT Cedar Hill Yard in New Haven, CT. Most traffic that arrives at West Springfield has been processed at

Selkirk. The West Springfield yard itself processes over 150 cars a day and includes a small intermodal ramp. Three intermodal trains a day run through the yard, and two intermodal trains pickup/setoff in the yard. Two merchandise trains originate/terminate in the yard. Two yard jobs and three local trains work out of West Springfield.

Worcester, MA. This CSXT intermodal yard processes over 120 cars a day and includes an intermodal ramp with high priority UPS shipments moving in and out. Two merchandise trains a day run into Worcester and one merchandise train a day runs out of Worcester, in addition to one yard job and one local train. The Worcester intermodal yard is the eastern terminus of the CSXT intermodal network and services the entire New England market. CSXT interchanges traffic with P&W at Worcester.

East Brookfield, MA. This yard, the Northeast Automotive Intermodal Gateway, owned and operated by East Brookfield & Spencer Railroad, includes an automotive ramp and is the eastern terminus of the CSXT automotive network. One train a day runs in/out of this yard.

Framingham, MA. This CSXT yard processes approximately 103 cars a day. Two yard jobs and two local trains work out of Framingham, and traffic arrives at this yard on the B722 train from Worcester, MA.

Readville, MA. Two local trains work out of this CSXT yard, and no cars are processed here.

Middleborough, MA. Three local trains work out of this CSXT yard, and no cars are processed here.

Cedar Hill (New Haven, CT). Two local trains work out of this CSXT yard, and no cars are processed here.

D. Intermodal Operations

In total, the PAR System and PAS moved approximately 83,000 intermodal and haulage units in 2019, which accounted for {{[redacted]}} of the 2019 gross revenue of PAS and {{[redacted]}} of the gross revenue of the PAR System. The PAR System and the

PAS system include a total of six intermodal terminals and two automotive facilities.

PAS engages in significant intermodal operations, and it is an important link to the Boston market for intermodal and automotive trade flows. In 2019, PAS moved 77,883 intermodal and haulage units, and its gross revenue for intermodal and haulage was {{[redacted]}} PAS operates the following intermodal and automotive facilities:

- Ayer, MA – a three-track, 10,000-foot intermodal pad with a 300+ trailer parking area; and
- Mechanicville, NY – a two-track, 8,000-foot overhead crane intermodal facility with a 400+ trailer parking area.

These two facilities are strategically located to serve automotive and broader commercial merchandise traffic flows into the Boston metropolitan area. The Ayer intermodal facility is located approximately 35 miles northwest of Boston, MA. It encompasses approximately 52 acres of land and was built to handle a capacity of 75,000 truckload equivalent units ("TEUs"), with the potential to expand to 175,000 TEUs of capacity. PAS has added capacity at the existing Ayer intermodal terminal and constructed an automotive terminal at Ayer.

The Mechanicville facility is located on a strategic route between Chicago and Boston. It is the site of an auto unloading facility and an efficient "filet and toupee" operation, in which the top containers of Massachusetts-bound double-stack, intermodal trains are removed (*i.e.*, "filleted") in order to permit the trains to fit through the Hoosac Tunnel. On the return trip, single-stack trains stop in Mechanicville to have containers placed on top, or a "toupee," before heading to Chicago. NSR runs one round-trip train per day between Mechanicville, NY and Ayer, MA that is operated by Springfield Terminal in haulage service as contract operator for PAS.

The PAR System, through Springfield Terminal, also engages in intermodal operations, handling 5,054 intermodal and 1,237 haulage units in 2019. The PAR

System/Springfield Terminal loads intermodal traffic in Waterville, ME, destined for Ayer, MA.

E. Labor

Springfield Terminal performs the rail operations of the PAR and PAS networks. Neither PAS nor any of the other rail carrier affiliates of PAR have railroad employees. Details regarding the pre-transaction labor force are described in the Employee Impact Exhibit included with the Application.

F. Commuter and Other Passenger Rail Service

Set forth below is a description of the existing passenger operations on the PAR System and the PAS Network. A map depicting these operations is included in Exhibit 1 to the Application.

i. Amtrak

Amtrak operates the Vermonter service between Washington, DC and St. Albans, VT. This service includes the Knowledge Corridor between New Haven, CT and White River Junction, VT, over which PAS has operating rights. The line between New Haven, CT and Springfield, MA is owned, maintained, and dispatched by Amtrak, while the segment between Springfield, MA and East Northfield, MA is owned by MassDOT and dispatched and maintained by PAS/Springfield Terminal. As of January 22, 2021, the 2 daily trains (1 northbound and 1 southbound) operated by Amtrak have been temporarily suspended due to the COVID-19 pandemic.

Amtrak operates the Valley Flyer service between New Haven, CT and Greenfield, MA, on the same Knowledge Corridor lines described above. Amtrak previously operated 4 round-trip trains per day. Amtrak currently operates a reduced schedule for the Valley Flyer with 2 daily trains (1 southbound and 1 northbound) between New Haven, CT and Greenfield, MA.

Amtrak operates passenger service between Springfield, MA and New Haven, CT, over the same Knowledge Corridor lines described above. As of January 14, 2021, Amtrak operates 8 daily trains (4 northbound and 4 southbound) on this line.

The Connecticut Department of Transportation, in conjunction with CTrail and Amtrak, operates commuter service between Springfield, MA and New Haven, CT, over the same PAS Knowledge Corridor lines described above. As of January 14, 2021, CTrail operates 10 daily commuter trains (5 northbound and 5 southbound) on this line.

The Metropolitan Transportation Authority, through its operating agency Metro-North Railroad, operates commuter service between Waterbury, CT and Bridgeport, CT. This service includes operation over lines that PAS also operates over using a perpetual freight easement between Waterbury, CT and Derby, CT. The line between Waterbury, CT and Bridgeport, CT is owned by the Connecticut Department of Transportation and maintained and dispatched by Metro-North Railroad. As of January 14, 2021, Metro-North Railroad operates 12 daily commuter trains (6 northbound and 6 southbound) on this line.

Amtrak operates the Downeaster service between Boston North Station and Brunswick, ME. As of January 22, 2021, Amtrak operates 8 daily trains, 4 southbound and 4 northbound. MBTA owns and maintains the line between Boston and the Massachusetts/New Hampshire State line. PAR subsidiaries own and maintain the line between the Massachusetts/New Hampshire State line to Brunswick, ME. The State of Maine owns approximately one mile of the line leading into Brunswick Station in Brunswick, ME. The PAR System/Springfield Terminal dispatches Amtrak trains from and including CPF LJ (near Lowell, JCT) to Brunswick, ME. MBTA dispatches the segment from Boston to CPF LJ.

ii. MBTA

MBTA operates the Fitchburg Line commuter service between Wachusett, MA and Boston North Station. The service operates on PAS-owned tracks between Wachusett, MA (CPF 335) and Fitchburg, MA (CPF 330), and on MBTA-owned tracks for the remainder of the route, over which PAS and PAR subsidiaries hold perpetual freight easements. The Fitchburg Line is equipped with PTC (ATC-ACSES), including the segment owned by PAS. Springfield Terminal dispatches

MBTA's trains on the Fitchburg Line from Wachusett, MA (CPF 335) to and including CPF WL, near Willows, MA. MBTA dispatches the line between CPF WL and Boston. MBTA currently operates 15 weekday trains and no weekend service.

MBTA operates the Haverhill Line commuter service between Haverhill, MA and Boston North Station, on a line segment owned and maintained by MBTA, over which a PAR subsidiary holds a perpetual freight easement. Springfield Terminal dispatches the Haverhill Line between CPF-LJ (near Lowell Jct, MA) and Haverhill MBTA's station. MBTA dispatches the remainder of the route to Boston North Station. MBTA has installed ATC-ACSES PTC on the line. MBTA currently operates a reduced schedule because of COVID-19, with 45 weekday trains and no weekend service.

MBTA operates the Lowell Line commuter service between Lowell, MA and Boston North Station, on a line segment owned and maintained by MBTA, over which a PAR subsidiary holds a perpetual freight easement. Springfield Terminal dispatches the line between MBTA's Lowell Station to and including CPF BY in Lowell, MA. MBTA dispatches the remainder of the route to Boston North Station. MBTA has installed ATC-ACSES PTC on the line. MBTA operates a reduced schedule because of COVID-19, with 43 weekday trains and no weekend service.

G. Abandonments and Discontinuances

The PAR System, through Maine Central, currently intends to seek STB authority to abandon an out-of-service rail line located in central Maine, known as the Madison Branch. The line runs from Oakland, ME (milepost 0.4) to North Anson, ME (milepost 25.7). The line will be converted to a multi-use trail.

H. Mechanical Facilities

The PAR System operates a mechanical facility at Waterville, ME, where PAR/ST performs major locomotive repair and overhauls, along with car repair. CSXT plans to operate this facility post-transaction. PAS has a mechanical facility at East Deerfield where PAS performs locomotive and car repair work. B&E plans to continue to operate this facility post-transaction.

As described above, CSXT has a mechanical facility at its Selkirk, NY yard, where CSXT services locomotives and repairs railcars. The Selkirk Yard multi-track locomotive maintenance facility includes both a Locomotive Shop and Service Center, where employees perform repair, service and maintenance on numerous locomotives each day, around the clock. While locomotives take on fuel, water and sand, employees make inspections and necessary minor adjustments and repairs. In the Locomotive Shop, regularly scheduled inspection cycles are performed as well as other routine tasks, such as the removal and replacement of crankcase oil and filters. Repairs to freight cars at Selkirk Yard are made in an enclosed facility measuring approximately 16,800 square feet, equipped with four through tracks. Multiple tracks are set-up to handle light, or running repairs, such as wheel changes and air brake work. Heavier repairs can also be completed within the shop at work stations equipped with stationary jacks, job cranes, welding equipment, power tools and lubrication. A supply of such items as couplers, draft gears, car doors and other safety appliances are readily available from the inventory kept on-site. CSXT will continue to operate this Selkirk facility post-transaction.

II. Post-Transaction Operations

A. Changes to Train Operations

i. The PAR System

In connection with the Proposed Transaction, CSXT will take over Springfield Terminal's operation of the PAR System. CSXT does not have any current plans to change the existing PAR System routes, patterns, or types of service. Although CSXT may need to modify schedules to ensure efficient service, the basic service is not expected to change. CSXT intends to apply to existing movements on the PAR System the operating practices that have made CSXT a first-in-class rail operator on its existing network. By implementing CSXT's industry-leading operating practices on the PAR System, CSXT will modernize and introduce efficiencies to the PAR System's operations, emphasizing consistency, reliability, and careful data measurement and management.

For example, on a daily basis, the CSXT operating team reviews detailed performance metrics regarding the CSXT system, including charts and data on a wide range of issues, such as train velocity, train length, train tonnage, train delay hours, carload trip plan compliance and failures, on-time originations and arrivals, locomotive miles per day, and extra yard jobs and locals. CSXT makes many of these metrics publicly available on its website at https://investors.csx.com/metrics/default.aspx.

Reviewing performance metrics on a daily basis allows CSXT to detect any problems and to make real-time network adjustments as needed to promote and support efficient operations. Additionally, CSXT anticipates operating the PAR System on a scheduled basis, regularizing what CSXT understands are train schedules that are at times inconsistently implemented. CSXT has shown that it can make consistency and efficiency improvements to its existing network, and CSXT looks forward to achieving the same for customers on the PAR System.

As CSXT integrates the PAR System operations into CSXT's operating plan and implements incremental capital improvements to increase train velocity, CSXT expects that it will eventually be possible to decrease the number of trains run on the PAR System, while maintaining the same gross tonnage and routings. As noted below, CSXT expects to make infrastructure improvements in rails, ties, yards and bridges and to implement standard CSXT asset replacement cycles. These improvements can be expected eventually to improve velocity on some segments of PAR System lines and allow CSXT to consolidate some existing train starts on the PAR System, and train lengths may increase.

For example, there may be areas where current speed restrictions require the use of two trains between three rail-served locations, say points A, B and C. A train may be needed to run between A and B and another train may be needed separately to run between B and C. As CSXT is able to increase velocity and otherwise make existing operations more efficient, it may be able to run a single train between A and C, while serving B as an intermediate location. These types of operating

changes are not capable of being identified with more precision at this time, but CSXT expects that such changes will eventually be possible. CSXT anticipates that the majority of these changes will be implemented on the PAR System in largely rural areas north and east of Portland, ME, where longer trains are not likely to disrupt grade crossings. Additionally, as CSXT makes capital improvements to increase velocity, faster movements through grade crossings will help offset any impacts of longer trains.

CSXT expects that no existing PAR System lines will be downgraded, eliminated, or operated on a consolidated basis as a result of the Proposed Transaction. No changes to traffic are expected to result from diversions of traffic from other railroads or other modes of transportation. CSXT expects that superior rail operations will eventually result in the movement of freight from trucks to rail, but such changes will occur over the long term and are not capable of being estimated with more precision here.

ii. The PAS Network

In the Term Sheet Agreement described above, CSXT, NSR, and GWI have agreed that B&E will take over Springfield Terminal's operation of the PAS Network once CSXT acquires Springfield Terminal and Boston & Maine (including Boston & Maine's one-half interest in PAS). B&E has agreed to "step into the shoes" of Springfield Terminal as operator of PAS, providing substantially all of the operating services that Springfield Terminal currently provides on behalf of PAS in substantially the same way.

As the largest operator of short line and regional railroads in the United States, GWI operates multiple railroads of a similar size and scope as the PAS Network, including the dispatch and hosting of commuter and passenger services that run comingled with freight. Except as described elsewhere in this Exhibit 13, B&E's expected plan for train operations does not differ materially from Springfield Terminal's current operations on the PAS Network, which includes 72.8 miles of trackage rights over B&E's affiliate NECR.

B&E will base its rolling stock, labor and equipment requirements on the execution of B&E's expected operating plan and the related experience of GWI's railroads in the region. B&E expects that all functional areas of PAS operations will benefit from a greater deployment of technology and further digitization of railroad operations than is utilized by the current operator of PAS, Springfield Terminal. B&E expects that these improvements will lead to increased productivity of the PAS Network. This deployment will include the use of automated, cloud-based solutions to more efficiently manage train crew scheduling, equipment, rolling stock and locomotive utilization, and maintenance planning.

These tools will replace the manual combination of paper forms and spreadsheets currently used by Springfield Terminal to operate the PAS Network. The technology also will include mobile reporting tools to enable train crews to report train and railcar movements from the field in real time. This technology will eliminate time and resources devoted to manually inputting train information before and after a train movement.

Under the NSR Settlement Agreement/Ayer Operations Protocol, CSXT and NSR have established certain principles to strengthen existing operations of PAS lines following consummation of the Proposed Transaction. In the Ayer Operations Protocol, CSXT and NSR have agreed that, once CSXT owns a one-half interest in PAS and B&E is the contract operator of PAS, the parties will implement levels of service metrics and goals and a "static yard plan" for traffic moving on the PAS line running through the Ayer switching area (from Harvard, MA to CPF 312), which includes the existing Ayer Yard/Hill Yard described above. GWI has agreed through the Term Sheet Agreement to cause B&E to implement with PAS, NSR, and CSXT, within three months after commencement of B&E's operation of PAS, a suite of operating metrics and goals related to PAS operations.

Moreover, CSXT has agreed through the Ayer Operations Protocol to fund the construction of certain improvements in Ayer Yard/Hill Yard {{[redacted]}}. CSXT and NSR have also agreed that CSXT can use the trackage rights

currently held by Springfield Terminal over the PAS line segment from Harvard, MA to CPF 312 to run up to one pair of 9,000-foot CSXT trains (plus locomotives) per day, with additional pairs of CSXT trains available under certain circumstances. {{[redacted]}}

Therefore, the Proposed Transaction and the Related Transactions will not produce significant changes to the existing routes, patterns, or types of service for the PAR System, PAS, or CSXT, or redirect existing traffic over those networks, with the exception of one NSR intermodal train pair per day that will run on CSXT's lines instead of PAS, described in further detail below. The Related Transactions will strengthen the critical segment of PAS rail lines in and around Ayer, MA, and will ensure that CSXT will have an efficient and unencumbered route through Ayer, MA for the movement of CSXT traffic into and out of New England, as CSXT integrates the existing CSXT and PAR System rail networks.

iii. Changes in traffic flows resulting from the NSR Settlement Agreement.

The NSR Settlement Agreement will have a small impact on traffic flows on two routes running generally west-to-east, each shown on the map contained in Exhibit 4-A to the Application: (1) the "Northern Route" on PAS between Rotterdam Junction, NY and Ayer, MA, and (2) the "Southern Route" between Voorheesville, NY and Ayer, MA. The traffic changes will result from two provisions of the NSR Settlement Agreement.

First, section IX of the NSR Settlement Agreement provides that CSXT will interchange certain carload traffic moving to/from Ayer shippers at Rotterdam, NY to run over the Northern Route for a transitional period. This traffic currently

moves on the Southern Route through Worcester, MA. CSXT expects that the carloads that are diverted from the Southern Route to the Northern Route will be handled in existing PAS trains, so the traffic diversions will not cause any increase in train counts on the Northern Route, but they will result in a decrease in carload traffic moving over the Southern Route. Those changes are reflected in Attachments 2 and 3 to Exhibit 4-A to the Application.

Second, section IV of the NSR Settlement Agreement provides that NSR will obtain trackage rights for one intermodal/automotive train pair per day (one train in each direction) over the Southern Route between the Voorheesville, NY, area and Ayer. These trackage rights over the Southern Route will allow NSR to move double-stack intermodal trains into Ayer, which NSR cannot do today on the Northern Route. Use of the Southern Route by NSR instead of an interchange to PAS over the Northern Route will have the following impacts on traffic volumes:

1. There will be an increase of one intermodal/automotive train pair per day to and from Ayer over the Southern Route, and a decrease of one train pair per day, to and from Ayer on the Northern Route.

2. The gross ton-miles per year on the Northern Route will be reduced by the diversion of the pair of NSR intermodal/automotive trains to the Southern Route. However, that reduction will be offset to some extent by an increase in gross ton miles per year on the Northern Route resulting from CSXT's diversion of traffic from the Southern Route to the Northern Route, as discussed above. The result is a net decrease in gross ton-miles per year on the portion of the Northern Route through Mechanicville (the point of interchange with NSR). Attachments 2 and 3 to Exhibit 4-A to the Application show the reduction in gross ton-miles by segment on the Northern Route. Annual gross ton-miles on the remaining segment of the Northern Route between Mechanicville and Rotterdam will increase by 24% as a result of CSXT's diversion of traffic from the Southern Route to the Northern Route, as discussed above.

3. The diversion of the NSR intermodal/automotive train pair to the Southern Route will increase trains on that line by one train pair per day, or one train in each direction.

4. The gross ton-miles per year on the Southern Route will be increased by the diversion of the NSR intermodal/automotive train pair from the Northern Route. However, that increase in gross ton-miles will be

offset to some extent by the reduction of gross ton-miles per year from the CSXT traffic that will be diverted from the Southern Route to the Northern Route, as discussed above. The net effect will be an increase in gross ton-miles per year on the Southern Route as shown in Attachments 2 and 3 to Exhibit 4-A to the Application.

5. On the Southern Route line segment between Worcester, MA and Ayer, there will be an increase of one train pair per day, as the pair of NSR intermodal/automotive trains will now traverse this line segment.

6. The gross ton-miles per year on the Worcester-to-Ayer segment of the Southern Route will increase 67% on a net basis as a result of the addition of the pair of NSR intermodal/automotive trains and the reduction of carloads that CSXT moves today on that line segment that will be moved post-transaction on the Northern Route.

B. Changes to Interchanges

As noted above, Springfield Terminal currently operates the PAR System pursuant to leases from other PAR subsidiaries that own the lines, and the PAS Network as a contract operator. CSX intends to merge Springfield Terminal into CSXT at a later date, which will result in the elimination of the existing physical and revenue interchanges between CSXT and the PAR System/Springfield Terminal. The elimination of these CSXT/PAR System interchanges will allow for faster, more competitive single-line service between the existing CSXT network and the PAR System. As discussed elsewhere in the Application, CSXT will commit to keeping existing gateways open to other rail carriers on commercially reasonable terms.

The PAR System currently conducts a revenue interchange with PAS at Ayer, MA, although because Springfield Terminal operates both the PAR System and PAS, no physical interchange currently exists there. Because the Proposed Transaction will result in B&E operating the PAS Network and CSXT operating the PAR System, PAS and CSXT will institute a physical interchange at Ayer, MA.

C. Changes to Yards

The Proposed Transaction will not result in any immediate changes to the PAR System and PAS yards, except for the CSXT investment in the PAS Ayer Yard/Hill Yard described above. Eventually, CSXT may make incremental efficiency

improvements, such as moving certain PAR System job origins from smaller to larger yards, allowing the train crews to serve more customers and perform more yard work. Additionally, CSXT expects that capital improvements in PAR System yards will decrease the number of derailments and accidents and add fluidity to yard operations, improving both safety and efficiency.

D. Changes to Intermodal Operations

As noted above, Springfield Terminal currently operates NSR trains, including some intermodal traffic, over PAS lines between Mechanicville, NY and Ayer, MA, pursuant to a haulage agreement between NSR and PAS. In connection with the NSR Settlement Agreement, NSR will obtain trackage rights allowing NSR to move up to one train pair per day, carrying intermodal and automotive vehicles traffic only, from NSR's connection with CSXT near Voorheesville, NY, over the "Southern Route," consisting of CSXT's east-west rail line to Worcester, MA, then over the rail line of Providence and Worcester Railroad Company to Barbers Station, MA, and over PAR/Boston & Maine's rail line to Harvard, MA, and finally over PAS's rail line to serve the intermodal terminal located near Ayer, MA. These trackage rights will allow NSR to run double-stacked traffic over the new trackage rights route, reducing the need for the "filet and toupee" operation described above.

E. Labor Impacts

Details regarding the impacts to labor are described in the Employee Impact Exhibit included with the Application.

F. Maintenance and Capital Investment

CSXT plans to increase capital investment across the PAR System to raise track standards, which will include catch-up investments in rail, tie, bridge and yard improvements. Additionally, CSXT intends to implement standard CSXT asset replacement cycles. In particular, CSXT plans to restore the PAR System mainline track conditions from FRA Class 1 to FRA Class 2 track standards. CSXT expects this work to start soon after the Proposed Transaction is consummated (pending weather and resource deployment) and to complete this work within approximately

five years. CSX also plans to perform catch up tie replacement and surfacing work on PAR System mainlines consistent with CSXT's system cycles, which typically replaces 900-1100 ties per mile. CSXT plans to systematically upgrade the remaining PAR System freight mainline jointed rail based on rail testing data, tonnage, and CSXT's standards. CSXT expects that implementation of this deferred maintenance and delayed capital improvements will lead to increased reliability and fluidity, resulting in service improvements and operating economies across the PAR System.

As discussed further in Exhibits 4 and 4-A to the Application, CSXT has identified concrete steps that can be taken, at CSXT's expense, to upgrade the PAR System line segment between Worcester, MA and Ayer, MA that runs for short segments along or over the Wachusett Reservoir. In particular, CSXT plans to upgrade approximately 7.6 miles of track adjacent to the Wachusett Reservoir to FRA Class 3 track standards.

B&E also expects to optimize its engineering headcount to maintain PAS's infrastructure, with B&E coordinating with the owners of PAS – NSR and CSXT – on the most efficient and effective way to complete specific capital project work. This coordination may include the deployment of NSR's and CSXT's highly-automated engineering crews, where appropriate, as B&E operations allow. The Class I engineering teams dedicated to executing large rail and tie projects typically are far more efficient than those of any regional or short line railroad operator. PAS and B&E will benefit from greater coordination in the future, especially with CSXT as a new owner of PAS along with NSR.

CSXT and NSR plan to restore a connection between existing CSXT and NSR lines near Voorheesville, NY. This will allow NSR to enter CSXT's line and take advantage of the "Southern Route" trackage rights described above. Article 4.C of the draft trackage rights agreement between NSR and CSXT, submitted by NSR in FD 36472 (Sub-No. 1), provides:

> Prior to commencing operations over the Trackage Rights, NSR shall (i) prepare in good faith consultation with CSXT and provide to CSXT for approval, which shall not be unreasonably withheld, plans pursuant to the specifications in Attachment A to this Agreement, including the costs to construct a connection between the NSR track that runs between Delanson, NY and Schenectady, NY and the CSXT track that runs between Rotterdam Jct., NY and Voorheesville, NY, which shall be able to handle the Subject Traffic at speeds reasonably acceptable to CSXT (the "Improvements");

To reconnect the two lines and re-establish the connection, NSR will simply need to upgrade the existing NSR-owned track leading to the CSXT track in Voorheesville and rehabilitate the existing connecting tracks. CSXT will need to install a new turnout and dispatcher-controlled power switch and signals at the point of the connection.

The Ayer Yard improvements referenced above will consist of the following five projects:

1. Add new storage track off of the thoroughfare track (2,400ft). This work provides additional capacity to stage block swaps and / or the Pan Am water containers & trash containers while freeing up the thoroughfare track for thru trains.

2. Add (PAS) Power Assisted Switches on Hand-throw Electric Lock Universal Cross-Overs. This work enables Intermodal Trains to make head end moves into Ayers Yard rather than pulling past the East Wye and making back-up moves through the passenger station. This will save time, free up moves on the east wye, and reduce congestion at the Ayer passenger station.

3. North End Ayer Yard - Reconfigure M1, M2, M3 Ladder and add 750ft stub end drill track. This work enables the intermodal trains to enter the yard (processing tracks M1, M2 & M3) from the east wye and not impact the local switching or block the thoroughfare track on the north end. Isolate the intermodal service from the local service.

4. South End Ayer Yard - Add cross-over from M2 & M3 Tracks to Thoroughfare Track. This work provides switching room on the M2 and M3 Intermodal Tracks using the Thoroughfare Track if the South Intermodal Lead (I/M Lead) is occupied. The new cross-over from the Track 11 Extension to the Thoroughfare Track allows thru trains to bypass the intermodal train that may be working on the Thoroughfare Track.

5. Add additional storage track off of the thoroughfare track (2,300ft). Again, this work provides additional capacity to stage block swaps, the water containers and / or trash containers while freeing up the thoroughfare track.

The PAR System has been awarded or has proposed applying for the following grants related to capital improvements. The awarded grants will result in the following upgrades: (1) replacing approximately 150 miles (75 track miles) of rail with new continuously welded rail, (2) replacing 65 mainline switches, (3) upgrading 119 rail crossings, (4) upgrading the timber decks on 28 bridges, and (5) strengthening five bridges to 286k weight capacity.

Grants Awarded	**Project Location**	**Total Project Amount**	**RR Contribution**
Pine Tree Corridor 286k Capacity and Safety Improvements (Pan Am CRISI)	Mattawamkeag to Waterville	$41,993,572	$25,816,112
Pan Am Railways Mainline Upgrades & Rail Crossing Safety Improvements (MeDOT CRISI)	Waterville to Royal Junction	$35,505,772	$17,468,840
Wells Area Improvement Project (NNEPRA CRISI)	Wells & North Berwick, ME	$15,813,158	$1,500,000
Hoosick Junction Expansion Phase 1 (NYSDOT PFRAP)	Hoosick Junction	$3,138,390	$628,000
Hoosick Junction Expansion Phase 2 (NYSDOT PFRAP)	Hoosick Junction	$3,335,229	$667,046

Proposed Grant Applications	**Project Location**	**Total Project Amount**	**RR Contribution**
Patriot Corridor Track and Grade Crossing	Gardner to East Deerfield	$12,087,934	$6,043,967

Improvements (CRISI or BUILD)			
Rotterdam Branch Improvements (NYSDOT PFRAP)	Rotterdam Branch	$5,603,780	$1,120,756
Freight Main Line Bridge Rehabilitations (NYSDOT PFRAP)	Mechanicville to Schaghticoke	$804,856	$160,971

G. Impacts on Commuter and Other Passenger Rail Service

The Proposed Transaction will not produce significant changes to either the existing PAR System, PAS, or CSXT routing or volume of traffic. CSXT has no intention of closing routes or lines or diverting traffic away from routes that are currently being used. As noted above, CSXT plans to implement its industry-leading operating practices on the PAR System, modernizing and introducing efficiencies to the PAR System's operations, and emphasizing consistency, reliability, and careful data measurement and management. B&E has agreed to "step into the shoes" of Springfield Terminal as operator of PAS, providing substantially all of the operating services that Springfield Terminal currently provides on behalf of PAS.

All rail users, including passenger service, will benefit from the more consistent and reliable network that will result from the Proposed Transaction. For example, the improvements to the Ayer Yard described above will result in reduced congestion at the Ayer passenger station. Accordingly, the Proposed Transaction will not affect any existing passenger operations on the rail networks of CSXT, the PAR System, and PAS.

CSXT and B&E commit to fully stepping into the shoes of Springfield Terminal regarding any agreements or commitments made by Springfield Terminal to MassDOT and MBTA, including with respect to Springfield Terminal's dispatching responsibilities. Specifically, the Springfield Terminal dispatching operations of MBTA and MassDOT passenger trains will continue to be located in North Billerica, MA for the foreseeable future. MBTA and MassDOT will be

consulted in the unlikely event that operational considerations require reevaluation of this arrangement.

CSXT is committed to cooperatively work with MBTA and MassDOT to consider the introduction and expansion of passenger service upon request. Upon request, CSXT will work with passenger rail authorities to reinstate pre-pandemic frequencies and schedules. Additionally, B&E has agreed to operate freight service on the PAS Adams Branch on a schedule that will continue to accommodate the operation of MassDOT-designated excursion trains.

Moreover, CSXT commits to continuing to route traffic from the existing CSXT network onto the existing PAR/Springfield Terminal network through Barbers Station and Ayer, rather than using the Grand Junction Branch. If CSXT sees the need in the future to consistently operate using the Grand Junction Branch from Worcester and Framingham, which CSXT does not currently foresee, CSXT is committed to working cooperatively with MBTA to implement capital improvements to accommodate any changes in CSXT freight service.

CSXT plans to install Positive Train Control ("PTC") on the PAR System line segment north of the Massachusetts/New Hampshire State line to Brunswick, ME, which hosts the Amtrak Downeaster service described above. The PTC installation and funding responsibility will be coordinated with Amtrak. MBTA has installed PTC (ATC-ACSES), which is in service between Boston, MA and the Massachusetts/New Hampshire State line.

H. Anticipated Abandonments and Discontinuances

At this time, there are no anticipated abandonments or discontinuances, other than the abandonment of the Madison Branch, discussed above.

I. Equipment Requirements

Springfield Terminal currently utilizes a total of approximately 1,476 railcars and 102 locomotives across the PAR System and PAS. CSXT plans to sell approximately 33 of the Springfield Terminal locomotives to B&E for its operation of PAS. CSXT will evaluate the remaining Springfield Terminal locomotives for

mechanical reliability and needed technology enhancements. CSXT will absorb into its fleet the 4-axle Springfield Terminal locomotives and utilize them where needed. CSXT will evaluate the 6-axle Springfield Terminal locomotives and either sell, store, or absorb them into the CSXT fleet.

CSXT has rolling stock in storage. CSXT will evaluate the Springfield Terminal equipment and absorb what is needed for operation of the PAR System. CSXT currently estimates a 25% reduction in the Springfield Terminal car fleet due to operating efficiencies. CSXT plans to use the Springfield Terminal maintenance-of-way ("MOW") equipment for the first few years following consummation of the Proposed Transaction to help raise the PAR System infrastructure to CSXT's standards. After such time, CSXT will evaluate the Springfield Terminal MOW equipment for storage, parts, or absorption into CSXT's MOW fleet.

CSXT expects that implementation of its efficient equipment utilization practices across the PAR System will lead to financial and service benefits. The current Springfield Terminal locomotive fleet has an average age of 40.6 years. CSXT's road locomotive fleet has an average age of 25.9 years with higher average horsepower. CSXT set a fuel efficiency record in 2019 as the only U.S. class I railroad to operate below one gallon of fuel per thousand gross ton miles.

Moreover, the higher-horsepower CSXT locomotives will allow CSXT to operate the PAR System with fewer locomotives than Springfield Terminal uses today. For example, Springfield Terminal may use three locomotives to power certain trains today, and CSXT may be able to move such trains with only two locomotives. CSXT employs distributed power on all types of trains in part to help reduce fuel usage. Distributed power involves placing one or multiple locomotives within the length of a train that are remotely controlled from the lead locomotive. By reducing draft forces along a train and lowering the lateral force between wheels and rail on curves because of distributed power, fuel consumption is cut. Springfield Terminal does not currently use distributed power on the PAR System.

