



SIDLEY AUSTIN LLP
1501 K STREET, N.W.
WASHINGTON, D.C. 20005
(202) 736 8000
(202) 736 8711 FAX

mjwarren@sidley.com
(202) 736-8996

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August 23, 2018

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

ENTERED
Office of Proceedings
August 23, 2018
Part of
Public Record

Re: *CSX Transportation, Inc.—Acquisition of Operating Easement—Grand Trunk
Western Railroad Company*
STB Docket No. FD 35522

Dear Ms. Brown:

Enclosed for filing in the above-referenced matter is Defendant CSX Transportation, Inc.'s ("CSXT's") Response to the Board's July 27, 2018 order in the above-referenced proceeding. The filing includes:

- An original and ten copies of two versions (Highly Confidential and Public) of the Response, which includes two verified statements and exhibits
- Two sets of three discs, which contain the two versions (Highly Confidential and Public) of the Response in searchable pdf format

Please date-stamp the extra copies and return them to our messenger. Thank you for your assistance in this matter. If you have any questions, please contact the undersigned.

Sincerely,

Matthew J. Warren

Enclosures



PUBLIC VERSION

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 35522

CSX TRANSPORTATION, INC.—ACQUISITION OF OPERATING
EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY

RESPONSE TO JULY 27, 2018 DECISION

Peter J. Shudtz
Steven C. Armbrust
John P. Patelli
CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, FL 32202

Raymond A. Atkins
Matthew J. Warren
Marc A. Korman
Morgan Lindsay
SIDLEY AUSTIN LLP
1501 K Street, NW
Washington, DC 20005
(202) 736-8000

Louis E. Gitomer
LAW OFFICES OF LOUIS E. GITOMER, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(202) 466-6532

Attorneys for CSX Transportation, Inc.

Dated: August 23, 2018

Filing Contains Color Images



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I. Introduction

Chicago is the keystone of the United States rail system, the central nucleus on which the efficiency of the whole network depends. One out of every three rail shipments in the United States moves through Chicago,¹ and history has shown that problems in Chicago reverberate throughout the rail network. The winter of 2013–2014 is an apt example. It is thus appropriate for the Board to be concerned about the network fluidity of the Chicago Terminal.

CSXT understands the motivations of the Board’s July 27, 2018 Decision (“July 2018 Decision”)² inquiring about operations on the Elsdon Line³ and the Board’s desire to maximize fluidity on this part of the Chicago Terminal. There is no dispute that CSXT experienced unexpected problems in Chicago after it acquired the Line in 2013, including an unacceptable number of false gate activations and stopped trains. Both the Board and CSXT took action to address these issues. The Board imposed detailed reporting requirements and closely monitored conditions on the Line. And CSXT made significant investments and took a series of operational

¹ See Report of the Amtrak Chicago Gateway Blue Ribbon Panel, at 14 (Oct. 2015), <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Chicago-Gateway-Amtrak-Blue-Ribbon-Panel-Final-Report.pdf> (“Blue Ribbon Panel Report”).

² *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 2 (STB served July 27, 2018).

³ “Elsdon Line” and “Line” are used in the same sense as in prior Board decisions in this docket. They describe the 22.37-mile line that runs between Elsdon, IL (milepost 8.7) and Munster, IN (milepost 31.07) over which CSXT acquired a railroad operating easement as authorized by *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 3 (STB served Feb. 8, 2013) (“*Acquisition Decision*”).

actions to improve the fluidity of the Line and to respond to the concerns of communities affected by the Line. Those efforts have had noticeable success—in June 2018, over 93% of trains on the Elsdon Line traversed grade crossings without stopping, and just 1.5% of trains were forced to stop.⁴ Indeed, that 93% figure understates CSXT's performance, since it includes blockages over 10 minutes by foreign trains, blockages attributable to foreign train causes, and blockages by moving trains. Removing those from the total shows that just 36 crossings were blocked by a stopped CSXT train for CSXT-related causes during the entire month of June 2018.⁵ This is just 0.4% of the total number of crossings, giving CSXT an adjusted success rate of 99.6%.

Table 1: Overall CSXT Success Rate In Traversing Elsdon Line Grade Crossings (June 2018)

	Total	Adjusted Success Rate
Total Crossing Signal Activations	9,434	
Crossings Blocked More Than 10 Minutes	632	93.3%
<i>Minus Foreign Trains</i>	194	
Crossings Blocked More Than 10 Minutes (CSXT Trains Only)	438	95.4%
<i>Minus Foreign Railroad Causes</i>	195	
Crossings Blocked More Than 10 Minutes (CSXT Trains, CSXT Causes Only)	243	97.4%
<i>Minus Moving Trains</i>	207	
Crossings Blocked More Than 10 Minutes (CSXT Trains, CSXT Causes, Stopped Trains Only)	36	99.6%

⁴ See Verified Statement of Kaustuv Chakrabarti ("Chakrabarti V.S.") at 10.

⁵ See *id.* at 18.

These statistics confirm the Board’s earlier observation that CSXT’s “efforts to better mitigate the operational impacts of the Elsdon Line . . . are having a positive impact.”⁶ However, no amount of efforts or investment can change the fact that the Elsdon Line is part of the Chicago Terminal, where perfectly fluid operations are simply not achievable. Speed restrictions (including the need for trains to slow down when entering or leaving the Line) and the complex track geography of the Line (such as the at-grade crossing with Union Pacific’s Villa Grove mainline at Thornton Junction) mean that it is inevitable that some trains will take more than 10 minutes to clear some grade crossings.

These operational realities are not unusually problematic—they are typical of Chicago rail operations. CSXT’s operations on the Elsdon Line are on par with normal operations throughout the Chicago Terminal and are as fluid as can be reasonably expected in this challenging environment. As the Board recognized in 2017, there is a “limit” to how much the fluidity of the Line can be improved,⁷ and ample evidence shows that CSXT is taking all the actions that it reasonably can take to improve Elsdon Line fluidity. As detailed in the attached verified statement of Kaustuv Chakrabarti, Chicago Integrated Rail Operations Center (“CIROC”)

⁶ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522 (STB served July 27, 2017); *see also CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522 (STB served Apr. 27, 2017).

⁷ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522 (STB served Apr. 27, 2016).

records show that the Elsdon Line accounts for less than {{ }} of total held trains in the Chicago Terminal. *See infra* at 34; Chakrabarti V.S. at 6. This ranks the Elsdon Line {{ }} among the lines and subdivisions monitored by CIROC. Chakrabarti V.S. at 6. And a special study of train speeds for CSXT trains moving through the Chicago Terminal shows that average speed for trains on the Elsdon Line has been similar to those on other lines in the Chicago Terminal. *See id.* at 8.

CSXT's monthly reports do not support a different conclusion. The chart that the July 2018 Decision cites as evidence of an apparent deterioration in CSXT's performance over the Line is predicated on a misreading of the reporting data. As CSXT previously explained to the Board and its staff, in early 2017, CSXT made a change in its reporting methodology so that it better captured the number of crossings occupied by trains for over 10 minutes—particularly moving train occupancies on unmonitored crossings.⁸ Much of the apparent increase in blocked crossings cited by the July 2018 Decision is thus a function of more precise reporting, not decreased fluidity. In the same vein, the July 2018 Decision counts grade crossing occupancies of over 10 minutes against CSXT even when they were caused by non-CSXT trains or by non-CSXT actions. And it counts moving trains the same as stopped trains, even though both the communities' concerns and the current conditions on the transaction make sharp distinctions between the two. An analysis of all the data that CSXT has provided the Board about crossing

⁸ *See CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *CSXT Report on Operational Fluidity*, at 31 & n.28 (STB filed May 30, 2017) (“*Report on Operational Fluidity*”).

occupancies over 10 minutes shows both that there has been no material increase in such occupancies and that the total number of such occupancies remains relatively low in light of the operational realities on the Line.

In short, there is no basis for the Board to conclude that the Elsdon Line needs material improvement. CSXT has undertaken extensive efforts to improve performance on this Line, both through substantial investments and through a variety of operational changes. It has remained highly responsive to the communities affected by the Elsdon Line. And a complete consideration of the data in CSXT's monthly reports shows both that CSXT's performance on the Line has not deteriorated and that the vast majority of crossing occupancies over 10 minutes have causes that were outside CSXT's control.

Moreover, at this point the only operational change CSXT could make to substantially and permanently reduce the number of crossing occupancies over 10 minutes on the Elsdon Line would be to move trains off the Line and onto other more congested and more operationally challenging routes. Such an action would be directly contrary to the overall interests of the Chicago Terminal and the rail network as a whole, and to what the Board recognized was the public interest in allowing CSXT to acquire the easement and to move trains off of those routes and onto the Elsdon Line in the first place.

Section II summarizes some of the key facts from the history of this proceeding, including the recognized differences between different segments of the Elsdon Line, the challenges of Elsdon Line operations, and CSXT's comprehensive

efforts to address the concerns of the communities on the North Portion of the Line. Section III responds to the Board's request for CSXT's plans to ensure future operational fluidity on the Line. In it, CSXT details both the steps that it has already taken to improve operations on the Line and its future plans for capital investments and operational refinements. Section IV responds to the Board's indication that it is considering "whether additional action is required" in this proceeding. Respectfully, the answer to that question is no. The table in the July 2018 Decision purporting to show an increased and unacceptably high level of crossing blockages did not recognize reporting improvements that CSXT previously explained in its May 2017 filing. And a complete analysis of data in CSXT's monthly reports—one that considers the reported causes of grade crossing occupancies over 10 minutes on the Line—demonstrates that blockages are caused by the realities of operating in Chicago and not by any lack of a commitment by CSXT to operate as fluidly as possible.

CSXT is also submitting two verified statements. The first is from John Parker, CSXT's Chief Dispatcher in the Chicago region, who discusses the operational challenges that CSXT faces on the Elsdon Line and CSXT's plan for ensuring the fluidity of the Line. The second is from Kaustuv Chakrabarti of FTI Consulting, who presents his analysis of the data in CSXT's monthly reports and of other data showing how the Elsdon Line compares to other lines in the Chicago Terminal.

II. CSXT's Successful Efforts to Improve Operations on the Elsdon Line

While the Board is familiar with the history of this proceeding, a review of certain key facts will better illustrate the operational challenges on the Line and the many successful efforts CSXT has undertaken since its acquisition.⁹

A. The Elsdon Line Faces the Inherent Operational Challenges of All Lines in the Chicago Terminal.

Chicago remains both the most congested gateway in the country and the most critical to the overall rail network.¹⁰ The Chicago Terminal hosts six Class I carriers and two major terminal railroads moving freight traffic. One-third of all rail freight traffic in the United States and approximately 60% of all rail intermodal traffic moves through Chicago.¹¹ That amounts to approximately 500 freight trains per day.¹²

Chicago's rail network is further complicated by the substantial amount of passenger rail operations in the area. Both Amtrak and Chicago's "Metra" commuter rail service provide daily passenger service, amounting to 760 daily

⁹ Some of these facts were set forth in CSXT's May 30, 2017 Report on Operational Fluidity. CSXT includes them here for the Board's convenience.

¹⁰ See Blue Ribbon Panel Report at 8; *Doing the locomotion*, The Economist (Feb. 13, 2016), <https://www.economist.com/business/2016/02/11/doing-the-locomotion> (noting that Chicago still has "pressing congestion problems" and is "a bottleneck through which much of America's freight is rammed"); *Chicago's rail hub is a train wreck. Here's the fix*, Chicago Tribune (May 16, 2017), <http://www.chicagotribune.com/news/opinion/editorials/ct-rail-freight-chicago-trump-edit-jm-20170516-story.html> ("America's leading nerve center for rail movement is also its leading train traffic choke point.").

¹¹ See Blue Ribbon Panel Report at 14.

¹² See *About CREATE*, CREATE, <http://www.createprogram.org/about.htm>.

passenger trains through Chicago.¹³ As Chicago is a critical hub for freight, so it is for passenger service. Chicago has been identified as “the most important hub in Amtrak’s national network.”¹⁴ Metra has the third largest average weekday and annual ridership of any commuter railroad in North America, behind only two New York systems.¹⁵ Despite having less ridership than those two systems, Metra provides service over more track miles.¹⁶

The Elsdon Line functions as a part of this complex network. The Elsdon Line has been used for rail operations for well over a century, and the communities that surround it were built around what has always been an active rail line.¹⁷ Like many Chicago rail lines, the Elsdon Line connects with and intersects multiple other freight rail lines, including those of the Belt Railway Company at Hayford Junction; Norfolk Southern at Ashburn Junction; the Indiana Harbor Belt at Blue

¹³ *Id.*

¹⁴ Blue Ribbon Panel Report at 16.

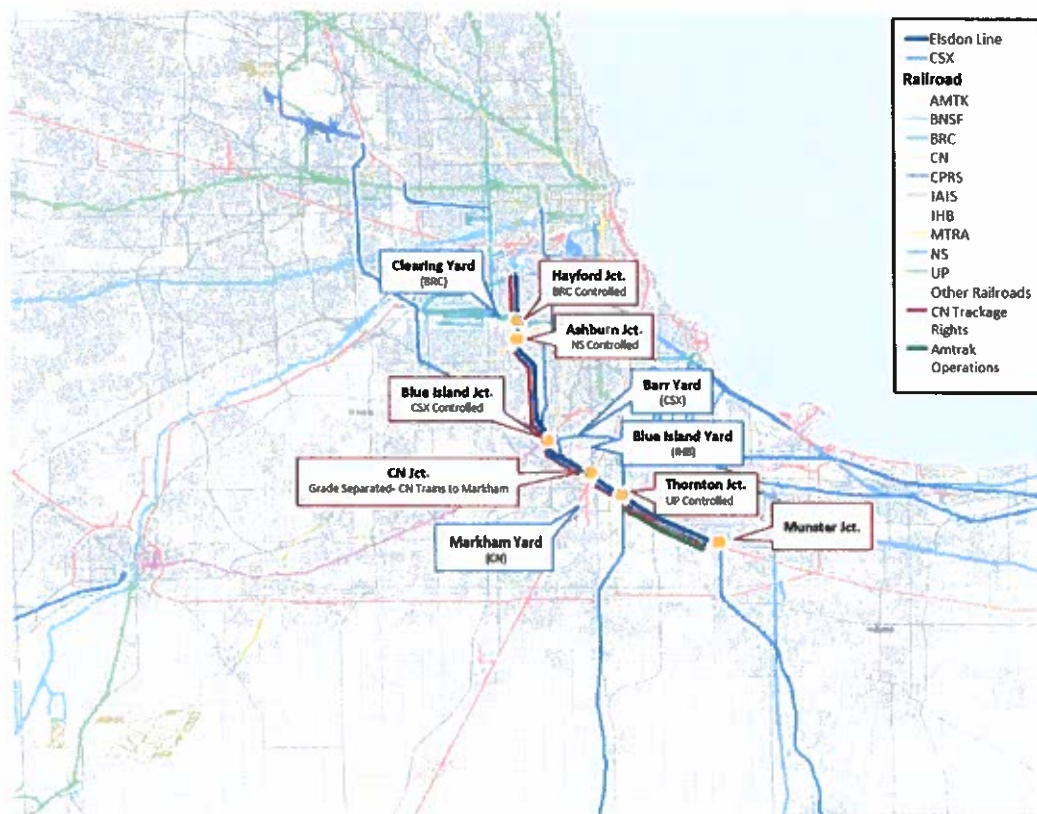
¹⁵ See American Public Transportation Association, Public Transportation Ridership Report, Fourth Quarter 2017, at 5 (Mar. 13, 2018), *available at* <https://www.apta.com/resources/statistics/Documents/Ridership/2017-Q4-Ridership-APTA.pdf>.

¹⁶ Metra has 500 route miles and 1,200 miles of track. 2017 Metra Fact Book, at 4, https://www.metrarail.com/sites/default/files/assets/desktop/brochure_9_25x8_metra_fact_book_2017_final_lo_res_3.pdf. The Long Island Rail Road has only 700 miles of track. See *General Information*, Long Island Rail Road, <http://web.mta.info/lirr/about/GeneralInformation/>. The Metro-North Railroad has 775 miles of track. See *General Information*, MTA Metro-North Railroad, <http://web.mta.info/mnr/html/generalinformation.html>.

¹⁷ See, e.g., *Valuation Docket No. 445 et al., Grand Trunk Ry. Co. of Canada et al.* 143 I.C.C. 1, 11 (1928) (acknowledging existence of a Grand Trunk rail line between Thornton Junction and Chicago as early as 1881).

Island Junction; Canadian National at CN Junction; and Union Pacific at Thornton Junction. Multiple rail yards in the area make operations even more complex; the rail yards near the Elsdon Line include BRC's Clearing Yard, CN's Markham Yard, IHB's Blue Island Yard, UP's Yard Center, and CSXT's own Barr Yard. Operations on the Line are also impacted by passenger and commuter railroads. Amtrak operates over the southern end of the Line between Munster and Thornton Junction, and the Line is crossed by Metra at Ashburn. See Exhibit 1.

Figure 1 (Reproduction of Exhibit 1)
Map of Relevant Rail Lines Including Interchanges, Junctions, and Yards



Canadian National Railway Company through its U.S. subsidiary Grand Trunk Railway Company ("CN") was the owner of and primary operator over the

Elsdon Line for many years. As of 2008, CN was transporting approximately 22.1 trains per day over portions of the Elsdon Line.¹⁸ After CN acquired the Elgin, Joliet and Eastern Railway (“EJ&E”), it rerouted many trains to the EJ&E, and volumes on the densest portions of the Elsdon Line dropped to just 9.7 trains per day.¹⁹

B. CSXT’s Application To Acquire An Operating Easement on the Elsdon Line Was Intended to Improve Overall Network Fluidity By Making Full Use of the Elsdon Line.