In short, CSXT expects that the transfer from a higher-maintenance, older, and less-powerful Springfield Terminal locomotive fleet to the more modern, fuel-efficient, and powerful CSXT locomotive fleet will result in operating and financial benefits to the PAR System, along with a reduction in greenhouse gas emissions and environmental impacts.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

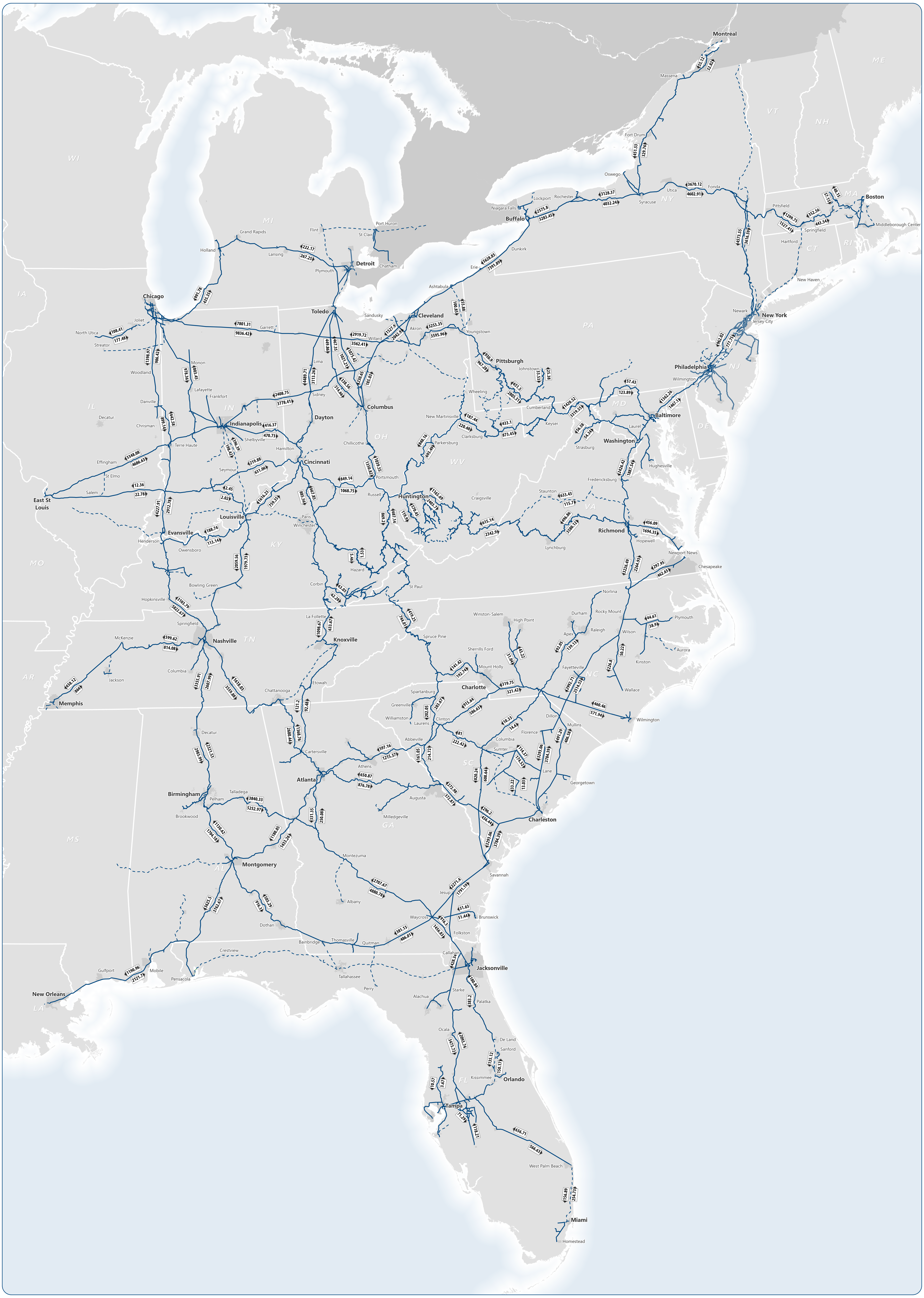
CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 14

Density Charts

REDACTED – TO BE PLACED ON PUBLIC FILE

CSX Freight Density



- CSX Rail Service
- Operating Agreement
- Shared Assets

N W E S

0 50 100
Miles

Million Gross Ton Miles (MGTM) generated using TFA data
Map produced by GIS

CSX HOW TOMORROW MOVES ®

April 2021

DISCLAIMER:
The CSX Corporation, Inc. GIS Department, its employees,agents, and personnel, MAKES NO WARRANTY OF MERCHANTABILITY OR WARRANTY FOR WITNESS OF USE FOR A PARTICULAR PURPOSE, EXPRESS OR IMPLIED, WITH RESPECT TO THE INFORMATION CONTAINED ON THIS MAP. Any user of this information accepts the same AS IS, WITH ALL FAULTS, and assumes all responsibility for the use thereof, and further covenants and agrees to hold the CSX Corporation, Inc. GIS Dept., its employees, agents, and personnel, harmless from and against any damage, loss or liability arising from any use of the information. Users should obtain independent verification of all information contained on this map. CSX Corporation, Inc. GIS Department, its employees, agents, and personnel, disclaims, and shall not be held liable for, any and all damage, loss or liability, whether direct, indirect or consequential which arises or may arise from this MAP information or use thereof by any person or entity.
Proprietary Information:
The CSX Corporation, Inc GIS Dept has copyrighted the map product and databases on this MAP and they reserve all rights thereto. No portion of the products or databases on this MAP may be reproduced in any form or by any means without the xpress written authorization of the CSX Corporation, Inc. GIS Dept. or its authorized agents.

REDACTED – TO BE PLACED ON PUBLIC FILE

PAN AM RAILWAYS

BOSTON & MAINE CORP. • MAINE CENTRAL RAILROAD CO. • PAN AM SOUTHERN LLC • PORTLAND TERMINAL CO. • SPRINGFIELD TERMINAL RAILWAY CO.

0 25 50 75 100
MILES

1700 IRON HORSE PARK • NORTH BILLERICA, MASSACHUSETTS 01862

Revised 4-23-2021 RRR

2019 ANNUAL FREIGHT DENSITY

Showing lines with 1 million gross ton-miles per mile road or more per year

Pan Am Southern (PAS)
Segments in Million Gross Ton Miles

	North/ East	South/ West	Total
Rotterdam Jct. - Mechanicville	29	19	48
Mechanicville - Hoosick Jct.	100	70	170
Hoosic Jct. - N. Adams	98	68	166
N. Adams - E. Deerfield	170	118	288
E. Deerfield - Gardner	130	90	220
Gardner - Fitchburg	45	31	77
Fitchburg - Ayer	38	27	65
White River Jct. - Bellows Falls	2	1	3
Bellows Falls - Brattleboro	13	7	20
Brattleboro - E. Deerfield	30	17	47
E. Deerfield - Northampton	8	10	18
Northampton - Berlin	12	15	27
Berlin - Waterbury	3	4	7

Pan Am Railways (PAR)
Segments in Million Gross Ton Miles

	North/ East	South/ West	Total
Ayer - Rockingham Jct.	158	210	368
Rockingham Jct. - Portland	157	208	365
Portland - Waterville	166	221	387
Waterville - Bangor	36	48	84
Bangor - Mattawamkeag	7	9	16
Portland - Rumford	28	37	65
Ayer - Boston	2	3	5
Lowell Jct. - Boston	7	8	15
Boston - Peabody	1	2	3
Ayer - Worcester	40	54	94
Concord - N. Chelmsford	6	7	13

LEGEND

- Pan Am Railways (PAR)
- PAR Trackage Rights
- PAR Perpetual Freight Easement
- Pan Am Southern (PAS)
- PAS Trackage Rights
- PAS Perpetual Freight Easement
- CSX Transportation (CSXT)
- CSXT Trackage Rights
- CSXT Perpetual Freight Easement
- Massachusettes Bay Transportation Authority (MBTA)
- MBTA Passenger Operating Rights on PAS

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 22

Amended Verified Statement of Mr. Sean Pelkey

AMENDED VERIFIED STATEMENT OF SEAN PELKEY

I am Sean Pelkey. I am Vice President Finance and Treasurer for CSX Corporation, parent company of CSX Transportation, Inc. ("CSXT"). In this statement, I will refer to CSX Corporation and CSX Transportation collectively as "CSX." My role as Vice President Finance and Treasurer includes responsibility for reviewing CSX's business plans and forecasts, and conducting diligence and financial modeling regarding proposed acquisitions. My role also includes responsibility for CSX's Operations Finance and Commercial Finance functions. I have been involved in the analysis and negotiation of CSX's proposed acquisition of Pan Am Systems, Inc. ("Systems") (the "Proposed Transaction") since the bid process. Specifically, I participated in CSX's due diligence, analysis of the business opportunity, and negotiation of the merger agreement and other related agreements regarding the Proposed Transaction.

I am submitting this amended verified statement to describe for the Surface Transportation Board (the "Board") the public benefits that will be realized by CSX's acquisition of Systems. Through its rail carrier subsidiaries, Systems owns and operates a rail network in New England, which I refer to here as the "PAR System." Springfield Terminal Railway Company ("Springfield Terminal"), a Systems subsidiary, operates the entire PAR System as the lessee of rail lines owned or leased by other Systems rail carrier subsidiaries.[1] In addition, Systems (through Boston & Maine) owns a one-half interest in Pan Am Southern LLC ("PAS"), a 50/50 joint venture between Boston & Maine and Norfolk Southern Railway Company ("NSR"). Springfield Terminal also operates PAS, but on a contract basis as the agent of PAS.

[1] Systems' non-operating subsidiary railroads are the Maine Central Railroad Company, Portland Terminal Company, Boston and Maine Corporation ("Boston & Maine"), Northern Railroad, Stony Brook Railroad and the Vermont & Massachusetts Railroad.

As I explain below, the Proposed Transaction, if approved by the Board, will allow CSXT to expand its customer-centered operations further into New England. This will give CSXT's existing customers more direct and efficient access to New England markets. At the same time, it will give the PAR System's existing customers better rail service and create reliable single-line access to the rest of CSXT's rail network. The PAR System network in New England will become integrated into CSXT's broader U.S. rail network, providing expanded market access and increased opportunities to convert traffic from truck to rail and remove that traffic from congested highways.

These benefits strongly support the Board's approval of the Proposed Transaction. But in addition to the benefits that the shipping public will receive from CSXT's acquisition of Systems, CSXT has entered into agreements with NSR and Genesee & Wyoming Inc. ("GWI") that will also strengthen the entire rail network in New England and enhance competition in the region. In these related agreements, NSR will obtain trackage rights that will allow NSR to bring double-stack intermodal trains into the Boston area, which it is unable to do today due to the height restrictions in the Hoosac Tunnel on PAS. CSXT and NSR have also agreed that, when CSXT acquires Systems' 50% interest in PAS, PAS will retain Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad ("B&E"), a class III carrier and a wholly-owned subsidiary of GWI, to replace Springfield Terminal as the contract operator of PAS. GWI already has a substantial presence in New England through four class III rail carriers that GWI controls. B&E will be able to build on GWI's operating experience to improve service over PAS and achieve operating efficiencies. In short, CSXT's acquisition of Systems along with the related agreements with NSR and GWI will substantially enhance competition and improve rail service throughout New England.

Because the Proposed Transaction will result in significant public benefits, enhance competition in the region and produce no adverse impacts to the environment or existing passenger service in the Northeast, I urge the Board to authorize and approve the Proposed Transaction.

1. The Proposed Transaction Will Expand the Geographic Reach of CSXT Single-Line Service

The Board's approval of CSX's acquisition of Systems, together with the Related Transactions, will result in an end-to-end combination of existing rail networks. CSXT's 19,500-route-mile network covers the eastern half of the United States, where two-thirds of the U.S. population reside, and sits at the heart of the U.S. industrial complex. Our rail lines reach the Boston metropolitan area in the northeast. However, CSXT does not currently extend into northern New England.

The PAR System, in turn, operates an integrated regional rail network that serves thriving New England markets. Its approximately 808 route miles of rail lines[2] extend from Massachusetts in the south to the northern reaches of Maine and serve multiple ports and large commodity producers in New England. Systems also owns 50% percent of PAS, an approximately 425 route-mile railroad[3]. The PAS rail network extends from Rotterdam Jct., NY to the vicinity of Ayer, MA, west of Boston on an east-west line that is bisected by a north-south line on which PAS operates that extends from White River Junction, VT, in the north to New Haven, CT in the south. The acquisition of Systems will add three states – Vermont, New Hampshire and Maine – to CSXT's current 23-state network.

[2] The PAR System includes approximately 724.53 owned and leased (including perpetual freight easement) route miles and approximately 83.62 trackage rights route miles.
[3] The PAS network includes approximately 281.38 owned (including perpetual freight easement) route miles and approximately 143.62 trackage rights route miles.

The combination of CSXT and the PAR System will be end-to-end and it will create a direct, efficient single-line rail connection between New England and the rest of the Eastern United States served by CSXT. Today CSXT connects with the PAR System principally through an interchange with Springfield Terminal at Barbers Junction, MA, a location just north of Worcester, MA, which is on CSXT's main line between Selkirk and Boston. The Proposed Transaction will allow CSXT to convert interline operations between CSXT and the PAR System/Springfield Terminal through Barbers Junction to efficient, single-line service. The railroad industry has recognized that the conversion of interline to single-line rail service has strong benefits for rail customers and improves rail operations. As to PAS, CSXT connects with PAS principally at Rotterdam Junction, NY. As discussed below, CSXT will maintain this connection with PAS, which will be operated by B&E.

Among numerous other benefits, single-line service on the combined CSXT/PAR System lines will allow CSXT to consolidate and streamline service planning on the PAR System's current network, creating more efficient and reliable service for CSXT's and the PAR System's rail customers. Single-line service will reduce switching and interchange, will eliminate the need to coordinate a hand-off between separate rail carriers, will result in a savings in transit times, and will reduce the chance of unexpected problems in the physical interchange of traffic between two independent carriers. With single-line service and a consolidated information system for freight car location and distribution, rail customers will receive better information and can better monitor their traffic and plan their own operations around rail schedules. Shippers will benefit from a unified customer service interface and access to rates and equipment ordering through a single point of contact.

The creation of an efficient single-line route between CSXT and the PAR System/Springfield Terminal through Barbers Junction will also take pressure off of the transportation network in and around Boston. CSXT currently reaches Boston via lines it sold to the MBTA, over which CSXT retained permanent freight easements. These lines are also heavily used by MBTA's commuter service and CSXT has limited windows in which to operate. But CSXT is able to route traffic into northern New England through Barbers Junction to the west of Boston, allowing us to avoid congestion in the heart of Boston. The conversion of that interline movement to an efficient, single-line movement will preserve and strengthen the Barbers Junction alternative to a direct route through Boston.

2. <u>The Proposed Transaction Will Improve Service for New England Rail Customers.</u>

The Proposed Transaction will also bring our proven operational effectiveness to New England. In the four years since CSXT adopted operating practices focused on scheduled rail service, CSXT has become a first-in-class rail operator with increasingly reliable service. CSXT led U.S. railroads in 2020 for average terminal dwell reported to the Board. CSXT's line-of-road train velocity was 25.4 mph in 2020, a 23% improvement over 2017 levels. Terminal dwell was also dramatically improved in 2020, averaging 18.8 hours or 27% better than 2017. CSX's 2020 averages for line of road train velocity (25.4 mph) and terminal dwell (18.8 hours) are better than CSXT ever performed in a single week prior to 2018.

CSXT's trip-plan system, which focuses on individual cars rather than trains, has allowed us to improve transit times and reliability. We have implemented changes in traditional switching and yard management practices to achieve ambitious schedules, and these changes have reduced variability in our rail operations and increased reliability for our customers. All of these changes have been focused on improving customer service, and they have succeeded in

making CSXT a more resilient and reliable provider of rail services. The Proposed Transaction will allow us to bring these service benefits to New England rail users.

As explained in more detail in materials describing CSXT's expected operating plan, the basic routes and traffic flows on the PAR System network will not change significantly with CSX's acquisition of Pan Am. However, CSXT intends to bring a very different operating philosophy to the integrated network. In the past few years, CSXT has enhanced its operating philosophy to place greater emphasis on operating consistently and reliably, with careful data measurement and management to ensure accountability. A smaller rail network like the PAR System does not have the resources or scale of operations to implement the type of sophisticated operating systems and practices that CSXT will bring to New England. We know that customers value consistent service. CSXT has developed data systems that carefully measure operating performance and have allowed us to streamline the handling of shipments. These systems give us the ability to identify network problems and promptly fix them to ensure the consistent rail operations that customers want and the reliable service that will attract more traffic from highways to the rail network.

New England shippers will not only experience more reliable service, but those shippers will be able to better manage their own logistics costs. Expansion of CSXT's integrated operations into New England will allow customers to schedule their supply chains more precisely, better manage inventory and reduce those costs. CSXT developed a sophisticated but user-friendly web-based tool, ShipCSX, that allows customers to monitor their freight movements across the network and better control inventory and manage their supply chain. This and other tools we have created provide our customers with valuable ways to better manage their

logistics. These benefits will be extended into more of New England with the acquisition of the PAR System.

By increasing the reliability of rail service and the ability of shippers to track their shipments, CSXT can attract business from trucks and reduce congestion on the region's highways. We have seen that shippers often prefer rail service but choose trucks when they do not have sufficiently reliable rail service and cannot manage their inventory as easily as they can with trucks. But the operational and service changes that CSXT has made to its system – and will bring to more of New England – will allow us over time to attract more of the traffic going today to trucks. Our stronger ability to compete with trucks is an important benefit for New England shippers and for the broader New England communities.

CSXT is also a leader in the rail industry in safety metrics relating to train accidents, personal injuries and personal injury frequency. In 2020, CSXT set a new company record for the fewest number of FRA reportable personal injuries, had the lowest injury rate (0.81) for all Class I railroads, and has led the industry two years in a row. The Proposed Transaction will also allow CSXT to import our safety-oriented operating philosophy into New England.

3. <u>Shippers Will Have Expanded Market Access.</u>

One of the reasons CSX decided to acquire Systems is that the PAR System has shown above-market growth over the past few years, indicating that New England is a strong and increasingly important rail transportation market. From 2017 to 2019, the PAR System significantly increased growth in carloads and revenues and managed to attract new customers and expand existing business. With CSX's acquisition, the PAR System's customers will benefit from expanded access to markets on CSXT's rail network and with our interchange partners

across the country. CSXT will consolidate and streamline pricing for shippers currently served by CSXT and the PAR System.

To give an example, pulp and paper products are an important commodity handled by the PAR System today. After the Proposed Transaction, shippers of those products will have direct, efficient and single-line access to destinations located on CSXT's extensive rail network. A paper producer located on CSXT in Georgia will now have a single-line route and a single point of contact for pricing for pulp from northern New England. The efficiencies in transportation logistics would give both the producer and pulp supplier an opportunity to expand their business. Another example involves chemical and energy-related imports into New England originating at diverse origins. As a result of newly created efficient single-line rail service into New England, producers of these commodities located on CSXT's lines will now have greater opportunities to market their commodities to New England users. Both producers and consumers will benefit from the expanded market opportunities.

The expanded market opportunities will extend to international trade. The PAR System's rail network connects to four ports in Revere MA, Portsmouth NH, Portland ME, and Saint John, New Brunswick. The PAR System connects to Saint John through a haulage arrangement with the Eastern Maine Railway and New Brunswick Southern Railway. Shippers on the CSXT/PAR System rail network will have greater access to the inbound and outbound traffic using these ports. Substantial new investment is being made in these port facilities. For example, new investment in the Port Saint John in New Brunswick is making that port an increasingly important gateway for international commerce. Rail traffic from Saint John already accounts for a substantial volume of the PAR System traffic. Improved rail access to and from Saint John and

the other New England ports will provide new opportunities for rail shippers to access overseas markets.

4. CSXT Intends to Improve Existing Rail Infrastructure and Equipment Utilization

The PAR System rail network will be incorporated into CSXT's larger rail network. CSXT is already the PAR System's largest interchange partner other than PAS. Connections between the two networks are in place and function well. The PAR System's rail network can support current traffic and service levels, although our initial review of the PAR System's infrastructure has identified a few areas where we intend to make capital upgrades over the next two years so that operations over the PAR System can meet current CSXT operating requirements. In addition, CSX has identified a number of areas where the track structure can be strengthened. These improvements will give New England rail shippers more reliable service and will enhance the ability of CSXT to take traffic off of highways onto the new, efficient rail network. In addition, as discussed further below, CSXT has entered into an agreement to work with NSR to improve operations and add capacity at the eastern end of PAS in Ayer to improve traffic flows.

CSXT has a demonstrated record of adding capacity into the rail network through capital investment to accommodate traffic growth and take advantage of new transportation opportunities. CSX's acquisition of Systems will ensure that the future capacity needs of the rail network in New England can be met with adequate investment. In addition, CSXT will improve utilization of existing rail equipment through more effective scheduling and management of operations.

5. **The Agreements Reached with NSR and GWI Will Enhance Competition In New England**.

As noted above, in connection with its acquisition of Systems, CSXT has reached agreements with NSR and GWI that will strengthen the rail network in New England and enhance competition in the region. There are two agreements. The first is an agreement with NSR addressing NSR's concerns over the potential competitive effects of CSXT's acquisition of Boston & Maine and its 50% interest in PAS. The NSR Settlement Agreement also includes an agreement relating to improvements in infrastructure and operations at the eastern terminus of PAS, near Ayer, MA. The second is an agreement among CSXT, NSR and GWI to replace Springfield Terminal with B&E, a GWI subsidiary, as the contract operator of PAS.

NSR Settlement Agreement: On November 6, 2020, NSR wrote a letter to the Board expressing concern that CSX's acquisition of Boston & Maine and its interest in PAS could affect NSR's ability to compete with CSXT for movements to and from New England. NSR noted that when PAS was formed, the Board expected that an upgraded east-west PAS line between upstate New York and the Boston area would allow NSR to compete more effectively with CSXT. CSXT moves traffic between upstate New York and the Boston area over an existing route that runs between Selkirk and the Boston area through Springfield and Worcester, MA. A map has been included as an Exhibit to the Application showing these rail lines, in addition to the other rail lines in the region. NSR expressed concern that CSXT's acquisition of an interest in PAS could affect competition over the roughly parallel routes between upstate New York and Boston.

After NSR submitted its letter to the Board, CSXT met and conferred several times with NSR in an effort to address NSR's concerns. On February 23, 2021, CSXT and NSR signed a Settlement Agreement (attached to this Amended Verified Statement) in which CSXT and NSR agreed to several actions that will address NSR's concerns. Those actions fall into two broad

categories – provisions to avoid potential competitive harm and provisions that enhance competition.

In the first category, CSXT and NSR have agreed that if the Board approves CSX's acquisition of Systems, PAS will replace Springfield Terminal as the contract operator of PAS with B&E, which will operate and set rates for PAS in a non-discriminatory fashion as to all rail carriers that have the ability to interchange traffic with PAS or otherwise connect to PAS. Therefore, as a result of the Settlement Agreement, CSXT (as the owner of Springfield Terminal) will not operate PAS and will not have any control over the rates set by PAS, as rate-setting will be exclusively the responsibility of B&E. CSXT will retain Boston & Maine's one-half interest in PAS, and CSXT will be able to interchange with PAS to use PAS as an alternative means to access New England, but CSXT will not be able to affect the access of other carriers to New England over PAS.

To further ensure that CSX's acquisition of an interest in PAS is competitively neutral, CSXT has agreed to sell its interest in PAS under specified terms if NSR or its assignee wishes to acquire CSXT's 50% interest within seven years of closing, in addition to an ongoing right of first refusal to NSR. Finally, CSXT agreed to transitional restrictions on the rates it will charge for future movements originating or terminating on the existing PAR System lines to and from PAS. These rate restrictions will support the continued viability of PAS as an alternative to CSXT for access to New England rail shippers by carriers other than CSXT.

The second category of provisions in the Settlement Agreement go well beyond the prevention of potential competitive harm and ensure that rail competition will be substantially enhanced in New England. Three aspects of the NSR Settlement Agreement are particularly important. First, NSR will be granted trackage rights to move a pair of premium

intermodal/automotive trains per day between upstate New York and Ayer on CSXT's lines. This will allow NSR to run double-stack intermodal trains into the Boston area. The current PAS route does not accommodate double-stack intermodal trains. Currently, NSR is required to remove a layer of intermodal containers on trains before moving them on PAS. CSXT has agreed to interchange with PAS at Rotterdam, NY, some traffic local to Ayer, MA, that currently moves on the CSXT lines that will be used by the NSR intermodal/automotive train so that such traffic will move over PAS.

The second competitive enhancement is that CSXT and NSR have agreed to replace the carload cap on the use of trackage rights on PAS over a short segment of the PAS lines between Harvard MA, milepost 25, and the terminus of PAS just to the east of Ayer, at a location known as CPF 312, milepost 311.97 (the "Island Line"). Traffic moving on CSXT's line into New England must pass over this short segment of PAS. The traffic moves today over this Island Line segment under trackage rights that were granted to Springfield Terminal when PAS was created in 2009. But the trackage rights have a volume cap based on 2007 traffic levels, which have long been exceeded by market demand. Modification of the cap on trackage rights and provisions for increasing capacity as needed in the future will ensure that an integrated CSXT/PAR System rail network will be able to meet demand for rail service in New England through a route that avoids the congested Boston metropolitan area.

Third, CSXT and NSR have set out in an attachment to the NSR Settlement Agreement (the "Ayer Operating Agreement") certain principles to strengthen existing operations on the PAS lines following consummation of the Proposed Transaction. In addition, CSXT has agreed to fund the construction of certain improvements in facilities in Ayer {{[redacted]

[redacted]}} to ensure efficient operations. These agreements will strengthen PAS and enhance competition for movements between New England and the rest of the U.S. rail network.

GWI Term Sheet Agreement: The second agreement, among CSXT, NSR and GWI, provides that upon consummation of CSXT's acquisition of Systems, PAS will retain B&E, a subsidiary of GWI, to replace Springfield Terminal as the contract operator of PAS upon the negotiation of implementing agreements with Springfield Terminal employees. The Term Sheet Agreement is also attached to this Amended Verified Statement. GWI already controls four shortline rail carriers in New England, and GWI's operating expertise and knowledge of the region will provide a foundation for B&E to improve rail service on PAS. PAS will require that B&E act exclusively in the interest of PAS as an independent rail carrier and provide non-discriminatory service to all carriers connecting with PAS. PAS will also require B&E to set PAS rates at levels that are competitively neutral toward connecting rail carriers. The operation of PAS by B&E will strengthen PAS as a viable competitive alternative to CSXT for movements of traffic to and from New England.

6. The Proposed Transaction Will Have No Adverse Competitive Impacts.

As explained above, and when considered in tandem with the Related Transactions, CSX's acquisition of (1) Boston & Maine and its one-half interest in PAS, and (2) Springfield Terminal, the current contract operator of PAS, will not affect competition for access to New England rail customers over two competing routes between upstate New York State and the Boston area. If the Board approves the Proposed Transaction, B&E will replace Springfield Terminal as the contract operator and rate-setter of PAS, and CSXT/Boston & Maine will not control pricing or direct the operation of PAS movements. Indeed, operation of PAS by B&E will strengthen PAS as a competitive option for rail movements to and from New England.

In all other respects, the Proposed Transaction is a straightforward end-to-end transaction that incorporates a smaller, regional railroad into a larger railroad's national rail network. The Board has approved many end-to-end transactions such as this one and it is well recognized that such transactions generally strengthen competition, particularly intermodal competition, by improving the efficiency and reliability of rail service. CSX's acquisition of Systems will produce these same benefits without any adverse impact on competition.

Switching Commitment: With the exception of four shippers in the Boston area, no shippers on the PAR System will have fewer rail options after the Proposed Transaction. The vast majority of shippers on the PAR System today have direct access only to a single railroad (Springfield Terminal) and that single option will not change with the consolidation of the PAR System into CSXT's network. Instead, rail shippers in New England will have improved access to CSXT's broader national rail network. There are only four shippers, located just north of Boston, whose rail alternatives will go from two (the PAR System and CSXT) to one (CSXT). CSXT is committing as part of this Application to provide a switching service for those 2-to-1 shippers to reach PAS to preserve those shippers' current access to multiple rail carriers.

Gateways Commitment: The PAR System's rail network also connects with a number of short-line railroads. Some of these railroads move traffic into and out of New England in coordination with other Class I railroads. Also, Canadian Pacific Railway Limited, through its subsidiary Central Maine & Quebec US Inc., has a direct connection with the PAR System in Maine, at Northern Maine Junction. Shippers seeking to use these other railroads will not be affected by CSX's acquisition of the PAR System. Indeed, by improving rail service in New England, CSX's acquisition of the PAR System will expand opportunities for other rail carriers whose access may have been limited by practical difficulties in reaching rail customers over the

PAR System network. In any event, as part of this Amended Application, CSXT is committing to (a) keep all existing active gateways affected by the Proposed Transaction open on commercially reasonable terms, and (b) waive any right CSXT might otherwise have under the Board's rules to refuse requests by shippers to establish local, separately challengeable rates for movements on the PAR System to an interchange with another rail carrier.

PAS Commitments: The replacement of Springfield Terminal with B&E as PAS operator and rate setter is competitively neutral except for a limited overlap of operations by existing GWI subsidiary rail carriers and PAS on PAS's north-south line where rail shippers and connecting carriers could view their competitive alternatives as being reduced. The parties are addressing this issue through commitments to preserve existing competition.

In particular, a GWI subsidiary, New England Central Railroad, Inc. ("NECR") currently owns the rail line north of East Northfield, MA into Vermont over which PAS has trackage rights. There are two rail shippers on this line that currently have access to both PAS and NECR. Since B&E is part of the GWI corporate family, these shippers could be concerned about future rate negotiations with B&E and NECR. To ensure that these shippers will not lose the benefits of competitive pricing that currently exists, CSXT and NSR have agreed that PAS will establish rates for these customers at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS.

In addition, a shortline railroad, the Vermont Railroad, Inc. ("VTR"), connects with both NECR and PAS at two locations on this line segment – Bellows Falls, VT and White River Junction, VT. PAS provides VTR with haulage today to connect its lines between Bellows Falls and White River Junction, and those haulage rights will be unaffected by B&E's operation of PAS. To ensure that B&E's operation of PAS will not have an adverse impact on VTR's access

to other rail connections, CSXT and NSR have agreed to the following commitments: (1) For movements to and from the east with connections to PAR, PAS will establish rates at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS; (2) For movements to and from the west with connections to CSXT at Rotterdam, NY, PAS will establish rates for movements between Hoosic Junction (where VTR interchanges with PAS today) and Rotterdam (where PAS connects with CSXT) at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS; (3) For VTR traffic that moves to and from storage facilities at East Deerfield, MA, a location on PAS, PAS will provide haulage between the storage facilities at East Deerfield and Bellows Falls (as noted above, haulage already exists between Bellows Falls and White River Junction) at rates that are the average of current interline rates for those movements for as long as B&E is operator of PAS so as to ensure that rates on these movements remain at competitive levels; and (4) PAS will commit to providing VTR with service that is the same or better as that provided today on the movements described above.

Finally, B&E will not share with any other GWI-controlled rail carriers any information regarding rate divisions from connecting railroads that B&E becomes aware of as a result of operating PAS.

7. <u>The Proposed Transaction Will Have No Adverse Environmental Effects.</u>

Similarly, CSX's acquisition will have no adverse environmental effects. Traffic volumes, available lanes, routing and train composition will not change in ways that could impact the environment. Indeed, we believe that the acquisition will actually produce strong environmental benefits. CSXT has made great strides in reducing our emissions and fuel consumption, including setting another fuel efficiency record in FY 2020 by consuming only

0.96 gallons of fuel per 1,000 gross ton miles. Every shipment on CSXT consumes 20% less fuel than it did a few years ago. CSXT was recently named one of the Top 20 Most Sustainably Managed Companies in the World by The Wall Street Journal.

We will bring our experience in achieving environmental benefits to New England with the acquisition of the PAR System. For example, we are already working with state and local officials to explore ways to strengthen the rail infrastructure on the line segment that runs in the vicinity of the Wachusett Reservoir. As a result of our plan to improve the rail infrastructure of the PAR System, CSX will improve rail safety and the integrity of the local environment. Also, as noted previously, the efficiency and reliability of our rail service will allow more traffic to move from trucks to rail. This benefit will be especially strong as the population of New England grows.

8. The Proposed Transaction Will Not Adversely Affect Commuter and Passenger Service.

CSXT has long-standing relationships with commuter agencies in the Boston area and we have worked together historically to ensure that freight and passenger service can efficiently share facilities. In fact, we have taken many steps over the past few years to manage traffic flows around Boston to avoid unnecessary conflicts with commuter service on lines used heavily by commuters. An important part of those efforts has been to route traffic into New England through Ayer over the Island Line discussed above. The Proposed Transaction will reinforce those efforts and benefit commuters and passenger service in the Boston area.

The PAR System and PAS operate over a number of rail lines that share freight and commuter and passenger service. Some of those lines are owned by commuter agencies that also carry out dispatching on the lines. Other lines are dispatched by the PAR System (through Springfield Terminal) in ways that ensure coordinated and efficient service. With respect to the

PAR System lines, CSXT does not intend to make operating changes or to change the dispatching on those lines, so there is no reason to expect any impact to passenger or commuter service. With respect to the PAS lines, CSXT, NSR and GWI have agreed that B&E will assume the existing dispatching obligations of Springfield Terminal with respect to PAS lines, which includes dispatching commuter trains that move over PAS. Therefore, commuter and passenger service will also see no impact from the change in PAS operator. In addition, CSXT has already begun discussions with the relevant commuter agencies and Amtrak to ensure that there will be a seamless transition from the PAR System/Springfield Terminal to CSXT after the Proposed Transaction.

9. The Proposed Transaction Will Not Have An Adverse Impact on Labor

As I have previously noted, Springfield Terminal currently operates both the PAR System and PAS. CSXT is acquiring the PAR System in the Proposed Transaction and its 50% interest in PAS. CSXT does not expect the acquisition of the PAR System to impact Springfield Terminal employees involved in the operation of its lines. In any event, CSXT is asking the Board to impose the *New York Dock*[4] conditions on the Proposed Transaction. Springfield Terminal employees involved in the operation of PAS will, however, be impacted by the Related Transaction of replacement of Springfield Terminal as PAS operator with B&E, which will offer positions to Springfield Terminal employees, but expects to use fewer employees than does Springfield Terminal to operate PAS. The parties to the Related Transaction are asking that the *New York Dock* conditions be imposed on that Transaction to address impacts on Springfield Terminal employees affected by the change in operator.

[4] *New York Dock Railway—Control—Brooklyn Eastern District Terminal*, 360 I.C.C 60, *aff'd* *New York Dock Railway v. United States*, 609 F.2d 83 (2d Cir. 1979) ("*New York Dock*").

* * * * * *

CSX's acquisition of Systems and integration of the PAR System network will connect New England rail users to CSXT's larger eastern rail network and expand efficient single-line service and market access for CSXT's and the PAR System's existing customers. The public will benefit from improved service that CSXT will bring to the PAR System's existing rail network. I urge the Board to authorize and approve the acquisition.

I, Sean Pelkey, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Amended Verified Statement. Executed on April 26, 2021.

_/s/ Sean Pelkey_____

Sean Pelkey

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

ATTACHMENT TO AMENDED VERIFIED STATEMENT OF MR. SEAN PELKEY

Settlement Agreement

Settlement Agreement

CSX Transportation, Inc. ("CSX") enters this Settlement Agreement with Norfolk Southern Railway Company ("NSR") to resolve issues between the parties regarding 1) the proposed acquisition by CSX and CSX Corporation of Pan Am Systems, Inc. ("Pan Am") and 2) the resulting acquisition of Pan Am's interest in Pan Am Southern LLC ("PAS") (the "Transaction").

CSX intends to file an Application seeking authorization from the Surface Transportation Board ("STB") for the Transaction. In connection with its Application for STB authority, CSX will advise the STB that it has reached the Settlement Agreement set out herein, submit a copy of this Settlement Agreement to the STB, and request that the Settlement Agreement be established as a condition to the STB's approval of the Transaction. Based on this Settlement Agreement, NSR will support CSX's STB Application and its implementation consistent with this Settlement Agreement. CSX will provide NSR with an appropriately redacted draft of the Application prior to filing it.

Upon entering this Settlement Agreement, CSX and NSR will prepare the definitive agreements or amendments to existing agreements as necessary to implement the terms set forth below. Such definitive agreements or amendments shall take effect on the date the Transaction is consummated.

CSX and NSR agree to the following:

I. Operator of PAS

CSX and NSR agree that Genesee & Wyoming Inc. (or a wholly owned affiliate thereof, "G&W") will replace Springfield Terminal Railroad Company ("ST") as the contract operator of PAS upon:

(1) Establishing required agreements among the relevant parties including G&W addressing G&W's operating responsibilities, compensation and rate-setting obligations;

(2) G&W's commitment to operate PAS so that PAS provides service in a non-discriminatory fashion to all rail carriers that have the ability to interchange traffic with PAS or otherwise connect to PAS; and

(3) G&W's commitment to:
   a. Execute the pricing protocols defined in this agreement;
   b. Preserve pricing integrity of existing contracts and quotes;
   c. Price moves in such a way that, while not necessarily equal, do not discriminate between connections except based on mileage, density and similar operating characteristics.
      i. The Norfolk Southern Joint Use Agreement, will be honored and shall be considered as an exception to this otherwise all-encompassing rule.