On August 13, 2012, CSXT filed a minor application seeking the Board’s approval to acquire an exclusive perpetual operating easement from CN for the Elsdon Line.²⁰ CSXT granted CN’s U.S. operating subsidiaries trackage rights to continue operations over the Line.²¹ CSXT explained in its Application that the acquisition would improve overall operating fluidity in Chicago by rerouting CSXT trains from other highly congested Chicago lines onto the then-underutilized Elsdon Line. CSXT predicted that this shift would reduce the need for CSXT to operate over rail lines controlled and dispatched by foreign railroads and would lead to improved fluidity in the Chicago Terminal as a whole.²² The shift would also reduce

¹⁸ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *CSXT Application*, at 15 (STB filed Aug. 13, 2012).

¹⁹ See *id.*

²⁰ *Id.*

²¹ See *id.* at 2.

²² *Id.* at 18 (“As a result of CSXT acquiring the easement over the Elsdon Line . . . CSXT will be able to take advantage of an underutilized freight line that affords CSXT unique operating benefits to more efficiently provide transportation service to its customers”).

conflicts with passenger trains that operate north of Thornton Junction.²³ The Chicagoland Chamber of Commerce submitted comments agreeing that the transaction “will be of great benefit to the region” because it “will save as much as 1 hour per train by rerouting traffic over this line or 20 hours per day.”²⁴

No commenter doubted the overall benefits of the transaction for the efficiency of rail movements in Chicago, but several commenters expressed concern about the potential impact of the transaction on grade crossing delays. The Elsdon Line has an unusually high number of road crossings: 43 at-grade crossings and 16 grade separated crossings over just 22.37 miles. Those grade-separated crossings are not evenly distributed over the Line, however. Instead, grade-separated crossings are generally concentrated in the northern and southern parts of the Line, leaving an 8-mile stretch of the Line between 67th Street and Vermont Street with no grade-separated crossings.²⁵

²³ See *id.* at 16–17.

²⁴ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Comment of Chicagoland Chamber of Commerce*, (STB filed Oct. 9, 2012).

²⁵ Figures 3.1-1 through 3.1-4 from the Draft Environmental Assessment are a four-panel map showing grade-separated and at-grade road crossings on the Line. Specifically, Figures 3.1-2 and 3.1-3 show six grade-separated crossings between Calumet Expressway and Vermont Street; after Vermont Street, Figures 3.1-3 and 3.1-4 show an approximately eight-mile stretch before the next separated grade crossing at 67th Street. These figures are reproduced as Exhibit 3.

**Figure 2 (Reproduction of Exhibit 2)
Map of Elsdon Line Grade Crossings²⁶**



Every comment in the proceeding relating to impacts on grade crossings related to the eight-mile northern portion of the Line. This eight-mile section, which lacks separated grade crossings, includes the Village of Evergreen Park and the Nineteenth Ward. The most prominent focus of the comments was 95th Street

²⁶ This map shows at-grade and separated crossings on the portion of the Elsdon Line over which CSXT operates, and does not show grade crossings that are north of Hayford Junction (the northernmost point at which CSXT trains operate on the Line). Page 3-9 of Exhibit 3 shows Hayford Junction and the Elsdon Line grade crossings north of Hayford Junction (most of which are grade separated).

in Evergreen Park. Evergreen Park requested several conditions designed to limit grade crossing delays, including a grade separation at 95th Street and a limit on the number of trains CSXT would be permitted to operate over the Line on a daily basis.²⁷ Other crossings mentioned in comments (such as the five 911 protocol crossings on the Elsdon Line) were all located in Evergreen Park or the Nineteenth Ward.²⁸

In contrast, no commenter expressed concern about grade crossing delays on the subsequent 8-mile southern segment between Vermont Street and the Calumet Expressway, even though this section contains the highest train density and most complex rail operations on the Line.²⁹ This is the section containing six grade-separated crossings, and thus crossing occupancies have little impact on the communities.³⁰ While the communities on this section of the Line all participated

²⁷ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Final Environmental Assessment*, at 19 (STB served Jan. 9, 2013) (“*Final EA*”) (rejecting the Village of Evergreen Park’s comments and requests regarding an under pass at 95th Street and prohibition on train movements during rush hour).

²⁸ The City of Chicago has designated certain grade crossings as 911 crossings and has executed a Memorandum of Understanding with CSXT and other railroads under which railroads agree to notify city emergency services when a train will block a 911 crossing for 10 minutes or more. See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Draft Environmental Assessment*, at 3-48 & 3-49 (STB served Oct. 5, 2012) (“*Draft EA*”). The five 911 crossings on the Elsdon Line are 87th Street, 95th Street, 103rd Street, 111th Street, and 115th Street. See *id.*

²⁹ See Exhibit 4 (rail map of Line); Exhibit 5 (density map of Line).

³⁰ See Exhibit 3 (Figures 3.1-2 and 3.1-3 from the Draft Environmental Assessment indicating separated grade crossings at Calumet Expressway, the Tri-State Tollway, Indiana Avenue, 139th Street, Interstate 57, and Vermont Street.).

in the acquisition proceeding, none of their comments expressed any concern about potential grade crossing delays on the Line.³¹

When the Board approved CSXT's purchase of a perpetual rail operating easement on the Elsdon Line, it agreed that "CSXT's acquisition of the easement and operations over the Elsdon Line would likely create many public and private benefits"; would permit "more efficient CSXT operations in the Chicago area"; and would "advance the goals of CREATE" by redirecting traffic from more congested corridors in the Chicago area. *Acquisition Decision* at 5–6. The Board found that the transaction was in the public interest, because it would allow CSXT to "divert its shipper traffic from the lines of these other railroads and more fully use the Elsdon route." *Id.*³²

The Board imposed certain conditions and mitigation measures to reduce any potential adverse impacts to the communities through which the Line runs. *See Acquisition Decision* at 19–24. Over the ensuing years, CSXT documented its compliance with these conditions in quarterly reports to the Board.

³¹ *See, e.g., Final EA* at 33 (Letter from the City of Blue Island, dated Oct. 16, 2012, expressing concern about "noise pollution," not blocked crossings); *Draft EA*, Appendix A, Attachment 2 (Letter of South Suburban Mayors Association, dated June 14, 2012, discussing quiet zones, economic development opportunities, and commuter rail impacts—not crossing blockages. This association includes all communities on the southern portion of the Line, including Blue Island, Robbins, Dixmoor, Riverdale, Posen, Harvey, Phoenix, and South Holland).

³² *See also Draft EA* at 1–6 (observing that the transaction would help to alleviate "CSXT network inefficiencies . . . [that] increase operating costs, reduce productivity, increase environmental impacts, and degrade the level of service CSXT can provide to its customers").

C. CSXT Took Immediate Action to Remedy Challenges That Arose in 2016.

After the transaction was completed, CSXT faced challenges with the Line. The track and signals on the Line were not in the condition required for consistent and reliable operations, and the complexities of dispatching a new Line in the heart of Chicago caused delays that CSXT did not anticipate. These challenges led to false gate activations and train delays that were unacceptable to CSXT and that justifiably prompted concerns from both the communities and the Board. CSXT immediately began to make investments and operational improvements to the Line to reduce the impact of rail operations on the communities through which the Line runs.

On February 12, 2016, the City of Chicago and the Village of Evergreen Park (“Petitioners”) jointly petitioned the Board to reopen the acquisition proceeding alleging that CSXT operations and equipment malfunctions were causing blocked crossings that were negatively impacting the communities.³³ The Petitioners cited a list of incidents with grade crossings on the Line—the vast majority of which were due to malfunctioning signals equipment that CSXT had inherited. By the Petitioners’ own count, “[e]quipment malfunctions ma[d]e up 86 percent of the total number of incidents.”³⁴ The Board responded by ordering CSXT to file monthly

³³ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Petition of the City of Chicago and Village of Evergreen Park to Reopen and to Impose Sanctions* (STB filed Feb. 12, 2016) (“*Petition to Reopen*”).

³⁴ *Id.* at 14. As set forth below at page 21, false activations on the Line have been substantially reduced. There were only 16 false activations reported on the Line’s

reports documenting blocked crossings in excess of 10 minutes and the number of monthly gate malfunctions.³⁵

Over the ensuing months CSXT dedicated itself to responding to the concerns expressed by the Board and the community. CSXT made substantial capital investments to improve signals and infrastructure on the Line. It worked with other railroads to improve communication and protocols, and it adjusted its own operations to enhance fluidity and responsiveness. It refocused on ensuring that lines of communication with the community were open and that CSXT was promptly addressing the community's questions and concerns. And CSXT complied with the Board's reporting requirements, including the additional details requested by the Board in October 2016; participated in a technical conference with the Board and the communities on October 21, 2016; and provided information to Board staff on a number of conference calls.

The Board recognized CSXT's progress on April 27, 2017, when it acknowledged that CSXT had made "a concerted effort to minimize the impact on surrounding communities," including investing in "three major infrastructure improvements to the Elsdon Line that should improve fluidity," "implement[ing] routing protocols with other carriers operating on the Line," and naming a new

43 grade crossings during the entire month of June 2018, and only half of those were because of malfunctioning equipment. (The remainder were inaccurate reports or caused by weather or vandalism.)

³⁵ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522 (STB served June 22, 2016).

Community Liaison “to conduct and improve its community outreach efforts.”³⁶ But at the same time, the Board recognized that false activations and crossing occupancies of over 10 minutes continued to occur,³⁷ and observed that further improvements to the Line “may have reached their limit.”³⁸

CSXT responded with a Report on Operational Fluidity, in which it explained that it had substantially improved train-related grade crossing delays and false gate activations.³⁹ Specifically, out of the 11,000 times in a month that trains passed over grade crossings, 97.2% of those trains cleared the grade crossing in less than 10 minutes.⁴⁰ And even when a train occupied a grade crossing for more than 10 minutes, 64% of those trains cleared the grade crossing in less than 15 minutes. CSXT explained that its operations on the Line were “as fluid as can be reasonably expected for normal train operations on a line in a dynamic, complex terminal.”⁴¹

CSXT acknowledged that, while it was in substantial compliance with its commitments made to the Board and public in its Application, some of its expectations about operational fluidity on the Elsdon Line proved unattainable. CSXT therefore asked the Board to modify one of the conditions to the transaction to “better reflect the intent and spirit of that condition,” and asked the Board to

³⁶ *April 27, 2017 Order* at 2–3.

³⁷ *Id.* at 3.

³⁸ *Id.*

³⁹ *Report on Operational Fluidity*, at 2.

⁴⁰ *Id.*

⁴¹ *Id.*

permit CSXT to withdraw certain representations it made concerning expected train speed, which were not achievable in light of the “operational complexities and speed limits for trains getting onto and off the Line.”⁴² No party opposed CSXT’s modification requests.

On July 26, 2017, the Board issued a Decision that granted CSXT’s unopposed requests.⁴³ In that Decision, the Board acknowledged that “no replies to CSXT’s petition were filed, suggesting that CSXT’s efforts to better mitigate the operational impacts of the Elsdon Line, as well as its improved outreach to the Chicago Communities, are having a positive impact.”⁴⁴ Nevertheless, the Board required CSXT to continue submitting monthly reports and participate in monthly calls with the Board staff for an additional six months.⁴⁵ In December 2017, a subsequent decision requested additional information from CSXT and extended monthly reporting for another six months.⁴⁶

Most recently, in the July 2018 Decision, the Board acknowledged that CSXT’s reports showed it had “made improvements to reduce the number of false activations on the Line,” but concluded that “issues remain regarding the number and duration of blocked crossings” because, “while blockages have decreased from

⁴² *Id.*

⁴³ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 3–4 (STB served July 27, 2017).

⁴⁴ *Id.* at 3.

⁴⁵ *Id.* at 4.

⁴⁶ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 3–4 (STB served Dec. 14, 2017).

their peak late last year, they remain above the levels when reporting began in July 2016.”⁴⁷ The Board ordered CSXT to file this response to “establish and provide to the Board a plan detailing additional actions that CSXT will take to improve fluidity of operations and reduce the number and duration of blocked crossings on the Line.”⁴⁸

III. CSXT’s Continuing Plan for Improving Performance on the Elsdon Line.

A. CSXT’s Successful Work to Address Issues on the Elsdon Line.

CSXT has honored the commitments it made and conditions it agreed to when acquiring the Elsdon Line. But beyond meeting its legal obligations, CSXT has worked to improve operations on the Elsdon Line and to address the community’s and Board’s concerns about CSXT’s operations. In order to do this, CSXT has invested significantly in capital projects on the Elsdon Line, made operational changes to maximize the Line’s fluidity, and engaged with the community about its concerns and CSXT’s efforts to address them. The Verified Statement of John Parker (“Parker V.S.”) details CSXT’s progress in this area.

1. CSXT Has Invested Over \$31 Million On Multiple Projects To Improve Operations on the Elsdon Line.

CSXT has made major contributions to capital improvement projects in the Chicago Terminal to improve overall fluidity. Over the past five years, CSXT has invested over \$31 million in Elsdon Line improvements, and millions more in other

⁴⁷ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 2 (STB served July 27, 2018).

⁴⁸ *Id.* at 2.

projects in the Chicago area that benefit the Elsdon Line. Exhibit 6 details CSXT's investments on the Line. CSXT's capital investments on the Elsdon Line fall into several broad categories, including signals and gate repairs; grade crossing rehabilitations; and PTC investments. In addition, CSXT has made other investments on surrounding lines in the area that in part will benefit the Elsdon Line. These investments include the Hayford Junction Connection and several CREATE projects.

Signal and Gate Repairs. The signals and gates on the Elsdon Line were in a state of disrepair that CSXT “inherited unexpectedly” when it acquired the Line.⁴⁹ The faulty signal equipment activated gates when no train was at the crossing, creating unnecessary delays for drivers. CSXT's primary approach was to replace aged equipment with modern and improved crossings and signals. For example, CSXT invested \$650,000 in 2015 to correct the false activation of signals.⁵⁰ At multiple crossings—with a particular focus on Evergreen Park and Nineteenth Ward neighborhoods—CSXT installed double bonded electrical circuits to ensure a secondary means of protecting the continuity in the rail and electrical circuitry to limit false activations. If one bond fails, a secondary bonded circuit is in place to prevent a false activation. Moreover, CSXT has installed continuous welded rail on

⁴⁹ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 1 (STB served June 22, 2016).

⁵⁰ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Reply of CSXT To Petition Of The City of Chicago And Village of Evergreen Park to Reopen and Impose Sanctions*, at 10, Ex. 4 (STB filed Mar. 10, 2016).

portions of the Elsdon Line. The use of continuous welded rail will reduce signal failures by eliminating the need for wire bonds between jointed track.

In addition to these capital investments, CSXT assigned an additional signal maintainer to the Elsdon Line to improve its responsiveness to false activations.

These efforts have significantly reduced the volume of false activations. In CSXT's most recent status report, there were only 16 false activations, and only half were because of malfunctions.⁵¹

Grade Crossing Rehabilitation and Repairs. CSXT has also rebuilt multiple grade crossings at major intersections on the Elsdon Line, including every at-grade crossing in Evergreen Park and the Nineteenth Ward neighborhoods. The at-grade crossings at 103rd Street, 87th Street, 94th Street/Kedzie Avenue, 99th Street, 119th Street, 95th Street, and 51st Street have been rehabilitated. The road crossings at 127th Street, 119th Street, 115th Street, 111th Street, 103rd Street, 99th Street, 95th Street, 94th Street/Kedzie Avenue, 91st Street, and 87th Street have all been rebuilt.

Hayford Junction Connection. Another significant capital investment that benefits the Elsdon Line has been the multimillion dollar project to build the Hayford Junction Connection, a project designed in part to improve fluidity at the north end of the Elsdon Line. The Hayford Junction Connection permits CSXT's

⁵¹ The remaining false activations were inaccurate reports or weather or vandalism related. See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Monthly Report No. 24*, Ex. 1-A (STB filed July 16, 2018).

trains to operate to and from the Bedford Park Intermodal Facility by traveling from the Elsdon Line towards Bedford Park without traversing BRC lines used to access Clearing Yard. Avoiding those tracks removed a significant point of congestion on the Elsdon Line.

Positive Train Control. CSXT also has made substantial investments in Positive Train Control (“PTC”) on the Elsdon Line. PTC installation on the Elsdon Line began in 2017 and completion of installation and testing—and the commencement of PTC operations on the Line—will occur in 2020.⁵² As CSXT installs PTC, it will continue to fully replace the signals on the Elsdon Line with modern state of the art equipment. For example, CSXT has already completed installation on the Elsdon Line between Vermont Street and Thornton Junction.⁵³ PTC will improve overall signal reliability along the Line. Improved signals will reduce the number of false activations at crossings and false signals that reduce the fluidity of train movements along the Line.

CREATE Projects. As part of the CREATE Initiative, CSXT has been the lead railroad on several capital projects that have a positive effect on Elsdon operations. As the lead railroad, CSXT was responsible for the design, construction, and overall management of the project, in addition to contributing a substantial portion of the funds for the project. For example, CSXT was lead railroad on the

⁵² *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Monthly Report No. 24*, at 8 (STB filed July 16, 2018).

⁵³ *Id.* at 4.

B12 project, which constructed a third main line along the IHB between 123rd Street and the Cal Sag Channel. The purpose of the project was to eliminate congestion that occasionally was caused by freight trains waiting to enter CSXT's Barr Yard and IHB's Blue Island Yard. The third main line of track provides additional capacity that allows trains moving through the area to bypass trains awaiting yard access, thus eliminating backups that could affect service on the Elsdon Line.⁵⁴ CSXT contributed \$3.5 million to the overall \$15.9 million construction cost of this project.

CSXT was also the lead railroad on CREATE project WA10, which installed crossovers between the Blue Island and Elsdon Lines, as well as new signals at Blue Island Junction. The improvement now allows trains to switch between the tracks in both directions and reduces transfer time for trains moving between Barr and Clearing Yards.⁵⁵ CSXT contributed \$2.7 million to the project, out of a total cost of \$8.7 million.

Another CREATE project for which CSXT was the lead railroad was B16, a project that built a new interlocker connection in the southwest quadrant of Thornton Junction, providing another connection between the Elsdon Line and UP's Villa Grove Subdivision. B16 allows a direct move of (1) CSXT trains traveling north on the Villa Grove Subdivision to essentially make a direct left turn to go west on the Elsdon Line and (2) CSXT trains moving east on the Elsdon Line to

⁵⁴ See B12, CREATE, *available at* <http://createprogram.org/factsheets/B12.pdf>.