[redacted] The parties agree that the Transaction, and the introduction of G&W as an operator of PAS, will be subject to the *New York Dock* labor protection provisions, including without limitation any dismissal or displacement payments required to be made to the employees who held the [redacted] positions that NSR and CSX agree have been allocated to PAS, as shown on Attachment A, "PAS Employee Allocation," attached hereto.

[redacted]

II. Ownership of PAS

Starting immediately after consummation of the proposed Transaction and continuing for [redacted] years thereafter, NSR, or its assignee, may initiate a defined appraisal and sales process for the sale of CSX's 50% ownership interest of PAS to NSR or the assignee of NSR ("Near-Term Sale").

For purposes of the Near-Term Sale, CSX's 50% share of PAS will be valued as follows:

1. The purchaser will pay the greater of (1) [redacted] or (2) the "valuation"
2. The "valuation" will be calculated by [redacted]

    a. [redacted]

    b. In the event of a Near-Term Sale initiated within the first [redacted] years following consummation of the Transaction, the minimum price to be paid will be [redacted] and the maximum price to be paid will be [redacted]. In the event of a Near-Term Sale initiated within the [redacted] years following consummation of the Transaction, the minimum price to be paid will be [redacted] and the maximum price to be paid will be [redacted].

    c. Should CSX receive an offer for CSX's 50% share of PAS during the first [redacted] years following consummation of the Transaction, and NSR chooses not to initiate a Near-Term Sale, then CSX will have the right to sell its interest without restrictions on sale price.

At any time, CSX shall only have the ability to sell the entirety of its 50% ownership interest in PAS, and no less, to NSR, its assignee, or a third party. NSR shall additionally and simultaneously receive an assignable and customary right of first refusal in favor of NSR. The right of first refusal shall be in addition to the rights of NSR described above and remain in effect for so long as CSX owns its 50% of PAS. After the first seven years following consummation, the above restrictions to the sale price shall not apply. NSR, or the assignee of NSR's assigned right of first refusal shall exercise that right of first refusal no later than [redacted] after receiving the material terms of CSX's sale of its interest to a third party (the "ROFR Period"). If NSR, or its assignee, does not exercise such right of first refusal within the ROFR Period, CSX may sell the entirety of its ownership interest to the applicable third party on substantially the terms presented to NSR, or its assignee; provided that if CSX has not executed with the buyer an agreement to sell within [redacted] after the expiration of the ROFR Period, such proposed sale shall again be subject to NSR's right of first refusal.

The provisions of this Settlement Agreement shall survive in the event of CSX's sale of its 50% stake in PAS.

III. Governance of PAS

Prior to the closing of the Transaction, NSR agrees not to pursue the exercise of its change of control rights under the applicable PAS agreements that would otherwise arise in connection with the Transaction. The NSR change in control rights contained in the LLC Agreement or any of the JV Transaction Agreements (as defined in the LLC Agreement), however, shall be amended to apply post-Transaction with regards to CSX's 50% ownership interest in PAS in the same manner as it currently applies to Pan Am Railway's 50% ownership interest in PAS. Should NSR in the future obtain voting control of the Management Committee through the exercise of its change in control rights, CSX will continue to have a 50% vote on capital contributions, indebtedness or other financial obligations imposed on the members, and on certain out-of-the ordinary-course actions to be determined which at a minimum, include without limitation (a) repealing, modifying, waiving any provision of, or amending the LLC Agreement or any of the JV Transaction Agreements to which PAS is a party, (b) sale of PAS or substantially all of the assets of PAS, (c) change of PAS operator and admission of any other carrier to the PAS line, and (d) changing the profit and loss allocation of the members.

IV. NSR Trackage Rights

CSX is agreeable to providing trackage rights to NSR between the Voorheesville area and Hill Yard to service the Ayer intermodal terminal for the movement of one train pair per day carrying intermodal and automotive vehicles traffic only ("NSR Premium Trains"). CSX's cooperation and assistance will be needed for design and construction, as well as for T&E qualification on CSX's and Pan Am's trackage, and CSX agrees that such cooperation and assistance shall not be unreasonably withheld. Other terms associated with this provision are subject to the following:

(1) NSR entering trackage rights agreements on industry standard terms except as described hereinafter, with CSX, Providence and Worcester Railroad Company ("P&W"), and Boston and Maine Corporation limited to no more than one pair of NSR Premium Trains per day operating over the trackage rights;

(2) NSR and CSX will agree to a reasonable schedule and operating plan for the NSR

Premium Trains that is efficient, consistently executable and avoids any degradation of CSX's operational efficiency on the route between Voorheesville and Harvard. Further, NSR and CSX agree to work towards an operating plan and schedule that accommodates the operation of the NSR Premium Train with one crew between Voorheesville and Ayer. If it is determined that such a schedule is not consistently executable with one crew even with an NSR crew change point at or in close proximity to Voorheesville and at Ayer, NSR and CSX will work to establish an operating plan that minimizes total crew requirements for the operation;

(3) Said trackage rights agreements with CSX and B&M shall be subject to the terms of the 2002 simplified reciprocal trackage rights compensation letter agreement between NSR and CSXT, as supplemented and amended from time to time, and as modified by the terms of the trackage rights agreements;

(4) NSR will assume the capital cost of the connections and infrastructure necessary to double stack the route, including:
(a) the Voorheesville/Schenectady connection;
(b) the clearance upgrades needed on the P&W segment south of Ayer; and
(c) the clearance upgrades needed between Barbers Station and Harvard;

(5) NSR Premium Trains shall meet CSX clearances and train length shall not exceed the siding capacity between Schenectady-Harvard;

(6) NSR Premium Trains shall be limited to 9,000' plus locomotives unless otherwise agreed.

(7) NSR Premium Trains must be sufficiently powered to maintain track speed on the segment. CSX and P&W will have consent rights to the capacity design and build; and

(8) In the event of the implementation of an NSR merger with another Class I, the trackage rights will be subject to termination by CSX with four (4) years advance notification, or the time that it takes to clear the Hoosac Tunnel, whichever is shorter. If CSX chooses to terminate the trackage rights within 20 years of NSR's commencement of running the NSR Premium Trains, CSX will be required to reimburse for the actual, documented costs of the infrastructure improvements described above. If CSX is the first to implement a merger with another Class I, the trackage rights will not be subject to termination.

(9) The cars in these trains shall remain in the revenue waybill account of NSR and will not be for the benefit of another party.

At the same time that CSX files its application with the STB to seek approval to acquire Pan Am, NSR will seek trackage rights authority from the STB in sub-dockets related to CSX's application for authority to acquire Pan Am, including filing agreed-upon drafts of the trackage rights agreements.

CSX may petition the STB for a power of attorney to file discontinuance on NSR's behalf upon termination should NSR not file within 180 days of the timeframe set forth in Section IV(7) above.

NSR will be responsible for paying labor protection costs for adversely impacted employees, specifically NSR employees and any ST/CSX employee on the PAS line adversely impacted as a result of rerouting the NSR Premium Trains off of PAS and onto CSX.

Prior to the operation of the NSR Premium Trains, NS, CSX and G&W will negotiate an Ayer Intermodal Facility Use Fee that will include compensation for the land, assets, maintenance and switching of the facility, regardless of whether the NS (or CSX from the north) is using the facility. [redacted] This fee shall be in addition to (1) trackage rights fees between Barbers Station and Ayer (CPF 312 and Ayer for traffic from the north) and (2) any lift and associated fees incurred at the terminal.

V. Hoosac Tunnel

If the Hoosac Tunnel and/or the Little Tunnel becomes impassable, CSX agrees to allow PAS trains requiring an alternative route on its southern route between Rotterdam Jct., NY and Harvard, MA pursuant to the terms of standard detour agreements similar to previous emergency situations where CSX and NSR have assisted each other in the past.

VI. Ayer Trackage Rights

NSR and CSX agree to substantial modifications in the Ayer Trackage Rights as defined in Attachment B, "Ayer Operations Protocols, Engineering Planning, and Capacity Roadmap" attached hereto.

The PAS/ST Joint Use Agreement will be modified to incorporate this model, remove the carload limit, and replace it with graduated requirements for adding CSX overhead train pairs. Except as otherwise defined in Attachment B, CSX will not be responsible for the funding of infrastructure required to accommodate capacity considerations that are attributable to current or future non-CSX causes, including the pair of NSR Premium Trains rerouted over CSX.

VII. PTC

The remainder of funds received from MBTA for PTC installation on PAS that eventually transfer to CSX after STB approval and CSX's consummation of the Transaction will be dedicated to PTC costs on PAS.

VIII. Hoosac Legal Claim

After STB approval and consummation of the Transaction, CSX agrees to support legal action and will confer in good faith with NSR on the appropriate use of PAS funds or parent funds to support the recovery and litigation effort.

IX. Ayer Switching District

CSX agrees to interchange traffic to/from Ayer Industry Locations (as defined in the Ayer Switching Agreement), via Rotterdam for a transitional [redacted] period from the date CSX consummates the Transaction ("Rotterdam commitment"), except to and from the following origin/terminating states and district: Florida, Georgia, Alabama, South Carolina, North Carolina, Virginia, the District of Columbia, Maryland, and, to the extent that the traffic originates or terminates on a CSX local station only, Connecticut, Rhode Island, and Massachusetts (the "Excepted States"). CSX may route via a PAS gateway other than Ayer any traffic originating or terminating in Connecticut, Rhode Island, and Massachusetts which does not originate or terminate at a CSX local station ("Non-local commitment"). Traffic to or from the Excepted States may be switched at CSX's option through Barbers Station without prior or subsequent movement over CPF 312 subject to a switch charge of [redacted]

[redacted]

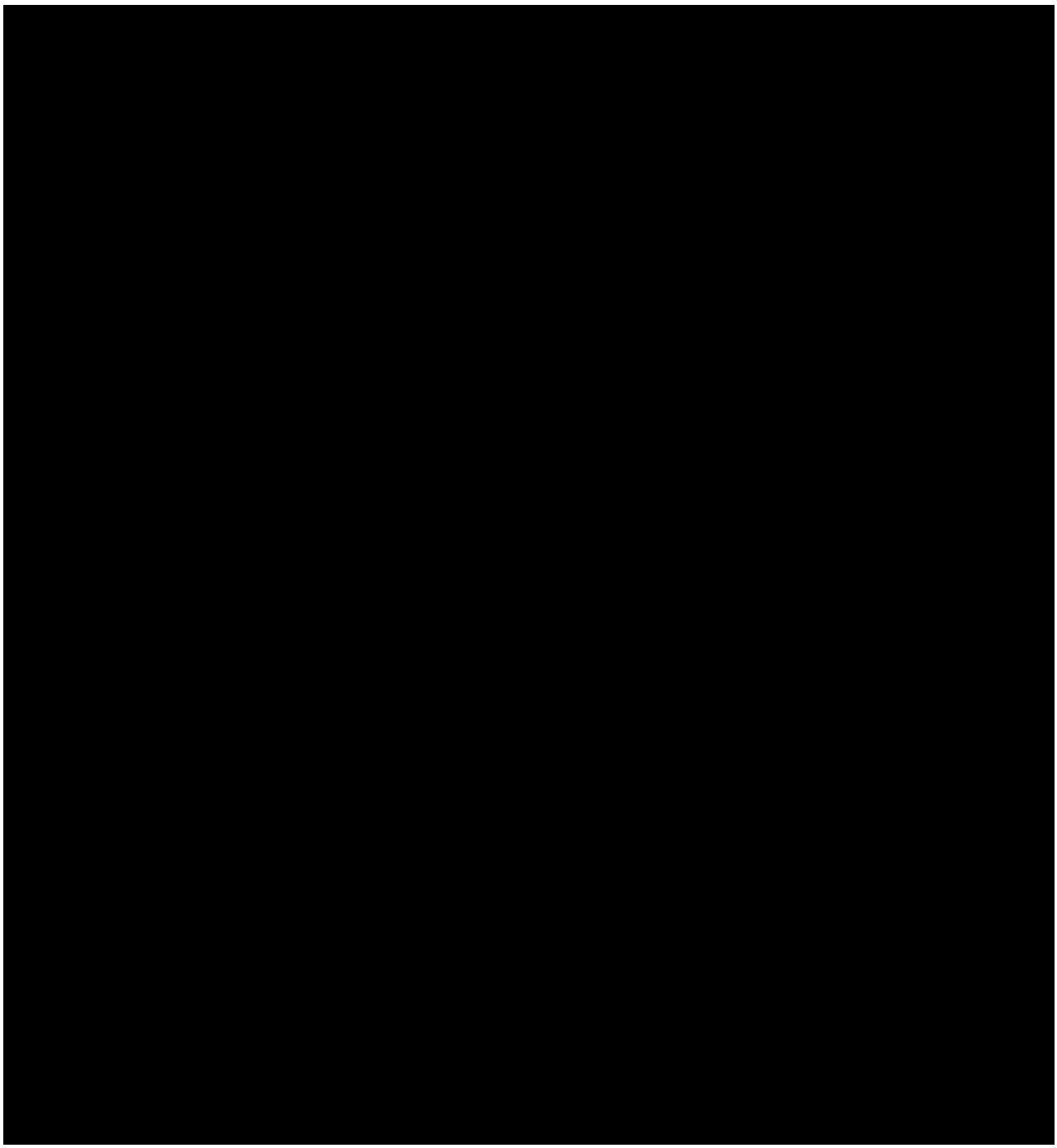
[redacted]

All other aspects of the Ayer Switching provisions are detailed in Attachment B.

X. Zone 1-6 Pricing

[redacted]

[redacted]



XI. Release of Prior Ayer-Related Claims

NSR will release Pan Am and/or CSX as successor or otherwise for any past claims related to the PAS Agreements at Ayer as to overhead trackage rights, switching, haulage, and interchange.

XII. Implementing Agreements and Amendment

The parties will promptly commence and diligently pursue the finalization of the definitive agreements and amendments to existing agreements necessary to implement the terms contained

in this Settlement Agreement, provided, however, that if the parties do not conclude the definitive agreements within sixty (60) days of the execution date of this Settlement Agreement, either party may commence arbitration over terms other than the terms contained herein and seek relief from the arbitrator to establish those other terms. The submission by each party shall contain drafts of those terms that are in dispute and the arbitrator shall select without modification among those submissions, provided, the arbitrator shall not have the power to alter the terms contained in this Settlement Agreement nor to enter a decision that does not include the terms contained herein. In no event shall the arbitration period from commencement until decision exceed three (3) months. In any other respect, the arbitration shall be governed by the law of the state of Delaware, exclusive of its conflicts of law principles and be submitted to a single arbitrator administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules, and the Large Complex Case Procedures of the AAA then in effect (the "Rules") and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitration shall be held in Washington, DC and the single arbitrator shall be appointed by the AAA using the listing, ranking and striking procedure in the Rules. Any arbitrator appointed by the AAA shall be a retired judge or a practicing attorney with no less than fifteen years of experience with large commercial cases and an experienced arbitrator. If the arbitration is not concluded by the time of an STB decision approving CSXT's acquisition of Pan Am and change of the PAS operator, CSXT/ST will continue to operate PAS consistent with current operations and will agree to maintain PAS rates at current levels with standard AII-LF escalation pending completion of the arbitration and until G&W (or another 3rd party operator) has reached all necessary agreements to allow it to replace CSXT/ST as the operator of PAS.

XIII. Confidentiality

Other than as required for regulatory authority, the contents of this Settlement Agreement shall remain confidential except that this Agreement with reasonably minimal agreed upon redactions, can be disclosed to Pan Am subject to Pan Am's agreement that it will remain confidential.

XIV. Consents

The obligations of the Parties contained in this Settlement Agreement shall be subject to the Parties acquiring any necessary consent from third parties, government authorities, or any other necessary consent to effectuate the proposed Transaction.

XV. Regulatory Authority

The obligations of the Parties to one another contained in this Settlement Agreement are subject to the Settlement Agreement being authorized and established as a condition to the STB's approval of the Transaction as provided in the introduction. The Parties shall act in good faith and use reasonable commercial efforts to satisfy any conditions imposed by the STB on its approval of the Transaction.

[Signature Page Follows]

The Parties hereto have caused this Settlement Agreement to be executed by their respective authorized representatives.

CSX TRANSPORTATION, INC.,
a Virginia corporation

By: Sean Pelkey
(print name)

Name: [signature]
(signature)

Title: VP and Treasurer
(print title)

Date: 2/23/2021

NORFOLK SOUTHERN RAILWAY COMPANY
a Virginia corporation

By: Michael R. McClellan
(print name)

Name: [signature]
(signature)

Title: VP Strategic Planning
(print title)

Date: 2/23/21

(signature page to Settlement Agreement)



Attachment A

[redacted]

[redacted]

Attachment B

Ayer Operations Protocols, Engineering Planning, and Capacity Roadmap

This document is being developed to establish concrete plans and protocols for the operations through the Ayer switching area (Harvard to CPF 312) and the fluidity-improvements required for additional CSX usage of the capacity in the Ayer switching area. This is intended to be used in tandem with all other terms of the CSX – NS Settlement Agreement. This document assumes that the G&W is the contract operator of Pan Am Southern.

I. Levels of Service (LOS) and Operations

a. NS, CSX and G&W agree to establish ***Levels of Service (LOS)*** metrics and goals for freight moving to, from and through Ayer, MA, including local service metrics, and to make these metrics visible to all parties at least once per month.
   - **i.** Metrics will be divided into those that are competitive (commercially sensitive) in nature and those that are not.
   - **ii.** Metrics that are not competitive in nature but associated with the movement of CSX traffic through the Ayer switching area will remain available to CSX after CSX ceases owning a share of Pan Am Southern.
   - **iii.** NS, CSX and G&W agree to establish LOS metrics and targets that are consistent with those of CSX and NS.

b. NS, CSX and G&W agree to establish a ***Static Yard Plan*** for all movements to, from and through Ayer. NS, CSX and G&W agree that the terminal will be operated on that plan.
   - **i.** "Significant Changes" to the Static Yard Plan would be subject to approval by NS and CSX (to be implemented by G&W) for so long as NS and CSX jointly own PAS.
     1. "Significant Changes" would mean that any one of the following train pair were impacted by more than 90 minutes: NS Intermodal Trains, NS Automotive Service, the Deerfield – Ayer turn, CSX Overhead Train Pair 1, and CSX Overhead Train Pair 2 and any other then-existing CSX overhead trains.
   - **ii.** After CSX divests itself of its 50% interest in PAS, PAS may make changes in the Static Yard Plan provided such changes do not create Significant Changes to any then-existing CSX overhead train pair.

c. NS, CSX and G&W agree that the parties will have access at all times to the property and non-commercially sensitive information sufficient to analyze the LOS and capacity needs.

d. Neither NS nor CSX can use Ayer yard for storage of equipment beyond normal operating practices and any other exceptions in this agreement

without prior approval from all parties (NS, CSX and the PAS operator).

e. As reference, the trains in Exhibit 1 are representative of the types of train volumes and operations expected through Ayer.
f. NS and CSX agree to establish the Ayer Static Plan and the Barbers Station – CPF 312 Scheduling plan within 60 days after STB approval, or before the date of G&W's operational start-up of PAS operations, whichever is sooner.

II. CSX Construction (Referring to CSX Drawing MEA20201208)

a. CSX agrees to fund the construction of certain improvements in Ayer Yard, as depicted on CSX Drawing MEA20201208 dated February 11, 2021, attached hereto and incorporated herein by reference. Those improvements will consist of the following:
   - **i.** Addition of the "Thoroughfare Storage Track";
   - **ii.** Addition of the powered, heated, switches at the end of the NW wye as shown in the drawing; and
   - **iii.** Reconfiguration of the northern throat of Ayer Yard in such a way that accommodates 2 simultaneous moves of (1) inbound or outbound trains through the north end (2) merchandise switching and/or (3) Intermodal switching.
     1. The plan as drawn would need to be modified to meet this objective.
   - **iv.** Reconfiguration of the southern throat in such a way that the center lead can serve either the intermodal tracks or the running track.
   - **v.** Addition of the Future Thoroughfare Track 1

b. [redacted]

d. NSR and PAS cooperation and assistance will be needed for the contemplated design and construction and NSR and PAS agree that such cooperation and assistance shall not be unreasonably withheld.

III. Upon consummation of the proposed transaction, CSX shall be permitted to run up to

1 pair of 9000' trains (plus locomotives) per day between Harvard and CPF 312.

a. If CSX wants to use this train to set off or pick up cars in Ayer, then the train shall
be limited to the clear length of the running track, which is currently 4750'.

i. This 4750' limitation will be increased once CSX funds any project to extend the clear length of the running track as contemplated in II.a.iii above.
ii. The new train length for any train that is to set off or pick up cars in Ayer will be increased up to the new clear length of the running track.

b. The cars in these trains shall remain in the revenue waybill account of CSX and will not be for the benefit of another party.
c. Other commercial terms in this agreement shall apply to these operations.

IV. [redacted]

V. NSR Premium Train

a. Upon completion of the required clearances and infrastructure improvements, NS shall be permitted to move up to 1 trackage rights train pair per day over the Voorheesville – Barbers – Ayer route ("NSR Premium Train").
b. NSR Premium Train will be limited to 9000' plus locomotives.
c. NS may continue to store empty intermodal equipment in Ayer Yard, but shall be limited to 9000'.

VI. CSX Second Overhead Train Pair

CSX shall be permitted to add a second train pair per day for operations between Harvard and CPF 312 under the following terms and conditions:

a. Operations must be consistent with the Static Yard Plan, subject to Section VI.f. below.
b. Preferences
   i. Schedule Preference: NS and CSX agree to have a reasonable operating plan for train movements between Barbers Station and CPF 312. In establishing this plan, NS and CSX will consider operational constraints, such as track occupancy, the Ayer 24 hour operating clock, and commuter window restrictions, as well as efficient scheduling protocols, such as fleeting, to mitigate these constraints. In terms of establishing this plan CSX shall have schedule preferences for its first overhead train pair, and its Ayer Local (e.g. Barbers Station – Ayer), should that train be

in scheduled operation by the time that NS begins its Premium service over the CSX. If the Ayer Local is not scheduled at this time, then NS shall have preference on scheduled slots. In any case, CSX' second overhead train pair shall have last preference of schedule slots. Should the CSX Overhead Train Pair 2 commence before the NSR Premium Train, the schedules on the CSX Overhead Train Pair 2 shall be modified to accommodate that preference.

ii. Operating Preference: In terms of operating preference, trains operating in their scheduled window shall have dispatch preference over trains operating out of their scheduled window, unless the cause of one Class I's compliance failure is the result of an action by the other Class I.

c. CSX will only be able to pick-up or set-off in Ayer Yard – subject to the train length restrictions in III.a. above – with one (but not both) of the two overhead train pairs per day.

d. Trains shall be limited to 9000' plus locomotives

e. Upon notice by CSX of its intent to add a second train pair, CSX and NS will confer on the proposed operation of the new Ayer Static Yard plan that incorporates CSX Overhead Train Pair 2 and agree upon infrastructure as necessary to ensure that introduction of the CSX Overhead Train Pair 2 will not degrade the service levels expected at the later of: (1) the construction of the infrastructure contemplated by Section II above, plus the introduction of operations by G&W as operator of PAS, and the introduction of the NS Premium Train; or (2) the contemplated initiation date of the second CSX overhead train pair. For clarification purposes, actual completion of the construction of the infrastructure contemplated by Section II above is not necessary for CSX to provide the notice anticipated by this section. As of the execution date of the Settlement Agreement, the parties contemplate (i) G&W as PAS operator and (ii) the NSR Premium Train being established in the relative short-term following STB approval and consummation of CSX's acquisition of Pan Am. If (i) within 3 years of approval and consummation, G&W is no longer the PAS operator, or the NSR Premium train has not been established, or (ii) at any time before the addition of CSX Overhead Train Pair 2, the agreements relative to both G&W and the NSR Premium Train have been terminated in accordance with their terms, CSX will not be required to consider their impact on service levels prior to the addition of CSX Overhead Train Pair 2.

i. This will be an operational and engineering exercise that shall not take more than 3months.

ii. If the review of CSX's Overhead Train Pair 2 indicates a degradation to the then-current operations, then CSX and NS agree that there are several different tactics available to mitigate potential operational impacts. CSX and NS will review these several tactics and shall implement, upon mutual agreement, one or more of these to

mitigate those potential operational impacts. These tactics include, but are not limited to:

1. Additional infrastructure at CSX' expense.
    - **a.** Infrastructure will be reasonable and will not include assets such as flyovers, etc.
    - **b.** Infrastructure requirements could be outside of the yard limits in order to siphon local freight out of the Ayer yard – e.g. Fitchburg to Willows.
    - **c.** Any infrastructure shall be limited to the cap as defined in section II.b.
2. Increase in speeds through the yard and/or through the Wye.
3. Modification of the Static Yard Plan, but without creating a Significant Change with regard to any of the trains identified in Section I.b.i.1. above.

iii. CSX and NSR shall agree upon a mitigation plan within 30 days of concluding the review period. The agreed upon mitigation plan shall have an expected duration for implementation that will take no longer than 6 months to implement (no more than 9 months from CSX providing notice). NSR and PAS cooperation and assistance will be needed throughout this process and NSR and PAS agree that such cooperation and assistance shall not be unreasonably withheld. In no case can NS or PAS prohibit the addition of this second CSX train pair if all of the above tactics are reasonably deployed in accordance with the above protocol and schedule. In the event of a dispute about the parties' mitigation efforts, CSX may operate CSX Overhead Train Pair 2 during the pendency of the dispute.

iv. In the event the parties, acting in good faith, cannot agree at any point during the process set forth in this Section VI(e), either party may institute an arbitration proceeding in which each party will submit their respective assessment of the impact (if any) to Ayer yard operations and their proposal related to mitigation and timeline. Any such arbitration shall be concluded within twelve (12) months after service of notice of intent to institute an arbitration proceeding.

f. All cars in both the first and second CSX train pairs will be in the revenue waybill account of CSX and will not be for the benefit of another party.

VII. [redacted]



VIII. Additional Overhead Trains Through Ayer

At some future date, CSX may want to run additional overhead train pairs between Harvard and CPF312. NS is agreeable to permitting these additional train pairs under the following terms:

a. Notice to evaluate introduction of additional train pairs beyond the first two described above shall be given no sooner than three (3) years following the consummation of the Transaction.
b. Operations of any additional train pairs will be consistent with the Static Yard Plan.
c. CSX will only be able to pick-up or set-off in Ayer yard – subject to the train length restrictions in III.a. – with one of the overhead daily train pairs. CSX will be able to determine from time to time which of the daily overhead train pairs will be the one to set off or pick up in Ayer yard.
d. Trains will be limited to 9000' plus locomotives.
e. Upon notice by CSX of its intent to add an additional train pair beyond those then-currently operated, CSX and NS will confer and agree upon the proposed operation of the new Ayer Static Yard plan that incorporates the additional train pair and agree upon infrastructure as necessary to ensure that introduction of the operation will not degrade the then-current operations ("Additional Train Pair Mitigations").
    - **i.** This will be an operational and engineering exercise that shall not take more than 3 months.
    - **ii.** If the review of the additional train pair indicates a degradation of the then-current operations, then CSX and NS will review these several tactics and shall implement one or more of these to mitigate those potential operational impacts:
        1. Additional infrastructure to be funded by CSX.
        2. Increase in speeds through the yard and/or through the Wye.
        3. Modification of the Static Yard Plan, but without creating a Significant Change with regard to any of the trains identified in Section 1.b.i.1. above.
        4. Reduction in then-current CSX Overhead Train lengths (but only at CSX's discretion).
    - **iii.** CSX and NSR shall agree upon a mitigation plan within 3 months of concluding the review period. NSR and PAS cooperation and assistance will be needed throughout this process and NSR and PAS agree that such cooperation and assistance shall not be unreasonably withheld.
    - **iv.** If, after a good faith review by the parties of the mitigation factors, no combination of the above can be accomplished in such a way as

to not degrade the then-current operations, then CSX shall not have the right to add additional trains.

v. In the event the parties, acting in good faith, cannot agree at any point during the process set forth in this Section VIII(d), either party may institute an arbitration proceeding in which each party will submit their respective assessment of the impact (if any) to Ayer yard operations and their proposal related to mitigation and timeline. Any such arbitration shall be concluded within twelve (12) months after service of notice of intent to institute an arbitration proceeding.


vi. Introduction of the additional train pair shall be permitted upon implementation of the agreed-upon Additional Train Pair Mitigations (including the conclusion of construction of an agreed-upon or arbitration-compelled infrastructure).

f. All cars in any new CSX train pairs will be in the revenue waybill account of CSX and will not be for the benefit of another party.

REDACTED – TO BE PLACED ON PUBLIC FILE

SHIRLEY, MA ←

AYER, MA →



LEGEND

- EXISTING TRACK
- PROPOSED TRACK
- FUTURE TRACK
- REMOVE TRACK

SCOPE 1

- CONSTRUCT 2,400' TIMBER TRACK
- CONSTRUCT (2) #10 TIMBER TURNOUTS (HT)

SCOPE 2

- INSTALL SELF-RESTORING SWITCH MACHINES ON EXISTING CROSSOVER

SCOPE 3

- CONSTRUCT 750' TIMBER TRACK
- CONSTRUCT (2) #10 TIMBER TURNOUTS (HT)
- CONSTRUCT 500' OF FUTURE TIMBER TRACK

SCOPE 4

- CONSTRUCT 65' TIMBER TRACK
- CONSTRUCT (2) #10 TIMBER CROSSOVERS (HT)
- REMOVE EXISTING CROSSOVER

SCOPE 5

- CONSTRUCT 2,300' FUTURE TIMBER TRACK
- CONSTRUCT (2) FUTURE #10 TIMBER TURNOUTS (HT)

CLEAR LENGTHS

SOUTH THOROUGHFARE PS -> NORTH M11 PS LENGTH:	9,100'
M3 PS -> PS LENGTH:	3,300'
M2 PS -> NORTH M1 PS:	4,000'
M1 PS -> PS LENGTH:	4,500'
NORTH M1 PS -> END STUB TRACK LENGTH:	1,800'

REV	DATE	DESCRIPTION	BY / SUB	APP

Information confidential: all plans, drawings, specifications, and/or information furnished herewith shall remain the property of the CSX Transportation and shall be held confidential; and shall not be used for any purpose not provided for in agreements with the CSX Transportation

DESIGNED BY MEA
DRAWN BY MEA
CHECKED BY ALH
APPROVED BY MCC
DATE FEBRUARY 11, 2021

CSX TRANSPORTATION, INC.
ENGINEERING DEPARTMENT
DESIGN & CONSTRUCTION
JACKSONVILLE, FLORIDA

VAL. SEC.

CONTRACT NO.
DRAWING NO. MEA20210208
REVISION 0
SHEET NO. 1
SCALE NTS

AYER YARD BYPASS TRACK

AYER, MIDDLESEX COUNTY, MASSACHUSETTS

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

ATTACHMENT TO AMENDED VERIFIED STATEMENT OF MR. SEAN PELKEY

Term Sheet Agreement

Term Sheet Agreement – Execution Version

TERM SHEET AGREEMENT
G&W SUBSIDIARY AS PAS OPERATOR

I. Introductory Provisions

1) This Term Sheet Agreement is between CSX Transportation, Inc. (CSXT), as future 50% owner of Pan Am Southern LLC (PAS), Norfolk Southern Railway Company (NSR), as current 50% owner of PAS, and Genesee & Wyoming Inc. (G&W). Collectively, CSXT, NSR and G&W may be referred to herein as the "Parties."

2) CSXT, as future indirect 50% owner of PAS, and NSR, as current 50% owner of PAS, will cause PAS to enter into an agreement with a G&W subsidiary (OpCo) to operate PAS and to replace Springfield Terminal Railway Company (ST) as PAS operator effective upon (a) consummation of CSXT's acquisition of Pan Am Systems, Inc. (Pan Am) and Pan Am's indirect interest in PAS (the Transaction), (b) U.S. Surface Transportation Board (STB) approval or exemption of OpCo's replacement of ST as operator of PAS, and (c) execution of implementing agreements with labor. The operating agreement between OpCo and PAS shall be developed based on the existing operating agreement between ST and PAS, as modified as provided in this Term Sheet Agreement.

3) At the same time CSXT files its Application with the STB, OpCo will seek operating authority from the STB to operate PAS. Such operating authority will be sought in a separate sub-docket related to CSXT's Application for authority to acquire Pan Am.

4) G&W and NSR will support CSXT's STB Application and the parties to this Term Sheet Agreement will reasonably cooperate to obtain authorization from the STB for the terms set out herein. Likewise, CSXT and NSR will support OpCo's STB filing and will reasonably cooperate with G&W and OpCo to obtain authorization from the STB for replacement of ST with OpCo as the operator of PAS consistent with the terms set forth in this Term Sheet Agreement.

NOW, THEREFORE, for good and valuable consideration of $1.00, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

II. PAS Operations to be Performed by OpCo.

1) OpCo will replace ST as the operator of PAS and will provide substantially all of the operating services that ST currently provides on PAS's behalf, with certain exceptions. CSXT will cause ST to assign its operating rights to OpCo with PAS' consent. The new operating agreement will generally mirror the mechanics and provisions of the current operating agreement. Among other things, the new OpCo operating agreement will provide the following:

    a) PAS will engage and retain OpCo to be the designated Railroad Operator of PAS to manage, administer, supervise, perform and provide all freight rail services over PAS on behalf of PAS. OpCo's service obligations will be substantially the same as those set out

in Appendix A to the current Railroad Operating Agreement. [redacted]

b) OpCo will appoint a general manager who will manage and supervise the operation, maintenance and use of PAS.

c) OpCo will perform the maintenance, inspection and repair activities as provided in the current operating agreement. With respect to annual capital maintenance work, PAS will develop an annual budget and CSXT or NSR will have first priority for performing that work, with OpCo or a PAS-approved contractor having responsibility thereafter, subject to the terms of any applicable OpCo labor agreements. Such work shall be performed in accordance with an agreed upon capital maintenance schedule.

d) OpCo will perform the administrative services, including claims handling, ancillary agreement management, accounting, MBTA and other passenger service interface, and review of PAS trackage and operating rights, as required under the existing operating agreement with ST.

e) OpCo will assume any contractual obligations of ST with respect to dispatching services provided for MBTA, on behalf of PAS, and other passenger services, including any required local dispatching presence at Billerica, MA. CSXT, NSR and OpCo shall reasonably cooperate to address any concerns raised by those passenger services or the Commonwealth of Massachusetts relating to OpCo's role as operator of PAS.

f) OpCo will furnish and/or cause to be furnished all labor, materials, supplies, tools and equipment necessary to perform its operating services. [redacted]

g) OpCo will offer employment to ST employees with the goal of filling 159 positions from the following crafts: Transportation, Mechanical, Engineering and Clerical/Dispatch. The parties recognize that this number of employees was what G&W estimated it required as of February 22, 2021 and that the number of employees may change before OpCo commences its role as PAS's operator. OpCo will reasonably adjust its hiring obligation to reflect any such changes. OpCo will give first priority to current ST employees when filling its positions. [redacted] The employment terms of OpCo will be similar to ST's current terms.

h) OpCo will prepare budgets, business plans and net cash flow reports consistent with the obligations of the railroad operator currently set out in section 5.7 of the PAS LLC Agreement.

i) Within [redacted] after the commencement of OpCo's operation of PAS, OpCo, NSR and CSXT will agree on a suite of operating metrics and goals that OpCo will measure and report on at least a [redacted] basis. Such metrics will include [redacted], and other performance metrics as the parties shall agree, and will use current PAS operations as a baseline to measure future performance.