⁵⁵ See WA10, CREATE, *available at* <http://createprogram.org/factsheets/WA10.pdf>.

essentially make a right turn to go south on the Villa Grove Subdivision. The addition of the interlocker in the southwest quadrant increases options for routing traffic through the Chicago Terminal.⁵⁶ Once again, CSXT contributed financially in the amount of \$3.3 million, out of a total project cost of \$11 million.

2. CSXT Implemented Multiple Operational Changes.

CSXT has also taken steps to improve its operations on the Elsdon Line. These operating refinements have put the Elsdon Line's performance on a similar footing with the performance of other rail lines in the congested Chicago Terminal.

Operating Protocol Improvements. Operational improvements in Chicago are often best achieved by working with other railroads, since so much congestion flows from the sheer number of interchanges, crossings, and shared use of lines that are experienced in Chicago railroading. CSXT has therefore focused on improving its operating protocols on the Elsdon Line where that is possible. Because operating protocols must be negotiated with other railroads on a voluntary basis, CSXT is unable to force other railroads to take actions that prioritize Elsdon Line fluidity over the fluidity of other lines. But CSXT has made some progress in improving protocols to enhance Elsdon Line fluidity.

Some of this progress has been achieved by granting other railroads better visibility into CSXT's operations, which has helped improve communications and cooperation between the railroads. For example, in order to improve traffic flow at Norfolk Southern's Ashburn Junction, CSXT purchased dispatching equipment for

⁵⁶ See B16, CREATE, *available at* <http://createprogram.org/factsheets/B16.pdf>.

Norfolk Southern's Ashburn dispatch office to give Norfolk Southern visual access into CSXT's rail operations further south on the Elsdon Line.⁵⁷ See Parker V.S. at 9-10. Access to CSXT dispatching means that Norfolk Southern is made aware of the incoming CSXT train earlier and can plan its own operations accordingly.

Similarly, CSXT has visual access to the Union Pacific system, which allows CSXT to plan accordingly for Union Pacific traffic entering lines over which CSXT has control. See *id.* at 10. Another significant recent effort for improving coordination with UP has been at Thornton Junction. Thornton Junction is the at-grade crossing of the Elsdon Line and Union Pacific's Villa Grove Subdivision, and it is regularly traversed by CSXT, Union Pacific, Amtrak, and CN trains. Historically, an automatic interlocker was in place, so that trains were served on a first-come, first-served basis. To try to improve the fluidity of the Elsdon Line at Thornton Junction, the automatic interlocker was replaced. Union Pacific dispatchers now control access onto the Villa Grove Subdivision at Thornton Junction.⁵⁸

⁵⁷ Ashburn Junction is further complicated because Metra operates on the NS lines over the Ashburn crossing and has priority.

⁵⁸ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Monthly Report No. 19*, at 2–3 (STB filed Feb. 15, 2018). As CSXT has reported in its monthly reports, the Union Pacific dispatch system can still result in delays that may block crossings. CSXT has at times been “notified by the [Union Pacific] dispatcher that there is a clear route across at Thornton Junction ... and then is notified by the [Union Pacific] that the route is no longer clear once the CSXT has entered the Elsdon Line or the dispatcher drops a red signal on the CSXT train prohibiting it from moving across Thornton Junction.” *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Monthly Report No. 24*, at 6 (STB filed July 16, 2018).

Rerouting Q644 Trains. CSXT also constantly reassesses its own operations to identify ways to improve fluidity. For example, in early 2018, CSXT was able to isolate a unique opportunity to address an issue on the Elsdon Line by re-routing trains. *See Parker V.S.* at 11-12. CSXT's Monon Line—a single track line—connects to the Elsdon Line at Munster. At times, CSXT was forced to move trains from the Monon Line on to the Elsdon Line even without a clear route because Amtrak trains traveling northbound on the single track Monon Line needed to enter the double track Elsdon Line to reach the Villa Grove Subdivision.⁵⁹ CSXT mitigated the issue by rerouting Q644 trains that previously traveled from Cincinnati to Chicago from the Monon Line to the Elsdon Line so that they now circumvent the Elsdon Line entirely (using the Toledo Subdivision as an alternative). Prior to the move, in December of 2017, there were 101 Q644 blockages on the Elsdon Line. With the Q644 circumventing the line, there are now zero. *See id.* The Q644 re-routing was a unique opportunity to avoid a recurring congestion problem by rerouting a train out of Amtrak's path. While such opportunities are rare (since rerouting trains often simply creates more congestion elsewhere), this illustrates CSXT's willingness to make major operational changes in the interest of improving fluidity on the Elsdon.

Clear Route Protocol. Furthermore, CSXT continues to comply with the clear route protocol that it has described to the Board. Specifically, CSXT checks with

⁵⁹ *See CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Monthly Report No. 19*, at 5 (STB filed Feb. 15, 2018).

other railroads to ensure that no CSXT train enters the Elsdon Line unless at the time CSXT allows the train to enter the Elsdon Line, CSXT has been notified by the other carriers that the route is clear for the CSXT train to enter and exit the Elsdon Line. In order to determine if there is a clear route, CSXT train dispatchers will obtain both: (i) verbal confirmation from any railroad that controls a crossing that CSXT must travel over that the track is clear for the CSXT train; and (ii) verbal confirmation that the railroad receiving the train after it traverses the Elsdon Line is ready to receive it.

The clear-route protocol improves operations on the Elsdon Line, but it cannot ensure perfect fluidity. Having a clear route does not negate the need to operate at a speed that is safe under the circumstances, and thus sometimes trains moving on a clear route may take more than 10 minutes to clear a grade crossing (particularly a grade crossing near where the train enters or exits the Elsdon Line). Moreover, in a dynamic network like the Chicago Terminal, routes that are initially clear can often face some type of unanticipated delay. But the clear-route protocol undoubtedly limits the total number of delays on the Elsdon Line.

3. CSXT Improved Communications With Communities Affected by the Elsdon Line.

Part of CSXT's plan for addressing concerns about the Elsdon Line has been to improve its public engagement and communications with the community. For example, CSXT has held multiple meetings with local community leaders regarding the Elsdon Line and CSXT's operations. These meetings have been coordinated by CSXT's Community Liaison Tom Livingston, and have been taking place

consistently since March 2017. CSXT also regularly engages with citizens and elected officials with concerns about particular crossings and stoppages, and it has begun notifying interested local officials by text message in the event of lengthy at-grade blockages in their communities.

As part of CSXT's public engagement, CSXT informs communities in advance about planned construction projects and signals work that could affect grade crossings. These dialogues help to minimize disruption during these necessary projects. For example, during recent rebuilds of grade crossings in Evergreen Park, CSXT arranged to only close one crossing at a time while repairs were being made and shared its construction schedule with the community well in advance.

B. CSXT's Plans for Improving Future Performance on the Elsdon Line.

CSXT is constantly striving for operational improvement, and our goal is to continually improve the service product we offer our customers while being good neighbors to the communities in which we operate. In this spirit, we are planning efforts that will drive continued improvements in the Chicago Terminal in general and on the Elsdon Line in particular.

First, CSXT will continue to work closely with the CTCO and other railroads to identify network inefficiencies and to implement solutions. This constant process recently led to some significant improvements in Chicago Terminal fluidity that will positively affect the Elsdon Line. In the last month, CTCO noticed that a backlog in the IHB's Gibson Yard in Hammond, Indiana, was having rippling effects on congestion throughout the terminal. *See Parker V.S. at 13.* CSXT and other

railroads worked with IHB to identify an action plan for reducing the backlog, which stemmed from high auto inventory. In mid-July, IHB began to implement an action plan that reduced the auto inventory at Gibson. *See id.* This in turn improved velocity for CN A451 trains, and should have a positive impact on velocity on the south end of the Elsdon Line.

Second, CSXT continues to explore capital investments that could improve fluidity on the Elsdon Line. One project that is in development is the CREATE 75th Street Corridor Improvement Project. *See id.* at 13-14. This project will receive \$32.3 million in funding from CSXT, and it recently received \$132 million in federal funding. The 75th Street Corridor project will separate Metra traffic through the use of flyovers that will mean freight traffic is no longer competing with passenger trains for track capacity. This increased fluidity should reduce the number of times that Metra and Norfolk Southern trains need to stop at 75th Street. This will have a positive impact on Elsdon Line fluidity. After construction of the 75th Street Corridor Improvement, there will be less uncertainty as to when Metra and NS trains will reach Ashburn Junction, and it will be easier to coordinate the passage of CSXT trains through Ashburn Junction.

Third, CSXT expects that its new operating management structure will drive continued operating improvements in a more effective and efficient way, in part by better aligning decisionmaking with day-to-day field operations.⁶⁰ *See id.* at 14.

⁶⁰ *See CSX Announces New Operating Management Structure to Drive Next Phase of Transformation*, CSX (Aug. 7, 2018), <https://www.csx.com/index.cfm/about->

Fourth, CSXT expects that the upcoming implementation of PTC may improve signals performance and create opportunities for other improvements. As CSXT installs PTC, it will continue to fully replace the signals on the Elsdon Line with modern state of the art equipment. *See id.* This new equipment will reduce the number of false activations at crossings and any other false signals that affect trains. PTC implementation may also create other opportunities for improving operational performance on the Line or communications with other railroads.

Fifth, CSXT plans to continue the engagement and responsiveness that it has worked to provide the community over the past two years. CSXT will listen to the community's concerns and take responsive actions, and will clearly communicate with the public about planned capital improvements or operational issues that might affect the fluidity of grade crossings.

CSXT remains committed in the short and the long term to improved operational performance on the Elsdon Line. Moreover, the steps that CSXT has already taken on the Elsdon Line have brought its fluidity on par with that of other segments in the Chicago Terminal, as measured by metrics set forth in Section IV. CSXT's plans for improving performance on the Elsdon Line have worked, and the Board can have confidence that CSXT's plans will positively impact performance on the Elsdon Line in the future.

[us/media/press-releases/csx-announces-new-operating-management-structure-to-drive-next-phase-of-transformation/](https://www.csx.com/us/media/press-releases/csx-announces-new-operating-management-structure-to-drive-next-phase-of-transformation/).

CSXT recognizes that none of these steps would immediately and dramatically improve fluidity on the Elsdon. But there is no magic formula that could eliminate grade crossing blockages on this Line. At this point, the only operational step that CSXT could take to reliably and substantially reduce the number of crossings occupied by trains for over 10 minutes on the Elsdon Line would be to reroute CSXT's trains from the Elsdon Line onto other lines. Such an extraordinary step is completely unwarranted and could have catastrophic effects on the overall Chicago Terminal. Without exception, the alternative routes for CSXT traffic currently moving on the Elsdon Line are more congested than the Elsdon Line, and shifting current traffic from the Elsdon Line to those lines would create more problems than it would solve. *See Parker V.S. at 3–4.*

Indeed, the Board has recognized that one of the primary public benefits of the Elsdon Line transaction was to “allow CSXT greater access to the Line, the ability to free capacity on the lines of other railroads, and the ability to dispatch more of its own trains. These benefits should allow it to provide more efficient service to shippers.”⁶¹ For CSXT to now move those trains back onto more congested lines is at odds with the purpose of the transaction and with the Board’s overall duty to act in the interest of the overall rail network. The Board should not consider any further “additional action” on the Line, which would harm the overall fluidity of the Chicago Terminal.

⁶¹ *Acquisition Decision* at 2.

IV. The Board Should Not Take Additional Action

The July 2018 Decision suggests that the Board is considering “whether additional action is required” on the Elsdon Line.⁶² The record does not support any additional action. CSXT has taken seriously the concerns of the Board and the community about the Elsdon Line. Through intensive efforts and substantial investments, CSXT has significantly reduced false gate activations and achieved fluidity on par with that of other Chicago lines. While operations on a line in the Chicago Terminal will never be perfectly fluid, CSXT has taken all steps that can be reasonably expected to improve fluidity on the Elsdon Line.

A. The Elsdon’s Fluidity Is Typical for a Line in the Chicago Terminal

Some data can put the Elsdon Line’s performance in context. The vast majority of trains on the Elsdon Line traverse grade crossings in less than 10 minutes. In June 2018, Elsdon Line trains did so 93.3% of the time. And a substantial majority of the trains that take more than 10 minutes to traverse grade crossings only miss that mark by a small margin, because they never stop. Trains stop only 1.5% of the time. As discussed below in Section IV.C, the “success rate” for trains traversing grade crossings in less than 10 minutes rises from 93.3% to 97.4% when excluding blockages attributable to non-CSXT railroads, and it rises to 99.6% when also excluding moving trains.

⁶² July 2018 Decision at 2.

This high success rate is consistent with other data, which shows that the Elsdon Line's performance is now on par with that of other rail lines in the Chicago Terminal. For the purpose of this proceeding, CSXT asked its witness Kaustuv Chakrabarti to conduct a special study of certain control point data tracking individual trains. That special study showed that average train speeds on the Elsdon Line are comparable with train speeds on other Chicago area lines. CSXT's data for 2018 year-to-date indicates that the average speed for trains on the Elsdon Line has been similar to that for other lines in the Chicago Terminal, as illustrated by Table 2.

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Moreover, a review of Chicago Integrated Rail Operations Center ("CIROC") data that tracks railroad operations across the Chicago Terminal demonstrates that the Elsdon Line is not uniquely problematic and experiences fewer held trains than

⁶³ See Chakrabarti V.S. at 8–9.

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fourteen other line segments. The Board's Ex Parte 724 monitoring of the Chicago Terminal uses "held trains" (*i.e.*, trains held more than two hours) as one metric for assessing the fluidity of the terminal. As Mr. Chakrabarti's Verified Statement explains, CIROC held train data for the thirteen-month period from January 2017 through January 2018 shows that there were a total of {{ }} "held trains." Just {{ }} of these ({{ }} of the total) were on the Elsdon, which places it {{ }} among the Chicago lines and subdivisions reported in the CIROC data. And just {{ }} trains were assigned as CSXT's responsibility—which represents just {{ }} of held trains in the Chicago Terminal during this period.

{{

}}

The data thus shows that after years of capital investment and operational changes, the Elsdon Line now has an operating profile similar to many other congested rail lines around Chicago. Operations on the Elsdon Line are as efficient

and fluid as can reasonably be expected without causing counterproductive problems on nearby lines.

B. The July 2018 Decision’s Analysis of Grade Crossing Occupancies on the Line Does Not Account for Reporting Changes or Factors Outside CSXT’s Control.

The July 2018 Decision concludes that operations on the Elsdon Line must be “markedly improve[d]” and that additional operational changes or investments on the Line are required.⁶⁴ The only evidence cited as the basis for this conclusion is a single summary table with six cells of data (“Table”). The Table totals the reported grade crossing occupancies of over 10 minutes from three of CSXT’s monthly reports, and finds that the reported totals of such occupancies was 169 in July 2016; 955 in December 2017; and 632 in June 2018. The Table also adds up the minutes from such reports.⁶⁵

Respectfully, the July 2018 Decision’s conclusion is mistaken, because the Table is flawed and incomplete. The Table compares apples and oranges by choosing to benchmark CSXT’s recent performance against its first monthly report—even though CSXT has explained to the Board that its first few monthly reports likely underreported grade crossing occupancies for certain crossings due to the inability to remotely monitor those crossings. The Table also does not account for the substantial information that CSXT has provided about the grade crossing blockages it has reported, which shows that 194 of the blockages in June 2018 were

⁶⁴ July 2018 Decision at 2.

⁶⁵ All data appears to have been compiled by summing the reported totals in Exhibit 2 to these monthly reports. *See id.*

by non-CSXT trains, that 363 of the blockages were otherwise caused by non-CSXT train operations, and that 489 of the blockages were by moving trains.

In short, the Table in the July 2018 Decision fails to meaningfully address the extensive information about the Elsdon Line that CSXT has provided in its monthly reports and its multiple other responses to Board requests. Viewed in full, this information does not show that operations need to “markedly improve.” On the contrary, it shows that CSXT continues to abide by its commitments and continues to provide the most fluid service that is possible on a line in the busy Chicago terminal.

1. The Table Is Flawed Because It Fails to Account For CSXT's Improved Reporting Methodologies.

The Table makes a simple comparison between total reported instances where a train occupied a grade crossing for over 10 minutes in July 2016 and the total of those reported instances in June 2018. But that comparison is flawed at the outset. As CSXT has explained, in early 2017 it changed the methodology that it used to estimate occupancies over 10 minutes to better capture the total number of occupancies over 10 minutes on unmonitored grade crossings. As a result, no accurate comparison can be made between crossing blockages reported in 2016 and those reported in later periods.

CSXT does not monitor the length of grade crossing occupancies on a system-wide basis in the ordinary course of business. While some key crossings (like those in Evergreen Park) are equipped with remote monitoring, such devices are not common. When the Board issued its June 22, 2016 Decision ordering CSXT to begin

reporting on crossing occupancies over 10 minutes for all grade crossings on the Elsdon Line, CSXT had to immediately develop a methodology to estimate the length of crossing occupancies on unmonitored crossings.

At the technical conference in October 2016, CSXT explained to Board staff that, at the time, it only had remote monitoring installed on certain crossings in Evergreen Park and the 19th Ward, and that it had to use other data to estimate blockages in other parts of the line. *See* Tech. Conf. Tr. at 130:22–132:22. CSXT further disclosed that it was “working on how to improve [that].” *Id.* at 131:4–6. Over the succeeding months, CSXT developed a programming logic to allow more specific identification of individual train movements and locations and more accurate matching of those trains to grade crossing locations.

By January 2017, the refined methodology was in place. It led to an increase in reported crossing occupancies (particularly for moving trains occupying crossings for 15 minutes or less). As CSXT explained in its May 2017 report on operational fluidity, “CSXT believes that its development and adoption of this more refined methodology was a contributing factor to the apparent increases in total blockages in December [2016] and January [2017].”⁶⁶

Attempting to compare pre-January-2017 monthly reports with later reports is thus impossible to do accurately. But it is clear that much of the increase purportedly found by the July 2018 Decision’s Table is due to this reporting change, and not to worsening fluidity.

⁶⁶ *Report on Operational Fluidity* at 31, n.28.

2. The Table Is Incomplete Because It Does Not Acknowledge Relevant Information About Grade Crossing Occupancies on the Line.

The Table is also fundamentally incomplete, because it only presents aggregate total crossing blockages without considering the extensive information that CSXT compiled for the Board about the causes of individual blockages. The Table's failure to incorporate this information results in an analysis that faults CSXT for hundreds of blockages caused by non-CSXT trains or by factors plainly outside of its control. Similarly, the Table's failure to acknowledge that a substantial majority of the blockages it counts were caused by moving trains undermines its suggestion that these blockages are proof of operational problems on the Line. Feedback from the community has always been chiefly focused on stopped trains, not moving trains.

a. Foreign Trains Account for 194 of the June 2018 Occupancies.

The Table suggests that CSXT is solely responsible for blocked crossings on the Line, despite the fact that a substantial portion of the crossings occupied for over 10 minutes are occupied by non-CSXT trains. Foreign trains account for 194 out of the June 2018 instances where a train occupied a grade crossing for over 10 minutes. This is nearly one-third of the total. Indeed, there were even more CN trains than usual on the Line in June 2018. As CSXT explained in its June 2018 Report, a number of CN trains were diverted to the Elsdon Line in June 2018 to

accommodate PTC upgrades on CN lines.⁶⁷ The July 2018 Decision's table does not acknowledge this fact.

Grade crossing occupancies by CN trains are plainly not evidence of a need for CSXT to make changes to its operations. It is one thing for the Board to ask CSXT to include CN trains in its monthly reports, which CSXT did at the agency's request. But including CN trains in a count of total crossing blockages that supposedly shows that CSXT needs to improve its performance on the Line does not make sense. Moreover, these CN trains have a right to operate over the Elsdon Line that is not subject to the Board's conditioning power.

b. Foreign Train Operations Caused 363 of the June 2018 Occupancies.

While CSXT has provided the Board with detailed information on the reasons why individual trains occupy crossings for more than 10 minutes, the Decision's Table does not incorporate that information. For example, CSXT has explained in detail the issues at Thornton Junction, an at-grade crossing with Union Pacific that is now controlled by Union Pacific's dispatcher. While CSXT coordinates with Union Pacific to minimize delays at Thornton Junction, the Junction is a fact of life that is a regular cause of delays on the south portion of the Elsdon Line.⁶⁸ The June 2018 delays listed in the Decision's Table include 197 delays that are attributable to Thornton Junction.

⁶⁷ See *Monthly Report No. 24*, at 18–19.

⁶⁸ See *Report on Operational Fluidity* at 33–34.

In the same vein, CSXT has explained that conditions at CN Junction are a regular cause of delays on the Elsdon Line, often due to the need for CN trains entering and exiting Markham Yard to slow down to obey yard track speed limits and to stop so that the train crew can hand-throw switches where the tail end of a train is still on the Elsdon.⁶⁹ The June 2018 delays listed in the Decision's Table include 141 delays that are attributable to CN Junction.

Ashburn Junction, controlled by NS, is another source of delays for trains that have to slow or stop to accommodate crossing traffic from NS trains or Metra trains. The June 2018 delays listed in the Decision's Table include twenty-five delays that are attributable to Ashburn Junction.

To be clear, CSXT works with other railroads to minimize delays in all these situations. But some delays at intersections with other rail lines controlled by other railroads are an inevitable part of railroading through this part of the Chicago Terminal. CSXT explained this in its Report on Operational Fluidity, and no party has ever disputed it. In light of this record, it is not appropriate to include the 363 delays caused by factors that are clearly outside CSXT's control in a tally of supposed operational shortcomings on the Line.

c. Moving Trains Caused 489 of the June 2018 Occupancies.

Further, the Decision's Table does not acknowledge that 77% of the grade crossing occupancies in June 2018 were by trains that never stopped. While CSXT

⁶⁹ See *id.* at 35.

takes seriously the need to move trains quickly and safely over the Elsdon Line, there is an enormous qualitative difference between trains that are forced to stop and trains that never stop. The average time of the moving train blockages over 10 minutes that CSXT reported is just 13 minutes. *See* V.S. Chakrabarti at 14. The surrounding communities and the traveling public are plainly less impacted by a moving train occupying a grade crossing for 11, 12, or 13 minutes than by a stopped train.⁷⁰

C. A Complete Data Analysis Shows that 93.3% of Trains Traverse Crossings in Less Than 10 Minutes and that Only 2.6% of Train Crossings Are Over 10 Minutes Due to CSXT-Related Causes.

A complete data analysis shows that the number of grade crossing blockages on the Line are well within the range that should be expected for train operations in a complex terminal area. In the aggregate, 93.3% of the time, trains on the Elsdon Line traverse grade crossings in less than 10 minutes. But that aggregate figure understates CSXT's performance, since it includes crossings over 10 minutes by foreign trains or attributable to foreign train causes. Removing those from the total shows that just 2.6% of grade crossing occupancies on the Line exceed 10 minutes due to a CSXT-related cause. And even that figure understates CSXT's performance, because a substantial majority of those blockages were by moving trains. The June 2018 monthly report shows that just 36 crossings were blocked by

⁷⁰ Moreover, the current conditions on the transaction apply only to stopped trains—and only require CSXT to take appropriate action to clear stopped crossings as quickly as possible—which raises serious questions about the relevance of moving trains to any “additional action.”

a stopped CSXT train for CSXT-related causes during the entire month of June 2018. That averages to less than one such blockage per crossing for the month, and it reflects a 25% improvement from the same figure in July 2017.⁷¹

As Table 3 illustrates, CSXT trains were forced to stop for CSXT-related causes in only 0.4% of the total instances in June 2018 where those trains passed through grade crossings on the Elsdon Line. When accounting for foreign trains, foreign train crossings, and moving trains, CSXT's adjusted success rate is thus 99.6%.

Table 3: Overall CSXT Success Rate In Traversing Elsdon Line Grade Crossings (June 2018)

	Total	Adjusted Success Rate
Total Crossing Signal Activations	9,434	
Crossings Blocked More Than 10 Minutes	632	93.3%
<i>Minus Foreign Trains</i>	<i>194</i>	
Crossings Blocked More Than 10 Minutes (CSXT Trains Only)	438	95.4%
<i>Minus Foreign Railroad Causes</i>	<i>195</i>	
Crossings Blocked More Than 10 Minutes (CSXT Trains, CSXT Causes Only)	243	97.4%
<i>Minus Moving Trains</i>	<i>207</i>	
Crossings Blocked More Than 10 Minutes (CSXT Trains, CSXT Causes, Stopped Trains Only)	36	99.6%

⁷¹ See V.S. Chakrabarti at 19.

CSXT respectfully submits that the complete context of its monthly reports shows no basis for “additional action,” but rather demonstrates the success of the Board’s attention to the Elsdon Line and CSXT’s good-faith efforts to improve its performance on the Line. The Board was correct when it observed that CSXT’s efforts on the Line had made a “positive impact,” and it was correct when it recognized that there was a “limit” to how fluid operations can be in the Chicago Terminal. There is no cause to reach a different conclusion now. Nor is there any cause for the Board to treat the Elsdon Line differently than any other line in Chicago, all of which will continue to remain under the Board’s watchful eye as it monitors service in the Chicago Terminal.

V. CONCLUSION

CSXT has taken seriously the concerns of the public, elected officials, and the Board, and CSXT has taken significant and measurable actions to achieve substantial improvements. CSXT continues to operate the Elsdon Line in a safe and efficient manner, consistent with the commitments it made in the acquisition proceeding and with overall passenger and freight railroad operations in the Chicago Terminal. CSXT will continue to work diligently to operate the Elsdon Line in a way that furthers the transaction’s purpose to improve traffic flows in the Chicago Terminal while minimizing inconvenience to the community.

Respectfully submitted,



Raymond A. Atkins
Matthew J. Warren
Marc A. Korman
Morgan Lindsay
SIDLEY AUSTIN LLP
1501 K Street, NW
Washington, DC 20005
(202) 736-8000

Louis E. Gitomer
LAW OFFICES OF LOUIS E. GITOMER, LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(202) 466-6532

Peter J. Shudtz,
Steven C. Armbrust
John P. Patelli
CSX TRANSPORTATION, INC.
500 Water Street
Jacksonville, FL 32202

Attorneys for CSX Transportation, Inc.

Dated: August 23, 2018

CERTIFICATE OF SERVICE

I hereby certify that on August 23, 2018, I caused the foregoing Reply of CSX Transportation, Inc., to July 27, 2018 Decision, in Finance Docket 35522, *CSX Transportation, Inc.—Acquisition of Operating Easement —Grand Trunk Western Railroad Company*, to be served by first class mail or more expedient method upon all parties of record.



Sam Follansbee

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF OPERATING
EASEMENT—GRAND TRUNK WESTERN RAILROAD COMPANY**

VERIFIED STATEMENT OF JOHN PARKER

My name is John Parker, and I am the Chief Dispatcher for CSX Transportation, Inc. ("CSXT") in Chicago. I have served in this position since July 2017. Prior to that, I served in several other operational positions with CSXT, including as Manager of the Joint Operations Center managing rail traffic throughout the Chicago Terminal and as Superintendent of Train Operations, overseeing the managers of the Great Lakes Division. As a founding member of the Chicago Integrated Rail Operations Center, I have spent an extensive amount of time learning the operations of the other railroads that operate in the Chicago Terminal and interacting with my peers at those railroads. I have worked for CSXT in these various operational roles for almost 20 years.

Chicago is the heart of the national rail network, and all railroads operating in Chicago have a shared interest in improving the efficiency and fluidity of the Chicago Terminal. As CSXT's Chief Dispatcher in Chicago, one of my core

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responsibilities is to ensure the efficient flow of all CSXT traffic moving through the Chicago Terminal. This includes traffic moving over CSXT-owned lines like the Blue Island Subdivision and the Barr Subdivision; traffic moving over the lines of CSXT-affiliated carriers such as the Baltimore and Ohio Chicago Terminal Railroad; traffic moving over Chicago terminal railroads like the Indiana Harbor Belt Railroad Company (the “IHB”) and the Belt Railway Company of Chicago (“BRC”); traffic moving via CSXT’s trackage rights over the lines of other Class I like the Canadian National System including the Grand Trunk Western Railroad Company and Illinois Central Railroad Company (collectively “CN”), Norfolk Southern Railway Company, and Union Pacific Railroad Company; and traffic moving over CSXT’s operating easement on the Elsdon Line. Managing traffic flows over the Chicago Terminal requires constant focus and a recognition that all lines in the network are interdependent. An issue on one line with one of the railroads in the Chicago Terminal can quickly have cascading effects on other lines and other railroads.

My responsibilities include the Elsdon Line. CSXT has taken a series of operational actions since acquiring an easement over the Elsdon Line to improve fluidity and minimize impacts on the surrounding community. These efforts have had noticeable success, but they cannot change the fact that the Elsdon Line is part of the busy and dynamic Chicago Terminal. We work every day to achieve fluid operations throughout the Chicago Terminal and on the Elsdon Line, but perfectly

fluid operations are not possible over the dense network of intersecting railroads that is the Chicago Terminal, which is affected every day by unforeseen events.

CSXT has made progress on the Elsdon Line through a combination of capital investments and operational actions. We plan to build upon those efforts in the future, both by identifying opportunities for improved operations and by making capital investments that can improve fluidity on the Elsdon and throughout the Chicago Terminal. While we are committed to our plan for improvement, it should not be forgotten that perfection is impossible in Chicago. Experience has shown that some percentage of trains operating on the Elsdon will always take more than 10 minutes to clear grade crossings, whether because of speed restrictions—including the need for trains to slow down when entering and leaving the line—or preexisting conditions such as the at-grade crossing with the Union Pacific mainline at Thornton Junction. At this date, CSXT's operations on the Elsdon Line are on par with normal operations through the Chicago Terminal and are as fluid as can be reasonably expected in the challenging environment of Chicago.

The Elsdon Line remains an important avenue for CSXT to move traffic that otherwise would have to travel on other, more crowded routes. These alternative routes are even more congested and operationally challenged than the Elsdon Line, and diversion of trains to them would merely move the delays from the Elsdon Line to other lines in the Chicago Terminal, counterproductively reducing its overall fluidity. Doing so could lead to serious negative effects for the Chicago Terminal and rippling effects across the national rail network.

Section I of my verified statement discusses the Chicago Terminal in general and CSXT's work with other railroads to improve the overall fluidity of the Chicago Terminal. Section II focuses on the specific actions CSXT has taken to enhance efficiency on the Elsdon Line and CSXT's plans for the future. Section III concludes by examining the serious negative consequences from shifting traffic off of the Elsdon and onto more congested alternative routes.

I. The Elsdon Line Is Located In The Most Congested And Operationally Complex Part Of The National Rail Network.

The significant rail congestion and operational complexities in the Chicago Terminal are well known. Despite intensive efforts by CSXT and other railroads—as well as cooperation with all levels of government and other stakeholders—the Chicago Terminal remains the most congested gateway in the country, even while serving as the nation's most important rail hub. Six Class I carriers operate lines in and through the Chicago Terminal. Terminal railroads such as the BRC and IHB conduct switching and transfer operations in the Chicago area. Chicago is also heavily trafficked by Metra commuter rail and Amtrak passenger rail trains.

CSXT constantly works with other railroads and stakeholders to improve fluidity in the Chicago Terminal. Since 2000, railroads operating in the Chicago area have participated in the Chicago Transportation Coordination Office ("CTCO") to coordinate efforts to more efficiently route rail traffic through the region. CSXT is an active participant in the CTCO. And there has been progress. For example, in December of 2015 the CTCO participants cooperated to establish the Chicago Integrated Rail Operations Center ("CIROC") to assist more directly with

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facilitating and managing rail operations in and around the Chicago Terminal. Located at Metra's headquarters, CIROC offers visibility to the dispatch screens of railroads operating in Chicago and is staffed on a 24/7 basis with representatives of the railroads who act as liaisons between the carriers to help the Chicago rail network operate more smoothly. The CTCO convenes two daily calls among the Class I railroads in Chicago to discuss current operations, convey expectations regarding trains and traffic, and address potential chokepoints and other problems. In addition to cooperation through CTCO, CSXT engages in multiple communications each day with each of its partner railroads. For example, on a typical day CSXT personnel have dozens of conversations with other railroads about particular trains and issues in Chicago. CSXT also maintains a dispatch office in Chicago that is entirely focused on the Chicago region, even while all of its other dispatching operations have been centralized in Jacksonville.

CSXT and other railroads have also invested significant resources into capital improvements on the Chicago rail network to ease congestion. For example, CSXT has been the lead railroad on several capital projects as part of the CREATE Initiative. As the lead railroad, CSXT was responsible for the design, construction, and overall management of the project, in addition to contributing a substantial portion of the funds for the project. For example, CSXT was lead railroad on the B12 project, which constructed a third main line along the IHB between 123rd Street and the Cal Sag Channel. The purpose of the project was to eliminate congestion that occasionally was caused by freight trains waiting to enter CSXT's or

IHB's major yards in the Chicago Terminal (Barr Yard and Blue Island Yard, respectively). The third main line of track provides additional capacity that allows trains moving through the area to bypass trains awaiting yard access.¹ CSXT contributed \$3.5 million to the overall \$15.9 million construction cost of this project.

CSXT was also the lead railroad on CREATE project WA10, which installed crossovers between the Blue Island and Elsdon Lines, as well as new signals at Blue Island Junction. The improvement now allows trains to switch between the tracks in both directions and reduced transfer time for trains moving between Barr and BRC's major yard, Clearing.² CSXT contributed \$2.7 million to the project, out of a total cost of \$8.7 million.

Another CREATE project for which CSXT was the lead railroad was B16, a project that built a new interlocked connection in the southwest quadrant of Thornton Junction to allow trains to easily connect from the Elsdon going northbound on to Union Pacific's Villa Grove Subdivision. By allowing trains to switch between the lines, the new connection increases options for routing traffic through the Chicago Terminal.³ Once again, CSXT contributed financially in the amount of \$3.3 million, out of a total project cost of \$11 million.

These three examples illustrate CSXT's investments to improve fluidity in the Chicago Terminal. As discussed below, CSXT has made additional non-

¹ See B12, CREATE, <http://createprogram.org/factsheets/B12.pdf>.

² See WA10, CREATE, <http://createprogram.org/factsheets/WA10.pdf>.

³ See B16, CREATE, <http://createprogram.org/factsheets/B16.pdf>.

CREATE investments in the Elsdon Line that are specifically designed to improve performance, and it continues to work on new CREATE projects that are designed to improve fluidity on the Elsdon and in Chicago as a whole.

Despite these efforts to coordinate operations and improve infrastructure, Chicago is still Chicago: the most congested and operationally complex rail hub in the country. It is in that context that the Elsdon Line must be understood.

II. CSXT Has Made Substantial Efforts To Ensure Fluid Operations On The Elsdon Line.

The Elsdon Line is representative of the broader complexity of rail operations in Chicago. In addition to CSXT traffic using the Line, CN retains operating rights and some Union Pacific traffic also uses a portion of the Elsdon Line for interchange.⁴ Multiple other rail lines connect with the Elsdon Line including the BRC at Hayford Junction; Norfolk Southern at Ashburn Junction; the IHB at Blue Island Junction; CN at CN Junction; and Union Pacific at Thornton Junction. On the passenger side, Amtrak operates over the southern end of the Line between Munster, Indiana and Thornton Junction. Metra crosses the Elsdon Line at Ashburton. There are also numerous yards in the area of the Elsdon Line: BRC's Clearing Yard; CN's Markham Yard; IHB's Blue Island Yard; Union Pacific's Yard Center and Dolton Yard; and CSXT's own Barr Yard. These Chicago-wide and Elsdon-specific complexities make rail operations in the area unusually challenging.

⁴ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, at 3 (STB served Feb. 8, 2013).