III. OpCo's Compensation

[redacted]

IV. OpCo's Pricing Obligations

1) As the railroad operator, OpCo will be PAS's agent responsible for developing, establishing and quoting the rates that will be charged by PAS for movements on PAS. OpCo will also be

responsible for establishing the form and content of any new customer transportation agreements involving movements on PAS.

2) OpCo will be responsible for all PAS customer interface, including invoicing PAS customers.

3) The interline and local traffic moving over PAS that is subject to PAS rates that will be set by OpCo will move in the revenue waybill of PAS.

4) Except to the extent established in the NSR Joint Use Agreement, the rates established and charged by PAS, while not necessarily equal, will not discriminate as to any rail carrier connecting to PAS, except based on mileage, density and similar operating characteristics. For the avoidance of doubt, the NSR Joint Use Agreement will be honored and is considered as an exception to this otherwise all-encompassing rule. OpCo will not use its rate-setting obligation to create a competitive advantage or disadvantage to any rail carrier or between or among any rail carriers connecting to PAS. OpCo will establish and charge rates on behalf of PAS that advance the economic interest of PAS as an independent rail carrier. OpCo will not establish or charge rates that are intended to favor the interests of any individual PAS owner or the separate interests of G&W and its affiliates. In setting non-discriminatory rates, OpCo can take into account the relative volume of traffic interchanged with a particular rail carrier, the commodity involved, the mileage traveled and equipment provided, so long as any such rates are reasonably based on cost differences associated with such differences in traffic.

5) OpCo will establish and charge rates that are sufficient to cover, but not be limited to, the fully allocated costs of PAS operations in the aggregate, including the total compensation paid to OpCo as PAS operator and services that are outsourced and not performed by PAS [redacted] The intent of this provision is to ensure that revenues from PAS operations are at least sufficient to cover PAS operating costs and capital without a subsidy from PAS' equity holders.

6) Subject to the requirements above that rates be non-discriminatory and cover fully allocated costs, OpCo will develop, establish and charge market-based rates for PAS' services.

V. Additional Considerations

1) G&W, NSR and CSXT will agree to cooperate and take actions reasonably necessary to address any competitive concerns raised by OpCo's role as PAS operator and any concerns raised by States or passenger agencies that have operations over PAS lines. It is agreed that any such actions shall be solely limited to the purpose of preserving the current competitive position of a concerned party and not to either worsen or improve their competitive position or put PAS, NSR, CSXT or any G&W affiliate, in a less advantaged position than they are currently.

[redacted]

[redacted]

3) CSXT, NSR and G&W recognize the STB will impose New York Dock labor protective conditions on CSXT's Application, including OpCo's acquisition of rights to operate PAS. Such New York Dock protection will be available to any eligible ST employee adversely affected by the Transaction. The parties will cooperate in the formation of New York Dock implementing agreements that provide for the division of ST employees between OpCo and ST in a manner satisfactory to CSXT and OpCo. CSXT, NSR and G&W also recognize that OpCo cannot take over PAS operations until required New York Dock implementing agreements are in place and have been implemented. The parties will seek to minimize any labor protection costs. CSXT and NSR will split the costs of any New York Dock labor protection as set forth in the Settlement Agreement to be entered into by them. For the avoidance of doubt, CSXT and NSR acknowledge and agree that neither G&W nor OpCo shall bear any New York Dock labor protection costs associated with CSXT's acquisition of Pan Am and/or OpCo's replacement of ST as PAS operator and/or termination or expiration of the new operating agreement.

[redacted]

[redacted]

5) The Parties shall act in good faith and use commercially reasonable efforts to satisfy any conditions imposed by the STB on its approval of the Transaction. [redacted]

6) [redacted]

7) [redacted]

8) In order to promote a seamless transition, CSXT and NSR shall cooperate with OpCo before and during the transition of PAS operations to OpCo.

VI. Confidentiality; Consents; Regulatory Authority

1) Other than as required for regulatory authority, the contents of this Term Sheet Agreement shall remain confidential.

2) Except as otherwise set forth herein, the obligations of the Parties contained in this Term Sheet Agreement are intended to be binding upon the Parties and their successor and assigns; provided, however, that the obligations of the Parties described herein with respect to the operation and management of the PAS rail lines by OpCo are subject to the STB's approval

of the Transaction as provided in the introduction hereof, the execution and delivery of the new Railroad Operating Agreement between OpCo and PAS and the Parties' obtaining any necessary consent from third parties, government authorities, or any other necessary consent to effectuate the proposed Transaction.

3) Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the PAS LLC Agreement or the existing Railroad Operating Agreement, as applicable.

[Signatures on following page]

Term Sheet Agreement – Execution Version
Signature Page

The Parties hereto have caused this Term Sheet Agreement to be executed by their respective authorized representatives as of the dates set forth below.

CSX TRANSPORTATION, INC., a Virginia corporation

By: Sean Pelkey
(print name)

Name: [signature]
(signature)

Title: VP and Treasurer
(print title)

Date: 2/23/2021

NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation

By: _____
(print name)

Name: _____
(signature)

Title: _____
(print title)

Date: _____

GENESEE & WYOMING INC., a Delaware corporation

By: _____
(print name)

Name: _____
(signature)

Title: _____
(print title)

Date: _____

Term Sheet Agreement – Execution Version
Signature Page

The Parties hereto have caused this Term Sheet Agreement to be executed by their respective authorized representatives as of the dates set forth below.

CSX TRANSPORTATION, INC., a Virginia corporation

By: _____
(print name)

Name: _____
(signature)

Title: _____
(print title)

Date: _____

NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation

By: Michael R. McClellan
(print name)

Name: M. R. McClellan
(signature)

Title: VP Strategic Planning
(print title)

Date: 2/23/21

GENESEE & WYOMING INC., a Delaware corporation

By: _____
(print name)

Name: _____
(signature)

Title: _____
(print title)

Date: _____

Term Sheet Agreement – Execution Version
Signature Page

The Parties hereto have caused this Term Sheet Agreement to be executed by their respective authorized representatives as of the dates set forth below.

CSX TRANSPORTATION, INC., a Virginia corporation

By:_____
(print name)

Name:_____
(signature)

Title:_____
(print title)

Date:_____

NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation

By:_____
(print name)

Name:_____
(signature)

Title:_____
(print title)

Date:_____

GENESEE & WYOMING INC., a Delaware corporation

By: MATTHEW O. WALSH
(print name)

Name: _____
(signature)

Title: EVP, CORP DEVELOPMENT
(print title)

Date: 2/23/21

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 22

Amended Verified Statement of Dr. David Reishus

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

Amended Verified Statement of

David Reishus, PhD

April 26, 2021

TABLE OF CONTENTS

I. INTRODUCTION 1

A. WITNESS INTRODUCTION 1

B. ASSIGNMENT 1

C. SUMMARY OF CONCLUSIONS 2

II. DESCRIPTION OF THE RAILROADS AND THE PROPOSED TRANSACTION 4

A. NEW ENGLAND FREIGHT RAILROADS 4

B. CSXT 6

C. PAN AM SYSTEM 7

1. PAR 7

2. PAS 9

D. OVERVIEW OF THE POST-TRANSACTION RAILROADS 12

III. MERGERS AND THE ECONOMICS OF COMPETITION 14

A. HORIZONTAL EFFECTS 14

B. VERTICAL EFFECTS 16

IV. THE PROPOSED TRANSACTION IS PRO-COMPETITIVE 17

A. THE PAR SYSTEM 18

1. Benefits of the acquisition of the PAR System by CSXT 18

2. The acquisition of PAR by CSXT does not harm jointly served shippers 19

B. PAS 21

1. Benefits of CSXT's acquisition of Systems' ownership share of PAS and B&E operation of PAS 22

2. The acquisition of Pan Am's ownership share of PAS by CSXT and the proposed operating agreement would not harm jointly served shippers 25

3. The parties have addressed all potential competitive concerns regarding B&E operation of PAS 28

C. ADDITIONAL BENEFITS AND PROTECTIONS 29

V. CONCLUSION 30

I. INTRODUCTION

A. WITNESS INTRODUCTION

1. My name is David Reishus. I am currently an Executive Vice President at Compass Lexecon in Boston, Massachusetts. Compass Lexecon is an economics consulting firm with offices in various cities throughout North America, South America, Europe, and Asia. I earned my M.A. and Ph.D. degrees in economics from Harvard University.

2. Over the past 25 years, I have worked extensively on the organization of markets, competition, and firm behavior in a variety of industries. I have testified before various state, Federal and international bodies on competition issues, primarily in the energy and transportation industries. I have provided testimony multiple times before the Surface Transportation Board (the "STB") on matters involving competition in the railroad industry.

3. I have analyzed competition issues associated with railroad merger transactions and associated conditions on those mergers. I participated in the analysis of the competitive effects and associated merger conditions for the major railroad consolidations in the 1990s involving Union Pacific/Southern Pacific, Burlington Northern/Santa Fe, and the Conrail transaction. In addition, since then I have testified before (or made presentations to) the responsible government authorities regarding competitive issues arising from proposed transactions involving railroads in the U.S., Canada, and Mexico. My full vita is attached.

4. The opinions expressed herein are my own, and do not necessarily represent those of my employers or their other employees.

B. ASSIGNMENT

5. I have been asked by CSX Corporation and CSX Transportation, Inc. ("CSXT") (collectively referred to as "CSX") to analyze the competitive effects, if any, of the acquisition by CSX of Pan Am Systems, Inc. ("Systems"), a non-carrier – including its rail carrier subsidiaries, and its interest in Pan Am Southern LLC ("PAS") (the "Proposed Transaction"). As part of this analysis, I have also been asked to analyze the competitive effects of the separate but closely related transactions and agreements entered between CSXT, Norfolk Southern Railway Company ("NSR"), and Genesee and Wyoming Inc. ("GWI") (collectively, the "Related Transactions") contingent on Proposed Transaction.

C. SUMMARY OF CONCLUSIONS

6. The Proposed Transaction involves the acquisition of Systems by CSX. Systems has ownership interests in two connected railroad networks in New England. Systems wholly owns Pan Am Railways, Inc. ("PAR"), which in turn controls seven rail carriers identified in the CSX Application (the "PAR Railroads") that own and operate a unified rail network in eastern Massachusetts, New Hampshire, and Maine (the "PAR System").[1] One of those PAR Railroads, Springfield Terminal Railway Company ("Springfield Terminal") operates rail service on the entire PAR System on behalf of the PAR Railroads. Another of the PAR Railroads, Boston and Maine Corporation ("Boston & Maine"), owns a 50% interest in PAS, which is jointly owned with NSR and has a mainline between upstate New York and eastern Massachusetts. PAS is currently operated on a contract basis by the Springfield Terminal.

7. I have analyzed the economic implications of the Proposed Transaction and associated commitments as outlined in CSX's application. I conclude that the transaction as proposed is procompetitive and will not result in any substantial reduction in competition. The Proposed Transaction and Related Transactions represent a pro-competitive rationalization of the New England rail network with widespread benefits to shippers across New England.

8. With respect to pro-competitive benefits, I find that existing PAR System shippers will benefit from more reliable, consistent, and efficient service as a result of the new, single-line, Class I rail service across New England that will be created by the Proposed Transaction. Further, to the extent that CSXT can offer an improved combination of price and service, it makes rail a more effective competitor against other modes of transportation.

9. I have also analyzed the proposed Related Transactions among CSXT, NSR, PAS and GWI. I find these agreements create additional benefits by further rationalizing the New England rail system to create new transportation options for shippers and enhance efficiency and improve rail service in New England. These main elements of the Related Transactions include:

   - **Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad ("B&E") Operation of PAS**: B&E, a wholly-owned subsidiary of GWI, is to be operator of PAS, taking over the responsibilities currently undertaken by Springfield

[1] For purpose of this statement, PAS is not considered part of the PAR System in discussing rail operations.

Terminal. This will preserve PAS as an independent rail route for shippers between upstate New York and eastern Massachusetts. Further, GWI is a well-established railroad holding company that operates numerous railroads, including several rail carriers in New England. To the extent B&E introduces operational efficiencies and more streamlined coordination with other GWI railroads, that will improve service on the PAS line and benefit PAS shippers.

- **NSR Trackage Rights**: NSR will receive trackage rights from CSXT providing additional and more efficient access to the intermodal terminal in Ayer, Massachusetts. This creates a new route for NSR, providing NSR additional options for serving intermodal customers in eastern Massachusetts.

- **CSXT Trackage Rights**: Upon completion of certain capital improvements financed by CSXT, NSR agrees to modify current trackage rights caps that exist over the segment of the PAS system that connects CSXT with the PAR System in eastern Massachusetts. The modification of these caps will improve and guarantee CSXT's ability to serve traffic on the current PAR System efficiently.

10. I have analyzed whether the combined operations or common control of these railroads creates the potential for competitive harm. These potential harms fall into two categories of economic analysis. The first category, horizontal effects, considers the potential reduction in competition among railroads to serve existing or potential shippers. The second category, vertical effects, considers a more limited and theoretical concern over the reduction in competition arising from relationships involving interline movements.

11. I find that the proposed transaction does not create horizontal competitive concerns.

- With respect to the PAR System, and when considered in conjunction with the Related Transactions, the CSXT and PAR System rail lines are largely end-to-end, with very limited overlap in the greater Boston area. There are a handful of customers that are currently served by both the PAR System and CSXT; CSXT has committed to preserving competitive options for these customers through switching rights.

- With respect to PAS, CSXT will retain ownership interest in PAS but, as a result of the operating agreement with B&E, will have no pricing or operational control with respect to

PAS. This preserves PAS as an independent rail option and preserves any existing competitive benefits to PAS shippers. There are few customers or interconnecting railroads that are currently jointly served by PAS and one of GWI's New England railroads. The Related Transactions include commitments to preserve competitive options for these shippers.

- The Related Transactions include multiple commitments to preserve existing competitive benefits for the one interconnecting railroad, the Vermont Rail System ("VTR"[2]) that might be concerned that it could face a loss of intramodal competition for certain connections as a result of operation of PAS by B&E. I have reviewed the comments and concerns expressed by VTR and the State of Vermont, Agency of Transportation ("VTrans") regarding B&E's operation of a portion of the PAS Connecticut River line. I find that the commitments made by the parties preserve the existing benefits of competition with respect to these interconnections.

12. I find that the proposed transaction also does not create vertical competitive concerns. Consistent with basic economic theory, CSXT has no economic incentive to foreclose more efficient interchanges. Nevertheless, CSXT has committed to maintain existing interchanges.

II. DESCRIPTION OF THE RAILROADS AND THE PROPOSED TRANSACTION

A. NEW ENGLAND FREIGHT RAILROADS

13. The proposed transaction involves the acquisition by CSXT of railroads (the PAR System) and an ownership interest in PAS; apart from the PAS western interconnections in eastern New York, these lines lay within New England. The New England rail system is among the oldest and most fragmented portions of the U.S. rail network. The rail network consists mostly of numerous short-line or regional railroads. (See Attachment 1 to the CSX Application for a detailed map.) For many of the line segments, the rights to serve traffic and operatorship are distinct from the ownership of the rail line. Significant mileage and/or segments of rail lines are owned by the New England states, as well as segments owned, and in some locations operated, by the National Railroad Passenger Corporation ("Amtrak") and the Massachusetts

[2] For purposes of this statement, I refer to Vermont Rail System and its affiliated railroads as VTR.

Bay Transportation Authority ("MBTA").[3] (In general, freight railroads retain rights to serve traffic located on these lines owned or operated by passenger rail authorities.)

14. The primary rail freight connections between New England and the rest of the eastern U.S. rail network are through two rail lines running between upstate New York and eastern Massachusetts. One is the PAS line running between the Mechanicville, New York area and the Ayer, Massachusetts area. The other is the CSXT line between Selkirk, New York and Worcester, Massachusetts.[4] Until last year, CSXT had been the only Class I railroad operating in New England with its mainline extending from upstate New York to eastern Massachusetts.[5] NSR serves certain locations and interchange traffic through a haulage agreement with its 50%-owned PAS.[6] The PAS and CSXT lines are discussed in more detail below.

15. Other freight rail routes connect New England and Canada through Vermont, New Hampshire, and Maine.

- The GWI-owned New England Central Railroad ("NECR") connects with Canadian National Railway Company ("CN") in northern Vermont. The NECR line extends south through Vermont, Massachusetts, and into southern Connecticut where it connects with other GWI-owned railroads.

- VTR connects directly to Canadian Pacific Company ("CP") across the New York border at Whitehall and with CP in northern Vermont. VTR also has connections at White River Junction and Bellows Falls in Vermont where it can connect to NECR or PAS, which operates via trackage rights on the NECR line between White River Junction and the

[3] For state ownership of rail lines, *see* Maine Department of Transportation, "Maine State Rail Plan", July 2014, at 9; Massachusetts Department of Transportation, "Massachusetts State Rail Plan", May 2018, at 2; New Hampshire Department of Transportation, "New Hampshire State Rail Plan", 2012, at 2; Connecticut Department of Transportation, "Connecticut State Rail Plan", 2012, at 8; Vermont Department of Transportation, "Vermont State Rail Plan", 2015, at I; New York Department of Transportation, "New York State Rail Plan", 2009, at 66 and 68.

[4] The eastern ends of the lines are more specifically CPF 312 and Barbers Station, respectively. CSXT also retains rights to serve freight into the greater Boston area.

[5] Canadian Pacific also has a line that connects with Vermont Rail System in Vermont near the Canadian border.

[6] *See Norfolk S. Ry.—Joint Control & Operating/Pooling Agreements—Pan Am S. LLC*, FD 35147 et al., slip op. at 7 (STB served Mar. 10, 2009). CP and CN also serve New England shippers through interconnection or haulage agreements with other New England rail carriers.

Massachusetts border. VTR also connects to NECR in Burlington and Montpelier Junction in Vermont and to PAS at Hoosick Junction in New York.

- CN also connects with the GWI-owned St. Lawrence & Atlantic Railroad (Québec) ("SLQ") in Québec. The SLQ connects to the St. Lawrence & Atlantic Railroad ("SLR") in the United States and connects with the PAR System at Danville Junction, Maine.
- CP acquired the Central Maine & Québec Railway U.S., Inc. ("CMQ") in 2020 and now provides single-line service into northern New England between the Montréal area and Northern Maine Junction where it connects to the PAR System.[7]
- A rail line from Saint John, New Brunswick also connects with the PAR System at Mattawamkeag in northern Maine.

B. CSXT

16. CSXT is a large Class I railway with operations in 23 states across the eastern U.S., including Massachusetts and Connecticut, and into Canada. CSXT's mainline into New England runs between Selkirk, New York and Springfield and Worcester in Massachusetts. The CSXT mainline connects with the PAR System near Worcester with interchange at Barbers Station. The mainline continues east from Worcester serving freight shippers in the greater Boston and southeastern Massachusetts area over a variety of lines, many owned by the MBTA. (See Attachment 1 to the CSX Application.)

17. CSXT's access to New England shippers occurs primarily through its own mainline which connects with several New England railroads including with the PAR System near Worcester, Massachusetts to reach New Hampshire and Maine. CSXT, however, also serves New England shippers by interlining with PAS at Rotterdam Junction, New York and thereby reaching PAS-served shippers and other shippers located on rail lines that interconnect with PAS including some traffic that further interlines with the PAR System.

18. CSXT also has certain rights over the Amtrak line between New Haven, Connecticut and Springfield, Massachusetts. Connecticut Southern Railroad ("CSO"), a GWI railroad, has rights to operate over the Springfield-New Haven line. Although CSXT does not directly serve

[7] STB Docket No. FD 36368, *Soo Line Corporation—Control—Central Maine & Québec Railway US Inc.*, Decision, May 4, 2020.

any shippers on that line, it has rights to interconnect at Hartford, Connecticut to the Central New England Railroad ("CNZR"), and at New Haven to southern Connecticut shippers. CSXT exercises these rights through a haulage arrangement with CSO.

C. PAN AM SYSTEM

19. Systems, through Boston & Maine, owns a 50% interest in PAS, which is jointly owned with NSR. The PAR System lines are located in eastern Massachusetts, New Hampshire, and Maine. The PAS mainline, named the 'Patriot Corridor', runs between upstate New York and a point just past Ayer, Massachusetts where it connects with the PAR System. PAS also uses a north-south route running between Vermont and Connecticut, partly over GWI-owned lines, which connects with its mainline at East Deerfield, Massachusetts and connects with other PAS lines in Connecticut. Springfield Terminal, a PAR Railroad, operates the PAR System as lessee of lines owned by the PAR Railroads. Springfield Terminal also operates PAS, but on a contract basis. The traffic and revenue for the PAR System and PAS are accounted for separately by Springfield Terminal.

1. PAR

20. The PAR System consists of approximately 808 route miles of rail lines in Maine, New Hampshire and eastern Massachusetts.[8] The PAR System interchanges with the two southern New England freight mainlines west of Boston: CSXT at Barbers Station and PAS at Ayer. As can be seen in Attachment 1 to the CSX Application, track owned by the PAR Railroads that connects with CSXT is noncontiguous with other parts of the PAR System, with the small rail segment between Harvard, Massachusetts and CPF 312 (the "Island Line") owned by PAS. The PAR System operates over that Island Line using trackage rights on PAS.[9] The PAR System also has switching rights over PAS to serve industrial customers in Ayer but *only* for traffic from the north and east, not for traffic from its southern line segment that connects with CSXT.[10]

---

[8] CSX Application at 26. The PAR System also has a small noncontiguous rail line segment in Vermont, between St. Johnsbury and Gilman, that is dormant.

[9] Springfield Terminal Joint Use Agreement, April 9, 2009.

[10] Springfield Terminal Joint Use Agreement, April 9, 2009.

21. In Massachusetts, the PAR System provides freight service over certain lines and shippers in the greater Boston area. The PAR System runs between eastern Massachusetts and Mattawamkeag, Maine toward the Canadian border. At this point it connects to the Irving-owned New Brunswick & Maine Railways ("NBM"),[11] a set of three connected short-lines serving northern Maine and running to St. John, New Brunswick, where it connects to the CP and CN mainlines. The PAR System has haulage rights over the NBM, so the PAR System provides an economically independent service between New Brunswick and eastern Massachusetts that connects with the southern New England U.S. mainlines (CSXT and PAS). The PAR System also interconnects with CP (on the recently acquired CMQ line) at Brownsville Junction and Northern Maine Junction.

22. The PAR System is predominantly a heavy freight railroad for traffic originating or terminating in New England, moving over 50,000 carloads in 2019.[12] The PAR System serves shippers in a variety of industries, but given its location in northern New England, the largest commodity groups are: paper products (approx. 33% of PAR System carloads in 2019); sand, gravel, and similar bulk commodities (approx. 16%); and clay and concrete products (approx. 14%).[13]

23. As can be seen from the table for carload traffic below, the major interchanges for the PAR System are the two southern New England mainlines: PAS at Ayer and CSXT at Barbers Station. Next, although much less significant, are the two connections that ultimately reach the Canadian Class I railroads, CN via the SLR at Danville Junction and CP through the CMQ at Northern Maine Junction.[14] Most of the remaining interchange traffic serves local Maine and New Hampshire short-lines.[15]

---

[11] NBM Railways consists of New Brunswick Southern Railway ("NBSR"), Eastern Maine Railway ("EMRY") and Maine Northern Railway ("MNR").

[12] Operating Plan at 8. The PAR System also carried over 5,000 intermodal units in 2019.

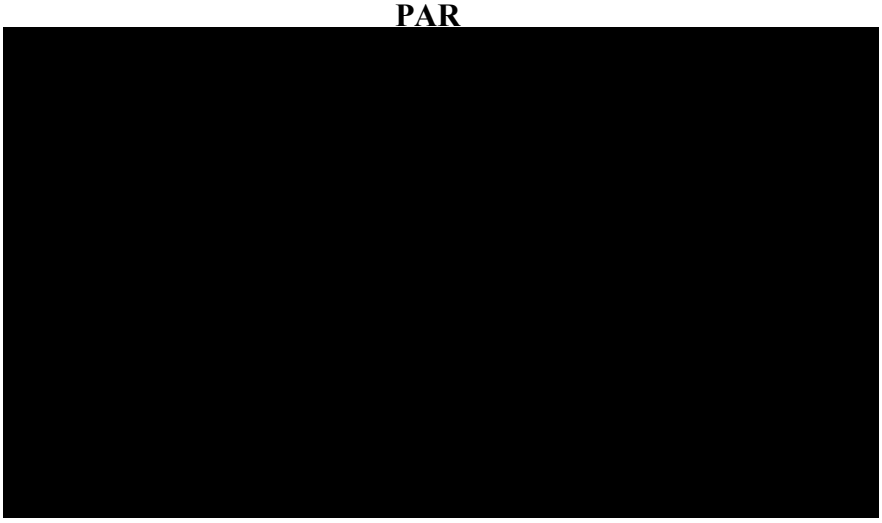
[13] Calculations based on PAR System waybill data at the 2-digit STCC level: STCC 26 – Pulp and Paper Products; STCC 14 – Nonmetallic Minerals; and STCC 32 – Stone, Clay and Glass products.

[14] CP's acquisition of CMQ was approved in 2020, so I have not distinguished the 2019 interchange traffic at Northern Maine Jct. between CMQ and CP.

[15] Due to the haulage agreement, most traffic originating or terminating on the NBM does not show up as interchange traffic.

Figure 1

2019 Interchange Traffic[1]
PAR



Source: Pan Am waybill data.
Notes: 1. Data does not include intermodal or haulage traffic.
2. Waybill records report {{ }}.
3. Waybill records include {{ }}.
4. St. Lawrence & Atlantic Railroad
5. Traffic identified as terminating or originating at Dover is treated as interchange traffic.
6. New Hampshire Northcoast

2. PAS

24. PAS was created in 2009, with STB approval, as a company jointly owned by Boston & Maine (one of the PAR Railroads) and NSR, each with a 50 percent share. Boston & Maine contributed its line between Mechanicville and Ayer – the "Patriot Corridor" – along with some branch lines and rights over other lines. With additional funds from NSR, and financial support from a variety of governmental entities, this mainline was upgraded to a performance more consistent with a modern U.S. freight mainline rail line.[16] Springfield Terminal has served as the contract operator of PAS since the formation of PAS. NSR has reserve trackage rights on the PAS line between Mechanicville, New York and Ayer and rights to interchange certain traffic with other connecting regional lines.

[16] Height restrictions still prevent the running of double-stack intermodal trains. *See* Massachusetts Department of Transportation, "Massachusetts State Rail Plan," May 2018, at 40.

25. The Patriot Corridor interchanges at its western end with NSR, CSXT, and CP in New York and runs to Ayer and then, east of Ayer, connects with the PAR System at Harvard, Massachusetts and at a point known as CPF 312. As an east-west route across southern New England, this line interconnects with various north-south New England railroads, in addition to the PAR System, that serve a small portion of New York, Vermont (with connections to Canada), Massachusetts, Connecticut, and Rhode Island. These connecting railroads include VTR and the GWI-owned NECR, CSO, and Providence and Worcester Railroad ("P&W"). CN and CP traffic can connect to PAS via the connections with the Vermont railroads.

26. PAS has certain access rights over north-south lines between White River Junction, Vermont (over the NECR) and New Haven, Connecticut (over a Mass DOT-owned line and an Amtrak-owned line between Springfield, Massachusetts and New Haven, which is operated for freight by CSO). A noncontiguous line in southeastern Connecticut that serves Waterbury is also part of PAS. On the southern portion of the north-south line operated by CSO, PAS, as operated by Springfield Terminal, exercises trackage rights allowing it to connect with its noncontiguous Connecticut line as well as interconnect with CNZR at Hartford.

27. An important location on PAS on the Patriot Corridor is Ayer, Massachusetts, which is roughly 40 miles outside of Boston. In addition to local carload shippers, there is an intermodal terminal and an auto unloading facility in Ayer that serves the greater Boston area.[17] This is a significant location for NSR traffic.

28. Springfield Terminal has been designated the operator of PAS. PAS, through its contract operator Springfield Terminal, provides haulage for NSR over the PAS system.[18] {{ [redacted]

[17] CSXT and P&W each operate intermodal terminals in Worcester. CN serves the P&W terminal through haulage agreements. *See*, Massachusetts State Rail Plan at 41.

[18] Master Norfolk Southern Joint Use Agreement, April 9, 2009.

[redacted] }} By contrast PAS moved more than 37,000 non-haulage freight carloads in 2019.[20]

29. Setting aside traffic hauled on behalf of NSR, overhead traffic represents over a third of PAS traffic while 40 percent of PAS traffic is deliveries to PAS shippers.[21] Thus, compared to the PAR System, which originates or terminates (or both) over 95% of its carloads, PAS has a more diverse traffic mix and more of that traffic represents goods moving to the New England consuming areas.[22]

30. In addition to the NSR traffic hauled by PAS, the interchange points for PAS reflect its role as a mainline route connecting to the eastern U.S. rail network. The largest single interchange is at Ayer with the PAR System, primarily for movements to northern New England. Collectively larger, however, are the three interchanges with CP, CSXT, and NSR at the western end of the mainline.[23] There are also significant interchanges with regional and short-line carriers mostly along the Patriot Corridor line but also at Bellows Falls, Vermont. In 2019, there were no cars identified as being exchanged with CSXT at New Haven and only three cars at Springfield.[24]

[19] [redacted]

[20] Operating Plan at 9.

[21] PAS waybill data.

[22] PAS waybill data.

[23] This excludes the volume of traffic hauled on behalf of NSR.

[24] PAS waybill data.

Figure 2

2019 Interchange Traffic[1]
PAS



Source: PAS waybill data.
Notes: {{ }}
1. Data does not include intermodal or haulage traffic.
2. Vermont Rail System
3. Naugatuck Railroad
4. New England Central Railroad
5. Central New England Railroad

D. OVERVIEW OF THE POST-TRANSACTION RAILROADS

31. As described in more detail in the operating plan, the acquisition by CSX of Systems will result in the PAR System being integrated into CSXT. This will result in a Class I, single-line operation between the eastern U.S. network served by CSXT and northern Maine (with additional haulage to New Brunswick). As CSXT integrates the PAR System into the CSXT system, it will bring to bear the tools and resources of a Class I railroad that should improve customer service and transparency, speed, and reliability for PAR System shippers and create additional transportation options.[25]

[25] Amended Verified Statement of Sean Pelkey (hereinafter "Pelkey VS") at 5-7.

32. While the PAR System will be eventually fully merged into CSXT, PAS will remain a venture jointly-owned by CSXT and NSR. PAS will continue to operate separately, with B&E stepping into the shoes of Springfield Terminal as operator of PAS. B&E, as agent for the PAS owners, will be contractually obligated to operate PAS independently in the interest of the owners. Shippers using PAS will continue to benefit from an independent rail option and will also benefit from any operational and management improvements that B&E brings to bear as operator, including potential improvements in coordination between the various GWI railroads operating in New England.

33. As discussed below, there are limited instances where the operation of PAS by a GWI-owned railroad could raise competitive concerns. The parties are making a variety of commitments to preserve existing competitive alternatives for shippers that are jointly-served by PAS and for connecting carriers who have access to both PAS and a GWI railroad whose options may otherwise be reduced. These commitments are explained in more detail, below. Some parties have raised concerns that these commitments are insufficient to maintain current competitive alternatives. I disagree with this assessment and respond to these concerns in more detail, below.

34. Separate from, but related to, the acquisition of Systems by CSXT, CSXT will enter the Related Transactions to further rationalize the rail network in New England and improve service and transportation options for New England shippers. Following the acquisition of Systems by CSX, NSR will have the unilateral right, subject to any required STB approval, to exercise voting control over the PAS management committee.[26] Likewise, NSR may initiate the sale of CSXT's one-half ownership interest in PAS to NSR or NSR's assignee within the first seven years after CSXT acquires Systems.[27] Additionally, NSR will have a right of first refusal should CSXT decide to sell its PAS ownership interest at any time. Therefore, although the commitments address any potential competitive concerns arising from GWI's operation of PAS, NSR retains the ability to protect itself and any PAS shippers should any operational or competitive concerns arise.

---

[26] CSXT-NSR Settlement Agreement at Section III.

[27] Pelkey VS at 11.

III. MERGERS AND THE ECONOMICS OF COMPETITION

35. There are well-documented, pro-competitive benefits associated with railroad mergers. Rail mergers often allow railroads to improve the efficiency of their networks and make operational improvements that translate into higher-quality service for shippers. In many cases, rail mergers create new single line service, which is widely recognized by shippers as a more reliable and higher-quality alternative to interline service. Rail mergers also often result in operational efficiencies – in areas such as car handling, scheduling, customer service, and coordination across the network – that benefit shippers. Further, a rail merger that creates an improved – and thus more competitive – rail alternative can also put competitive pressure on competing rail carriers to improve performance and can strengthen rail as a competitor with other modes of transportation. As I discuss in more detail, below, the Proposed Transaction and Related Transactions go well beyond typical pro-competitive effects and represent significant rationalization and pro-competitive modifications to the rail network in New England and are expected to create significant benefits and improve rail access to the region.

36. It is also the case, however, that when the operations of any two railroads are combined or come under common decision-making control, there may be the potential for competitive harm arising from either the horizontal or vertical effects of the combination. The analysis of horizontal effects considers the potential reduction in competition among railroads to serve existing shippers. The analysis of vertical effects considers the more limited and theoretical concern over the reduction in competition that could harm shippers based on the vertical relationships among railroads. Such vertical concerns arise from the potential to harm competition through new and inefficient restrictions or foreclosure on the use of interconnecting upstream or downstream carriers. In the railroad industry, however, such theoretical vertical concerns are rarely in fact relevant and are generally more than offset by the pro-competitive aspects of improved service and cost reductions resulting from single-line service.

A. HORIZONTAL EFFECTS

37. Shippers as consumers of transportation service by railroads may benefit from competition among railroads to provide that service. To the extent that a shipper has economically relevant alternatives to shipping on a particular railroad, the shipper can use those alternatives to obtain

the most desirable combination of price and service among those alternatives. Competition among these alternatives allows the shipper to choose between or negotiate for the best combination of price and service from multiple options. Such competition deters the exercise of market power and pushes economic outcomes toward providing potential customers the best possible alternative, consistent with costs and alternatives of the railroad(s) and potential other providers.