CSXT has taken seriously the concerns of the communities and the Board regarding blocked crossings and false activations on the Elsdon Line. First and foremost, CSXT complies with the operating-related conditions, as modified, that the Board placed on CSXT's acquisition of the easement over the Elsdon Line. But it also has made capital investments, refined its operating protocols with other railroads, and altered its own operations to improve the fluidity of the Elsdon Line and minimize impacts on the surrounding community. The results of these efforts is that the Elsdon Line operates at a normal level of efficiency for a line in the Chicago Terminal. Below I outline the actions that CSXT has taken to improve the fluidity of the Elsdon Line.

A. CSXT's Capital Investments to Improve Performance on the Elsdon Line.

In addition to the CREATE projects discussed above, CSXT has made significant investments on the Elsdon Line to improve overall fluidity and correct some of the signals failures that CSXT experienced when it first began operating on the Line. CSXT has improved the signal systems on the line by rebuilding key grade crossings, replacing faulty signals wiring, installing continuous welded rail, and preparing the Line for PTC. These investments, which total over \$31 million since 2013, have enhanced fluidity and significantly reduced the number of false signal activations on the Line. Exhibit 6 to CSXT's Reply details these capital investments.

CSX recently completed a multi-million investment in the Hayford Junction, which is where the Elsdon Line connects with CSXT's Baltimore & Ohio Chicago

Terminal Railroad subsidiary. The Hayford Junction Connection allows CSXT trains on the Elsdon Line to travel to or from the Bedford Park Intermodal Terminal without traversing the main line of the Belt Railway and reducing the chances of Belt Railway and CSXT traffic coming into conflict.

B. CSXT's Operational Improvements on the Elsdon Line.

CSXT has also focused on ways to improve its operations on the Elsdon. Operational improvements in Chicago are often best achieved by working with other railroads, since so much congestion flows from the sheer number of interchanges, crossings, and shared use of lines that are experienced in Chicago railroading. CSXT has therefore focused on improving its operating protocols where that is possible. But it has also adjusted staffing and changed its own operations to improve performance on the Line.

1. Operating Protocol Improvements

Operating protocols are voluntary agreements between railroads for handling traffic where lines of railroads cross or connect. It is important to recognize that the owning road controls the operations and generally retains the right to dictate operations. Negotiating protocols therefore requires constant give-and-take, and CSXT has no ability to force other railroads to adopt protocols that prioritize the fluidity of CSXT's operations over the fluidity of other Chicago operations.

That said, CSXT has worked with other railroads to refine operating protocols in an effort to improve Elsdon Line fluidity. Some of this has been accomplished by granting other railroads better visibility into CSXT's operations, to help improve communications and cooperation between the railroads. For example,

in order to improve traffic flows at Norfolk Southern's Ashburn Junction, CSXT purchased dispatching equipment for Norfolk Southern's Ashburn dispatch office to grant Norfolk Southern visual access into CSXT's rail operations further south on the Elsdon Line.⁵ Access to CSXT dispatching means Norfolk Southern is made aware of the incoming CSXT train earlier and can plan its own operations accordingly.

Similarly, CSXT has visual access to the Union Pacific system, which allows CSXT to plan accordingly for Union Pacific traffic entering lines over which CSXT has control. Another significant recent effort for improving coordination with UP has been at Thornton Junction. Thornton Junction is the at-grade crossing of the Elsdon Line and Union Pacific's Villa Grove Subdivision, and it is regularly traversed by CSXT, Union Pacific, Amtrak, and CN trains. The Villa Grove Subdivision runs north from Elsdon Line to Union Pacific's Yard Center and Dolton Yard, two of the busiest yards in the Chicago terminal, making the Villa Grove Line heavily trafficked by Union Pacific. Historically, an automatic interlocker was in place, so that trains were served on a first come, first served basis. To try to improve the fluidity of the Elsdon Line at Thornton Junction, in early 2018 the automatic interlocker was replaced. Union Pacific dispatchers now control access onto the Villa Grove Subdivision at Thornton Junction.

⁵ Ashburn Junction is further complicated because Metra operates on the NS lines over the Ashburn crossing and has priority.

2. Munster Rerouting

CSXT also has made direct changes to its Elsdon operations to eliminate delays. For example, CSXT took the extraordinary step of permanently rerouting some trains that were creating issues on the Elsdon Line because of CSXT's need to give preference to Amtrak trains.

Specifically, CSXT recognized a recurring issue at Munster where CSXT's Monon Line connects to the Elsdon Line. Previously CSXT's Q644 trains used the Monon to enter the Elsdon as part of their route between Cincinnati and Chicago. The Monon is a single-track line, and it hosts Amtrak trains (the Cardinal and Hoosier State trains together go in each direction once per day). On several occasions, Q644 trains had to be moved onto the Elsdon Line despite Elsdon congestion so that CSXT could clear the Monon for Amtrak.⁶ To mitigate the issue, CSXT has begun rerouting Q644 trains away from the Elsdon Line. Instead, the trains are run over the Toledo Subdivision to avoid the Monon and the Elsdon entirely.

The rerouting has had an impact. In December of 2017, there were 101 Q644 blockages on the Elsdon Line. Today there are zero. However, CSXT has not been able to identify other rerouting options that could decrease blockages and improve fluidity on the Elsdon Line without creating more serious operational problems

⁶ See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Monthly Report No. 19*, at 5 (STB filed Feb. 15, 2018).

elsewhere on the network. Moreover, the rerouting of the Q644 has also had repercussions as the Toledo Subdivision also faces significant congestion issues.

3. Signal Maintainer Staffing.

Another operational change CSXT made was to increase its operations team dedicated to the Elsdon Line. Among the issues CSXT found itself dealing with were an unacceptably high number of false activations of signals. CSXT assigned two additional signal maintainers to the Elsdon Line to provide 24/7 coverage in case a false activation is reported. Moreover, CSXT instructed its signal maintainers to repair signal malfunctions in a manner that would minimize the impact time to the traveling public. These measures led to a significant decrease in signal malfunctions and the resulting inconvenience to the public during the period when CSXT was making the capital investments necessary to permanently mitigate false signal activations.

4. Clear Route Protocol.

In addition to the operational improvements described above, CSXT continues to follow the clear-route protocol that it has described previously to the Board. The clear-route protocol is designed to ensure that no CSXT train enters the Elsdon Line unless at the time CSXT allows the train to enter the Elsdon Line, CSXT has been notified by the other carriers that the route is clear for the CSXT train to exit the Elsdon Line. In order to determine if there is a clear route, CSXT train dispatchers will obtain verbal confirmation from any railroad that controls a crossing that CSXT must travel over during the movement that the track is clear

for the CSXT train. CSXT dispatchers similarly confirm that the receiving carrier is able to receive the train after it departs the Elsdon Line.

C. CSXT's Plan for the Future.

CSXT is constantly striving for operational improvement, and our goal is to continually improve the service product we offer our customers while being good neighbors to the communities in which we operate. In the near term, we expect that our efforts will drive continued improvements in the Chicago Terminal in general and on the Elsdon Line in particular. Specifically, we believe that the following steps will help to continue CSXT's improved performance on the Elsdon.

First, CSXT will continue to work closely with the CTCO and other railroads to identify network inefficiencies and to implement solutions. This constant process recently led to some significant improvements. In the last month, CTCO noticed that a backlog in the IHB's Gibson Yard in Hammond, Indiana was having rippling effects on congestion throughout the terminal. CSXT and other railroads worked with IHB to identify an action plan for reducing the backlog, which stemmed from high auto inventory. In mid-July, IHB began to implement an action plan that reduced the auto inventory at Gibson. This in turn improved velocity for CN A451 trains, and it should have a positive impact on velocity on the south end of the Elsdon.

Second, we continue to explore capital investments that could improve fluidity on the Elsdon Line. One project that is in development is the CREATE 75th Street Corridor Improvement Project. This project will receive \$32.3 million in funding from CSXT, and it recently received \$132 million in federal funding. The

75th Street Corridor project will separate Metra traffic through the use of flyovers that will mean freight traffic is no longer competing with passenger trains for track capacity. This increased fluidity should reduce the number of times that Metra and Norfolk Southern trains need to stop at 75th Street, and it will have a positive impact on Elsdon fluidity. After construction of the 75th Street Corridor Improvement, there will be less uncertainty about when Metra and NS trains will reach Ashburn Junction, and it will be easier to coordinate the passage of CSXT trains through Ashburn Junction.

Third, we expect that CSXT's new operating management structure will drive continued operating improvements in a more effective and efficient way, in part by better aligning decisionmaking with day-to-day field operations.⁷

Fourth, we expect that the upcoming implementation of PTC may improve signals performance, primarily because of the installation of new, state-of-the-art signals equipment that should reduce instances of false activations. PTC implementation may also create opportunities for other improvements in operational performance or communications with other railroads.

CSXT remains committed in the short and the long term to improved operational performance on the Elsdon Line. However, it is important to note that CSXT's fluidity on the Elsdon Line is on par with that of other segments in the

⁷ See *CSX Announces New Operating Management Structure to Drive Next Phase of Transformation*, CSX (Aug. 7, 2018), <https://www.csx.com/index.cfm/about-us/media/press-releases/csx-announces-new-operating-management-structure-to-drive-next-phase-of-transformation/>.

Chicago Terminal. I can attest to this both from my experience managing other CSXT lines in the Chicago Terminal—most of which are far busier than the Elsdon Line—and from my role on CIROC, which gives me insight into the overall performance of the Chicago Terminal. The occasional delays experienced on the Elsdon Line are dwarfed by the more significant issues that CIROC deals with as it monitors the whole of the Chicago Terminal.

III. Rerouting Trains From the Elsdon Line Would Seriously Damage Fluidity In the Chicago Terminal.

If CSXT were to re-route trains from the Elsdon onto other lines, it could have catastrophic effects on the overall Chicago Terminal. Without exception, the alternative routes for CSXT traffic currently moving on the Elsdon Line are more congested than the Elsdon Line, and shifting current traffic from the Elsdon Line to those lines would create more problems than it would solve.

For example, were traffic diverted from the Elsdon Line, the Blue Island Line which runs parallel to Elsdon might have to accommodate many of the rerouted trains. But the Blue Island Line is already carrying approximately 12 trains per day. As stated previously, part of CSXT's purpose in acquiring the Elsdon Line was to ease the pressure on nearby lines such as Blue Island.⁸ Simply routing more trains over the already congested Blue Island Line would be counterproductive and

⁸ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *Acquisition Application*, at 4 (STB filed Aug. 13, 2012); *id.* at 20–21 (“CSXT will reduce congestion on the Blue Island Subdivision and IHB Franklin Park Branch and enhance the efficiency of its operations in the Chicago Terminal as explained above.”).

result in more and lengthier at-grade crossing blockages on the Blue Island Subdivision.

Nor could it be the answer for CSXT to bypass most of the Elsdon Line by diverting trains onto Union Pacific's Villa Grove Subdivision at Thornton Junction. Such a movement would take more CSXT trains deeper into the congested Chicago Terminal, undermining one of the purposes of the Elsdon Line. Furthermore, this alternate route would involve additional at-grade rail crossings with other carriers including Metra, Chicago Rail Link, and Norfolk Southern, and could create significant interference with other rail traffic. Operating CSXT trains to the Clearing Yard via Villa Grove requires a sequence of communication that involves four distinct dispatching segments, as train operations must be coordinated from CSXT to Union Pacific to the Belt Railway back to CSXT. This creates considerably more opportunities for congestion and cascading operational problems than operating over the Elsdon, which involves only one dispatching segment.

In addition, use of the Elsdon Line has streamlined CSXT's ability to access the Clearing Yard, because trains traveling on the Elsdon Line northward can connect directly to the BRC line at Hayford. The Blue Island Line does not have a similar connection track to the BRC that allows a progressive movement towards the Clearing Yard. Instead, trains traveling north on the Blue Island Line must operate past the at-grade crossing with BRC and switch directions, requiring a shove operation to get onto the BRC line to access the Clearing Yard. CSXT can avoid this run-around movement either by using the Elsdon Line or by using

trackage rights on Union Pacific and BRC tracks north of Thornton Junction and Dolton Junction. But, again, those foreign lines are already congested, and movements over them require communication among multiple dispatchers. If CSXT were required to move fewer trains over the Elsdon Line or make other operational changes, it would require increased use of the run-around movement or more reliance on the Union Pacific and BRC trackage rights, both of which could have compounding effects on the fluidity of traffic in the Chicago Terminal and beyond.

Dolton Junction is another specific area of Chicago that could be adversely affected by any further operational changes on the Elsdon Line.⁹ Dolton Junction is co-owned by CSXT and Union Pacific and operated by the latter.¹⁰ In addition to those two railroads, IHB, Norfolk Southern, and Amtrak also traverse Dolton, amounting to approximately 80 train movements a day and one of the most congested areas in Chicago. Moreover, all of the lines approaching Dolton Junction cross at grade, meaning that increased congestion at Dolton could lead to an increase in blocked crossings in that area.

For these reasons, one of the justifications for CSXT's acquisition of the Elsdon Line was to try to divert traffic from Dolton.¹¹ Historically, CSXT's

⁹ Dolton is just one example. Taking trains off the Elsdon Line will lead to more congestion at other Chicago Terminal chokepoints, such as Union Pacific's Yard Center.

¹⁰ See Exhibit 4 to CSXT's Reply for a rail map that illustrates Dolton Junction and other key junctions on and near the Elsdon Line.

¹¹ CSXT anticipated diverting approximately 13.7 trains a day from Dolton to the Elsdon Line. See *CSX Transp., Inc.—Acquisition of Operating Easement—Grand*

dominant train activity into and out of the Chicago Terminal has been over the Barr Subdivision which traverses Dolton. From the east, more than 40 CSXT trains a day traveled through Dolton. Because of the alternative routing options available from the Elsdon Line, this has been reduced to approximately 36 CSXT trains per day. The Elsdon Line thus allows some CSXT trains to entirely avoid the congested Dolton Junction. But if CSXT is forced to make operational changes, this will increase pressure on the Dolton Junction.

These are just some examples of the ripple effects that would be caused by rerouting current Elsdon Line traffic. Any change in rail traffic has a significant effect in the immediate, already congested vicinity of Elsdon but also radiates out across the rail network. The repercussions not only would impact CSXT and our customers, but also would affect other connecting railroads and their customers.

* * *

CSXT takes the Board's concerns seriously and understands the need to minimize blocked crossings whenever possible. But CSXT is doing everything that can be reasonably expected from a railroad operating in the Chicago Terminal. We are committed to continuing our plan to improve fluidity on this Line and in the Chicago Terminal as a whole as circumstances permit.

Trunk W. R.R. Co., STB Fin. Docket No. 35522, *Acquisition Application*, at 14 (STB filed Aug. 13, 2012).

VERIFICATION

I declare under penalty of perjury that the foregoing statement is true and correct to the best of my knowledge, belief, and information. Further, I certify that I am qualified and authorized to file this statement.

Executed on this _____ day of August, 2018.


John Parker

PUBLIC VERSION

BEFORE THE SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC. – ACQUISITION OF OPERATING EASEMENT –
GRAND TRUNK WESTERN RAILROAD COMPANY**

VERIFIED STATEMENT OF KAUSTUV CHAKRABARTI

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I. INTRODUCTION AND CONCLUSIONS

I am Kaustuv Chakrabarti, a Senior Director in the Network Industries Strategies group within the Economic Consulting division at FTI Consulting. My office is located at 8251 Greensboro Drive, McLean, VA 22102. I submitted a verified statement in this proceeding on May 30, 2017. In that verified statement, I evaluated CSX Transportation, Inc. (“CSXT”) data on train volumes and instances of at-grade crossings blocked greater than 10 minutes on its Elsdon Line from October 2016 to April 2017. A statement of my qualifications and list of previous testimony is attached hereto as Exhibit FTI-1.

I have been asked by CSXT to review the analysis in the Surface Transportation Board’s (the “Board”) July 27, 2018 decision (“July 2018 Decision”).¹ In that decision, the Board observed that CSXT’s monthly reports list more at-grade crossings blocked greater than 10 minutes in June 2018 than in July 2016, and requested CSXT to provide a plan detailing additional actions to improve fluidity on the Elsdon Line and reduce the number and duration of crossings blocked greater than 10 minutes on the Line.

In responding to the Board’s observations and conclusions, I evaluated data regarding train volumes, at-grade crossings blocked greater than 10 minutes, train speeds, and held trains in the Chicago Terminal. As a result of that review, I offer the following conclusions:

1. The fluidity of operations on the Elsdon Line is on par with other lines in the Chicago Terminal.

¹ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522 (STB serv. July 27, 2018).

2. CSXT's service on the Elsdon Line has not deteriorated. Of the 9,434 at-grade train crossings that occurred on the Elsdon Line in June 2018, 93.3% occurred in less than 10 minutes and only 1.5% of the time were crossings blocked by stopped trains for more than 10 minutes.
3. Using a July 2016 baseline for comparing the number of Elsdon Line at-grade crossings blocked greater than 10 minutes provides an incomplete analysis.
4. While at-grade crossings blocked greater than 10 minutes continue to occur, most of the occurrences can be attributed to factors outside of CSXT's control.

II. SOURCE DATA

I relied primarily on four data sources for my calculations. The first data source was Chicago train delay data that CSXT provided from January 2017 through January 2018 from the Chicago Integrated Rail Operations Center ("CIROC"). The second data source was "OS control point" data that CSXT provided for year-to-date 2018, reporting the times and locations for CSXT trains within the Chicago Terminal. The third data source was the publicly-available monthly reports CSXT has filed with the Board in this proceeding, which I used to determine the instances of at-grade crossings blocked greater than 10 minutes, the types of trains (*e.g.*, CSXT or foreign), the causes for the 10+ minute crossings (Thornton Junction, etc.), and whether the trains were moving or stopped. The fourth data source was summarized train volumes for each of the Elsdon Line at-grade crossings that CSXT provided for June 2018.

III. FLUIDITY OF OPERATIONS ON THE ELSDON LINE IS ON PAR WITH OTHER LINES IN THE CHICAGO TERMINAL.

A. Review of data tracking railroad operations across the Chicago Terminal demonstrates that train delays are not unique to the Elsdon Line.

The Chicago Terminal is the most congested gateway in the country, with six Class I carriers operating lines in and through the Chicago Terminal, terminal railroads such as the Belt

Railway Company of Chicago (“BRC”) and the Indiana Harbor Belt Railroad (“IHB”) conducting switching and transfer operations in the area, and Metra commuter rail and Amtrak passenger trains providing service.² In the *EP 724 United States Rail Service Issues – Performance Data Reporting* proceeding, the Board established several metrics for measuring performance on the rail system, with one of the metrics for the Chicago Terminal being the number of held trains. To put the held train delays on the Elsdon Line in perspective with regard to delays on other lines in the Chicago Terminal, CSXT provided data generated by CIROC on trains held for 2+ hours in the Chicago Terminal.³ These data identify the particular train that was held, the time and location where it was held, the responsible carrier, and the reason why it was held. As summarized in Figure 1, the CIROC data show that there were {{ }} trains held for 2+ hours in the Chicago terminal for the 13-month period January 2017 to January 2018. Of these {{ }} held trains, only {{ }} of the total) were held on the Elsdon Line. This count

² See Report of the Amtrak Chicago Gateway Blue Ribbon Panel, at 8 (Oct. 2015), available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/businessplanning/Chicago-Gateway-Amtrak-Blue-Ribbon-Panel-Final-Report.pdf> (“Blue Ribbon Panel Report”); *Doing the locomotion*, The Economist (Feb. 13, 2016), <https://www.economist.com/business/2016/02/11/doing-the-locomotion> (noting that Chicago still has “pressing congestion problems” and is “a bottleneck through which much of America’s freight is rammed”); *Chicago’s rail hub is a train wreck. Here’s the fix*, Chicago Tribune (May 16, 2017), <http://www.chicagotribune.com/news/opinion/editorials/ct-rail-freight-chicago-trump-edit-jm-20170516-story.html> (“America’s leading nerve center for rail movement is also its leading train traffic choke point.”).

³ CIROC was established in December 2015 by the Chicago Transportation Coordination Office (“CTCO”) to assist with facilitating and managing rail operations in and around the Chicago Terminal. 2+ hours is the threshold used by CIROC to document the number of held trains.

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of {{ }} held trains, representing {{ }} per week, places the Elsdon Line {{ }} among the Chicago lines and subdivisions reported in the CIROC data.

{{

}}

Further, the CIROC data identify that the responsibility for many of the held trains is assigned to railroads other than CSXT – consistent with the monthly reports to the Board of blocked crossings greater than 10 minutes on the Elsdon Line. Only {{ }} of the held trains on the Elsdon Line were assigned to CSXT's responsibility. The {{ }} Elsdon Line held trains for which CSXT was assigned responsibility represents {{ }} held train occurrences during this period.

In this respect, the Elsdon Line is not unique. As illustrated in Figure 2, the CIROC data show that there were {{ }} Subdivisions that had {{ }} or more held trains due to Corridor or Yard Congestion during the January 2017-January 2018 period. Of the {{ }} trains on the Elsdon Subdivision held due to Corridor Congestion or Yard Congestion during the January

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2017-January 2018 period, {{ }} were assigned to other railroads' responsibility {{ }}. Many of the subdivisions in the Chicago Terminal experience a similar degree of interaction with other railroads, resulting in significant proportions of held trains on the host railroads' lines that are due to factors under the control of other railroads throughout the Chicago Terminal.

{{

}}

B. Examination of CSXT's data for other Chicago Terminal segments indicates that operations on the Elsdon Line are of similar fluidity as those for other CSXT lines.

Train speed is a performance metric that the Board identified in the EP 724 proceeding as a way to assess the fluidity of railroad operations. To put the operational fluidity of the Elsdon Line in perspective with that for other lines in the Chicago Terminal, CSXT provided 2018 year-to-date "OS control point" data tracking the times and locations of individual CSXT trains as

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they traversed segments in the Chicago Terminal.⁴ I used these data to calculate and compare the average train speeds for the Elsdon Line and two other lines for which sufficient data were available – the Barr/Blue Island Subdivisions (stations with “DC” mileposts) and the IHB Subdivision (stations with “DIH” mileposts). As shown below, these data indicate that in 2018 the average speed for trains on the Elsdon Line has been similar to those on other lines in the Chicago Terminal, both for each Subdivision in aggregate and when broken out by major segment within each Subdivision. As was the case with the number of held trains, average train speeds indicate that the Elsdon Line is not unique with respect to other lines in the Chicago Terminal.

{

}

⁴ Data covered the period January 1 – August 7, 2018.

{

}

IV. DATA SUBMITTED IN THE MONTHLY REPORTS INDICATES THAT CSXT'S SERVICE ON THE ELSDON LINE HAS NOT DETERIORATED.

A. The vast majority of train crossings on the Elsdon Line are completed in less than 10 minutes.

In its July 27, 2018, decision, the Board focuses on the number of reported blocked crossings greater than 10 minutes between July 2016 and June 2018. However, such a metric by itself does not consider the “success rate” – the percentage of total train crossings completed in less than 10 minutes – that CSXT is achieving on the Elsdon Line. Using the baseline identified earlier, the success rate on the Elsdon Line has remained fairly constant between 95.5% in June 2017 and 93.3% in June 2018.

B. A tiny proportion of at-grade crossings on the Elsdon Line are due to trains stopped greater than 10 minutes.

In addition to the success rate remaining relatively constant between June 2017 and June 2018, a closer look at the data in the CSXT monthly reports provides further insights into

performance on the Elsdon Line. Of the 9,434 train crossings that occurred on the Elsdon Line in June 2018, 93.3% occurred in less than 10 minutes and only 1.5% of the time were crossings blocked by stopped trains for more than 10 minutes.⁵

On May 30, 2017, CSXT submitted to the Board a report on operational fluidity (“2017 Fluidity Report”) in this proceeding.⁶ CSXT explained in its 2017 Fluidity Report that the Board’s and community’s concerns about grade crossings on the Elsdon Line have always been focused on the 8-mile stretch that lacks grade-separated crossings in the Village of Evergreen Park and the 19th Ward.⁷ On this particular segment, 94.2% of all at-grade crossings occurred in less than 10 minutes, and only 1.1% of the time were at-grade crossings blocked by stopped trains for more than 10 minutes. In fact, the success rate was 90% or higher for 32 of the 39 at-grade crossings on the entire Elsdon Line and for 9 of 10 at-grade crossings in the Village of Evergreen Park and the 19th Ward (the success rate for the remaining crossing was 89.8%).⁸

⁵ CSXT’s monthly reports indicate whether the train blocking the crossing was moving or stopped.

⁶ *CSX Transp., Inc.—Acquisition of Operating Easement—Grand Trunk W. R.R. Co.*, STB Fin. Docket No. 35522, *CSXT Report on Operational Fluidity* (STB filed May 30, 2017) (“2017 Fluidity Report”).

⁷ See 2017 Fluidity Report at 22.

⁸ CSXT reports information on crossings blocked greater than 10 minutes in its monthly reports for 39 at-grade crossings.

Figure 5: Success Rates for Elsdon Line, June 2018

	Train At-Grade Crossings	Success Rate Percent < 10 Minutes	Percent > 10 Minutes, Stopped	Number of Crossings with Success Rate > 90%
Entire Elsdon Line	9,434	93.3%	1.5%	32 of 39
Evergreen Park & 19 th Ward	2,050	94.2%	1.1%	9 of 10

C. The average proportion of each day that an at-grade crossing was blocked due to blocked crossings greater than 10 minutes was less than 1%.

Another way to assess performance on the Elsdon Line is to determine the average proportion of each day that an at-grade crossing is blocked for 10 minutes or more. In June 2018, the 12,887 total minutes that Elsdon Line crossings were blocked for 10+ minutes translate to each crossing being blocked for, on average, only 11 minutes out of the 24 hours in a day.⁹ Put differently, of the 24 hours in a day, each crossing is blocked for 10+ minutes less than 1% of the time.¹⁰

When assessing performance in terms of frequency, the 632 blocked crossings greater than 10 minutes in June 2018 translate to each crossing being blocked for 10+ minutes only every other day.¹¹

⁹ 12,887 minutes of blocked crossings greater than 10 minutes/30 days/39 crossings = 11 minutes per crossing per day.

¹⁰ 11 minutes/(24 hours x 60 minutes) = 0.8%.

¹¹ 632 blocked crossings greater than 10 minute/30 days/39 crossings = 0.54 blocked crossings greater than 10 minutes per crossing per day.

D. The Board's use of a July 2016 baseline for comparing the number of Elsdon Line at-grade crossings blocked greater than 10 minutes was incomplete.

1. CSXT upgraded its reporting methodology after July 2016.

The 2017 Fluidity Report that CSXT submitted to the Board among other things described operations on the Elsdon Line as well as the technology and methodology CSXT employed to identify gate activations and train crossings. As discussed in that report, to comply with the Board's June 22, 2016 order to report information on at-grade blocked crossings greater than 10 minutes, for gates that lacked the remote monitoring technology CSXT had to evaluate available data sources such as Track Circuit data (or CADS) and data from locomotives equipped with GPS tracking, both of which are less precise than the data from remotely-monitored crossings. After several months of reporting, at the end of 2016 and early 2017, CSXT improved the programming logic to identify train movements and locations at the gates where the more accurate, remote monitoring had not been in place.¹² The impact of these types of upgrades, as CSXT stated in its 2017 Fluidity Report, was an improvement in the reporting accuracy related to train crossings.

2. Due to the reporting upgrades, the Board's analysis is incomplete.

The improvements to programming logic and technology used to identify train movements on the Elsdon Line that CSXT made in late 2016 and early 2017 render July 2016 an inappropriate baseline against which to measure future performance. To provide a more appropriate comparison, I select June 2017 as the baseline for this presentation. While the realities of real-world railroading are always dynamic, and there have been other changes in

¹² See 2017 Fluidity Report at 31, fn. 28.

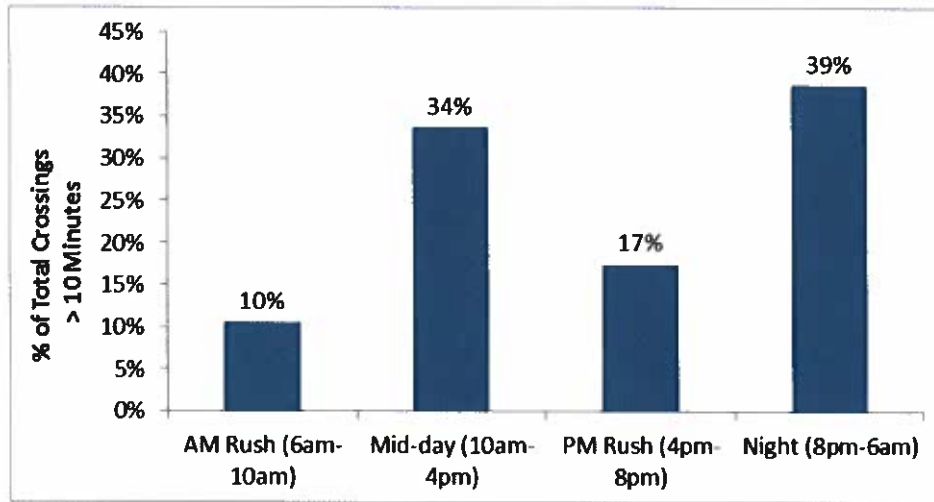
operations that affect a comparison, evaluating June 2017 and June 2018 provides a simple examination that is not affected by seasonality or the changes in reporting methodology.

E. Other data observations.

The monthly reports that CSXT has submitted in this proceeding provide a number of useful metrics for assessing performance on the Elsdon Line. These include the time of day the blocked crossing occurred, whether the train was moving or stopped, and the duration of the crossing.

One measure of the impact of crossings greater than 10 minutes on the surrounding communities may include the time of day when these crossings occur. Presumably, crossings with longer durations will disrupt vehicular traffic more during rush hour periods than they would late at night. As Figure 6 shows, in June 2018, 73% of at-grade blocked crossings greater than 10 minutes occurred during mid-day (34%) or at night (39%) – that is, during non-rush hour periods. This indicates that the impact of blocked crossings greater than 10 minutes on the Elsdon Line is mitigated to some degree by the time of day that they occur.

Figure 6: At-Grade Blocked Crossings Greater than 10 Minutes, by Time of Day, June 2018



Another potential measure of the impact of crossings on the surrounding communities, in particular vehicular traffic, is of course the duration of the blockage. While the Board in its decision refers to CSXT reporting 632 blocked crossings greater than 10 minutes in June 2018, a closer look at the data reveals that 397 of these crossings (63%) were between 10 and 15 minutes, another mitigating factor when considering the volume of train crossings.

A third measure, whether the crossing was blocked by a moving or stopped train, may provide an indication of the severity of the blockage. In June 2018, 489 of the 632 (77%) blocked crossings greater than 10 minutes in June 2018 were due to moving trains. These crossings averaged only 13.1 minutes.

V. WHILE AT-GRADE BLOCKED CROSSINGS GREATER THAN 10 MINUTES CONTINUE TO OCCUR, MOST OF THE OCCURRENCES CAN BE ATTRIBUTED TO FACTORS OUTSIDE OF CSXT'S CONTROL

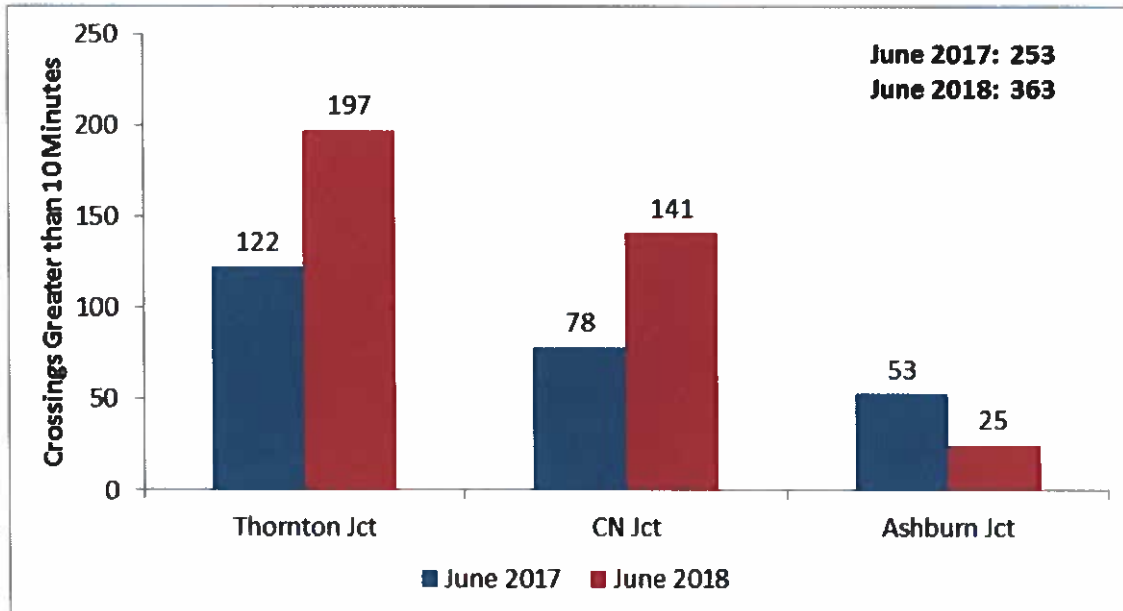
A. Most of the at-grade blocked crossings greater than 10 minutes on the Elsdon can be attributed to factors outside of CSXT's control.

CSXT discussed in its 2017 Fluidity Report many of the complexities of operations on the Elsdon Line, particularly as it related to its intersection with multiple other rail lines.¹³ While CSXT has improved coordination with these carriers – *e.g.*, UP at Thornton Junction, CN at CN Junction, and NS at Ashburn Junction – much of the operations and impacts to train crossings remains outside of CSXT's control.

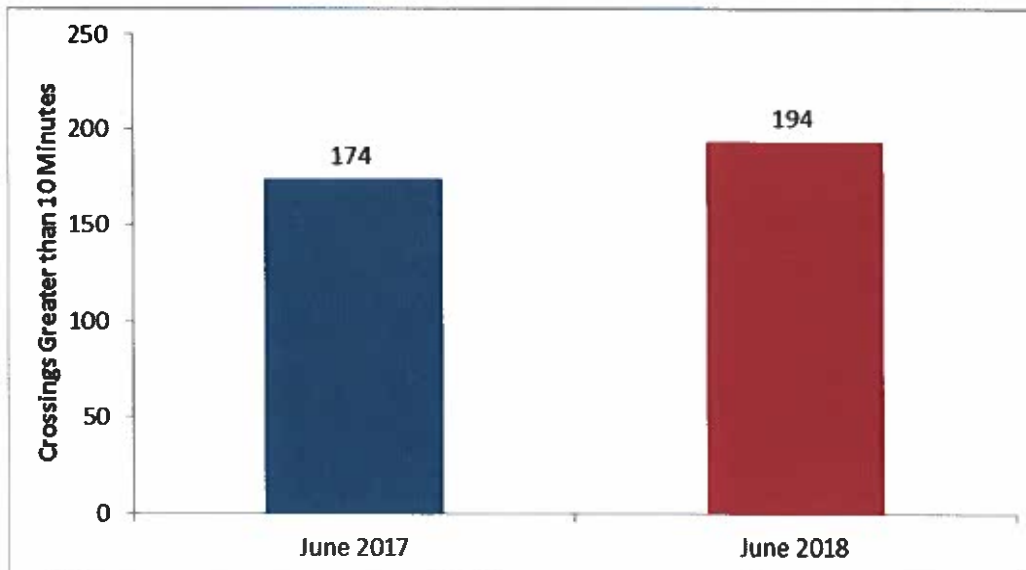
It appears that the impact on train crossing delays attributable to such factors outside of CSXT's control has increased. For instance, the number of blocked crossings greater than 10 minutes attributable to Thornton Junction, CN Junction, and Ashburn Junction causes increased from 253 in June 2017 to 363 in June 2018 as shown in Figure 7. In June 2018, these three causes accounted for 363 of the 632 blocked crossings greater than 10 minutes – 57% of the total.