38. In the case of multiple independent railroads that can serve the same shipper, it is generally the case that these railroads provide strong competitive alternatives to the shipper.[28] Shippers may also have competitive alternatives from other modes of transportation (such as trucking, pipeline or water transport) or may have viable alternatives for satisfying their economic needs through procurement or sales in different geographic locations or by using substitutable goods. To the extent any or all of these potential sources of competitive discipline are relevant, they may be able to deter the exercise of market power.

39. Given the economics of the rail industry, it requires very few railroads serving a shipper to provide effective competition, even when other sources of competitive discipline (i.e., intermodal or geographic and source competition) are not effective. Railroads in general have a high proportion of fixed costs relative to the variable and marginal costs of providing transportation service. When that is the case, they have a strong incentive to capture additional traffic that can generate a margin above variable costs that will contribute to covering the fixed costs of the rail network. Such incentives encourage competition among railroads in terms of price and service available to the shipper.

40. Mergers and acquisitions present the potential loss of such direct horizontal competition when two previously independent railroads come under common control for the purpose of setting prices available to a shipper. Depending on the remaining available competitive options, such common price setting among the merged railroads that previously competed may result in the exercise of market power and horizontal competitive harm to shippers. It is not necessary that there be two separate sets of tracks serving a particular shipper, merely that competitive railroads with independent price setting can provide service to a shipper through direct access

[28] In the atypical case that the available routings—one railroad only runs east and the other only west—or service are sufficiently non-comparable, the degree of effective competition may be limited.

or through terminal switching, haulage, or trackage rights. For these reasons, it is standard in rail mergers to identify shipper locations that previously had economically independent service and pricing from the two merging parties. When there is no other rail alternative that can provide competitive discipline, alternative conditions are provided to preserve the potential benefits to these "2-to-1" locations of rail-on-rail competition that may otherwise be lost as a result of the merger, even if other, non-rail sources of competition are adequate to discipline rates.

41. Similar, but more attenuated concerns, may arise with respect to short-line carriers or line segments unaffiliated with the merging railroads that move from "2-to-1" in the number of rail connections. Sole-served shippers located on the unaffiliated short-line do not lose any rail options as a result of the merger. To the extent the merger alters the relative bargaining power of the unaffiliated short-line serving carrier and its interconnections there could be a redistribution of revenue in excess of marginal cost between the serving and interconnecting carriers. Such a change does not reflect a competitive harm to shippers, but a change in how the results of the existing pricing power of the unaffiliated railroad is distributed among carriers

42. As I describe in more detail below, the Proposed Transaction and Related Transactions do not raise any significant horizontal competitive concerns.

B. VERTICAL EFFECTS

43. When considered in tandem with the Related Transactions, the acquisition of the PAR System by CSXT is an "end-to-end" transaction, meaning that the primary economic effect is to connect continuous rail routes under common ownership. The primary economic effect of the transaction is "vertical." End-to-end transactions may alter the economics of upstream and downstream movements and routing of traffic and can raise theoretical concerns about reduction in competition to shippers based on the vertical relationships among railroads.

44. The primary concern regarding vertical effects is the ability of a merged end-to-end carrier to divert or fully foreclose traffic in a manner that inefficiently restricts competition and harms shippers served by the carrier. However, the conditions under which this type of "vertical foreclosure" leads to reductions in competition in relevant markets are extremely limited and are generally absent from railroad markets. For vertical transactions in markets that use upstream and downstream goods or services in fixed proportions there is no additional market

power obtained by the vertically-integrated service provider as a result of the merger. This condition holds in the rail industry, as the movement of freight across different carriers in a multi-carrier movement entails the movement of the exact same freight across all segments of the move. The amount of freight in a movement from A to B remains the same across all segments of the route.

45. The combined railroad may have the incentive, for economic and efficiency reasons, to shift more traffic to single-line service over its own merged rail lines than before the merger. Such a change, however, is not a reflection of additional market power or an attempt to obtain additional market power through foreclosure of an alternative interchange railroad.[29] Nor does it demonstrate that shippers have been harmed.

46. The conditions under which anticompetitive vertical foreclosure occur are quite limited, are rarely a concern in rail mergers, and are not a concern in this case. Nevertheless, CSXT has made commitments (described more below) to ensure the transaction does not result in any vertical competition issues.[30] Moreover, these commitments preserve incentives for continued use by shippers and connecting railroads.

IV. THE PROPOSED TRANSACTION IS PRO-COMPETITIVE

47. The acquisition of Systems by CSXT will create new, more efficient, and more reliable Class I, single-line rail service in New England and is fundamentally pro-competitive. In addition, the Related Transactions entered into by PAS, CSXT, NSR, and GWI provide many additional benefits for shippers. The result is a transaction that strengthens the New England rail network and does not raise any significant competitive concerns.

---

[29] While not an exercise of vertical market power, to the extent that vertical integration undoes the effect of external rate caps or non-profit-maximizing behavior by the acquired railroad (e.g., the PAR System), then shippers could be made worse off. This possibility does not apply in this instance.

Similarly, if as a result of efficient traffic diversion other lines become non-economic other shippers (not served by the merged partners) may be worse off. Again, such a result would not be an exercise of market power but may reflect the economically efficient allocation of resources. This is not a reasonable possibility in this case.

[30] Pelkey VS at 14.

A. THE PAR SYSTEM

48. With respect to CSXT's acquisition of the PAR System, the primary effect of the Proposed Transaction is to improve the quality of service as a result of the eventual integration of the PAR System with CSXT. There are few shippers who are served by both CSXT and the PAR System pre-transaction (and thus few opportunities for the transaction to create any competitive harm) and CSXT has made commitments to preserve competitive pricing at those locations.

1. Benefits of the acquisition of the PAR System by CSXT

49. The primary effect of the Proposed Transaction would be to improve quality of service by integrating the PAR System with CSXT.[31] It is widely recognized that single-line rail service is generally faster, more reliable, and more efficient than movements that require interchange among railroads. This "end-to-end" transaction would eliminate a source of inefficiency in serving New England shippers in which different railroads must switch cars and provide less-than-fully coordinated service timing and reliability.[32] By bringing interchange partners under a single coordinating organization, the costs and inefficiencies of physical switching would be eliminated. Additionally, and perhaps more importantly, the alignment of incentives and decision-making within a single organization would permit improvements in reliability and scheduling, and the ability to gain the economics of scope in operation across a larger, connected network.[33] Such changes are efficiency enhancing and pro-competitive.[34]

50. As discussed in the operating plan, these types of benefits are anticipated for shippers using the PAR System.[35] CSXT anticipates implementing more exacting measurements of the handling of cars and trains that will lead to better coordination and scheduling of trains and

---

31 Pelkey VS at 4.

32 Pelkey VS at 4.

33 Pelkey VS at 5-7.

34 In addition, integration may reduce the "double marginalization" problem – in which separately owned and operated upstream and downstream carriers each seek to achieve as much profit – margin above marginal costs— as possible from the joint-line move. These independent incentives to seek the highest potential margin fails to internalize the effect of the total cost of the joint-move on the demand for those movements. Vertical integration brings those incentives in alignment and can result in lower rates.

35 *See* Operating Plan at 18-20, 23.

more reliable service for traffic to and from the PAR System.[36] In addition, as a large Class I railroad, CSXT can apply additional resources and bring an array of more sophisticated methods and tools to provide better customer service and improved management of trains and the overall rail network to shippers located on the PAR System.[37]

51. These types of service-enhancing improvements obtained through single-line service are pro-competitive. To the extent that CSXT can offer an improved combination of price and service, it would make the railroad a more effective competitor against other transportation alternatives, such as trucking, and makes shippers and receivers located on the PAR System more competitive in the economy as a whole. As demonstrated by the support for this transaction by numerous existing PAR System shippers, shippers anticipate obtaining benefits from this transaction.[38]

52. The Related Transactions implement pro-competitive changes that will enhance New England rail capacity and operations in and around Ayer, MA.[39] One element would eliminate uncertainty related to the use of the PAS "Island Line" for overhead traffic by the integrated CSXT-PAR System. The agreement modifies the existing trackage rights caps on the PAS Island Line between Harvard, Massachusetts and CPF 312 and allows for one pair of trains between Harvard and CPF 312. Upon demonstration of sufficient capacity, including additional infrastructure to be funded by CSXT, additional trains will be permitted. By modifying existing capacity restrictions and providing for a more economically efficient trackage rights and capacity arrangement, this provision enhances the future potential benefits arising from CSXT-PAR System single-line service.[40]

2. The acquisition of PAR by CSXT does not harm jointly served shippers

53. I have analyzed the routes and customers served by PAR and CSXT to assess whether the Proposed Transaction raises concerns with respect to reductions in competition for jointly

---

36 Pelkey VS at 6.

37 Pelkey VS at 5-7.

38 *See*, CSX Application at Exhibit 23.

39 Pelkey VS at 11-12.

40 Huneke VS at 4.

served shippers. I find that there are a limited number of jointly served shippers and the parties have proposed terms that address any potential concerns.

54. Based on information available to me and through work with CSXT and Pan Am, only four potential shippers, three located in Everett, Massachusetts and one in Boston, have been identified as being served independently by both the PAR System and CSXT.[41] Everett is an inner industrial suburb adjacent to Boston with difficult rail connections to reach the less congested portion of the freight rail network located outside the urban center. The four jointly-served shippers I have identified are: {{ }}

55. {{ }}

56. {{ }}[43]

57. {{ }}

[41] { }}

[42] *See* Exhibit 23, letter of support from {{ }}

[43] *See* Exhibit 23, letter of support from {{ }}

[44] *See* {{ }}

[45] *See* {{ }}

58. {{[redacted]}}

59. CSXT has committed to provide switching service that will connect each of these shippers with PAS and the rest of the U.S. rail network.[48] CSXT's commitment preserves the independent competitive option potentially provided by the PAR System that would be lost as a result of the transaction.[49] As such there would be no reduction in horizontal competition to any shipper located on the PAR System as a result of the Proposed Transaction. As a result of these commitments from CSXT, none of the affected jointly-served shippers have expressed concerns with the transaction. Rather, one of the two affected active shippers at these jointly-served locations has indicated its support for the transaction, noting the benefits of single-line service and the higher quality service they anticipate as a result of CSXT operation of the PAR System lines.

B. PAS

60. With respect to CSXT's acquisition of Boston & Maine and its ownership interest in PAS, the Related Transactions entered into with respect to GWI-owned B&E operation of PAS would preserve PAS as an economically independent rail option. Further, GWI is a large and well-established holding company of rail operators with a significant presence in New England. Shippers on the PAS line will benefit from operational efficiencies realized as B&E draws on the best practices of GWI and is better able to coordinate operations across GWI's New England railroads.

---

46 *See*, {{[redacted]}}

47 *See* {{[redacted]}}

48 Pelkey VS at 13-14.

49 Pelkey VS at 13-14.

1. Benefits of CSXT's acquisition of Systems' ownership share of PAS and B&E operation of PAS

61. As part of the Proposed Transaction, CSXT will acquire both Boston & Maine's 50 percent ownership interest in PAS and PAS's current contract operator and rate-setter, Springfield Terminal. Although direct overlap between PAS and CSXT is extremely limited, if CSXT were to retain pricing or operational control of PAS (via its ownership of Springfield Terminal or the integration of Springfield Terminal into CSXT), it is possible that the transaction could present certain competitive concerns.

62. I have identified only a small number of jointly-served PAS-CSXT shippers, located in Springfield, Massachusetts. As described above, since none of these shippers will lose the competitive benefit of two rail competitors with independent and unilateral interest to obtain this traffic, the Proposed Transaction does not raise competitive concerns with respect to these shippers. As outlined in the Related Transactions, Springfield Terminal will no longer be the operator of and rate-setter on PAS, and CSXT will retain no pricing or operational control with respect to PAS.[50]

63. B&E will step into the shoes of Springfield Terminal to operate and set rates on PAS. Under the structure of the operating agreement, B&E will have the incentive and flexibility, consistent with the protective agreements discussed below, to compete for traffic against other transportation alternatives available to shippers.

64. This operating agreement preserves PAS as an independent rail option connecting New England to the broader US rail network. GWI is a large and well-established holding company of rail operators with a significant presence in New England. Shippers on PAS will benefit from GWI's operational experience and its ability to achieve operational efficiencies with its other New England carriers.[51]

---

[50] Pelkey VS at 10-11.

[51] Pelkey VS at 2, 12.

65. Although B&E is part of the GWI family of railroads, the operating agreement between B&E and PAS obligates B&E to operate PAS in the interests of PAS. The owners of PAS—CSXT and NSR—have a direct interest in maintaining PAS as a successful, competitive railroad.

66. Given CSXT's ownership interest in PAS once the Proposed Transaction is consummated, and the fact that CSXT is the largest interchange partner with PAS after NSR (once NSR's haulage traffic is taken into account),[52] it is in CSXT's direct economic interest that PAS remain a viable and effective railroad. Moreover, CSXT commits to continue using PAS for certain categories of shipments, thus ensuring no sudden change in shipping volumes served by PAS as a result of CSXT's rationalization of traffic.[53] CSXT has committed to continue to interchange certain traffic with PAS at Rotterdam Junction for traffic to or from Ayer over PAS for traffic to or from certain regions.[54] While this is traffic that, based on the structure of the CSXT network, would normally flow over PAS for efficiency reasons the commitment provides additional assurance of traffic on the PAS system to ensure its ongoing viability to the benefit of all shippers on PAS.

67. Among the Related Transactions, NSR will obtain trackage rights for the movement of one double-stack intermodal and automotive train per day in each direction on a route from NSR's connection with CSXT near Voorheesville, NY, over CSXT's mainline to Barbers Station and then, over connecting rail lines, to serve the intermodal terminal located at or near Ayer, MA. Height restrictions on the existing PAS Patriot Corridor connecting New York and Ayer prevent the use of that line for more efficient, double-stack intermodal service. Substantial capital investments and reconstructions would be required to eliminate this height restriction.[55] Thus, the Proposed Transaction and Related Transactions will provide immediate enhanced competition between CSXT and NSR and improved service to intermodal shippers and end-users in Eastern Massachusetts that utilize intermodal service through Ayer without the need

---

[52] The remaining interchanges between CSXT and PAS are not economically relevant. In 2019, there was no traffic interchanged at New Haven and only 3 cars at Springfield.

[53] CSXT-NSR Settlement Agreement at Section IX.

[54] CSXT-NSR Settlement Agreement at Section IX.

[55] Patriot Corridor Double-Stack Clearance Initiative Project, https://www.mass.gov/info-details/about-the-patriot-corridor-double-stack-clearance-initiative-project

to make duplicative capital investments. NSR will now have access to an alternative, efficient route to access the intermodal facility in Ayer with improved service and will allow NSR additional flexibility to serve its intermodal traffic in Ayer, Massachusetts.[56]

68. The Related Transactions provide further pro-competitive benefits for shippers at Ayer. The agreement provides new switching rights for CSXT to serve customers in Ayer that were not previously available to CSXT shippers.[57] Previously, PAR Systems lacked the right to switch traffic that was to or from the south of Ayer (i.e., off CSXT at Barber). The Related Agreements will provide new competitive access for shippers at Ayer to the integrated CSXT road for traffic served by the existing CSXT mainline. The Related Agreements also call for CSXT to fund additional infrastructure investments in Ayer that will improve access and fluidity of movements at or through Ayer.[58] Thus the Related Transactions provide additional competition and pro-competitive investments that will benefit Ayer shippers and intermodal users in Eastern Massachusetts.

69. Finally, the PAS LLC Agreement provides for an automatic change from equal to NSR majority control of PAS in the event another entity acquires control of PAR, subject to any required STB approval. CSXT and NSR have agreed in the CSXT-NSR Settlement Agreement that NSR will not pursue the exercise of its majority control rights as a result of CSXT acquiring control of PAR, but that the PAS LLC agreement will be amended to give NSR the same majority control rights that NSR has today with respect to PAR changes in control.[59] Moreover NSR will have, for the next seven years, the right to purchase (or have sold) CSXT's share of PAS under a specified financial mechanism.[60] These rights ensure that NSR's interest in the ongoing success of PAS will be preserved and that NSR has the opportunity to obtain full control and financial benefit from PAS' continuing operations.

---

56 Pelkey VS at 11.

57 CSXT-NSR Settlement Agreement at Section IX.

58 Ayer Operations Protocols at Section II.

59 CSXT-NSR Settlement Agreement at Section III.

60 CSXT-NSR Settlement Agreement at Section II.

2. The acquisition of Pan Am's ownership share of PAS by CSXT and the proposed operating agreement would not harm jointly served shippers

70. With B&E stepping into the role of PAS operator, CSXT's acquisition of Boston & Maine's ownership share in PAS would not harm shippers. PAS will continue to serve as an economically independent rail option in New England and all PAS shippers will retain the benefits of PAS as an independent competitor.

71. I have also considered whether B&E operation of PAS would introduce any potential competitive harms. I understand there are two customers who today are jointly served by PAS and a GWI railroad, located between Bellows Falls and Whiter River Junction, Vermont on the NECR.[61] Post-transaction, price negotiations on shipments for these customers would be limited to GWI-owned railroads. Although I understand that B&E would be operated independently from other GWI railroads, it is not unreasonable for shippers who today have access to two independent rail alternatives to view the post-transaction operation of PAS by B&E as a reduction in their competitive alternatives. As such, the parties have committed that PAS will establish rates for these customers at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS.[62] This commitment will preserve the benefits of existing competitive rates for the shippers who are jointly served by PAS and a GWI railroad.

72. There is one railroad that currently can interchange with both PAS and a GWI-owned railroad: VTR with NECR at Bellows Falls and White River Junction.[63] PAS currently provides haulage for VTR using trackage rights over the NECR line between White River Junction and Bellows Falls. These rights will be unaffected by B&E operation of PAS. After the transaction, VTR and the shippers it serves will only have the option, at these two junctions, of interchanging with GWI-owned or operated railroads. If GWI-operated *and* owned both carriers (and NSR lacked independent haulage access to VTR) the transaction would induce

---

61 Pelkey VS at 15.

62 Pelkey VS at 15.

63 A simple viewing of a New England railroad map would suggest that CNZR may interchange with PAS and GWI-owned CSO at Hartford, CT. Such a view, however, does not reflect the history and reality that governs the network. CSXT, not CSO, is the interline railroad with CNZR for purposes of establishing pricing; CSO merely provides physical interchange on behalf of CSXT. Thus, there is no competitive harm arising from B&E operating PAS with respect to that connection.

competitive concerns about GWI's ability to raise prices for these interconnections. This is not the case, however, as B&E will not own PAS and will instead operate PAS as an agent for PAS's actual owners. Regardless, and recognizing these concerns, the parties have committed to conditions that will preserve the benefits of existing price competition for VTR over these interchanges.

i. VTR connections to PAR and Eastern New England

73. For VTR for traffic to or from the east with connections to PAR that may currently benefit from intramodal competition between PAS and NECR to reach the PAR system, the parties have committed that PAS will establish rates for these customers at current levels, subject to future escalation, as long as B&E is operator of PAS.[64] Given the configuration of the VTR, unless the traffic is to or from New England east of Vermont, it may be more logical for VTR to interchange using its northern junction or at its New York junctions—Whitehall with CP or PAS at Hoosick Junction for interchange with PAS's Class I railroad interchanges in New York.

74. Given the configuration of the New England rail network, there is limited potential direct competitive harm to VTR resulting from B&E operation of PAS. Apart from the two customers discussed above, there are no jointly served PAS-GWI customers. While physically possible, a route by which the VTR interconnecting shipments can reach the PAR System without PAS being involved in the movement is highly circuitous relative to the movement over PAS. Regardless, the commitment to establish rates for these customers at current levels will preserve the benefits of any existing intramodal competition to which shippers using the VTR interchanges at Bellows Falls or White River Junction to reach the PAR System.

ii. VTR connections to Class I Carriers

75. VTR connects with PAS at Hoosick Junction in New York. This is the logical interchange for VTR for most traffic to the west as the interchange is located on the western portion of PAS, with a short haul over PAS to and from the PAS interchanges with Class I carriers at Mechanicville (NS) and Rotterdam Junction (CSXT). (VTR also has multiple direct interchanges with CP.) NSR also interchanges with VTR at Hoosick Junction and at Bellows

[64] Pelkey VS at 15.

Falls using its existing haulage rights. In addition to these connections via PAS, it is also currently feasible (although perhaps not the most efficient route for much traffic) for VTR traffic to move over Bellows Falls, southeast over NECR, and then interconnect with CSXT directly, thus providing VTR two independently-priced alternatives to connect to CSXT. In order to preserve the benefits of any existing intramodal competition on PAS for VTR to reach CSXT and its customers, the parties have committed that PAS will establish rates to and from CSXT at Rotterdam Junction and Hoosick Junction at current levels, subject to future escalation, as long as B&E is operator of PAS.[65]

iii. LPG traffic between East Deerfield and Bellows Falls

76. The parties also commit to provide haulage between storage facilities at East Deerfield and VTR's Bellows Falls and White River Junction interchanges.[66] There is no loss in direct intramodal competition at East Deerfield from the Proposed Transaction as East Deerfield is solely served by PAS. East Deerfield, however, is an important staging point in New England for the transportation of liquified petroleum gas ("LPG") by rail. It is my understanding that LPG is an important commodity for VTR. To the extent there is a concern about the competitive impact of B&E operation of PAS with respect to these movements of LPG to VTR-served customers, the haulage right commitments preserve the benefits of existing competition.

iv. Service Commitment

77. In addition to pricing, competitive concerns can arise with respect to service. There is no reason to believe that B&E and NECR service would be expected to decline from current levels. Indeed, to the extent that operational improvements can be reaped from GWI's experience in operating regional and short-line carriers in New England, service could be anticipated to improve. Regardless, the parties commit to providing VTR with the same or better service as is provided today on the movements subject to these commitments.[67]

---

65 Pelkey VS at 15.

66 Pelkey VS at 15.

67 Pelkey VS at 15-16.

Collectively these commitments preserve the benefits of existing competition for VTR and its shippers.

3. The parties have addressed all potential competitive concerns regarding B&E operation of PAS

78. The structure of the operating agreement with B&E and the price and service commitments the parties have made with respect to VTR are sufficient to address any potential competitive concerns raised by the proposed transaction.

i. Potential Reduction in Competition

79. VTrans and VTR have both raised concerns that B&E operation of PAS will effectively reduce the number of competitive alternatives available at VTR interchanges in Bellows Falls and White River Junction from two competitors today (PAS and GWI-owned NECR) to one competitor post-transaction (because B&E and NECR are both GWI-owned railroads).[68] (Such a "two-to-one" characterization does not account for the price competitively independent effect of NSR's haulage rights to interchange with VTR at Bellows Falls which will be unaffected by the Proposed Transaction.)

80. As noted above, the parties have made various price and service commitments at White River Junction and Bellows Falls, where VTR now has the option of interchanging with either PAS or NECR. VTR points out that NECR and PAS are "vigorous competitors" along the north-south line (*i.e.*, the route between White River Junction and the Massachusetts border).[69] VTR further explains that: "Currently, PAS accounts for the vast majority of Conn River Line interchange traffic with [VTR], reflective of both better PAS service and other competitive considerations that favor [VTR]'s use of PAS over NECR."

81. Current prices and service levels on PAS reflect that "vigorous competition." Therefore, the parties' commitments to maintain price and service level on PAS will preserve the benefits of PAS' existing price competition for VTR over these interchanges.

---

[68] *See, e.g.,* State of Vermont, Agency of Transportation "*Opposition to Application and Petition and Preliminary Comments,*" March 17, 2021 (hereinafter "VTrans Comments") at 3-5; Vermont Rail System's Notice of Intent to Participate, Opposition to Application and Petition, and Reply to Proposed Procedural Schedule, March 16, 2021, (hereinafter "VTR Comments") at 2, 4-5.

[69] VTR comments at 4.

ii. B&E Operational Independence

82. VTrans and VTR have both raised questions about B&E's relationship with GWI. VTrans questions whether B&E will compete in a meaningful way with the GWI-owned NECR[70] and also raises concerns about GWI's alleged past attempts to "choke off competitive access" through trackage rights fees.[71] VTR suggests that GWI will gain access to competitively-sensitive data that would provide NECR "unfair service and marketing advantages over VTR."[72] Under the haulage commitments described above, however, B&E will not have access to the rate that VTR charges its shippers.[73]

83. As the owners of PAS, CSXT and NSR have a direct economic interest in maintaining PAS as an independent, competitive railroad. B&E will be operating as an agent for CSXT- and NSR-owned PAS. This is a fundamentally different economic relationship than that of a GWI-owned and operated railroad. To that end, concerns that B&E will operate PAS in a manner that would allow other GWI-owned railroads an unfair competitive advantage over PAS are addressed in the operating agreement.[74] As noted above, if B&E fails to operate PAS in a manner that preserves PAS as a successful competing railroad, it would be in the PAS owners' best interests to find an alternative operator for PAS. Further, if GWI takes steps to impose fees or operating restrictions on PAS that threaten the viability of PAS, it would be in the interest of CSXT and NS, as PAS owners, to challenge those attempts just as PAS challenged GWI's past actions.

C. ADDITIONAL BENEFITS AND PROTECTIONS

84. As explained above, numerous short-line carriers connect with the PAR System or PAS. Shipments frequently reach other Class I carriers, in addition to NSR and CSXT, across the North American rail network. To the extent the Proposed Transaction improves the quality of

---

70 *See, e.g.,* VTrans Comments at 6-7; Verified Statement of Daniel Delabruere (attached to VTrans Comments) at 7-8.

71 State of Vermont, Agency of Transportation, "*Reply to Applicants' March 18, 2021 Response to Initial Comments and Certificate of Service*," March 22, 2021 at 5.

72 VTR Comments at 6. *See also* VTR Comments at 5.

73 B&E will not share information on rate divisions from connecting railroads that it learns with any other GWI-controlled carrier. Pelkey VS at 16.

74 Term Sheet Agreement, attached to Pelkey vs.

service provided along the PAR System and PAS lines, shippers on those connecting carriers will benefit from those improvements.

85. Vertical competition problems are not often relevant in this type of end-to-end transactions. The post-transaction carriers have no incentive to attempt to anti-competitively harm connecting carriers. As discussed above, the Proposed Transaction and Related Transactions will likely enhance in many ways the efficiency of the New England rail network. NSR, CSXT, PAS, and B&E, acting as PAS's agent, will have no incentive to foreclose connecting shippers' access or to preclude additional interline traffic that can benefit from these efficiencies; just the opposite. To the extent they can attract additional traffic originating or terminating on these connecting New England carriers, they will benefit from the additional traffic and revenue.

86. Nevertheless, in the Proposed Transaction CSXT is committing to keep all existing active PAR System gateways affected by the Proposed Transaction open on commercially reasonable terms. Further, CSXT commits to waiving any right it might otherwise have under the Board's rules to refuse requests by shippers to establish local, separately challengeable rates for movements on the PAR System to an interchange with another rail carrier.[75]

V. CONCLUSION

87. The acquisition of Systems by CSXT would be pro-competitive. The Proposed Transaction would improve the New England rail network; the integration of the PAR System into the CSXT network would create new, more efficient and reliable Class I single-line service; CSXT would bring to bear the tools and resources of a Class I railroad; and improved and more efficient operations will increase rail options for customers in New England. The Related Transactions involving NSR and CSXT trackage rights would also benefit shippers by improving CSXT's operation on the former PAR System line and providing NSR with more flexibility and improved service to intermodal customers in eastern Massachusetts.

88. The Proposed Transaction does not raise any significant competitive harms for shippers. There are only a small number of shippers on the PAR System line that are also served by CSXT.

[75] Pelkey VS at 14.

CSXT has committed to maintaining a competitive alternative for these shippers by providing the option of switching service for these shippers to PAS which then connects to the rest of the U.S. rail network.

89. With respect to PAS operations, the operating agreement with GWI, which grants B&E control over pricing and operating decisions, would preserve PAS as an independent rail option from upstate New York to eastern Massachusetts. To the extent B&E operation of PAS risks reducing competitive alternatives for a small number of shippers or interconnecting railroads, the parties have agreed to conditions that preserve current competitive conditions.

I declare under penalty of perjury that the foregoing is true and correct.

/s/ David Reishus
April 26, 2021

REDACTED – TO BE PLACED ON PUBLIC FILE

CURRICULUM VITAE

David Reishus

OFFICE: Compass Lexecon
200 State Street, 9th Floor
Boston, MA 02109
(617) 520-0200 main
(617) 520-0209
dreishus@compasslexecon.com

PROFESSIONAL EXPERIENCE

Compass Lexecon
Boston, MA
Executive Vice President, April 2013 – present
Senior Vice President/Senior Managing Director, July 1999 – March 2013

The Economics Resource Group, Inc., Cambridge, MA
President, 1993 – June 1999
Senior Economist, 1990 – 1993

Provides economic analysis and advice on issues of regulation, antitrust, taxation and applied microeconomics to a variety of clients. Develops, manages, and oversees economic analyses for clients and other principals. Responsible for the management and operations of the company.

U.S. Congress, Joint Committee on Taxation, Washington, DC
Economist, 1987 – 1990

Provided economic analysis and development of legislative tax proposals. Responsibilities included corporate and foreign taxation and proposals related to low-income taxpayers, child care, and health issues.

Harvard University, Cambridge, MA
Instructor, 1986 – 1987

Leader of senior thesis tutorial for industrial organization and finance topics. Previously taught Introductory Economics.

Information Resources, Inc., Chicago, IL
Consultant, 1979 – 1980

EDUCATION

Harvard University, Cambridge, MA
Ph.D. in Economics, 1988
Dissertation: "Empirical Essays on the Economics of Taxation and the Firm"
M.A. in Economics, 1983

Northwestern University, Chicago, IL
B.A. in Economics, 1979

TESTIMONY AND OTHER REPORTS

Government of Canada
World Trade Organization, United States—Countervailing Measures on Supercalendered Paper From Canada, Recourse to Article 22.6 of the DSU by the United States (WT/DS5050). Methodology for Calculating Canada's Losses From U.S. Application of the OFA-AFA Measure. September 18, 2020. (With Andrew Lemon.)

Government of Canada
Before the International Trade Administration, Department of Commerce, *Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada (C-122-858), Second Administrative Review. Economic Analysis of British Columbia Log Export Permitting Process, Stumpage and Log Markets*. Expert Witness Statement, August 5, 2020. *Economic Analysis of Allegations Relating to Log Markets and Exports from Four Provinces.* (Also Government of British Columbia.). Expert Witness Statement, August 5, 2020. *Response to Coalition's Submission of September 15, 2020.* Expert Witness Statement, October 1, 2020.

Association of American Railroads
Before the Surface Transportation Board. Docket No. EP 761, Hearing on Railroad Revenue Adequacy. Response to the "Benchmark Methodology" Proposal Submitted by the American Chemistry Council. Verified Statement, February 13, 2020. (With Joseph Kalt).

Government of Canada
Before the International Trade Administration, Department of Commerce, *Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada (C-122-858), First Administrative Review. Response to Petitioner's Submission of August 12, 2019.* Expert Witness Statement, August 26, 2019. *Economic Analysis of Log Export Regulations from Four Provinces.* Expert Witness Statement, April 8, 2020. *Evaluation of the Use of U.S. Export Log*

Prices as a Canadian Log Price Benchmark. Expert Witness Statement, June 18, 2020.

Governments of British Columbia and Government of Canada

Before the International Trade Administration, Department of Commerce, *Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada (C-122-858), First Administrative Review. Economic Analysis of British Columbia Log Export Permitting Process, Stumpage and Log Markets*. Expert Witness Statement, July 15, 2019. (With Joseph Kalt).

Government of Canada

Before the International Trade Administration, Department of Commerce, *In the Matter of Certain Softwood Lumber Products from Canada (A-122-857). Economic Analysis Regarding Claims of Particular Market Situation for Canadian Softwood Lumber By-Products.* Expert Witness Statement, July 20, 2017.

Association of Oil Pipe Lines

Before the Federal Energy Regulatory Commission. Docket No. RM17-1-000 Revisions to Indexing Policies and Page 700 of FERC Form No. 6. Declaration, January 19, 2017.

BNSF Railway Company

Before the Surface Transportation Board. Finance Docket No. 32760 (Sub-No. 46) BNSF Railway Company -- Terminal Trackage Rights --Kansas City Southern Railway Company and Union Pacific Railroad Company. Verified Statement, October 23, 2015.

Association of American Railroads

Petition of the Association of American Railroads to Institute a Rulemaking Proceeding to Reintroduce Indirect Competition as a Factor Considered in Market Dominance Determinations for Coal Transported to Utility Generation Facilities; Surface Transportation Board Ex Parte No. 717. Verified Statement, November 14, 2012.

Modis

In the United States District Court for the District of Columbia, Case 1:09-cv-01051-RWR, Modis, Inc. v. Infotran Systems, Inc. and Tien H. Tran v. Modis Inc. and Timothy W. Martin. Expert Report, October 18, 2010. Deposition testimony December 7, 2011.

Government of Canada

In the Matter of Arbitration No. 91312, Canada v. The United States of America. Expert Witness Statement of Joseph P. Kalt and David Reishus, May 12, 2009.

Government of Canada

In the Matter of Arbitration No. 7941, The United States of America v. Canada. Expert Witness Statement, June 29, 2008. Rebuttal Expert Witness Statement, August 11, 2008. (With Joseph Kalt).

Government of Canada

In the Matter of an Arbitration Under Chapter Eleven of the North American Free Trade Agreement Between Merrill & Ring Forestry, L.P. and The Government Of Canada. Expert Report, May 9, 2008. Supplemental Expert Affidavit, March 19, 2009. Oral testimony, May 21, 2009.

Dynegy

In the Circuit Court of Colbert County, State of Alabama, NO. CV-2003-142JMH, Nelson Brothers, LLC v. Cherokee Nitrogen v. Dynegy Marketing & Trade; Dynegy Inc. Expert Report, August 22, 2007.

Independent Energy Producers Association of California

Before the Federal Energy Regulatory Commission, Docket No. R.06-02-013, Long-Term Procurement Plans, Prepared Testimony of the Independent Energy Producers Association; Prepared Testimony of David Reishus and Joseph Cavicchi on behalf of the IEPA, March 2, 2007.

First Energy

Before the Pennsylvania Public Utility Commission, Petition of Metropolitan Edison Company for Approval of a Rate Transition Plan (Metropolitan Edison Company Docket No. R-00061366) and Petition of Pennsylvania Electric Company for Approval of a Rate Transition Plan (Pennsylvania Electric Company Docket No. R-00061367), Direct Testimony of David A. Reishus, April 10, 2006.

ExpressTrak LLC

In the United States District Court For the District of Columbia, Case No. 02- CV-1773, National Railroad Passenger Corporation v. ExpressTrak, L.L.C., Expert Report, Dated January 3, 2006; revised April 7, 2006. Deposition testimony, March 24 and April 26, 2006.