¹³ See 2017 Fluidity Report at 7.

Figure 7: At-Grade Blocked Crossings Greater than 10 Minutes, by Foreign Railroad Cause



In addition, as shown in Figure 8, the number of crossings that are blocked by foreign trains – and not CSXT trains – for greater than 10 minutes increased from 174 in June 2017 to 194 in June 2018, and account for nearly one-third of the total blocked crossings greater than 10 minutes in each month. At the southern end of the Elsdon Line, where many of the blocked crossings occur, including the lengthy blockages caused by Thornton Junction, foreign trains constitute 70% of the train volumes. Clearly, the data indicate that a substantial number of the blocked crossings greater than 10 minutes on the Elsdon Line are due to a) causes potentially outside of CSXT's control or b) foreign trains.

Figure 8: At-Grade Blocked Crossings Greater than 10 Minutes, Foreign Trains

B. There has been a decrease in the number of 10+ minute at-grade crossings of CSXT trains that are not due to other railroads.

Excluding the at-grade blocked crossings greater than 10 minutes that were a) by foreign trains or b) by CSXT trains but resulting from potential foreign railroad causes (Thornton Junction, CN Junction, Ashburn Junction) – provides more clarity into how many blocked crossings greater than 10 minutes on the Elsdon Line are under CSXT’s control.

As shown in Figure 9, in June 2018, 243 of the 632 at-grade blocked crossings greater than 10 minutes, or 38%, were attributable to factors under CSXT’s control. In other words, 10+ minute crossings of foreign trains or for which other railroads were potentially responsible accounted for 62% of total crossings in June 2018, which is an increase from the 55% in June 2017. Finally, as discussed earlier, over three-quarters of the blocked crossings greater than 10 minutes on the Elsdon Line are due to trains that never stop. Removing these trains, as shown in the last section of the table below, shows that blocked crossings greater than 10 minutes resulting

from stopped trains, due to factors under CSXT's control, were 25% lower in June 2018 than in June 2017.

Figure 9: At-Grade Blocked Crossings Greater than 10 Minutes, Potential CSXT Causes, CSXT Trains

	Jun-17	Jun-18
Total Blocked Crossings	551	632
Minus Foreign Trains	174	194
CSXT Trains	377	438
Minus Foreign Railroad Causes	127	195
Potential CSXT Causes, CSXT Trains	250	243
% of Total Blocked Crossings	45%	38%
Minus Moving	202	207
Potential CSXT Causes, CSXT Trains, Stopped	48	36
% of Total Blocked Crossings	9%	6%

VERIFICATION

I, Kaustuv Chakrabarti, declare under penalty of perjury that the evidence I have sponsored is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.



Kaustuv Chakrabarti

Executed on this 23rd day of August. 2018.

Kaustuv Chakrabarti

Senior Director – Economic Consulting

Kaustuv.Chakrabarti@fticonsulting.com

FTI Consulting

8251 Greensboro Drive

Suite 1111

McLean, VA 22102

Tel: (571) 830-1055

EDUCATION

Bachelor of Science in
Chemistry and Economics from
the College of William and Mary
Master of Arts in Applied
Economics from the Johns
Hopkins University

Kaustuv Chakrabarti is a Senior Director at FTI Consulting in the Network Industries Strategies group within the Economic Consulting practice. Mr. Chakrabarti conducts economic and financial analysis for primarily the transportation, telecommunications, and energy industries. He holds an M.A. in Applied Economics from the Johns Hopkins University and a Bachelor of Science, majoring in Chemistry and Economics, from the College of William and Mary, and is a CFA (Chartered Financial Analyst) charterholder.

Background

Mr. Chakrabarti has developed analyses in the transportation industry to estimate and forecast operating expenses, investment costs, variable costs, and other income-related elements. He has constructed and utilized databases to analyze operational data in support of strategic decision-making. He has applied the STB's URCS regulatory costing model and the above analyses in rate cases brought before the STB under the Full SAC, Simplified SAC, and Three-Benchmark standards. He has also conducted valuations of firms or business segments outside of the transportation industry. For these valuations, he analyzed financial statements and other income data to develop various discount cash flow models.

Mr. Chakrabarti has conducted numerous business case analyses for the federal government in voice telephony, information technology, and building construction. In these efforts, he worked with clients to design potential investment solutions; compare the costs, benefits, and risks of each; and identify the optimal solution.

TESTIMONY

Surface Transportation Board

November 30, 2012	Docket No. 42125 E.I. DuPont De Nemours & Company v. Norfolk Southern Railway Company, Reply Evidence of Norfolk Southern Railway Company
January 7, 2013	Docket No. 42130 SunBelt Chlor Alkali Partnership v. Norfolk Southern Railway Company, Reply Evidence of Norfolk Southern Railway Company
April 12, 2013	Docket No. 42136, Intermountain Power Agency v. Union Pacific Railroad Company, Reply Evidence of Union Pacific Railroad Company

Kaustuv Chakrabarti

June 26, 2014	STB Ex Parte 665 (Sub-No. 1) Rail Transportation of Grain, Rate Regulation Review, Joint Verified Statement of Benton V. Fisher and Kaustuv Chakrabarti Supporting BNSF Opening Filing
July 21, 2014	Docket No. NOR 42121 Total Petrochemicals & Refining USA, Inc. v. CSX Transportation, Inc., Reply Evidence of CSX Transportation, Inc.
August 25, 2014	STB Ex Parte 665 (Sub-No. 1) Rail Transportation of Grain, Rate Regulation Review, Joint Verified Statement of Benton V. Fisher and Kaustuv Chakrabarti Supporting BNSF Reply Filing
October 7, 2015	Docket No. NOR 42121 Total Petrochemicals & Refining USA, Inc. v. CSX Transportation, Inc., Supplemental and Compliance Evidence of CSX Transportation, Inc.
November 20, 2015	Docket No. NOR 42121 Total Petrochemicals & Refining USA, Inc. v. CSX Transportation, Inc., Reply to Supplemental and Compliance Evidence
March 7, 2016	Docket No. NOR 42142 Consumers Energy Company v. CSX Transportation, Inc., Reply Evidence of CSX Transportation, Inc.
March 6, 2017	Docket No. NOR 42142 Consumers Energy Company v. CSX Transportation, Inc., Supplemental Reply Evidence of CSX Transportation, Inc.
May 30, 2017	Docket No. FD 35522 CSX Transportation, Inc. - Acquisition of Operating Easement – Grand Trunk Western Railroad Company, Report on Operational Fluidity, Verified Statement of Kaustuv Chakrabarti
February 20, 2018	Docket No. NOR 42142 Consumers Energy Company v. CSX Transportation, Inc., CSX Transportation, Inc.'s Petition for Consideration, Verified Statement of Kaustuv Chakrabarti

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF
OPERATING EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY**

RESPONSE TO JULY 27, 2018 ORDER

EXHIBIT 1

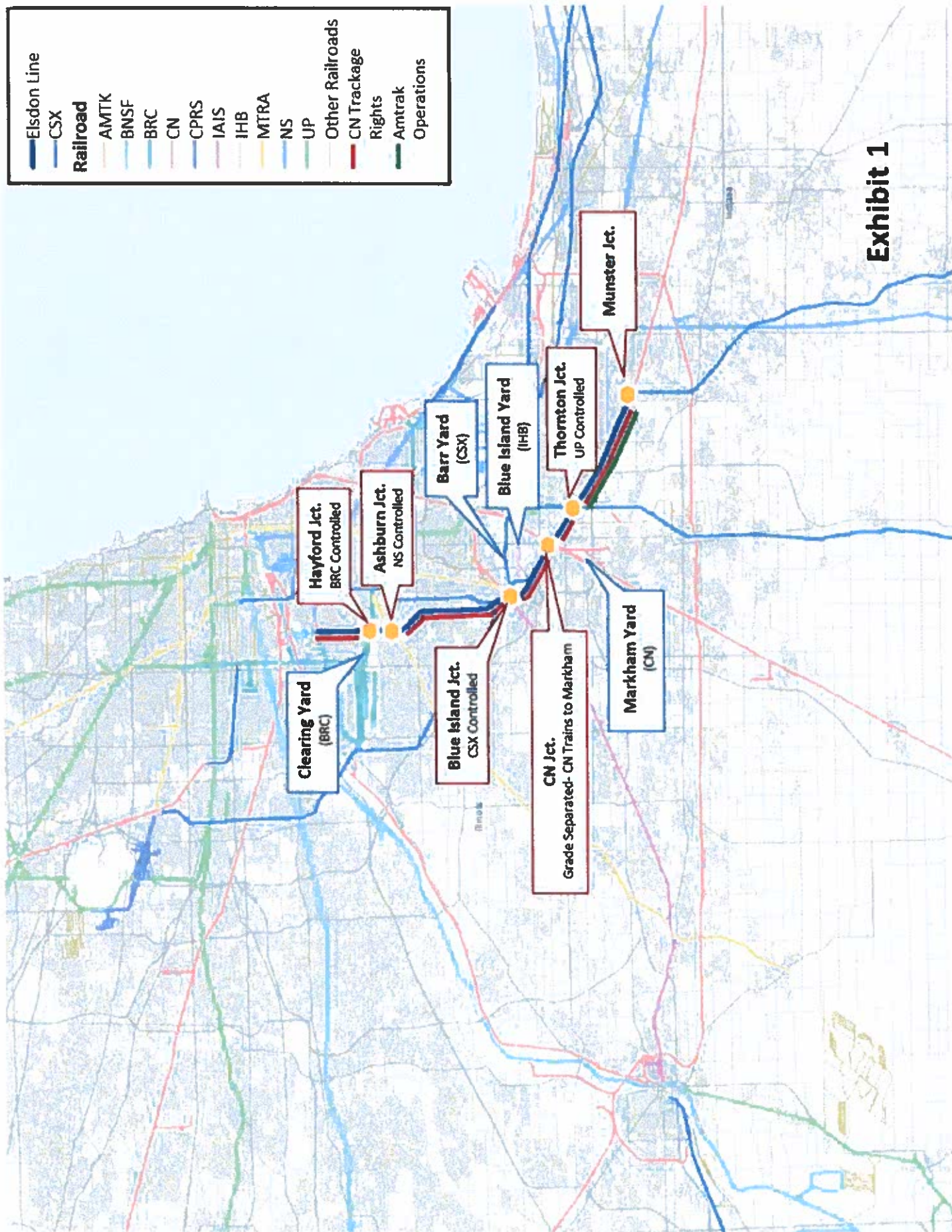


Exhibit 1

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

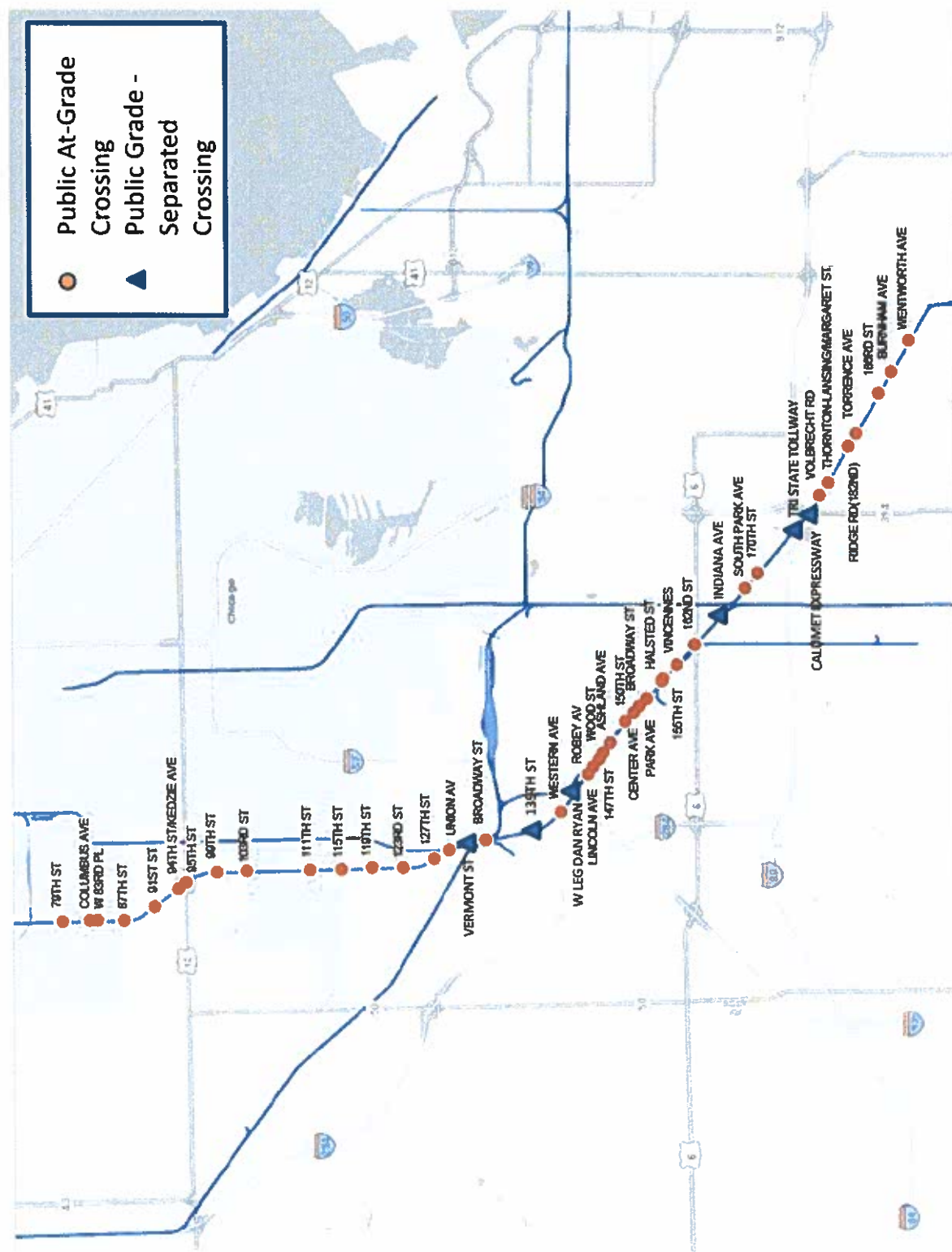
DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF
OPERATING EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY**

RESPONSE TO JULY 27, 2018 ORDER

EXHIBIT 2

Exhibit 2



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF
OPERATING EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY**