British Columbia Lumber Trade Council and the Province of British Columbia

Before the International Trade Administration, Department of Commerce, *In the Matter of Certain Softwood Lumber Products from Canada (C-122-839). Statement for the First Administrative Review, March 15, 2004 (with Joseph Kalt); Response to Price Impact of Canadian Log Restraints, March 16, 2004 (with Joseph Kalt); Response to Coalition Submission on Pass-Through Issues, April 15, 2004 (with Joseph Kalt); Economics of Arm's-Length Transactions and Subsidy Pass-Through, September 15, 2004 (with Joseph Kalt); Economic Analysis of the Vancouver Log Market, February 28, 2005 (with Joseph Kalt); Comment on the Economic Implications of the Annual Allowable Cut, December 5, 2005 (with Joseph Kalt);*

Update to Economic Analysis of the Vancouver Log Market, December 5, 2005 (with Joseph Kalt). Reports filed from March 15, 2004 to December 5, 2005.

Multiple Associations of Energy Producers

Before the Public Utilities Commission of the State of California, Rulemakings R.04-04-025 – R.04-04-003, "Prepared Rebuttal Testimony," October 28, 2005 (with A. Joseph Cavicchi). Oral testimony, January 23 and 24, 2006.

PPL Corporation

United States of America, Before the Federal Energy Regulatory Commission, Docket No. ER05-1416-000, "Affidavit of A. Joseph Cavicchi, Joseph P. Kalt, Ph.D., and David A. Reishus, Ph.D. on Behalf of the PPL Parties," October 19, 2005.

The Burlington Northern and Santa Fe Railway Company

Before the Surface Transportation Board, Finance Docket No. 34342, Kansas City Southern -- Control -- The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company. Verified Statement, June 3, 2003; Verified Statement, August 4, 2003; Reply Verified Statement, August 29, 2003.

Dynegy Inc.

United States of America, Before the Federal Energy Regulatory Commission, San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services, Investigation of Practices of the California ISO and PX; Pub. Utils. Comm'n of the State of California v. Sellers of Long-Term Contracts. Prepared Rebuttal Testimony (with Patrick Wang), March 20, 2003.

Duke Energy Trading and Marketing LLC

United States of America, Before the Federal Energy Regulatory Commission, San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services into Markets Operated by the California Independent System Operator and the California Power Exchange; Investigation of Practices of the California Independent System Operator and the California Power Exchange. Prepared Rebuttal Testimony (with Patrick Wang), March 20, 2003.

Dynegy Inc.; Duke Energy Services LLC; Mirant Americas, Inc.; Reliant Energy; Williams Energy Marketing and Trading Co.

United States of America, Before the Federal Energy Regulatory Commission, San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services into Markets Operated by the California Independent System Operator and the California Power Exchange; Investigation of Practices of the California Independent System Operator and the California Power Exchange. Affidavit (with Patrick Wang), October 15, 2002 (revised November 12, 2002).

Association of American Railroads

Review of Rail Access and Competition Issues, Before the Surface Transportation Board, Ex Parte No. 575. Joint Verified Statement (with Joseph Kalt), March 26, 1998.

Crow Tribe of Indians

Report Concerning the Crow Tribe Resort Tax (with Joseph P. Kalt), November 27, 1996; *Surrebuttal Report Concerning the Crow Tribe Resort Tax* (with Joseph P. Kalt), February 25, 1997; and *Report Concerning the Crow Tribe Resort Tax* (with Joseph P. Kalt), March 31, 2000.

Sithe Energies

Economic Impact on New York State of the Sithe Plan, Chapter IV of *Energizing New York: The Sithe Plan*, December 8, 1995.

Massachusetts Department of Environmental Protection

Use of an Economic Test for Distinguishing Legitimate Recycling Activities, July 1993.

SELECTED OTHER CONSULTING EXPERIENCE

Government of Canada

Assisted in developing presentations, responses and submissions before WTO dispute settlement panel regarding countervailing duties.

Class 1 Railroad

Analyzed competitive issues in arbitration regarding implementation of access agrements.

Major Coal Producers

Analyzed end-market competitive alternatives and pricing behaviors.

Management Company

Analyzed lost profits and other damages arising from contractual dispute in Asian gaming.

Large Integrated Electric Utility

Analyzed cost and rate impacts related to shut down of nuclear plant.

International Oil Company

Analyzed cost structure for major deepwater crude oil exploration and production investment.

Independent Transmission Company

Analyzed risk and financial investment incentives for stand-alone transmission project.

Large Solar Power Provider

Assisted in data analysis of market operations and outcomes.

Merchant Power Generator

Analyzed economic, regulatory and financial issues related to proposed new pipeline investment and novel regulatory regime.

Supermajor Oil Company

Assist in analysis of competition and proposed conditions related to divestiture of regional midstream petroleum product assets.

Electric and Gas Utility Holding Companies

Analyzed potential competitive issues arising from multiple mergers between large electric, gas utility, and interstate gas pipeline companies for use before Federal competition authorities and state regulatory agencies.

Major Regional Hospital

Performed statistical analysis of patient waiting-times and follow-up.

Petroleum Products Pipeline

Analyzed business and regulatory options for large interstate petroleum products pipeline subject to market-based and regulated tariffs.

Dean Foods

Analyzed claims of price fixing and statistical model of antitrust damages for use in class certification.

Group of Class 1 Railroads

Analyzed claims of competitive harm and the development and use of econometric models for pricing, damages and class certification in the context of alleged price-fixing.

Government of Canada

In context of international arbitration under the U.S. Canada Softwood Lumber Agreement, analyzed pricing patterns, effects of risk and government development and timber pricing policies in multiple provinces on the North American lumber markets, Developed dynamic economic models of production and trade capable of determining appropriate export measure adjustments.

Major Energy Traders

Assisted in analyses of claims of market manipulation in physical and financial energy markets.

U.S. Generation Companies

Advise on methods for performing merger analysis and analysis of competitive effects of proposed divestitures.

Western Refining

Analyzed effect of a contested proposed merger involving southwestern refining, wholesale, and marketing operations

AT&T

Analyzed competitive issues in the long-distance telephone market in the context of a class-action price-fixing suit.

Pacific Lumber/Scotia Pacific

Assisted in analysis and projections involving redwood product markets for business valuation in bankruptcy.

TAPS Carriers

Assisted in development of ratemaking analyses for oil pipeline rates.

General Electric & Bechtel

Analyzed derivation of cost of equity, discount factor, and method for contract damages and expropriation of Dabhol power plant in the context of I.C.C. arbitration.

Class 1 Railroad

Analyzed potential competitive harm of vertical rail merger and possible remedies before the Canadian Competition Bureau.

Multinational Oil Companies

Analyzed alternative approaches for identifying, measuring and managing price and fiscal risks in long-term contracts in connection with multiple billion-dollar-plus projects in in Africa and Middle East.

Frontier Oil Corporation

Analyzed application of discount factors and method in damages arising from a failed merger.

Amoco

Analyzed marketability and market value of natural gas for purposes of class-action royalty valuation.

Class 1 Railroad

Analyzed claims of vertical market foreclosure and anticompetitive conduct in rail transportation.

Supermajor Oil Company

Performed functional analysis of sources of global value creation for international tax treatment.

Government of Canada

Assisted in analysis of changes in forestry practices and stumpage charges in the context of international trade agreements.

Exxon Corporation and Affiliated Companies

Performed analysis of design and effect of U.K. oil and gas tax system.

CSX Corporation and CSX Transportation, Inc.

Analyzed historical evidence of rail consolidations and the impact of the proposed Conrail transaction on Eastern coal shippers. Evaluated competitive requirements of proposed conditions on the transaction.

Group of Major Oil Companies

Developed and analyzed a database of crude oil purchases for analyzing issues of crude oil valuation at the wellhead in the context of multiple class action litigations.

Koch Pipeline

Assisted in developing product and market definitions relating oil pipeline antitrust allegations.

British Petroleum

Performed economic analysis of alternative organizational forms for operating petroleum assets. Developed advanced financial tools for valuing decision alternatives and contingent assets.

Exxon

Performed economic analysis of certain fuel used and cost allocations among the Prudhoe Bay Unit owners for a royalty dispute with the State of Alaska.

Burlington Northern Railroad/Santa Fe Railroad

Analyzed competitive impacts of proposed railroad merger for use before the Interstate Commerce Commission.

PSI/CINergy

Adapted economic model of regional economy and performed analysis of the economic impact of alternative merger scenarios for a public utility.

El Paso Natural Gas Company

Performed economic analysis of markets and competition for an open-access natural gas pipeline for use in an antitrust case.

Better Home Heat Council, Inc.

Performed economic analysis of a local gas utility's conservation programs effect on consumer fuel-switching decisions and public policy impact for use before the Massachusetts Department of Public Utilities.

Association of American Railroads

Analyzed the impact of market conditions for the exemption of rail transportation of export corn and soybeans from Interstate Commerce Commission regulation.

ARCO Pipe Line Company

Evaluation of market power of petroleum products pipeline in consideration of light-handed regulation for use before the Federal Energy Regulatory Commission.

BP/America

Assisted in the design and implementation of crude oil valuation analyses for royalty litigation.

Williams Natural Gas Pipeline Co.

Prepared pricing analysis of natural gas purchase contracts, performed calculation of damages, and analyzed economic submissions for use in antitrust case.

El Paso Corporation

Various projects including strategic analysis of market opportunities to enhance value of the pipeline and analysis of market competition in gathering and long-distance gas transportation.

Government of British Columbia

Assisted in evaluation of impact of Canadian log export regulations on U.S. and Pacific Rim log and wood products trade and industry.

Atlantic Richfield Company

Provided economic analysis of market structure and conduct for the distribution of motor fuels for use in an antitrust case.

Burlington-Northern Railroad

Assisted in evaluating market impacts of innovative railroad grain car service rate and reservation policy for use before the Interstate Commerce Commission.

PUBLICATIONS AND RESEARCH

"Corporate Reorganizations: Tax Treatment of Corporate Mergers, Acquisitions, and Reorganizations," *The Encyclopedia of Taxation and Tax Policy, 2nd ed*., The Urban Institute Press, 2006. (Revised and updated.)

"Corporate Reorganizations: Tax Treatment of Corporate Mergers, Acquisitions, and Reorganizations," *The Encyclopedia of Taxation and Tax Policy*, The Urban Institute Press, 1999.

"Outside Directorships, the Reputation of Managers, and Corporate Performance" (with S. Kaplan), *Journal of Financial Economics*, Vol. 27, No. 2, September 1990.

"Financing Child Care: Who Will Pay for the Kids?," *National Tax Journal*, Vol. XLII, No. 3, September, 1989.

"The Effects of Taxation on the Merger Decision" (with A. Auerbach), in A. Auerbach, ed., *Corporate Takeovers: Causes and Consequences*, University of Chicago Press, 1988.

"Taxes and the Merger Decision" (with A. Auerbach), in J. Coffee, L. Lowenstein, and S. Rose-Ackerman, eds., *Knights, Raiders and Targets*, Oxford University Press, 1988.

"The Impact of Taxation on Mergers and Acquisitions" (with A. Auerbach), in A. Auerbach, ed., *Mergers and Acquisitions*, University of Chicago Press, 1988.

OTHER PROFESSIONAL ACTIVITIES

Presentations to National Bureau of Economic Research, Federal Reserve Bank of Cleveland, Federal Reserve Bank of New York, Harvard University, Tax Economists Forum, National Tax Association, Western Economic Association, The Institute for Energy Law of The Center for American and International Law.

Membership in American Economic Association.

Referee for *Quarterly Journal of Economics, Journal of Law and Economics.*

HONORS AND AWARDS

National Science Foundation Fellowship, 1981-1985.
International Foundation of Employee Benefit Plans, Graduate Research Fellowship, 1984.
Phi Beta Kappa, 1979.

REDACTED – TO BE PLACED ON PUBLIC FILE

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 22

Amended Verified Statement of Dr. William Huneke

AMENDED VERIFIED STATEMENT OF

WILLIAM F. HUNEKE, Ph.D.

I am Dr. William Huneke. I was employed at the Surface Transportation Board ("STB" or "Board") from 2001-2017 and served as the STB's Chief Economist and Director of the Office of Economics. I hold a PhD in economics from the University of Virginia. While at STB, I advised STB members and staff on the following mergers and acquisitions: Canadian National Railway Company and Grand Trunk Corporation—Control—EJ&E West Company (Finance Docket No. 35087), Norfolk Southern Railway Company—Acquisition and Operation—Certain Rail Lines of the Delaware and Hudson Railway Company, Inc. (Finance Docket No. 35873), and Norfolk Southern Railway Company, Pan Am Railways, Inc. et. al.—Joint Control and Operating/Pooling Agreements—Pan Am Southern LLC (Finance Docket No. 35147). I also advised Commissioners and STB staff on the economics of proposals in Ex Parte 575 Review of Rail Access and Competition Issues Renewed Petition of the Western Coal Traffic League (aka "Paper Barriers") and Ex Parte 711 Petition for Rulemaking to Adopt Revised Competitive Switching Rules and Ex Parte 711 (Sub. No. 1) Reciprocal Switching. Since leaving STB, I have advised Class I railroads on STB access fees litigation and merger and acquisition issues. I have advised the Mexican Rail Regulator (Agencia Reguladora del Transporte Ferroviaro) on rail regulatory policy. A copy of my vita is attached to this statement.

I was asked by CSX Transportation, Inc. ("CSXT") to address the competitive effects of CSXT's proposed acquisition of Pan Am Systems, Inc. and Pan Am Railways, Inc. and its subsidiary railroads, ("PAR"), with a particular focus on the competitive effects of agreements that CSXT has negotiated with Norfolk Southern Railway Company ("NSR") and Genesee & Wyoming Inc. ("G&W") since announcing the intention to acquire PAR. As I explain below, the agreements have addressed any potential competitive concerns arising out of CSXT's acquisition of PAR. In fact, those agreements go one step

farther -- they promise to substantially enhance rail competition in New England. As it is now structured, CSXT's acquisition of PAR will be strongly pro-competitive.

With the adoption of the new merger rules in 2001, STB declared that it would require that future class I mergers enhance competition, although the requirement was not extended to mergers or acquisitions that do not involve two Class I railroads.[1] Nevertheless, the STB has often looked with approval on non-class I transactions that have the potential for enhancing competition. Indeed, the STB's decision that approved the creation of Pan Am Southern noted:

> rather than adversely affecting competition, it appears that the Transaction would significantly increase competition between railroads by providing an upgraded east-west main line route to compete with a parallel main line route operated by CSXT.[2]

Similarly, when NSR acquired some Delaware & Hudson lines, the STB observed:

> the transaction would preserve and enhance competition in the Northeast surface transportation market[3]

This transaction offers the same pro-competitive benefits that have led the STB to approve prior transactions. The Board's only legal concern in smaller transactions such as this one is whether the transaction is likely to harm competition. This standard ensures that that the Board will let the market govern railroad transactions to the maximum extent possible, limiting Board intervention to those circumstances where competition must be protected. I do not focus in this Amended Verified Statement on the numerous reasons why the transaction does not harm competition. CSX's acquisition of the rail lines owned by PAR, when considered in tandem with the Related Transactions, is end-to-end and ensures that competition will not be harmed. There is very little overlap between the CSX and PAR

[1] Surface Transportation Board, Ex Parte No. 582 (Sub-No. 1), *Major Rail Consolidation Procedures,* June 11, 2001, p. 10.
[2] Surface Transportation Board, FD No. 35147, *Norfolk Southern Railway Company, Pan Am Railways, Inc., et al.,-- Joint Control and Operating/Pooling Agreements – Pan Am Southern LLC*, March 10, 2009, p. 5.
[3] Surface Transportation Board, FD No. 35873, *Norfolk Southern Railway Company –Acquisition and Operation— Certain Lines of the Delaware and Hudson Railway Company, Inc.*, May 15, 2015, p. 2.

networks, and where there is a potential for reducing a shipper's competitive options, CSX has made commitments that will eliminate any potential competitive harm. Thus, under the existing legal standard, the transaction should be approved.

While the Board does not require a showing of competitive enhancement in transactions such as this one, when a proposed transaction has the potential to enhance competition, as it does here, the Board should view such a transaction as a unique opportunity to advance the public interest in a competitive and strong rail network. CSXT has gone far beyond merely addressing competitive harm in structuring the proposed transaction. As discussed below, the agreements that CSXT has reached with NSR and G&W will produce a realignment and restructuring of the rail network in New England that will ultimately produce a stronger rail network that enhances competition among railroads and with other transportation modes. The STB should recognize that this transaction enhances the competitive positions of both NSR and CSXT and thereby has substantial pro-competitive benefits.

The background facts of this transaction are covered in other materials. In brief, CSXT's acquisition of PAR will combine CSXT with a number of railroads owned by PAR, most of which simply own or lease rail lines and do not operate themselves. Most important for my analysis is the acquisition of Springfield Terminal Railway Company ("Springfield Terminal"), one of the rail carriers owned by PAR. Springfield Terminal is the sole operator of the PAR network. In 2009, a PAR railroad and NSR created Pan Am Southern LLC ("PAS"), a 50/50 joint venture between the two railroads. PAR donated rail lines and operating rights to PAS, and PAS hired Springfield Terminal to operate and set rates on the PAS network on a contract basis. PAR and NSR created PAS primarily to allow for needed capital investment in PAS's lines and to give NSR assured access to the Boston area.

CSXT's proposed acquisition of PAR is mostly end-to-end, with little potential for adverse competitive impacts. The PAR network, not including PAS, is a mostly north-south rail network extending north from Boston into Maine. CSXT's acquisition of PAR will allow CSXT to extend its

network reach north of Boston and bring efficient service into New England. In addition, CSXT will acquire (1) PAR's 50% interest in PAS, and (2) the railroad, Springfield Terminal, that PAS has hired to operate and set rates for PAS. PAS operates an east-west line extending from upstate New York into the Boston area. CSXT also moves traffic on a more southerly east-west CSXT line that is roughly parallel to the PAS line. Since PAS owns a route that is roughly parallel to an existing CSXT route from upstate New York into the Boston area, CSXT's acquisition of a controlling interest in PAS and its current operator and rate-setter for PAS could have given CSXT some influence over competition for movements into New England. However, CSXT entered into agreements with NSR, the other 50% owner of PAS, and with G&W to ensure that PAS would continue to be a fully competitive alternative to CSXT's southern parallel line. And in reaching those agreements, CSXT has ensured that rail competition in New England will actually be strengthened and enhanced.

First, CSXT and NSR have agreed that if the Board approves CSXT's acquisition of PAR, a subsidiary of G&W (Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad ("B&E")) will replace Springfield Terminal as the contract operator and rate-setter of PAS. G&W owns a number of rail carriers that are already present in New England and therefore has extensive knowledge of the market and relevant operating conditions. The operation of PAS by B&E ensures the existence of an independent and competitive route for rail traffic into New England. When the Board approved the creation of PAS, it noted that the creation of PAS "would significantly increase competition between railroads by providing an upgraded east-west main line route to compete with a parallel main line route operated by CSXT."[4] The agreement to have B&E operate PAS as an agent of PAS preserves access to New England shippers by NSR and other Class I railroads that

[4] *Norfolk Southern Railway Company, Pan Am Railways, Inc., et al.,--Joint Control and Operating/Pooling Agreements – Pan Am Southern LLC*, STB Finance Docket No. 35147, slip op. at 5 (served March 10, 2009).

connect to PAS, and also maintains an alternative route for CSXT, which strongly promotes the pro-competitive objective in the creation of PAS. Moreover, B&E will step into the shoes of Springfield Terminal and become a contract operator of PAS. As PAS operator, B&E will be required to set rates on behalf of PAS that are "competitively neutral" and not discriminate in favor of any carrier. B&E will be obligated by contract to operate and set rates for PAS in the interest of PAS as an independent rail carrier. B&E's compensation as contract operator will incent it to advance the interests of PAS.

Second, the Settlement Agreement between CSXT and NSR gives NSR the capability to provide double-stack intermodal service into the Boston area by avoiding a tunnel constraint that exists on PAS today. Today, NSR must remove a layer of intermodal containers in New York State before moving on PAS. By granting NSR trackage rights over a route that can handle double-stack intermodal traffic, NSR will have an enhanced ability to compete with CSXT. This agreement also enhances NSR's intermodal service competitive position versus highway carriers. Such a competitive enhancement can take trucks off the highway and bring environmental benefits.

Finally, the Settlement Agreement with NSR also removes a potential competitive restraint on CSXT's movement of rail traffic into and out of New England. When PAS was created, PAS granted PAR/Springfield Terminal overhead trackage rights over a rail segment near Ayer, MA, allowing PAR/Springfield Terminal to connect its northern lines to CSXT. But the trackage rights had a volume cap, and traffic over that line segment has consistently exceeded the volume cap. CSXT and NSR have agreed to modify that volume cap and replace it with a process that will allow current traffic volume to move over the overhead trackage rights and to enable the development of capacity to handle any increase in that traffic. By modifying the volume cap, the parties have eliminated an element of the trackage rights that could have restrained CSXT's ability to reach rail shippers in New England.

In conclusion, the STB has been presented with a transaction that enhances competition. It strengthens three railroads: NSR, PAS, and CSXT and provides shippers to and from New England with

the best in class service that CSXT has developed over the past several years. This competitive enhancement should mean more robust intramodal and intermodal competition, which translates into better rail service and fewer trucks on the highway with the accompanying environmental benefits. It warrants approval by the STB.

I, William F. Huneke, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement. Executed on April 23, 2021.

/s/ William F. Huneke___

William F. Huneke

WILLIAM F. HUNEKE
12114 Sandy Court
Herndon, VA 20170
Cell number: 703-517-2274
Home number: 703-450-5894
Email: hunmeister@hotmail.com

Summary:

Dr. Huneke has more than 35 years of experience in economics, railroad regulatory policy, management consulting, business analysis and teaching in the commercial and government sectors. He led the analytical work at the Surface Transportation Board. At UUNET he introduced new information technology that dramatically reduced product deployment cycles. He has directed projects that positioned major financial firms to improve business operations and use new technology for competitive advantage. Dr. Huneke taught graduate business courses at the University of Maryland, Robert H. Smith School of Business.

Positions Held

Consulting Economist

Dr. Huneke provides economic advice to private sector clients. His expertise includes management economics, regulatory economics, antitrust, statistics and econometrics. As part of an Organization of Economic Cooperation and Development, Dr. Huneke has advised the Mexican Rail Regulator (Agencia Reguladora del Transporte Ferroviaro) on rail regulatory policy and access charge regimes. He has provided testimony and litigation advice to Class I Railroads and the Association of Short Line and Regional Railroads. He has advised in a private arbitration.

National Academy of Sciences, Transportation Research Board, Committee Rail Freight Transportation, 2017-2020

Dr. Huneke advised the Committee on economic and regulatory matters. He reviewed papers for presentation at the TRB's annual meeting.

Chief Economist and Director, Office of Economics, Surface Transportation Board, 2001-2017

Dr. Huneke led the economic and management analysis on rate regulation cases, railroad practice cases, agency rulemakings, railroad construction cases and railroad mergers. His group was responsible for industry financial reporting, auditing, regulatory costing and the industry traffic sample database.

Adjunct Professor, College of Business and Management, University of Maryland, College Park, MD 1990-2010

For 20 years, Dr. Huneke taught graduate courses in international business, global economic environment, and managerial economics. He also developed and taught executive MBA courses for the University of Maryland sponsored Polish American Management program at University of Lodz in Poland.

Director, Planning & Infrastructure, UUNET Technologies, 1998-2001

At UUNET he introduced new information technology that dramatically reduced product deployment cycles Dr. Huneke managed new technology evaluation and deployment, systems architecture, quality assurance, software testing, data administration and database administration, capacity planning and security planning. He administered the IT division's budget, which was over $60 million in expense and $150 million in capital.

Vice President, Avatar Solutions, 1995-1998

Dr. Huneke was responsible for leading the company's production operations. As the company's business grew, he managed the company's operations from serving one client in Northern Virginia to multinational

operations serving clients on multiple continents. He directed operations to achieve the company's goals of consistently meeting and exceeding customer expectations.

Vice President, Disclosure, Inc., 1994-1995

For a financial information electronic publisher, he led a staff of 50 in the rapid development of products to meet market opportunities. Responsibilities included understanding the market so that developed products best met market needs and achieved competitive advantage. He was instrumental in redesigning business operations to dramatically reduce product cycle times from years to months.

Director, Freddie Mac, Reston, VA 1987- 1994

Dr. Huneke analyzed the competitive and technical environment facing Freddie Mac and sought opportunities to achieve superior economic returns. He directed projects that positioned Freddie Mac to improve business operations and use new technology for competitive advantage. He reviewed Freddie Mac lines of business and created product development plans for a new product cycle. Analyzed the productivity of systems development and evaluated the opportunities for gaining competitive advantage through reduced product cycle times. Dr. Huneke managed the preparation and administration of $50 million budget for capital and other expenses.

Assistant Director, Intermodal Policy Division, Association of American Railroads, Washington, DC 1983-1987

For the Association, he managed research and analysis of key industry issues including vertical mergers, cost-benefit analyses of government projects and user fee impacts. Dr. Huneke directed competitive analyses of three industries including computer simulation of management strategies, new technology and comparative cost structure.

Senior Economist, DNS Associates, Washington, DC 1981-1983

In his first job in Washington while completing his dissertation, Dr. Huneke served as an analyst in the specification and development of automated management information systems. He analyzed the competitive effects of mergers and government regulation on the transportation industry.

Instructor and Research Assistant, University of Virginia, 1978-1981

Taught economic principles courses and worked on constructing an economic model of a consumer goods industry.

Publications

Book:

The Heavy Hand: The Government and the Union Pacific, 1862-1898, Garland Publishing, 1985.

Articles:

"The Uniform Regulatory Cost System: Implications for Transportation Management," (with Tom O'Connor and John M. Robinson) Proceedings of the Transportation Research Forum, 1983.

"Financial Performance of the Shallow Draft Barge Industry: Problems and Prospects," (with Kevin Horn and David Benforado) Proceedings of the Transportation Research Forum, 1985.

"Greater Efficiency or Predation: The CSX-ACBL Merger," (with L. Lee Lane and Thomas M. McNamara) Transportation Research Record 1038, Freight Papers--1985.

"A Competitive Analysis of United States Lines Round-the-World Service," (with L. Lee Lane and David J. Benforado) Proceedings of the Transportation Research Forum, 1986.

"A Comparison of Regulated and Exempt Towing Rates on the Inland Waterways: Implications for Deregulation," (with Kevin Horn) Transportation Research Record, 1987.

"United States Lines' Round-the-World Service: What Went Wrong?" (with L. Lee Lane and David J. Benforado) Intermodal Forum, Spring 1987.

"An Assessment of the Rail Competitive Motor Carrier Industry, 1977-1986," (with K. Eric Wolfe and Vijaya Krishna) Journal of the Transportation Research Forum, 1987.

"Railroads, Historical Overview," in The Oxford Encyclopedia of Economic History, Edited by Joel Mokyr, 2003.

"Road Transportation, Regulation," in The Oxford Encyclopedia of Economic History, Edited by Joel Mokyr, 2003.

"Working Party No. 2 on Competition and Regulation, Roundtable on Structural Reform of the Rail Industry – United States," (with Russell Pittman) Organization for Economic Co-operation and Development, February 2005.

"Role of STB Economists," Journal of Transportation Law, Logistics and Policy, Fourth Quarter 2005.

"A Game Theory Approach to Railroad-Shipper Negotiations," Journal of the Transportation Research Forum, Spring 2006.

"The Political Economy of Regulatory Costing: The Development of the Uniform Rail Costing System," Journal of Transportation Law, Logistics and Policy, Third Quarter 2017.

"Open Access and Revenue Adequacy" in U.S. Freight Rail Economics and Policy: Are We on the Right Track?, Edited by Jeffrey T. Macher and John W. Mayo, Routledge, 2019.

Internet Blogs

"Observations on STB's Rate Reform Task Force Report," *Railway Age*, June 20, 2019
https://www.railwayage.com/regulatory/observations-on-stbs-rate-reform-task-force-report/?RAchannel=home

"URCS: Love It or Hate It, We're Stuck With It" *Railway Age*, August 9, 2019
https://www.railwayage.com/regulatory/urcs-love-it-or-hate-it-were-stuck-with-it/?RAchannel=home

"Convenience Fees, Profit Centers and Fuel Surcharges," *Railway Age*, September 25, 2019
https://www.railwayage.com/regulatory/convenience-fees-profit-centers-and-fuel-surcharges/?RAchannel=home

"STB 'Whack a Mole,'" *Railway Age*, November 20, 2019
https://www.railwayage.com/regulatory/stb-whack-a-mole/?RAchannel=home

"When Should Regulation Supersede Market Processes?" *Railway Age*, February 12, 2020
https://www.railwayage.com/regulatory/when-should-regulation-supersede-market-processes/?RAchannel=home

"Put Aside Narrow Interests. Think About What's Best," *Railway Age*, June 12, 2020.
https://www.railwayage.com/regulatory/put-aside-narrow-interests-think-about-whats-best/?RAchannel=home

Book Reviews

Stagecoach East, by Oliver W. Holmes and Peter T. Rohrbach, Journal of Economic History, March 1984.

The Rebirth of Missouri Pacific, 1956-1983, by H. Craig Miner, Journal of Economic History, December 1984.

The Southern Railway: Road of Innovators, by Burke Davis, Journal of Economic History, March 1986.

Performance of the U.S. Railroads Since World War II, by Kent T. Healy, Journal of Economic History, September 1986.

Public Transport, by Peter White, Journal of the Transportation Research Forum, 1996.

Merging Lines: American Railroads, 1900-1970, by Richard Sanders, Jr., EH.NET, 2002.

Urban Transportation Planning, by Michael D. Meyer and Eric J. Miller, Transportation Quarterly, Summer 2002.

Statistical and Econometric Methods for Transportation Data Analysis, by Simon P. Washington, Matthew G. Karlaftis and Fred L. Mannering, Journal of the Transportation Research Forum, Summer 2004.

21st Century Highways, edited by Wendell Cox, Alan Pisarski, and Ronald D. Utt, Journal of Transportation Law, Logistics and Policy, 2006

Public Transport in Developing Countries, by Richard Iles, Journal of the Transportation Research Form, 2007.

Commuting in America III: The Third National Report on Commuting Patterns and Trends, by Alan S. Pisarski, Journal of the Transportation Research Form, 2009.

Railroaded: The Transcontinentals and the Making of Modern America, by Richard White, Journal of the Transportation Research Form, 2012.

Harriman vs. Hill by Larry Haeg, Journal of the Transportation Research Form, Journal of the Transportation Research Form, 2014.

Unpublished Papers

"The Road to Ruin: The Union Pacific and the Sinking Funds Cases," Research Triangle Economic History Workshop, Chapel Hill, NC, March 1980.

"Jay Gould and the Financial Management of the Union Pacific," Western Economic Association Annual Meeting, Seattle, WA, July 1983.

"Efficiencies from Intermodal Ownership: The CSX-ACBL Merger," (with L. Lee Lane and Thomas M. McNamara) Transportation Research Forum Annual Meeting, Boston, MA, October 1984.

"Revolution in Rail-Truck Competition: The Advanced Truckload Firm," (with L. Lee Lane), Transportation Table, National Press Club, September 18, 1987.

"Inside the Software Microcosm," Southern Economic Association Annual Meeting, New Orleans, LA, November 1990.

"Are Banks like Trucking Companies or Pizza Parlors? Or Both!" (with Thomas M. McNamara) working paper. 1990.

"Freddie Mac Present and Future Lines of Business," Freddie Mac white paper. 1990.

"Economics Education in Poland," Southern Economic Association Annual Meeting, Atlanta, GA, November 1997.

"Railtrack and the Treatment of Railroad Infrastructure," Surface Transportation Board working paper, 2001.

"A Mixed Strategies Approach to Railroad-Shipper Negotiations," American Economic Association Annual Meeting, Boston, MA, January 2006.

Litigation Filings

Verified Statement for Association of Short Line and Regional Railroads in *Ex Parte 704 Sub No. 1, Review of Commodity, Boxcar, and TOFC/COFC Exemptions*, January 29, 2021,

Declaration in Support Of Plaintiffs in *Lighthouse Resources Inc., et al, Plaintiffs, and BNSF Railway Co., Plaintiff-Intervenor, v. Jay Inslee, et al., Defendants, and Washington Environmental Council, et al., Defendant-Intervenors*, United States District Court, Western District of Washington at Tacoma, NO. 3:18-cv-05005-RJB.

Presentations

"The Political Economy of Regulatory Costing: The Development of the Uniform Rail Costing System," Georgetown Railroad Colloquium, June 17, 2016.

"American Railroads: The Regulatory Perspective," Brookings, Railroads, Policy, and the Economy, June 19, 2015.

"Research at the Association of American Railroads," Transportation Research Board, Group I Council Summer Meeting, Washington, DC, September 1, 1987.

Education

Ph.D., Economics, University of Virginia
MA, Legal History, University of Virginia
BA, (Honors) Swarthmore College

Honors

Named outstanding teaching assistant, University of Virginia
National Merit Scholar
Dupont Fellow at University of Virginia

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD, PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 23

Support Letters

Support Letters

Albert Bros., Inc.
Arrowhead Environmental Partners, LLC
Atlantic Forest Products, LLC
Atlantic Wallboard
BB&S Treated Lumber of New England
Benevento Companies
Blackline Midstream LLC
Boise Cascade Building Materials Distribution LLC
Boston Sand & Gravel Company
Broco Oil, Inc
Business Council of New York State, Inc., The
Catania Oils
Charter Development Company
Chemtrade Logistics Inc.
Ciment Québec Inc.
City of Waterbury, The
Connecticut Business and Industry Association
Crestwood Equity Partners LP
CTS Cement Manufacturing Corp.
Cushman Lumber Company
Daaquam Lumber Maine Inc.
DP World
Eastern Propane Gas Inc.
EIMSKIP USA
F.L. Larson Trucking, Inc.
Fabian Oil Inc
Factor Gas Liquids Inc.
Frost Bridge Associates, LLC
Granite State Concrete Co., Inc.
Greater Boston Transload, LLC
Greif, Inc
H&T Waterbury
Hub Group, Inc.
HUHTAMAKI
Inland Fuel Terminals, Inc.
Inteplast Group Corporation
Interoceanic Corporation
J.D. Irving, Limited

J.D. Irving, Limited, Pulp & Paper Division
Jaguar Transport Holdings
Javelin Global Commodities (UK) Ltd
JB Hunt Transport, Inc.
Law Logistics
Lynch Logistics, Inc.
Maine Rail Group, Inc.
Maine Wood Treaters, Inc.
Milford-Bennington Railroad Co., Inc.
Monadnock Paper Mills, Inc.
New Hampshire Northcoast Company
NGL Supply Co. Ltd.
OmniTRAX, Inc.
Packaging Corporation of America
Parrish & Heimbecker
Pixelle Specialty Solutions, LLC
Plasmine Technology, Inc.
Poland Spring
Port Saint John
Rail Enterprise Group
Representative Kathleen R.J. Dillingham (Maine House of Representatives)
Representative Michelle Dunphy (Maine House of Representatives)
Representative Ryan M. Fecteau (Maine House of Representatives)
Sappi North America
Senator Bill Gannon (New Hampshire Senate)
Senators Jeffrey Timberlake & Matthew Pouliot (Maine Senate)
Senators Regina Birdsell & David Watters (New Hampshire Senate)
Senators Troy Jackson, Eloise Vitelli & Matthea Daughtry (Maine Senate)
Smaller Manufacturers Association of CT, Inc.
Tighe Logistics Group
TurfCare Supply Corp.
US Ecology
USG Corporation
Waste Management of MA, Inc.
Waterbury Regional Chamber of Commerce
Western Massachusetts Economic Development Council
Woodland Pulp & St. Croix Tissue
Worcester Regional Chamber of Commerce
wTe Recycling, Inc.