RESPONSE TO JULY 27, 2018 ORDER

EXHIBIT 3

Figure 3.1-1. Highway/Rail At-Grade Crossings

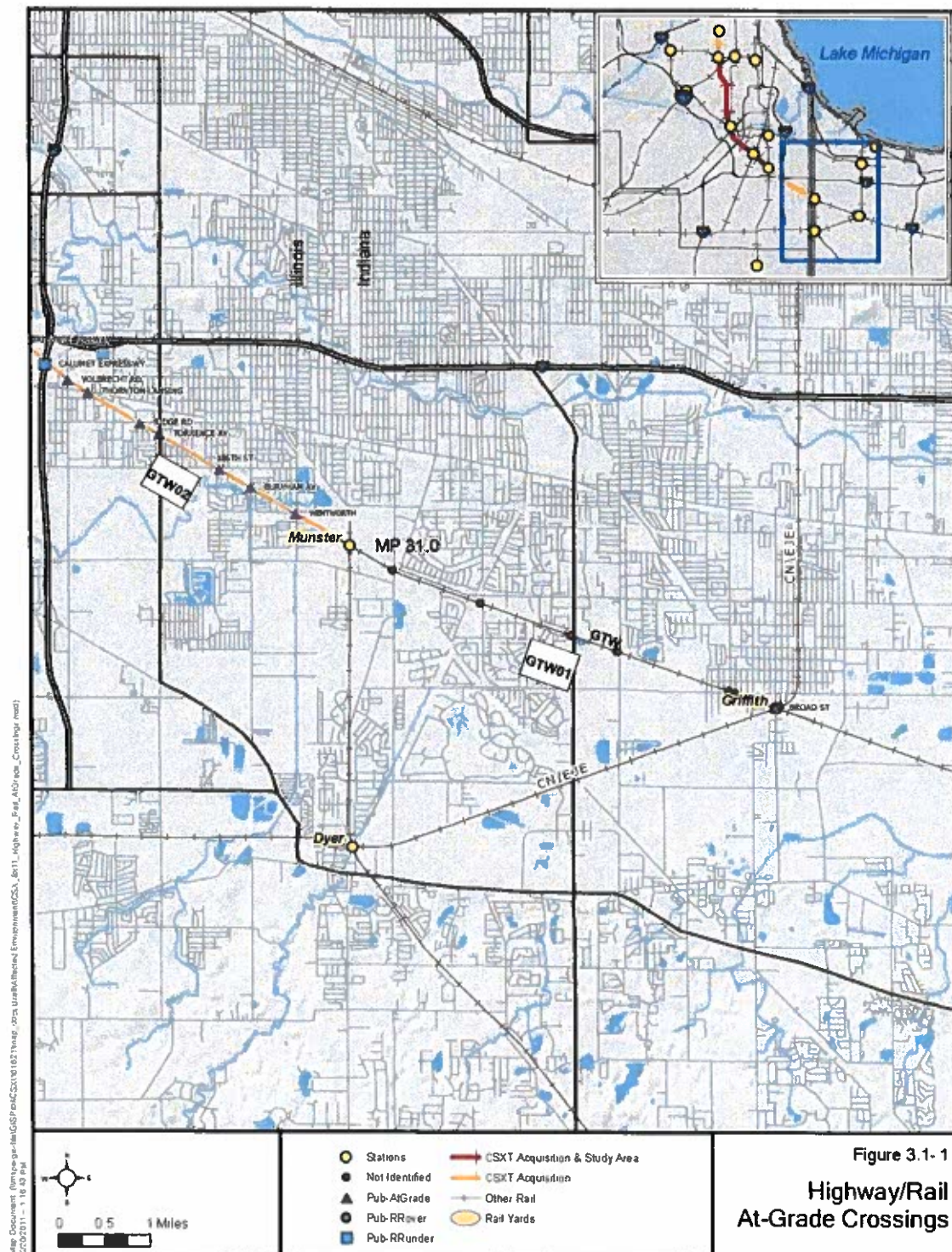


Figure 3.1-2. Highway/Rail At-Grade Crossings

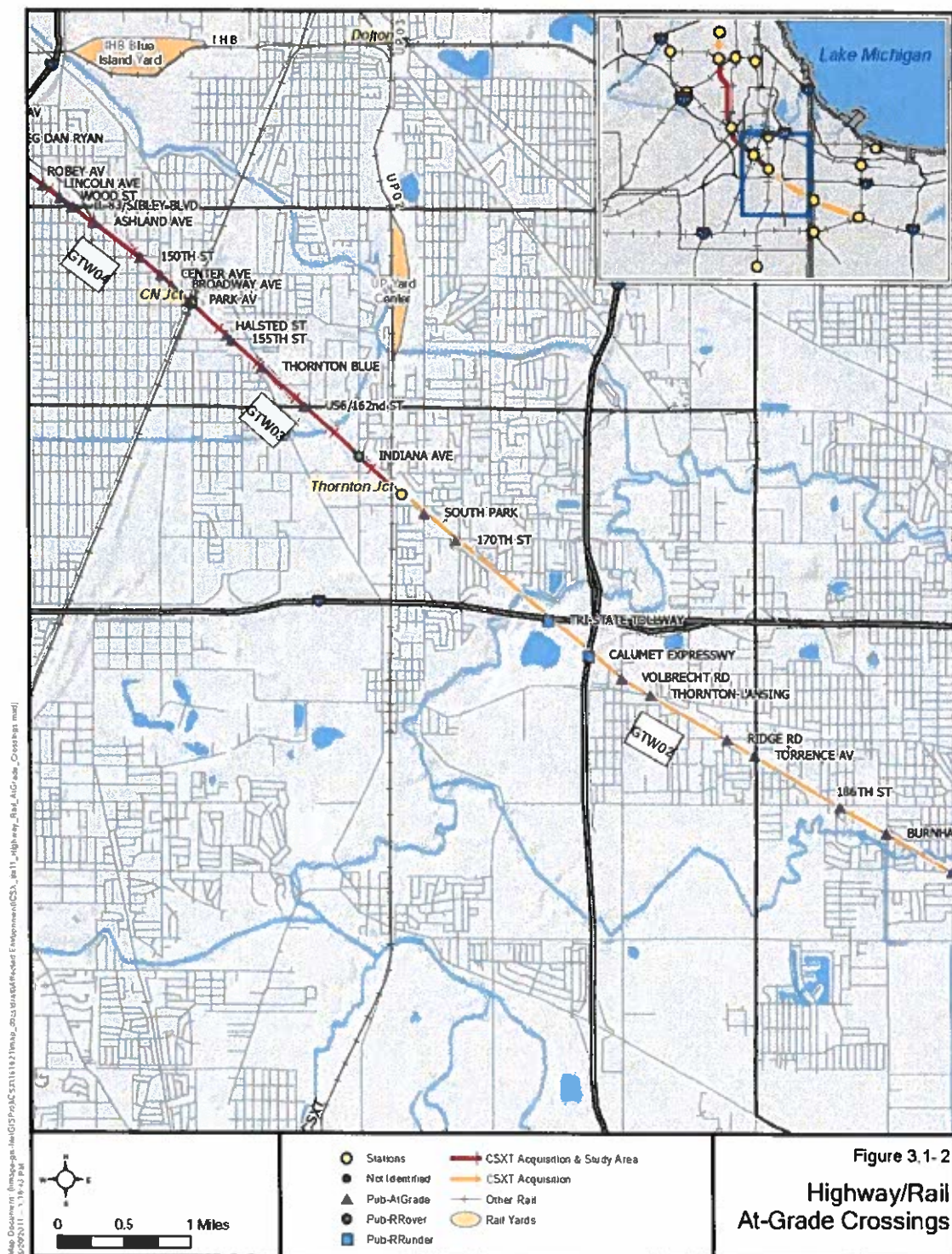


Figure 3.1-3. Highway/Rail At-Grade Crossings

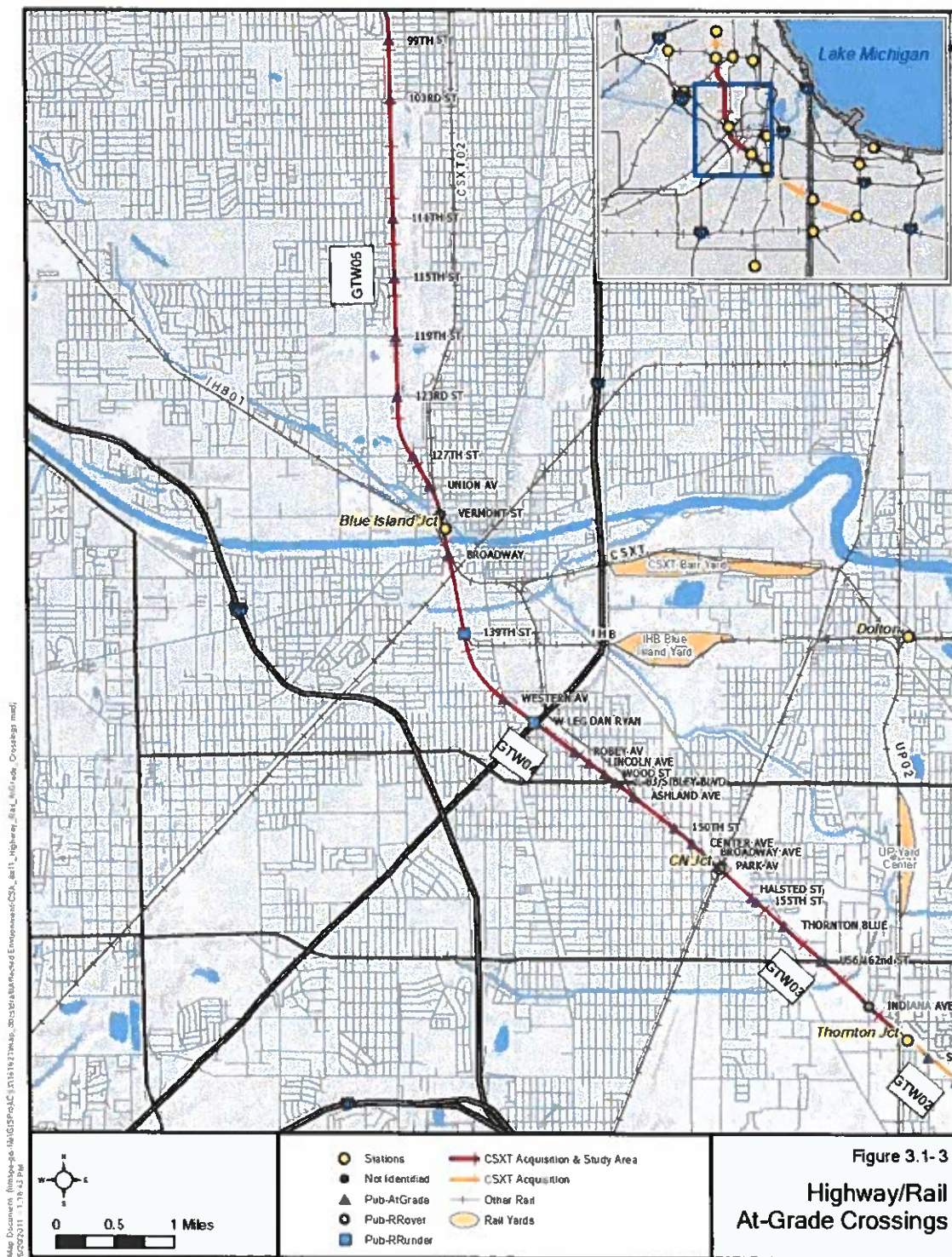
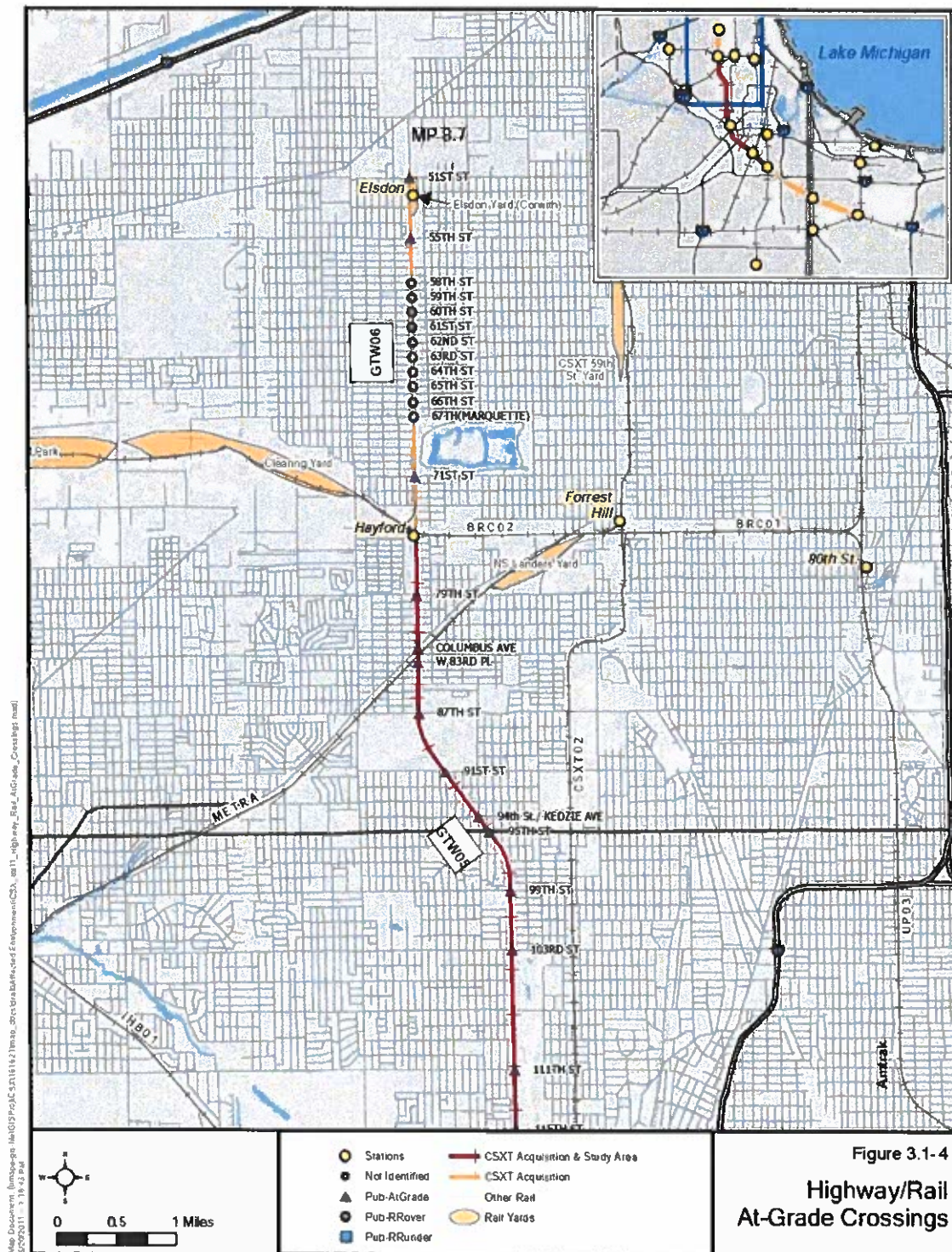


Figure 3.1-4. Highway/Rail At-Grade Crossings



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF
OPERATING EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY**

RESPONSE TO JULY 27, 2018 ORDER

EXHIBIT 4



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

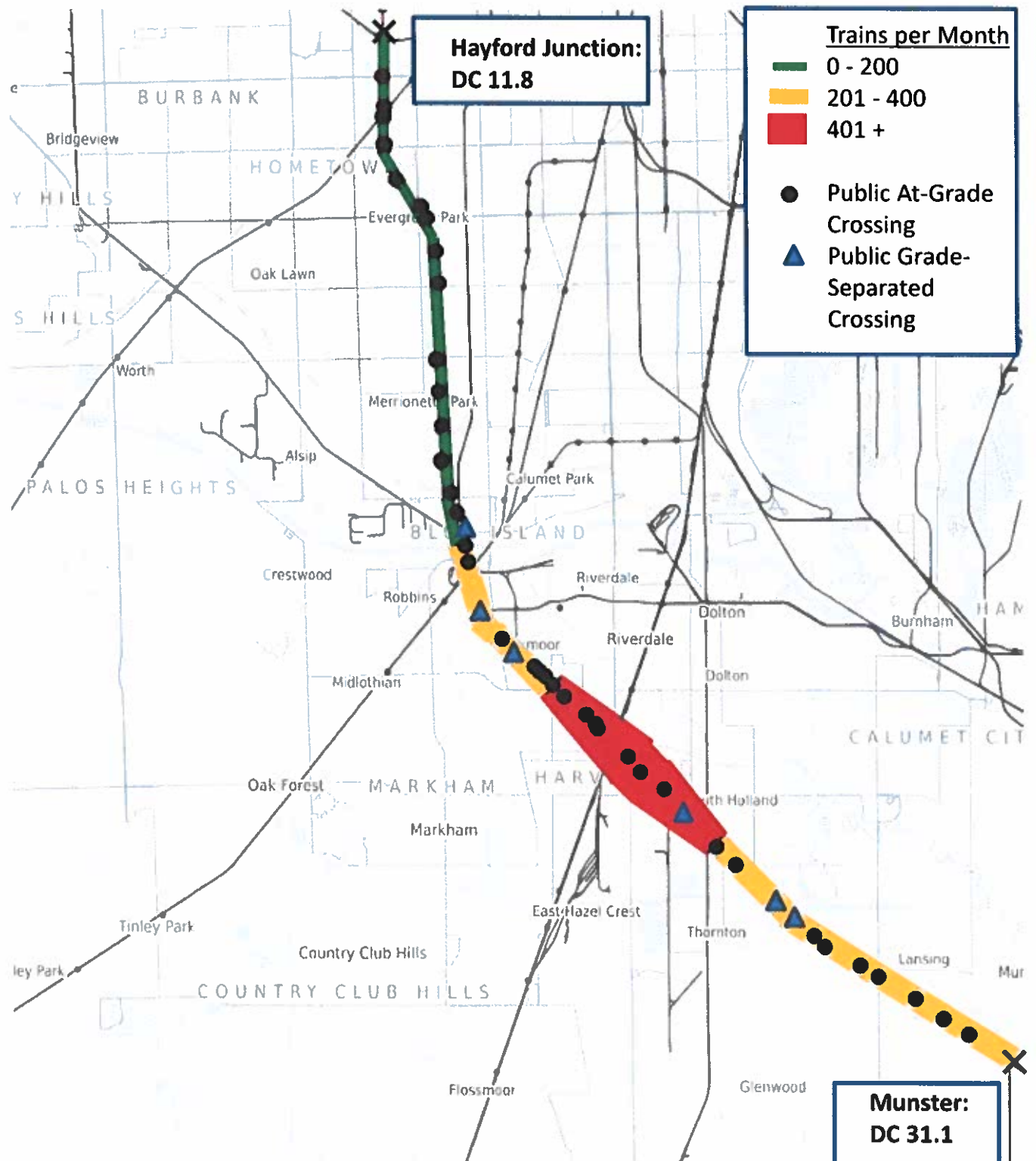
DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF
OPERATING EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY**

RESPONSE TO JULY 27, 2018 ORDER

EXHIBIT 5

Exhibit 5



**BEFORE THE
SURFACE TRANSPORTATION BOARD**

DOCKET NO. FD 35522

**CSX TRANSPORTATION, INC.—ACQUISITION OF
OPERATING EASEMENT—
GRAND TRUNK WESTERN RAILROAD COMPANY**

RESPONSE TO JULY 27, 2018 ORDER

EXHIBIT 6

EXHIBIT 6

CSXT's Capital Investments on the Elsdon Line 2013-2018

	2013	2014	2015	2016	2017	2018 YTD	Grand Total
Track Program - Road Crossings					\$248,273	\$394,419	\$642,692
Track Program - Other Track Work	\$5,820,554	\$4,139,497	\$1,300,413	\$450,924	\$4,658,143	\$375,154	\$16,744,683
Line Capacity	\$717,639	\$207					\$717,846
Signals		\$122,995	\$1,454	\$45,451	\$11,242		\$181,142
PTC		\$77,221		\$285,251	\$4,500,039	\$8,117,215	\$12,979,727
Switch Heaters			\$22,146				\$22,146
Grand Total	\$6,538,193	\$4,339,920	\$1,324,012	\$781,626	\$9,417,697	\$8,886,789	\$31,288,237

The above totals do not include CREATE contributions, the Hayford Junction Connection, or annual maintenance expenses.

A summary of CSXT's share of the CREATE projects mentioned in the text is below.

CREATE Project	Total Project Cost	CSXT Capital Contribution
COMPLETED		
B12	\$15,934,477	\$3,577,668
B16	\$11,123,453	\$3,258,754
WA10	\$8,712,011	\$2,706,538
Totals	\$35,769,941	\$9,542,960
PLANNED		
75th Street	\$952,000,000	\$32,300,000

EXHIBIT 6

Maintenance Expenses on the Elsdon Line

While CSXT does not precisely track maintenance expenses that are directly attributable to the Elsdon Line, it has estimated maintenance expenses below.

	2013 ¹	2014	2015	2016	2017	2018 YTD
Estimated Maintenance Expense	\$384,774	\$857,089	\$797,610	\$867,735	\$852,687	\$462,629

¹ CSXT did not begin operating on or maintaining the Elsdon Line until mid-2013.