Albert Bros., Inc.
225 East Aurora Street
Waterbury, CT 06708
203-753-4146

January 12, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Eric Albert, President of Albert Bros., Inc., a fifth generation Scrap Metal Processor located at 225 East Aurora St. in Waterbury, CT. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Albert Bros., Inc. looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Albert Bros., Inc. certainly welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Albert Bros., Inc. will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We are continuously looking for ways to grow our business and this is something that will help us significantly. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Albert Bros., Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Eric Albert, President

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

March 22, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.- Control and Merger - Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am writing to support the application by CSX Corporation and CSX Transportation, Inc. (collectively "CSX") filed with the Surface Transportation Board (the "Board") on February 25, 2021 seeking authority to acquire Pan Am Systems, Inc. and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company ("Springfield Terminal").

I am the Chief Executive Officer for Arrowhead Environmental Partners ("Arrowhead"), a waste disposal company which operates across 33 states and provides safe, environmentally responsible disposal options for our customers. We rely upon direct rail access via Norfolk Southern Railway and Pan Am Southern to reach our wide customer base, which includes customers located within New England and the New York/New Jersey metro area.

According to the application submitted by CSX, its proposed acquisition will enhance the competitiveness of the Springfield Terminal and, importantly for Arrowhead, the agreement reached between CSX and Norfolk Southern will preserve competitive rail options and will increase fluidity of rail operations in New England. Arrowhead's Alabama landfill site is one of the largest rail-served facilities east of the Mississippi River. We rely upon direct rail access via Norfolk Southern and connecting carriers to provide a uniquely designed, high capacity and environmentally sound disposal facility for customers, communities, and a wide range of industries. The proposed transaction will preserve critical access to Norfolk Southern rail service for our New England business.

Corporate Office
Arrowhead Environmental Partners, LLC
65 Challenger Road, Suite 312
Ridgefield Park, NJ 07660
Phone: 551-999-8261

Landfill Site
Arrowhead Landfill
622 Tayloe Road
Uniontown, AL 36786
Phone: 334-628-4844

We support this proposed acquisition and believe our business, along with our customers, will benefit from its adoption. We respectfully ask the Board to give CSX's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

William W. Gay
Chief Executive Officer
Arrowhead Environmental Partners, LLC

Corporate Office
Arrowhead Environmental Partners, LLC
65 Challenger Road, Suite 312
Ridgefield Park, NJ 07660
Phone: 551-999-8261

Landfill Site
Arrowhead Landfill
622 Tayloe Road
Uniontown, AL 36786
Phone: 334-628-4844

REDACTED – TO BE PLACED ON PUBLIC FILE

Atlantic Forest Products, LLC

January 22, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Rich Spallone, Executive VP/Member with Atlantic Forest Products, LLC located at 1600 Sparrows Pt, Blvd Edgemere, MD.

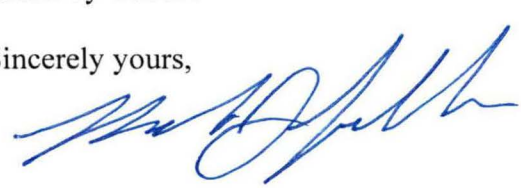
We are a nationwide wholesale lumber company that utilizes the services of the CSXT in numerous locations. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

AFP looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. AFP welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

AFP will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

AFP supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

30 Jervis Ln
Saint John, NB
E2J 0A9

2/22/2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Jenna Hazelton, General Manager with Atlantic Wallboard, located at 30 Jervis Lane, Saint John, NB.

Atlantic Wallboard is a manufacturer of gypsum wallboard with some of our volume entering the New England market. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Atlantic Wallboard looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Atlantic Wallboard welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Atlantic Wallboard will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Atlantic Wallboard supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Jenna Hazelton, General Manager

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

BB&S
Treated Lumber of New England

P.O. Box 982, 61 Bonneau Road
North Kingstown, RI 02852
401-295-3200 FAX 401-295-9733 (800) 322-4006

www.bbslumber.com

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

My name is Dan Kane, General Manager with BB&S Treated Lumber, located at 61 Bonneau Rd., North Kingstown, RI 02852

BB&S provides an extensive range of excellent treated lumber products, including Southern Pine lumber, decking, posts and timbers. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc will be a benefit to BB& Treated Lumber.

BB&S Treated Lumber looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. BB&S Treated Lumber welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

BB&S Treated Lumber will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

BB&S Treated Lumber supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Regards,

Dan Kane
VP & General Manager
BB&S Treated Lumber of New England

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Benevento COMPANIES

"Since 1934"

January 8, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Charles J. Benevento, Owner / CEO with Benevento Companies located at 900 Salem Street, Wilmington Massachusetts.

Benevento Companies are a vertically integrated crushed stone, asphalt and concrete production business within the construction materials industry. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Benevento Companies looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Benevento Companies welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Benevento Companies will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Benevento Companies supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Cc: CSX Transportation, Inc.

Charles J. Benevento
Owner / CEO
Benevento Companies

P.O. BOX 454 • WILMINGTON, MASSACHUSETTS 01887 • TEL. 978-658-5300



Blackline Midstream, LLC
10200 Grogans Mill Road, Suite 510
The Woodlands, TX 77380

January 15, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mike Day, CEO at Blackline Midstream LLC, located at 10200 Grogans Mill Road, Suite 510, The Woodlands, TX 77380.

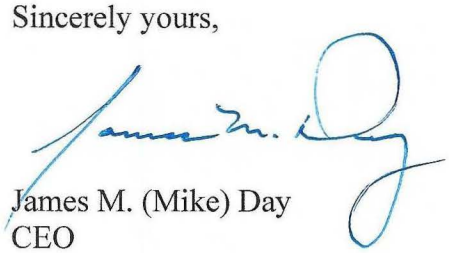
Blackline is a premier terminal developer and operator within the conventional and emerging energy markets. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our Newington, NH propane storage and distribution terminal facility ("Sea-3") for movements of inbound propane from various suppliers across North America. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will convert our existing short-line service to direct Class I railroad service at Sea-3.

Blackline looks forward to the improved service and cost competitiveness that CSXT is expected to provide from the propane origination points in Ohio and Pennsylvania following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. We are also anticipating that CSXT will maintain competitiveness and service levels on the connecting routes from other propane supply origination points in Canada and the US Upper Midwest which are also very important to Sea-3's viability. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our railcar shipments with much greater precision and confidence.

The commercial and residential propane distributors in New England are Sea-3's customers and look to Sea-3 for reliable and economic supply of propane in the region. Blackline is expecting the CSXT Sales and Marketing team to follow through on its intentions to explore and implement new supply chain solutions and market opportunities for expanded rail movements of propane into Sea-3 which would support Blackline's ability to meet those customer expectations. Blackline needs lower rail transportation unit costs, more frequent rail service and expanded railcar blocks per delivery for better overall productivity which will lead to improved overall performance and economics for the propane consumers in New England.

Based on the expectation of realizing these benefits by working with CSXT, Blackline supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



James M. (Mike) Day
CEO

Cc: CSX Transportation, Inc.

Building Materials Distribution
1111 W Jefferson Street
Suite 300
Boise, Idaho 83702

REDACTED – TO BE PLACED ON PUBLIC FILE

Boise Cascade

SHIPPER ON PAN AM

08JAN2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36___, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Lee Goodwin, Division Transportation Manager with BOISE CASCADE BUILDING MATERIALS DISTRIBUTION LLC, located at 1111 W Jefferson St Suite 300 Street Boise, Idaho.

BOISE CASCADE has a Building Materials Distribution yard in Portsmouth, NH and a manufacturing location in Biddeford/Saco, ME. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

BOISE CASCADE looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. BOISE CASCADE welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

BOISE CASCADE BUILDING MATERIALS DISTRIBUTION L.L.C. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

BOSTON SAND & GRAVEL
PO Box 9187
100 N. Washington Street
Boston, MA 02114
617-227-9000 || BostonSand.com

December 22, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Dean Boylan, President of Boston Sand & Gravel Company (BSG), located at 100 N. Washington Street, Boston, Massachusetts 02114

BSG is a ready mixed concrete and aggregate supplier in downtown Boston, MA. We have delivered building materials to many of the large infrastructure and construction projects in New England for over 100 years. BSG has relied on the Springfield Terminal Railroad Company and their predecessors to supply rail service for over 60 years. Presently we receive materials to our Charlestown, MA facility for use in ready mixed concrete production and for resale to other customers. The Springfield Terminal service has been critical to our Company's well being. The merger of the Springfield Terminal into CSX Transportation will expand the single line railroad services to our facility.

BSG looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. BSG welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

BSG will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

BSG supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Dean M. Boylan

Dean M. Boylan
President

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

BROCO OIL

168 Hale Street Haverhill, MA 01830 T: (781)-246-1130 F: (781)-819-0058

January 12, 2021

Ms. Cynthia T. Brown

Chief of the Section of Administration, Office of Proceedings

Surface Transportation Board

395 E Street, S.W.

Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

Broco Oil, Inc is a fast-growing fuel storage terminal and distribution company located at 168 Hale Street in Haverhill MA. Our consistent growth is directly related to our investment is re-stablishing a dormant rail siding and building out additional sidings to store, sort and unload railcars from Springfield Terminal Railways. We predominately bring in biodiesel carloads from the Renewal Energy Group (REG) in Ames Iowa. We are excited about the pending merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") as it will allow us to take advantage of expanded single-line railroad service at our busy Haverhill rail terminal.

Broco Oil looks forward to the improved service that we expect from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Broco welcomes the level of infrastructure investment that CSXT envisions in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Broco Oil looks forward to exploring and implementing new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect the merger to

enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Broco Oil, Inc. strongly supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



President & CEO Broco Oil, Inc

Cc: CSX Transportation, Inc.

The Business Council

REDACTED – TO BE PLACED ON PUBLIC FILE

Heather C. Briccetti, Esq.
President & CEO

March 4, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the application by CSX Corporation and CSX Transportation, Inc. (collectively "CSX") filed with the Surface Transportation Board (the "Board") on February 25, 2021 seeking authority to acquire Pan Am Systems, Inc. and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company ("Springfield Terminal").

The Business Council of New York State, Inc., is committed to facilitating economic and job growth in New York State. New solutions for safe and reliable transportation for our members are important to the ability of our members to continue to grow and expand their market reach. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of our communities.

According to the application submitted by CSX, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 19,500 miles of the CSX rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSX service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSX will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

Furthermore, the agreement reached between CSX and Norfolk Southern will preserve competitive rail options and will increase fluidity of rail operations in the region, including New York State. The transaction as proposed will also ensure the continued operation of the Mechanicville Yard, which is an important rail access point for our members who utilize rail service. Continued access to robust rail service will preserve jobs in the region. Finally, the inclusion of Genesee & Wyoming as the operator of the PanAm Southern Railway will also ensure that the PanAm Southern is operated by a carrier with experience in the region.

We support this proposed acquisition and believe our members, and the State of New York, will benefit from its adoption. We respectfully ask the Board to give CSX's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely,

Heather C. Briccetti

/je
cc: CSX Transportation, Inc.
Norfolk Southern Railroad
Christopher O'Brien, Deputy Secretary for Transportation
Commissioner Marie Therese Dominguez, NYS Department of Transportation

CATANIA OILS
Retail | Food Service | Bulk | Private Label

Processors & Packers
of Vegetable, Olive
& Blended Oils

www.cataniaoils.com | oils@cataniaoils.com

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

January 6, 2021

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

My name is Joseph Basile, President of Catania Oils, located at 3 Nemco Way, Ayer, Massachusetts.

Catania Oils is a larger bottler of vegetable and olive oils supplying our products to Retail, Foodservice and Food manufactures throughout North America. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Catania Oils looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Catania Oils welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Catania Oils will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Catania Oils supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Joseph Basile
President

Cc: CSX Transportation, Inc.

Charter

IMPROVING ENVIRONMENTS ON LAND AND WATER

December 22nd, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mason Sandell with Charter Development Company, located at 560 Harrison Avenue, Boston MA 02118.

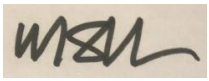
Charter Development Company and its affiliates Charter Contracting and Charter Environmental (together, "Charter") are in the business of managing the transportation and disposal of regulated soils, sediments and other materials throughout New England and the Eastern United States. Charter regularly uses Pan Am Railways ("Pan Am") to transport such regulated materials by rail. The merger of Pan Am into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service supporting our projects and overall business model.

Charter looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Pan Am into CSXT. Charter appreciates the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Charter will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Charter supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Mason Sandell
Principal, Charter Development

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

SHIPPER ON PAN AM

January 21, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mark de Hueck, Director of Supply Chain and Transportation with Chemtrade Logistics Inc. located in Toronto, Ontario, Canada with approximately 65 plants across North America.

Chemtrade Logistics, an annual $2B enterprise, is a chemical manufacturer that is publically traded. We provide water treatment chemical to municipalities to ensure clean drinking water as well as chemical to be used as inputs for such industries as oil and gas, mining, pulp and paper, forestry, automotive, food processing just to name a few. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our customers facilities for movements within New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service to our end use customer destinations.

Chemtrade Logistics looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Chemtrade Logistics welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Chemtrade Logistics will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Chemtrade supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

I remain,
Sincerely yours,

Mark de Hueck

Mark de Hueck

Cc: CSX Transportation, Inc.

Ciment Québec

Saint-Basile, December 16 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Jean Lebrun, Assistant VP Cement Business Development and Logistics Manager with Ciment Québec inc., located at 145, du Centenaire boul. Saint-Basile (Quebec) Canada, G0A 3G0.

Ciment Québec operates in Québec, Ontario, the Maritimes provinces and United States. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our New England facilities. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at these facilities.

Ciment Québec looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Ciment Québec welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Ciment Québec will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Ciment Québec supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

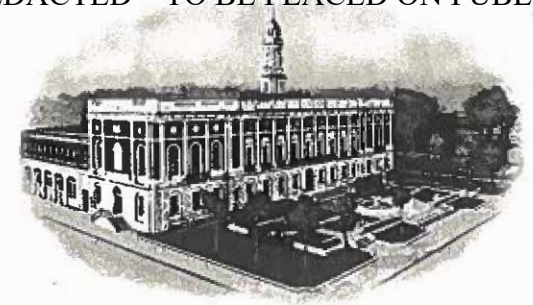
Sincerely yours,

JEAN LEBRUN
Assistant VP Cement Business Development
Logistics Manager

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

NEIL M. O'LEARY
MAYOR



MACK DEMAC
CHIEF OF STAFF

OFFICE OF THE MAYOR

THE CITY OF WATERBURY

CONNECTICUT



January 29th, 2021

Ms. Cynthia T Brown
Chief of the Section of Administration Office of Proceedings
Surface Transportation Board
395 E. Street S.W.
Washington D.C. 2043

Re: Docket No. FD36172CSX Corporation and CSX Transportation Inc.-Control and Merger-Pan Am Systems, Inc., et al.

Dear Ms. Brown:

I am writing in support of the proposed merger and acquisition of Pan Am Systems and its subsidiaries by CSX Transportation, Inc. ("CSXT") and respectfully request that the Surface Transportation Board expeditiously approve the merger.

Waterbury, with a proud history of manufacturing, continues to rely on our local businesses to invest in our labor market and grow our Grand List. This acquisition will allow our Manufacturing Community more effective and efficient means of increasing productivity. Businesses such as Albert Brothers, who have been doing business in Waterbury for over 125 years, will experience a significant positive impact in how they do business.

The City of Waterbury and the region looks forward to the improved service we will receive from CSXT following the approval of the Surface Transportation Board, of the merger, of Springfield Terminal into CSXT. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance, with higher velocity, faster equipment turns and greater consistency.

Improved rail service is a must for business in our region, it will allow for exploration and implementation of market opportunities and enhance competitiveness through lower costs and better service. In addition, from a community standpoint, the potential of doing more rail business has a dramatic positive impact on both traffic and the environment in the region.

Every railcar shipped, or received, is not only more energy efficient but is also the equivalent of taking 4 tractor trailers off our roads.

I wholly support the proposed merger and request that the Surface Transportation Board approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Thank you for your consideration.

Sincerely,

Neil M. O'Leary
Mayor

Christian L. DiPentima
President & Chief Executive Officer



January 18, 2021

Ms Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

Re: Docket No. FD 36472CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.

Dear Ms. Brown:

I am the President and CEO of the Connecticut Business and Industry Association ("CBIA"), the largest business association in Connecticut and one of the largest in the country. CBIA has been in existence for 206 years and has a broad membership across a variety of industry sectors. We are very familiar with the Springfield Terminal Railroad Company ("Springfield Terminal") and fully support its merger into CSX Transportation, Inc. ("CSXT") as this will greatly expand the single-line railroad services.

CSXT has been the gold standard for higher velocity, faster equipment turns, and greater consistency in the market and the merger of Springfield Terminal will bring a critical infrastructure investment that will revolutionize the current single line. The expected enhanced competitiveness through lower costs, better service and improved access to the North America rail network will elevate the region into the 21st century.

CBIA fully supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely,

Chris DiPentima

REDACTED – TO BE PLACED ON PUBLIC FILE

Crestwood

2440 Pershing Road
Suite 600
Kansas City, MO 64108

P: 816.329.5365
John.Powell@Crestwoodlp.com
www.Crestwoodlp.com

April 15, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am John Powell, SVP of Marketing, Supply and Logistics with Crestwood Equity Partners LP, located at 2440 Pershing Road, Suite 600, Kansas City, MO 64108.

Crestwood is a fully integrated Natural Gas Liquids business providing critical fuel for residential and commercial customers across the entire U.S.A. We use the Springfield Terminal Railroad Company ("Springfield Terminal/PAS") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal/PAS into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Crestwood looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal/PAS into CSXT. Crestwood welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Crestwood will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our

Crestwood

2440 Pershing Road
Suite 600
Kansas City, MO 64108

P: 816.329.5365
John.Powell@Crestwoodlp.com
www.Crestwoodlp.com

competitiveness through lower costs, better service, and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Crestwood supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



John C Powell
SVP & Chief Commercial Officer, MSL
Crestwood Equity Partners LP

Cc: CSX Transportation, Inc.

Connections
for America's
Energy®

CTS Cement Manufacturing Corp
January 11, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mary Jo O'Dear, Rail Logistics Coordinator with CTS Cement Manufacturing Corp. located at 12442 Knott Street Garden Grove, CA 92841.

CTS Cement Manufacturing ships Hydraulic Cement all over the country. We currently ship to Concord, NH via CSX-Springfield Terminal Railroad. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our customer's facilities for movements within New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our customers facilities.

CTS Cement Manufacturing Corp looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. CTS Cement welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

CTS Cement Manufacturing Corp will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

CTS Cement Manufacturing Corp. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Mary Jo O'Dear
Rail Logistics Coordinator
CTS Cement Manufacturing Corp.
12442 Knott Street Garden Grove, CA 92841

714-462-7807

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE



Cushman Lumber Company, Inc. 96 Springfield Rd. Charlestown, NH 603-826-4575 603-826-4586 (f)

2/24/21

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Steven Cushman, Vice President with Cushman Lumber Company, located at 96 Springfield Road, Charlestown, New Hampshire 03603.

Cushman Lumber Company is an independent family-owned wholesale distributor of commodity framing lumber and studs. With offices in Massachusetts, New York, and New Hampshire, we provide lumber products and services to New England and the Northeast. We use the Pan Am Southern Railroad ("PAS") and the New England central Railway ("NECR") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will help to expand rail service at our facility and help to improve service and routing options for our company.

Cushman Lumber Company looks forward to the improved service that we will receive following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Cushman Lumber Company hopes to enhance our competitiveness through lower costs, better service and improved access to the North American rail network based upon increased capital investments and improved service offerings that CSXT will bring to the New England market as part of this acquisition.

Therefore, Cushman Lumber Company supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Steven Cushman

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

DAAQUAM LUMBER MAINE
GROUPE LEBEL

January 5, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.

Dear Ms. Brown:

I am Arkon Horne, Controller at **Daaquam Lumber Maine Inc.**, located at 1200 Masardis Road, Route 11, PO Box 749, Masardis, Maine 04732.

Daaquam Lumber is a leading dimensional building lumber manufacturer that produces, sells and ships about 100 million board feet of lumber products annually while employing 125 people. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Daaquam Lumber looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Daaquam Lumber welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Daaquam Lumber will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Daaquam Lumber supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Arkon Horne

Cc: CSX Transportation, Inc.
January 5, 2021

PO Box 749, Ashland, Maine 04732
Tel. : 207-435-6401 • Fax : 207-435-6117 • www.groupelebel.com/en/

DP WORLD
Americas

Regional Office

DP World ARO
5605 Carnegie Blvd., Suite 200
Charlotte, NC 28209

T: + 704-246-0343
F: + 704-246-0344

dpworld.com

December 15, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Matthew Leech, Chief Executive Officer for the Americas Region with DP World, located at 5605 Carnegie Boulevard in Charlotte, North Carolina ("**DP World**").

DP World is an Emirati multinational logistics company – we are a leading enabler of global trade and an integral part of the international shipping supply chain. We have a portfolio of 78 operating marine and inland cargo terminals supported by over 50 related businesses, from maritime services, logistics and ancillary services to technology-driven trade solutions, with a significant presence in both high-growth and mature markets in 40 countries. DP World employs a dedicated team of over 55,000 employees worldwide.

Our potential customers will use the Springfield Terminal Railroad Company ("**Springfield Terminal**") to originate and terminate traffic at our facilities for movements outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("**CSXT**") will expand the single-line railroad service at our facilities in Saint John, New Brunswick.

DP World looks forward to the potential of new market opportunities and improved service that our customers will receive from CSXT following the approval by the Surface Transportation Board (the "**Board**") of the merger of Springfield Terminal into CSXT. DP World welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility

into our customers supply chain through the ShipCSX platform that will enable us to track and manage our customers shipments with much greater precision and confidence.

DP World very seriously intends to explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

DP World supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Matthew Leech

Cc: CSX Transportation, Inc.

EASTERN
Propane & Oil Since 1932

DATE: 12/22/2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Bob Lefebvre, Vice President - Supply, with Eastern Propane Gas. Inc. located at 28 Industrial Way, Rochester, NH 03867.

Eastern is in the business of buying, selling, distributing, and dealing in liquified petroleum gas, heating oil and other distillate products. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and hand off to NHN Railroad our servicing rail line and for movements within and outside of New England.

Eastern looks forward to the quality service that we expect to receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Eastern welcomes the level of infrastructure investment that we believe CSXT has historically deemed necessary in order to implement its dynamic operating model, which we understand has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also anticipate having improved visibility into our supply chain through the Ship CSX platform that we expect to potentially enable us to track and manage our shipments with much greater precision and confidence.

Eastern supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Bob Lefebvre
VP - Supply

Cc: CSX Transportation, Inc.

EIMSKIP

12/17/2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Andrew J. Haines, Executive Vice President with EIMSKIP USA, located at 454 Commercial Street, Portland Maine 04101.

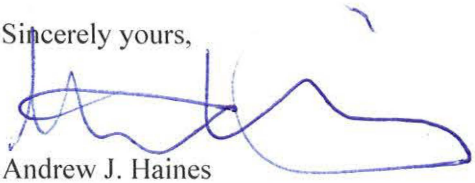
EIMSKIP USA, International Steamship Company and Stevedore. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

EIMSKIP USA looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. EIMSKIP USA welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

EIMSKIP USA will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

EIMSKIP USA supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Andrew J. Haines
Executive Vice President

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

F.L. LARSON TRUCKING, INC.
Physical: 55 High Street, Unit 14, N. Billerica, MA 01821
Mailing: 38 Old Auburn Road, Derry, NH 03038
603-434-6171
larsontrk@comcast.net

January 12,2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Kathleen A. Larson, Treasurer with F.L. Larson Trucking, Inc., located at 55 High Street, Unit 14, N. Billerica, MA 01821.

F.L. Larson Trucking, Inc. is a freight car unloading and trucking operation serving the New England area. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

F.L. Larson Trucking, Inc. looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. F.L. Larson Trucking, Inc. welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

F.L. Larson Trucking, Inc. will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

F.L. Larson Trucking, Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Kathleen A. Larson, Treas.
F.L. Larson Trucking, Inc.

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

January 8, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am E.J. Fabian, President with Fabian Oil Inc, located at 20 Oak St, Oakland, ME 04963.

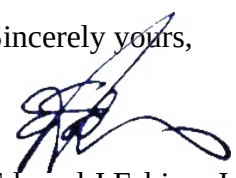
Fabian is a regional supplier of refined fuels throughout New England. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Fabian looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Fabian welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Fabian will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Fabian supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Edward J Fabian, Jr.

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Factor Gas Liquids, Inc.
710, 335 8th Avenue SW
Calgary, AB T2P 1C9
(403) 266-8778

Factor Gas Liquids Inc.

December 15, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Valerie Williams Manager of Terminals and Operations with Factor Gas Liquids Inc. located at 710, 335 8 Ave SW Calgary, AB T2P 1C9.

Since 1994, Factor Gas Liquids, Inc. has been providing quality energy products and refinery/petrochemical feedstocks to a variety of businesses domestically and internationally. Our established supply and sales network guarantees we reach markets throughout North America supplying propane, butanes, olefins, natural gasoline, gasoline blend stocks and other petroleum based products. Our U.S. subsidiary, Factor Energy, specializes in propane sales throughout the U.S.

We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service.

Factor Gas Liquids Inc. looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Factor Gas Liquids Inc. welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Factor Gas Liquids Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT. Factor Gas Liquids Inc. supports the optimization for the purposes of increased operational service, cost optimization, customer service with the culmination of the prior giving the customer a more reasonable and economical freight cost and increased value.

REDACTED – TO BE PLACED ON PUBLIC FILE

Factor Gas Liquids, Inc.
710, 335 8th Avenue SW
Calgary, AB T2P 1C9
(403) 266-8778

Sincerely yours,
Valerie Williams

Valerie Williams

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Frost Bridge

Waste Transfer Facility

Frost Bridge Associates, LLC
753 Frost Bridge Road
Watertown, CT 06795
Phone ~ 860-274-1200 Fax ~ 860-274-1219
www.frostbridgetransfer.com

December 15, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Robert Sachs, Managing Member with Frost Bridge Associates, LLC, located at 753 Frost Bridge Road, Watertown, CT 06795.

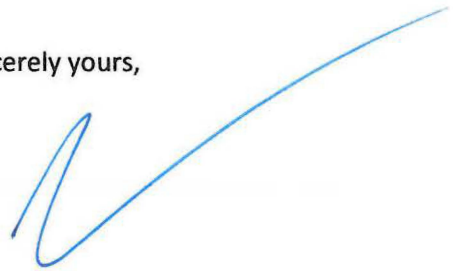
Frost Bridge Associates operates a construction and demolition transfer station that ships material out via railway. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Frost Bridge Associates looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Frost Bridge Associates welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Frost Bridge Associates will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Frost Bridge Associates supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Granite State Concrete, Inc.

MILFORD, NH · LOWELL, MA · WAKEFIELD, MA · AMESBURY, MA · WESTFORD, MA

SHIPPER ON PAN AM
January 11, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am John G. MacLellan III, President of J. G. MacLellan Concrete Co., Inc. and Granite State Concrete Co., Inc. with offices at 180 Phoenix Ave., Lowell, MA.

Granite State Concrete Co., Inc. moves crushed stone over the Springfield Terminal Railroad Company line in New Hampshire. J. G. MacLellan Concrete Co., Inc. receives shipments of cement originating outside of New England to facilities in Massachusetts. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

J. G. MacLellan Concrete Co., Inc. and Granite State Concrete Co., Inc. looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Our companies welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

We hope to explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

J. G. MacLellan Concrete Co., Inc. and Granite State Concrete Co., Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

John G. MacLellan III

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Greater Boston Transload, LLC

January 22, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Rich Spallone, President of Greater Boston Transload,LLC ,located at 1700 Iron horse Park, N. Billerica, MA.

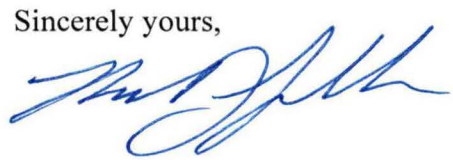
GBT is a full service transload operation. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

COMPANY looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. GBT welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

GBT will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

GBT supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

GREIF

P.O. Box 339
Amherst, VA 24521
434-933-4_____

Express Service
861 Fibre Plant Road
Riverville, VA 24553
Fax: 434-933-4_____
www.greif.com

January 27, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Fred Bush, Production Support Manager with Greif, located at 861 Fibre Plant Road Gladstone, VA 24553.

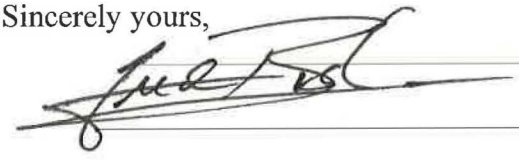
Greif, Inc is a global leader in industrial packaging products. The company is strategically positioned with 290 operating locations in 43 countries to serve global as well as regional customers. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc.

Greif looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Greif welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Greif will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Greif supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE



H&T Waterbury

H&T Waterbury, Inc.
984 Waterville Street
P.O. Box 4700
Waterbury, CT 06704-0700 U.S.A.
Phone: 203-574-2240
Fax: 203-757-9178

January 18, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S. W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc. – Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown,

I am Spencer Cushman, Director of Operations at H&T Waterbury, Inc., a manufacturer of deep drawn metal components located at 984 Waterville St. in Waterbury, CT. Our scrap metal processor, Albert Bros., Inc. ("Albert Bros"), uses the Springfield Terminal Railroad Company ("Springfield Terminal") as part of their ongoing business. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at Albert Bros.

The improved service from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT, allows Albert Bros to provide better service to their customers and suppliers, of which we are one. Competitive scrap processing rates have a significant impact on the ability for H&T Waterbury, Inc. to remain competitive and secure US manufacturing jobs especially against growing and intense competition from China. Additionally, greater investment into rail infrastructure in New England improves options for freight transportation by improving the competitiveness of intermodal freight transportation.

H&T Waterbury, Inc. supports the proposed merger and requests that the Board approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely,

W. Spencer Cushman
Director of Operations

Cc: CSX Transportation, Inc.

March 24, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am writing on behalf of Hub Group, Inc. ("Hub Group") to support the application by CSX Corporation and CSX Transportation, Inc. (collectively "CSX") filed with the Surface Transportation Board (the "Board") on February 25, 2021 seeking authority to acquire Pan Am Systems, Inc. and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company.

I am Chairman of the Board of Directors and Chief Executive Officer of Hub Group, a leading supply chain solutions provider and one of the key Intermodal service providers in North America. As a major carrier to / from Boston and the New England market, we utilize Norfolk Southern's direct Intermodal rail services to/from Ayer. The Norfolk Southern's services help us to offer New England shippers competitive, economical options for their shipping needs throughout the country.

According to the application submitted by CSX, the proposed transaction will preserve critical access for Norfolk Southern to New England. Our understanding is that the agreement reached between CSX and Norfolk Southern will preserve competitive rail options and will increase fluidity of rail operations in New England. We anticipate these competitive options would be a key benefit of the proposed transaction. Importantly for Hub Group, we understand that the proposed transaction will significantly expand intermodal rail transportation in New England by facilitating a clear double-stacked route on Norfolk Southern and on CSX.

Hub Group supports the proposed transaction and we believe our business, along with our customers, will benefit from its adoption. We respectfully ask the Board to give CSX's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

David P. Yeager
Chairman and Chief Executive Officer

CC: Parties of Record

REDACTED – TO BE PLACED ON PUBLIC FILE

HUHTAMAKI

December 17, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Michael J DeRoche, North America Rough Molded Production Planning / Waterville Maine Facility Rail Coordinator with Huhtamaki located at 242 College Avenue Warerville, Maine.

HUHTAMAKI, Rough, Smooth and Laminated Molded Fiber Packaging World Wide. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

HUHTAMAKI looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Huhtamaki welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

The Huhtamki facility was the previous family owned, Keyes Fibre Company developed by Mr. Martin Keyes in 1902. The Waterville Maine facilty utilized the original rail tracks, located in Waterville Maine, just one quarter of a mile down the Avenue from our factory to ship to an established customer in San Francisco in Ca.

Huhtamaki will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Huhtamaki supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely Yours,
Michael J. DeRoche Michael J. DeRoche

Cc: CSX Transportation, Inc.

[business unit name here]
9201 Packaging Drive, De Soto, Kansas 66018, Tel. 913-583-87XX, Fax 913-583-87XX
www.us.huhtamaki.com

REDACTED – TO BE PLACED ON PUBLIC FILE

Inland Fuel Terminals, Inc.
PO Box 1141, Bridgeport, CT 06601-1141
Toll Free 800.827.7099 Fax 203.367.2412
www.inlandfuel.com

January 7, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Hillel Weisel, Vice President of Inland Fuel Terminals, Inc. located at 154 Admiral Street, Bridgeport, CT 06601.

Inland Fuel Terminals owns and operates a rail transfer facility for Natural Gas Liquids in Plymouth, CT. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Inland Fuel Terminals looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Inland Fuel Terminals welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Inland Fuel Terminals will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Inland Fuel Terminals supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

INTEPLAST GROUP
AmTopp Division
Integrated Bagging System Division
World-Pak Division

Corporate Address:
9 Peach Tree Hill Road
Livingston, New Jersey 07039
Tel: (973) 994-8000

February 09, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am John Chen, Senior Direct of Traffic/Administration with Inteplast Group Corporation, located at Livingston, New Jersey,USA.

Inteplast Group (a major N.A. plastics products manufacturer) uses the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Inteplast Group looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. COMPANY welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Inteplast Group will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Inteplast Group supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

John Chen

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

7 Renaissance Square 7th Floor
White Plains, NY 10601

INTEROCEANIC

(914) 762-7800
ioccorp.com

January 14, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Dana Hunt, Rail Logistics Manager with Interoceanic Corporation ("IOC"), located at 7 Renaissance Square, 7th Floor, White Plains, NY 10601.

IOC is a producer of granular and liquid fertilizers for agriculture. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our customers' facilities for movements from Pasadena, TX into New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the availability of single-line railroad service at our customers' facilities.

IOC looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. IOC welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

IOC will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

IOC supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Dana R. Hunt

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and Merger-Pan Am Systems, Inc.*

Dear Ms. Brown:

I am André Beaulieu, Director of Sales with J.D. Irving, Limited - located at 300 Union Street, Saint John, NB Canada, E2L 4M3 Canada.

J.D. Irving, Limited has sawmill and woodland operations in New Brunswick, Nova Scotia, and Maine, USA. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

J.D. Irving, Limited looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. JD Irving, Limited welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to using the CSXT platform that will enable us to track and manage our shipments with much greater precision and confidence.

J.D. Irving, Limited has been a good CSXT partner over the years. We look forward to exploring new supply chain solutions and market opportunities with the CSXT Sales team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through CSXT.

J.D. Irving, Limited supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

J. D. Irving Limited

André Beaulieu
Director of Sales and Transportation, Irving Sawmills

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

IRVING
PULP & PAPER DIVISION

January 8, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown,

I am Mark Mosher, Vice President of the Pulp & Paper Division of J.D. Irving, Limited, located at 300 Union Street, Saint John, NB Canada, E2L 5B6.

JD Irving has pulp, paper and corrugated medium operations in New Brunswick. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

JD Irving looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. JD Irving welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order, to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

JD Irving will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service, and improved access to the North American rail network through single-line CSXT best-in-class rail service.

JD Irving supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Mark Mosher

Mark Mosher, Vice President

cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Marion Industrial Rail Park, LLC
3007 Harding Highway East
Marion, Ohio 43302

DATE

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Tim Enayati, Senior Vice President with Jaguar Transport Holdings, located at 2501 N. Rangeline Road, Joplin, MO.

Jaguar Transport Holdings is a premier transportation and logistics company. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Jaguar Transport Holdings looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Jaguar Transport Holdings will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Jaguar Transport Holdings supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Timothy Enayati

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

JAVELIN
GLOBAL COMMODITIES

January 02, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Peter Bradley, Chief Executive Officer of Javelin Global Commodities (UK) Ltd ("Javelin"), located at 7 Howick Place, London, SW1P 1BB.

Javelin is actively involved in shipping bulk commodities both domestically and for export. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Javelin looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Javelin welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Javelin will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Javelin supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Benton Walker
VP of Rail Relations

March 24, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am writing to support the application by CSX Corporation and CSX Transportation, Inc. (collectively "CSX") filed with the Surface Transportation Board (the "Board") on February 25, 2021 seeking authority to acquire Pan Am Systems, Inc. and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company ("Springfield Terminal").

J.B. Hunt Transport, Inc. ("J.B. Hunt") is a key Intermodal / Trucking services provider in North America. As a major carrier to/from Boston and the New England market, we rely on Norfolk Southern's direct Intermodal rail services to/from Ayer. The Norfolk Southern ("NS") services allow us to offer New England shippers competitive, economical options for their shipping needs throughout the country.

According to the application submitted by CSX, the proposed transaction will preserve critical access for NS to the New England market. The agreement reached between CSX and NS will preserve competitive rail options and will increase fluidity of rail operations in New England. Having these competitive options is a key benefit of this transaction. Importantly for J.B. Hunt, the proposed transaction will expand intermodal rail transportation in New England by facilitating a clear double-stacked route on NS and on CSX.

We support this proposed acquisition and believe our business, along with our customers, will benefit from its adoption. We respectfully ask the Board to give CSX's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Benton Walker
Benton Walker, VP of Rail Relations

Cc: Service List

REDACTED – TO BE PLACED ON PUBLIC FILE

LAW LOGISTICS

January 11, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Brian Law, President & CEO of the Law Family Companies / Law Logistics, located at 59 Daniel Webster Hwy, Merrimack NH.

We are a 139-year-old family business, with trucking, warehousing, moving & storage, and commercial real estate operations. Our warehousing operation, Law Warehouses, Inc. provides third party logistics services for a number of businesses, ranging from local NH business to multi-national corporations. Several of these customers use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Law Logistics looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Law Logistics supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Brian Law
President & CEO

Cc: CSX Transportation, Inc.

Lynch LOGISTICS

We Deliver On Our Promises

April 15, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Dana Burleigh, VP Operations with Lynch Logistics, Inc., located at 78 Rice St, Bangor, ME 04401.

Lynch Logistics is a Maine based total logistics company utilizing rail inbound and outbound rail at our warehousing facilities. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Lynch Logistics looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Lynch Logistics welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Lynch Logistics will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Lynch Logistics supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Dana H. Burleigh Jr.
V.P. Operations, April 15, 2021

Cc: CSX Transportation, Inc.

Maine Rail Group, Inc.
P.O. Box 5494
Augusta ME 04332
Trains@mainerailgroup.org

17 March 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423

RE: Docket No. FD 36472 CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, et. al.

Dear Ms. Brown,

My name is Russell Barber, Director and President of Maine Rail Group, Inc., located in Augusta Maine.

Maine Rail Group, Inc. (MRG) is a non-profit organization working to enhance rail service in Maine and New England. MRG was founded in 1988 to help save the former Maine Central "Lower Road" main line between Brunswick and Augusta from abandonment. That effort was successful; the State of Maine owns the route and leases sections to operators.

As an independent all-volunteer group, MRG promotes awareness of the railroad industry's contributions to Maine's economy and its important role in moving passengers and freight. It advocates for railroad utilization and encourages preservation and productive use of Maine's rail system and its regional connections. We are currently advocating legislative action (LD-227) for a feasibility study of the extension of passenger service from Brunswick through Augusta and Waterville to Bangor. Passage of this bill is the first step in restoring the state-owned rail corridor from Brunswick to Augusta, Maine and then on Pan Am's line from East Augusta to Waterville and Bangor. We do hope CSX will not only continue to support the Downeaster service, but also the possible expansion of passenger rail along this 100-mile corridor.

The MRG supports the CSX filing with the STB to acquire PAR and related companies. CSXT's proposed infrastructure investments in the Freight Main Line from the NH/ME border east to Mattawamkeag is consistent with the goals of the MRG and will provide expedited service for all commodities as compared to the current PAR operation. This could open up intermodal service between the Port of Saint John, New Brunswick via haulage rights over the Eastern Maine Railway and the New Brunswick Railway, and U.S. points.

The resurgence of the Maine forest products industry should be enhanced by higher velocity (and hopefully more economical rates) with single-carrier service to all of the 23-state region of the Eastern United States and two Canadian Provinces which are served by CSXT. This should result in increased competition and expansion of market areas.

Per CSXT's filing, CSXT has committed to work with AMTK and the Northern New England Passenger Rail Authority (manager of the Downeaster Service) to finance and install the installation of PTC (I-ETMS) from the MA/NH border, where PTC (ACSES) currently ends, all the way to Brunswick ME, the current terminus of the Downeaster. Installation of this extension of PTC will permit NNEPRA to increase the round-trip train frequencies between Brunswick ME and Boston-North Station MA to meet increasing demand.

Accordingly, the Maine Rail Group, Inc. supports the proposed control and merger application by CSXT of PAR and subordinate companies, as it will benefit both freight and passenger service in the State.

Submitted on Behalf of the MRG Board,

Russell Barber
President, Maine Rail Group, Inc.

Cc: Maurice O'Connell, Resident Vice President Government Affairs, CSX Transportation, Inc.

Marco Turra, Director Passenger Operations, CSX Transportation, Inc.

THE MAINE WOOD TREATERS, INC.

January 12, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Harold (Hal) Bumby, President of Maine Wood Treaters, Inc. located at 58 Walker Road, Mechanic Falls, ME, 04256.

Maine Wood Treaters is directly served by the SLR (St Lawrence & Atlantic Railway Company), who interchange with both the CN (St Lambert, PQ) and Pan Am (Danville Jct, ME). The SLR is a haulage carrier for the CN. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to act as a bridge carrier between Barbers Station, MA, and Danville Jct, ME for lumber traffic moving into our facility from supply regions in North America, in particular the US South. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will enhance our competitive options for us to by having two Class 1 carriers operate single-line railroad service to the short line that services our facility.

Maine Wood Treaters looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Maine Wood Treaters welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Maine Wood Treaters will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

THE MAINE WOOD TREATERS, INC.

Maine Wood Treaters supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Harold Bumby
President

Cc: CSX Transportation, Inc.

Milford-Bennington Railroad Co., Inc.
62 Elm Street
Milford, New Hampshire 03055
(603) 365-0621

December 16, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

Milford-Bennington Railroad Company ("MBR") supports the application filed by CSX Transportation, Inc. ("CSXT") to acquire and operate Pan Am Systems, Inc. ("Pan Am"), and its railroad subsidiaries, including its operating subsidiary Springfield Terminal Railroad Company ("Springfield Terminal"). This transaction will result in a more stable and viable rail partner for MBR in the New Hampshire rail market we serve and improve service for rail users and connecting railroads throughout New England.

MBR is an 18.6 mile railroad operating between Wilton and Bennington, New Hampshire on a right of way owned by the State of New Hampshire. In addition, we have trackage rights over 5.36 miles of Pan Am's network, although we currently only utilize 2.96 miles of those rights to move aggregates between an MBR-served quarry and a customer located on Pan Am at Milford, NH. We interchange traffic with Springfield Terminal at Wilton, for movement to and from points in New England and the eastern United States. MBR's relationship with Pan Am, specifically its Boston & Maine and Springfield Terminal affiliates, has been contentious. The two parties have been unable to resolve differences in order to improve the rail infrastructure on the line owned by Pan Am. CSXT committed to engage in cooperative discussions regarding these outstanding issues, and as such, I sincerely believe CSXT will be a far better business partner and the result will be much improved rail service to this area of New England.

In addition, traffic moving beyond Springfield Terminal must interchange with one or more railroads. The merger of Springfield Terminal into CSXT offers the opportunity for best-in-class single-line railroad service to and from locations on 20,000 miles of the CSXT rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSXT service will offer new and improved standards of rail service performance with higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

MBR looks forward to exploring and implementing new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

MBR supports the proposed merger and requests the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

/s/ Peter R. Leishman

Peter R. Leishman
President

Cc: Chris Maffett, Director – Marketing, CSX Transportation, Inc.
Richard G. Verney, Chairman and CEO, Monadnock Paper Mills
John G. MacLellan III, President and CEO, Granite State Concrete Co, Inc.
Shelley Winters, Administrator, Bureau of Rails and Transit, NHDOT

REDACTED – TO BE PLACED ON PUBLIC FILE

Richard G. Verney
Chairman and Chief Executive Officer

Monadnock Paper Mills, Inc.
117 Antrim Road
Bennington, NH 03442-4205
www.mpm.com

Phone: 603 588 8216
Fax: 603 588 3516

rverney@mpm.com

SHIPPER ON PAN AM

December 23, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Richard G. Verney, Chairman and CEO of Monadnock Paper Mills, Inc., located at 117 Antrim Road, Bennington, NH 03442.

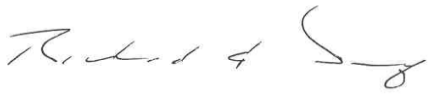
Mondnock manufactures specialty papers. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic for our facility for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our plant.

Monadnock looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Monadnock welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Monadnock will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Monadnock supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely,



Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

New Hampshire Northcoast

POST OFFICE BOX 429 OSSIPEE, NEW HAMPSHIRE 03864 TEL. (603) 539-2789 FAX (603) 539-8060

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

December 22, 2020

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Rick Sampson with New Hampshire Northcoast Company (NHN), located at 368 Route 16 Ossipee, New Hampshire 03864.

NHN is a short line railroad that interchanges with the Springfield Terminal in Dover, New Hampshire. NHN delivers commodities from aggregates, propane gas, oil and steel to customers in the New England region. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

NHN looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. NHN welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

NHN will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

NHN supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Rick Sampson

Rick Sampson
Director of Operations

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

NGL SUPPLY CO. LTD.

January 12, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mark Mundy, V.P. Logistics with NGL Supply Co. Ltd., located at 305, 201 North Front Street, Sarnia, Ontario, Canada, N7T 7T9.

NGL Supply Co. Ltd. uses the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

NGL Supply Co. Ltd. looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. NGL Supply Co. Ltd. welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

NGL Supply Co. Ltd. will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

NGL Supply Co. Ltd. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

M. Mundy

V.P. Logistics

Cc: CSX Transportation, Inc.

1420, 225 6th Avenue S.W., Calgary, Alberta T2P 1N2 • (403) 265-1977
305, 201 North Front Street, Sarnia, Ontario N7T 7T9 • (519) 336-9790

OmniTRAX
252 Clayton Street, 4th Floor | Denver, Col
303.398.4500 | www.o

January 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

OmniTRAX, Inc. supports the application filed by CSX Transportation, Inc. ("CSXT") to acquire and operate Pan Am Systems, Inc., and its railroad subsidiaries. We feel the acquisition will preserve and enhance competitive options in the New England and Northeast regions.

OmniTRAX, and its affiliate, Winchester & Western Railroad ("WW"), indirectly interchange traffic with Pan Am Systems for movement to and from New England and the eastern United States. We believe the acquisition will enhance WW's service to its customers by providing best-in-class service with new standards of performance via higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs and improved access to the rail network in the eastern United States. The Pan Am acquisition will further allow OmniTRAX and WW to explore new supply chain solutions and market opportunities with the CSXT Sales and Marketing team.

OmniTRAX supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,
OmniTRAX, Inc.

Sergio Sabatini
President

Cc: CSX Transportation, Inc.

RAIL MADE EASY

REDACTED – TO BE PLACED ON PUBLIC FILE

PACKAGING CORPORATION OF AMERICA

DATE: December 21, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Bruce Ridley, Senior Vice President-Environmental, Health & Safety and Operational Services with Packaging Corporation of America (PCA), located at 1 N Field Court, Lake Forest, IL.

PCA is a premier box manufacturer and packaging solutions company. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our Northampton, MA box plant for movements of inbound pulpboard from various mills across the country. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service from PCA mills to our Northampton plant.

PCA looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

PCA will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

PCA supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Bruce A. Ridley

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Date: Jan 5/2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Michael Foo, Transportation Supervisor with Parrish & Heimbecker located at 2-104 Cooper Drive, N1C 0A4, Guelph, Ontario, Canada.

Parrish & Heimbecker is an agriculture grain company that specializes in the movement of grains nationally and internationally through all forms of transportation. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Parrish & Heimbecker looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. COMPANY welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Parrish & Heimbecker will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Parrish & Heimbecker supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Michael Foo



REDACTED – TO BE PLACED ON PUBLIC FILE

January 14, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Bradley Shockey, Director of Supply Chain with Pixelle Specialty Solutions, LLC located at 228 S Main Street in Spring Grove, Pennsylvania 17362.

Pixelle Specialty Solutions operates a two-machine paper production facility in Jay, Maine (Androscoggin Mill) that produces specialty papers for pressure sensitive facing & liner customers, along with products for a variety of other unique end use applications. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Pixelle looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Pixelle welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Pixelle will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Pixelle supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Bradley T Shockey

Bradley T Shockey
Director, Supply Chain – Pixelle Specialty Solutions

Cc: CSX Transportation, Inc.



Plasmine Technology, Inc.

January 27, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Scot E. Gurney, Business Manager with Plasmine Technology, Inc., located at 251 Newport Parkway, Bay Minette AL, 36507.

Plasmine Technology manufacturers Rosin Sizing used in the production of paper goods. We have used the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Plasmine Technology looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Plasmine Technology welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Plasmine Technology will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Plasmine Technology, Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Scot E. Gurney
Business Manager
Plasmine Technology, Inc.
251 Newport Parkway
Bay Minette, AL 36507
Tel: (251) 295-4002

Cc: CSX Transportation, Inc.

Poland Spring®

109 Poland Spring Drive
Poland Spring, ME 04274

www.polandspring.com

March 18, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

My name is Sarah Cohen and I am the Northeast Regional Transportation Manager for Poland Spring.

Poland Spring is one the leading bottled water brands in the Northeastern United States. From our three factories in Maine, we supply healthy beverages to our consumers in New England and beyond. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Poland Spring looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Poland Spring welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Poland Spring will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Poland Spring supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Sarah Cohen
Northeast Regional Transportation Manager

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

Port Saint John

December 23rd, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

As CEO of the Saint John Port Authority located at 111 Water Street, Saint John, New Brunswick (Canada), I am writing in support of the merger of the Springfield Terminal Railroad Company ("Springfield Terminal") into CSX Transportation, Inc. ("CSXT").

Port Saint John's customers and stakeholders will use the Springfield Terminal to originate and terminate traffic at our Port Facilities in Saint John, New Brunswick for movements outside of New England. The merger of Springfield Terminal into CSXT will expand the single-line railroad service at our facilities.

Port Saint John looks forward to the potential of new markets opportunities and improved service that customers and stakeholders will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Port Saint John welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing customers and stakeholders of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our customer's shipments with much greater precision and confidence.

Port Saint John will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Port Saint John supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Jim Quinn
CEO

cc: CSX Transportation, Inc.

111, rue Water Street, Saint John, New/Nouveau Brunswick, Canada E2L 0B1
Tel./tél. 506.636.4869 Fax/téléc. 506.636.4443
PortSaintJohn @portsaintjohn sjport.com

Canada

REDACTED – TO BE PLACED ON PUBLIC FILE

January 11, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

Rail Enterprise Group (REG) supports the application filed by CSX Transportation, Inc. ("CSXT") to acquire and operate Pan Am Systems, Inc., and its railroad subsidiaries, including its operating subsidiary Springfield Terminal Railroad Company ("Springfield Terminal"). We believe that this transaction will create new competitive options for shipments to and from New England and should qualify as a minor transaction pursuant to 49 C.F.R. § 1180.2(c).

REG owns and operates four short line railroads, three of which connect with and are switch carriers for CSXT. These railroads are:

Raritan Central Railway (RCRY); Interchange location – Raritan Center, NJ
Pennsylvania & Southern Railway (PSCC); Interchange location – Culbertson, PA
Wolf Creek Railroad (WCKR); Interchange location – Milan, TN

The Rail Enterprise Group team was pleased to learn that CSXT has reached an agreement to acquire Pan Am Systems. The fragmented nature of the rail network into and throughout the New England region has made it difficult for railroads to compete with trucks for medium haul shipments between New England and the Mid-Atlantic region. We are hopeful that unified, single line routes between New England and the eastern U.S. will enable railroads to become competitive in that market.

We look forward to working with CSXT marketing teams to pursue new opportunities including forest products from New England mills which could move by rail through the various reload and warehouse facilities served by our Raritan Central and Pennsylvania & Southern Railways – a market which we believe is largely untapped and holds much promise.

Therefore, REG and its short line railroads support the proposed merger and respectfully request that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Eyal Shapira
CEO, Rail Enterprise Group
President, Raritan Central Railway; Pennsylvania & Southern Railway; Wolf Creek Railroad; Iowa & Middletown Railway
One Gateway Center, Suite 501B
Newton, MA 02458

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

HOUSE OF REPRESENTATIVES
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1440
TTY: (207) 287-4469

Kathleen R. J. Dillingham
P.O. Box 164
Oxford, ME 04270
Phone: (207) 744-2153
Kathleen.Dillingham@legislature.maine.gov

March 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36___, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Members of the Maine Legislature we are committed to facilitating new solutions for safe and reliable transportation for our constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities we represent in Congress.

According to the application submitted by CSXT, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSXT service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

We support this proposed acquisition and believe Maine will benefit from its adoption. We respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Kathleen R.J. Dillingham
House Republican Leader

Cc: CSX Transportation

HOUSE OF REPRESENTATIVES
2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1400
TTY: MAINE RELAY 711

Michelle Dunphy
143 Middle Street
Old Town, ME 04468
Phone: (207) 827-8989
Michelle.Dunphy@legislature.maine.gov

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

March 26, 2021

Re: Docket No. FD 36___, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Members of the Maine Legislature we are committed to facilitating new solutions for safe and reliable transportation for our constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities we represent in Congress.

According to the application submitted by CSXT, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSXT service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

We support this proposed acquisition and believe Maine will benefit from its adoption. We respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Michelle Dunphy

Michelle Dunphy
House Majority Leader

Cc: CSX Transportation

STATE OF MAINE
HOUSE OF REPRESENTATIVES
SPEAKER'S OFFICE
AUGUSTA, MAINE 04333-0002
(207) 287-1300

RYAN M. FECTEAU
SPEAKER OF THE HOUSE

March 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36___, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to express that we are encouraged by CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Members of the Maine Legislature we are committed to facilitating new solutions for safe and reliable transportation for our constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities we represent in Maine.

According to the application submitted by CSXT, the merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system. Single-line CSXT service should offer best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT may also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

We are encouraged by this proposed acquisition and believe Maine should benefit from its adoption. We respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely,



Ryan M. Fecteau
Speaker of the House

Cc: CSX Transportation

sappi

Sappi North America

255 State Street
Boston, MA 02109
UNITED STATES OF AMERICA
Tel +1 617 423 7300

www.sappi.com
Mike Segal
Director, Logistics and Operations Planning
Tel +1 207 854 7470
Mike.Segal@sappi.com

Ms. Cynthia T. Brown
Chief of the Section of Administration,
Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

January 15, 2021

Re: Docket No. FD 36472, CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.

Dear Ms. Brown:

I am Mike Segal, Director of Logistics and Operations Planning with Sappi North America. We have multiple locations in South Portland, Westbrook and Skowhegan, Maine.

Sappi North America is building a thriving, sustainable world through our 2,100 valuable employees in the United States and Canada. We're regionally headquartered in Boston, Massachusetts, and are a subsidiary of Sappi Limited (JSE), a global company headquartered in Johannesburg, South Africa. With three mills and over 2,100 employees, Sappi North America is a preeminent producer of graphic papers, packaging and speciality papers, and pulp. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our manufacturing facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Sappi North America looks forward to the improved competitive landscape and services that are possible following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Sappi North America welcomes the level of infrastructure investment that CSXT has deemed necessary in order to implement its dynamic operating model that has resulted in setting a new standard of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to leveraging the improved visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

sappi

With CSXT's commitment on improving the competitiveness of rail service from New England, Sappi North America will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, higher velocity, equipment availability, better reliability, and improved access to the North American rail network through single-line CSXT rail service.

Sappi North America supports the proposed merger and requests that the Board approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Mike Segal
Director, Logistics and Operations Planning
Sappi North America

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

The Senate of the State of New Hampshire

107 North Main Street, Concord, N.H. 03301-4951

February 24, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I write in support of CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Vice Chair of the New Hampshire Senate Commerce Committee and as a state senator representing a community with an Amtrak Downeaster stop, I am committed to facilitating new solutions for safe and reliable transportation for my constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities I represent in the New Hampshire State Senate.

According to the application submitted by CSXT, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSXT service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

I support this proposed acquisition and believe New Hampshire will benefit from its adoption. I respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Bill Gannon

State Senator Bill Gannon
Senate District 23
Representing Brentwood, Chester, Danville, East Kingston, Epping, Exeter, Fremont, Kingston, and Sandown

Cc: CSX Transportation

130th Legislature

Senate of Maine

March 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Dear Ms. Brown:

We are writing to support the CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Members of the Maine Legislature, we are committed to facilitating new solutions for safe and reliable transportation for our constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities we represent.

According to the application submitted by CSXT, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSXT service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

We support this proposed acquisition and believe Maine will benefit from its adoption. We respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Jeffrey Timberlake
Senate Republican Leader

Matthew Pouliot
Assistant Senate Republican Leader

REDACTED – TO BE PLACED ON PUBLIC FILE

The Senate of the State of New Hampshire

107 North Main Street, Concord, N.H. 03301-4951

February 24, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Chair and Vice Chair of the New Hampshire Senate Transportation Committee we are committed to facilitating new solutions for safe and reliable transportation for our constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities we represent in the New Hampshire State Senate.

According to the application submitted by CSXT, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSXT service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT will also enhance competition through lower costs, better service, and improved access to the rail network in the eastern United States.

We support this proposed acquisition and believe New Hampshire will benefit from its adoption. We respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Regina Birdsell

Senator Regina Birdsell
Senate District 19

David Watters (CML)

Senator David Watters
Senate District 4

Cc: CSX Transportation

REDACTED – TO BE PLACED ON PUBLIC FILE

Troy D. Jackson
President of the Senate

THE MAINE SENATE
129th Legislature

3 State House Station
Augusta, Maine 04333

March 26, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36___, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the CSX Transportation, Inc.'s ("CSXT") application to the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. ("Pan Am") and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company (Springfield Terminal").

As Members of the Maine Legislature we are committed to facilitating new solutions for safe and reliable transportation for our constituents. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of the communities we represent in Maine.

According to the application submitted by CSXT, the merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSXT rail system. Single-line CSXT service should offer best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSXT may also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

We support this proposed acquisition and believe Maine will benefit from its adoption. We respectfully ask the Board to give CSXT's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Regards,

Sen. Troy Jackson
Maine Senate President

Sen. Eloise Vitelli
Senate Majority Leader

Sen. Matthea Daughtry
Assistant Senate Majority Leader

Cc: CSX Transportation

Smaller Manufacturers Association of CT, Inc.
PO Box 2025
Waterbury, CT 06722
www.sma-ct.com



January 19. 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E. Street S.W.
Washington D.C. 20423

Re: Docket No. FD 36472CSX Corporation and CSX Transportation Inc. – Control and Merger – Pan Am Systems Inc., et al

Dear Ms. Brown,

I am Ron Turmel, President of the Smaller Manufacturers Association of CT Inc (SMA), a manufacturing trade association in Connecticut who represents 176 member companies across the state. We are writing in support of the merger of the Springfield Terminal Railroad Company with CSX Transportation (CSXT) which will expand the single line railroad service for many of our manufacturing members.

We are showing support of the merger as it will make for improved service for many manufacturers who rely on the investment of infrastructure to make transportation of their products more efficient and cost effective. The SMA is committed to supporting our members and offer ways for them to explore an improved supply chain thereby giving our member companies a way to grow their business and enhance competitiveness.

The SMA supports the proposed merger and request the Board approves the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Respectfully yours,

Ronald Turmel

Ronald Turmel, President
Smaller Manufacturers Association of CT, Inc.



January 22nd 2021

Ms. Cynthia T. Brown

Chief of the Section of Administration, Office of Proceedings

Surface Transportation Board

395 E Street, S.W.

Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Graeme Egan , CEO with Tighe Logistics located at 481 Wildwood Avenue, Woburn, Ma 01801.

Tighe Logistics are a Massachusetts based 3 PL with 1,000,000 sq ft of warehousing and our own fleet of tractor trailers servicing customers throughout the North East. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Tighe Logistics looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Tighe Logistics welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment

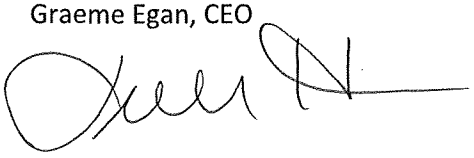
turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Tighe Logistics will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Tighe Logistics supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Graeme Egan, CEO



Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE



SHIPPER ON PAN AM
1/27/2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Doug Pajak, Transportation Manager with TurfCare Supply Corp, located at 50 Pearl Rd Suite 200, Brunswick, OH 44212.

TurfCare Supply Corp manufactures granulated NPK fertilizers. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

TurfCare Supply Corp looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. TurfCare Supply Corp welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

TurfCare Supply Corp will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

TurfCare Supply Corp supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,
Doug Pajak
Transportation Manager
TurfCare Supply Corp

Cc: CSX Transportation, Inc.

Corporate Headquarters
50 Pearl Road, Suite 200 ● Brunswick, OH 44212 ● 330-558-0910



101 S Capitol Blvd, Suite 1000, Boise, ID 83702
P 800.590.5220 F 208.331.7900

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.

Dear Ms. Brown:

I am Kevin Trader, Director of Transportation with US Ecology, located at 101 S. Capitol Blvd, Suite 1000, Boise, ID 83702.

US Ecology is an environmental services company who owns and operates Hazardous Waste Landfills in the United States and Canada. Additionally, we provide rail transportation services to Customers for disposal of their materials within our landfills. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

US Ecology looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. US Ecology welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

US Ecology will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service, and improved access to the North American rail network through single-line CSXT best-in-class rail service.

US Ecology supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

January 20, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Craig Boroughf, Senior Director, Supply Chain with USG Corporation located at 550 West Adams Street, Chicago, IL.

USG is a leading manufacturer of ceiling, floor, gypsum, roofing, sheathing, and wall products. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities and our customers for rail movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

USG looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. USG welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

USG will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better services and improved access to the North American rail network through single-line CSXT best-in-class rail service.

USG supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Craig G. Boroughf
Senior Director, Supply Chain
USG Corporation

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

WASTE MANAGEMENT

WASTE MANAGEMENT
26 Patriot Place
Suite 300
Foxboro, MA 02035

SHIPPER ON PAN AM

March 30, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36___, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Christopher P. DeSantis with Waste Management of MA, Inc. located at 26 Patriot Place Foxborough MA 020235.

Waste Management is an environmental services company providing comprehensive waste collection, disposal and materials processing capabilities. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Waste Management looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Waste Management welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Waste Management will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Waste Management supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Christopher P. DeSantis
Area Vice President
Waste Management of MA, Inc.

Cc: CSX Transportation, Inc.

From everyday collection to environmental protection, Think Green® Think Waste Management.

Printed on 100% post-consumer recycled paper.

REDACTED – TO BE PLACED ON PUBLIC FILE

Waterbury Regional Chamber
driving business to business



January 19, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E. Street, S.W.
Washington, D.C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc. – Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown,

As the President and CEO of the Waterbury Regional Chamber in Waterbury, CT, I am eager to share with you our organization's support for the acquisition of Pan Am Systems and its subsidiaries by CSX Transportation, Inc. ("CSXT"). Our Chamber of Commerce currently serves over 900 business members throughout our 14-town region, many of which are manufacturers that will benefit from this merger.

Members have shared their excitement at the prospect of expanded single-line railroad service at their facilities, following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal Railroad Company ("Springfield Terminal") into CSXT. Our members believe that this merger will result in better, more frequent service; quicker delivery; the ability to ship more product via railcar which will take tractor trailers off of Connecticut's roads; expanded markets for our manufacturing community, and employment opportunities.

Fast, safe, and reliable rail service through this merger will be a welcome improvement for the manufacturers in our region who are the lifeblood of the local business community.

The Waterbury Regional Chamber supports the proposed merger and requests that the Board approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely,

Lynn Ward

Lynn G. Ward
President & CEO

CC: CSX Transportation, Inc.

83 Bank Street, P.O. Box 1469 • Waterbury, CT 06721 • Tel: 203.757.0701 • Fax: 203.756.3507
www.waterburychamber.com

REDACTED – TO BE PLACED ON PUBLIC FILE

WesternMass
ECONOMIC DEVELOPMENT COUNCIL

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the application by CSX Corporation and CSX Transportation, Inc. (collectively "CSX") filed with the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company ("Springfield Terminal").

The Western Massachusetts Economic Development Council is committed to facilitating the growth of business in Western Massachusetts. New solutions for safe and reliable transportation for our members are important to the ability of our members to continue to grow and expand their market reach. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of our communities.

According to the application submitted by CSX, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSX rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSX service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSX will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

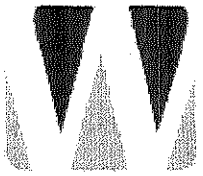
We support this proposed acquisition and believe our members will benefit from its adoption. We respectfully ask the Board to give CSX's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,



Rick Sullivan, President & CEO

Cc: CSX Transportation, Inc.



1/13/2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Chuck Thompson, Logistics Manager with Woodland Pulp and St. Croix Tissue, located at 144 Main Street in Baileyville, Maine.

Woodland Pulp is a Pulp Mill and St. Croix Tissue produces parent tissue rolls. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Woodland Pulp and St. Croix Tissue looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

We will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We are especially excited that we will be more able to track our cars as they move to customers and provide our customers better visibility into their supply china. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Woodland Pulp and St. Croix Tissue supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Chuck Thompson
MBA / GM
Logistics Manager
Woodland Pulp / St. Croix Tissue

Cc: CSX Transportation, Inc.

REDACTED – TO BE PLACED ON PUBLIC FILE

WORCESTER REGIONAL
CHAMBER OF COMMERCE
RECRUIT | RETAIN | INCUBATE

January 20, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

We are writing to support the application by CSX Corporation and CSX Transportation, Inc. (collectively "CSX") filed with the Surface Transportation Board (the "Board") for authority to acquire Pan Am Systems, Inc. and its railroad subsidiaries, including its operating subsidiary, the Springfield Terminal Railroad Company ("Springfield Terminal").

The Worcester Regional Chamber of Commerce is committed to facilitating the growth of business in Central Massachusetts. New solutions for safe and reliable transportation for our members are important to the ability of our members to continue to grow and expand their market reach. Freight railroads play a vital role in connecting U.S. businesses, large and small, to markets around the world. They are the lifeblood for many of our communities.

According to the application submitted by CSX, its proposed acquisition will enhance the competitiveness of the Springfield Terminal. The merger offers the opportunity for single-line service to and from locations on 20,000 miles of the CSX rail system and over 1,200 miles operated by Springfield Terminal. Single-line CSX service offers best-in-class service with new standards of service performance with higher velocity, faster equipment turns, and greater consistency. CSX will also enhance competition through lower costs, better service and improved access to the rail network in the eastern United States.

We support this proposed acquisition and believe our members will benefit from its adoption. We respectfully ask the Board to give CSX's request its full and fair consideration, consistent with applicable statutes and regulations. Thank you for your time and consideration.

Sincerely yours,

Timothy P. Murray

Cc: CSX Transportation, Inc.

311 Main Street | Suite 200 | Worcester, MA 01608
www.WorcesterChamber.org | P 508.753.2924 | E info@worcesterchamber.org



January 19, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472*CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Scott Mellen, President of wTe Recycling, Inc., located at 75 Southern Ave., in Greenfield, MA.

wTe Recycling, Inc. is a major regional metals recycling business. We operate a large auto shredder and extensive metals processing equipment on our 16 acre property located adjacent to the East Deerfield switching yard. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

wTe Recycling, Inc. will support this transaction to the extent that we can be assured of improved service, competitive pricing on all CSX and NS destinations, and access to a broad range of customers. One particular concern we have surrounds access to and pricing for certain steel mill markets located on the NS railroad. We want to be assured that pricing and access will be maintained or improve for these markets. wTe Recycling, Inc. looks forward to the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

wTe Recycling, Inc. will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Subject to the caveats raised in this letter, wTe Recycling, Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Cc: CSX Transportation, Inc.