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CSXT/PAR-42

VIA E-FILING

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

Dear Ms. Brown and Mr. Mecone:

On August 30, 2021, Applicants¹ filed a Safety Integration Plan in the above referenced proceeding. In accordance with the Board's decision served on December 10, 2021, enclosed for e-filing in this proceeding is a revised version of the Safety Integration Plan, which reflects Applicants' discussions with FRA.

Please contact me with any questions.

¹ The acronyms and defined terms used in this letter are the same as those used in the July 1, 2021 Revised Application.

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December 13, 2021
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Respectfully submitted,

/s/ Anthony J. LaRocca

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Enclosures

cc: Louis E. Gitomer
All parties of record

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—

PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE
CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD,
PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD
TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND
VERMONT & MASSACHUSETTS RAILROAD COMPANY

SAFETY INTEGRATION PLAN

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Dated: December 13, 2021

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- Appendix 4 B&E's Safety Integration Plan Accountabilities Chart

TABLE OF ABBREVIATIONS

747 Merger Sub 2	747 Merger Sub 2, Inc.
AAR	Association of American Railroads
ABS	Automatic Block Signal
ACSES	Advanced Civil Speed Enforcement System
AEI	Automated Equipment Identification
Amtrak	National Railroad Passenger Corporation
Applicants	CSX Corporation, CSX Transportation, Inc., 747 Merger Sub 2, Inc., Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company
ARDC	American Rail Dispatching Center
ATAC	Autonomous Track Assessment Car
B&B	Bridge & Building
B&E	Pittsburgh & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad
Board or STB	Surface Transportation Board
Boston & Maine	Boston and Maine Corporation
C&S	Communications and Signals
CAD	Computer-Aided Dispatch
CSS	Cab Signals
CSX	CSX Corporation and CSX Transportation, Inc.
CSXC	CSX Corporation
CSXPD	CSX Police Department

CSXT	CSX Transportation, Inc.
CTC	Centralized Traffic Control
CWR	Continuous Welded Rail
DCS	Form D Control System
DOT	U.S. Department of Transportation
DSLE	Designated Supervisor of Locomotive Engineers
ENS	Emergency Notification System
EROP	Employee Responsible for On-Track Protection
ERP	Emergency Response Plan
FMCSA	Federal Motor Carrier Safety Administration
FRA	Federal Railroad Administration
GCOR	General Code of Operating Rules
GWI	Genesee & Wyoming Inc.
HMR	Hazardous Material Regulations
I-ETMS	Interoperable Electronic Train Management System
LMS	Locomotive Management System
LOTO	Lock-Out/Tag-Out
Maine Central	Maine Central Railroad Company
MaineDOT	Maine Department of Transportation
MassDOT	Massachusetts Department of Transportation
MBTA	Massachusetts Bay Transportation Authority
MOW	Maintenance of Way
MWI	Maintenance of Way Instructions
NNEPRA	Northern New England Passenger Rail Authority
NORAC	Northeast Operating Rules Advisory Committee

Northern	Northern Railroad
NSR	Norfolk Southern Railway Company
NYSDOT	New York State Department of Transportation
OJT	On-The-Job Training
OSHA	Occupational Safety and Health Administration
P&W	Providence and Worcester Railroad Company
PAR	Pan Am Railways, Inc.
PAR Railroads	Boston and Maine Corporation, Maine Central Railroad Company, Portland Terminal Company, Springfield Terminal Railway Company, Northern Railroad, Stony Brook Railroad Company and Vermont and Massachusetts Railroad Company
PAR System	Rail system over which the PAR Railroads own rail lines and provide rail service
PAS	Pan Am Southern LLC
Portland Terminal	Portland Terminal Company
PPE	Personal Protective Equipment
Proposed Transaction	Transactions requiring STB authorization contemplated in STB Docket No. FD 36472
PSCC	Public Safety Coordination Center
PTC	Positive Train Control
PTEPP	Passenger Train Emergency Preparedness Plan
RCMS	Road Crossing Management System
RCO	Remote Control Operator
RCP&E	Rapid City, Pierre and Eastern Railroad, Inc.
Related Transactions	Transactions requiring STB authorization contemplated in a Settlement Agreement between CSXT and NSR, and a Term Sheet Agreement among CSXT, NSR and GWI

RMM	Roadway Maintenance Machine
RWIC	Roadway Worker in Charge
S.T.O.P.	PAR's Safety Training and Observation Procedure Program
SCMS	Security Countermeasure System
SIP	Safety Integration Plan
SIPA	Safety Integration Plan Accountabilities
SLSI	Short Line Safety Institute
Springfield Terminal	Springfield Terminal Railway Company
Stony Brook	Stony Brook Railroad Company
Systems	Pan Am Systems, Inc.
TC	Traffic Control
TCS	Traffic Control System
TMS	Transportation Management System
TRANSCAER	Transportation Community Awareness Emergency Response
TWC	Track Warrant Control
TWC-ABS	Track Warrant Control Automatic Block Signal
V&M	Vermont and Massachusetts Railroad Company
VTI	Vertical Track Interaction Testing

I. INTRODUCTION AND OVERVIEW OF THE PROPOSED TRANSACTION AND RELATED TRANSACTIONS

On July 1, 2021, CSX Corporation (“CSXC”), a non-carrier, and CSX Transportation, Inc. (“CSXT”), a Class I railroad,¹ and 747 Merger Sub 2, Inc. (“747 Merger Sub 2”), a non-carrier, Pan Am Systems, Inc. (“Systems”), Pan Am Railways, Inc. (“PAR”), Boston and Maine Corporation (“Boston & Maine”), Maine Central Railroad Company (“Maine Central”), Northern Railroad (“Northern”), Portland Terminal Company (“Portland Terminal”), Springfield Terminal Railway Company (“Springfield Terminal”), Stony Brook Railroad Company (“Stony Brook”), and Vermont & Massachusetts Railroad Company (“V&M”) (collectively, “Applicants”), filed an amended and supplemented application pursuant to 49 U.S.C. §§ 11323(a)(1), (3), (4), and (5) and 49 C.F.R. Part 1180 (the “Amended and Supplemented Application”) seeking approval from the Surface Transportation Board (“STB” or the “Board”): (1) for CSXC, CSXT, and 747 Merger Sub 2 to control the railroads controlled by Systems, a non-carrier, and PAR, a direct subsidiary of Systems and a non-carrier, and (2) CSXT to merge certain PAR railroads into CSXT (the “Proposed Transaction”).² The Board issued a decision, served on July 30, 2021, accepting for consideration the Amended and Supplemented Application. *CSX Corp. & CSX Transp., Inc.—Control and Merger—Pan Am Systems, Inc.*, FD 36472 (STB served July 30, 2021).

¹ CSXT is a wholly-owned subsidiary of CSXC. CSXC and CSXT are referred to collectively herein as “CSXT.”

² On February 25, 2021, Applicants filed an application for a “minor” transaction, as amended on March 2 and March 10, 2021. The Board issued a decision, served on March 25, 2021, finding that the Proposed Transaction would be a “significant” transaction. *CSX Corp. & CSX Transp., Inc.—Control and Merger—Pan Am Systems, Inc.*, FD 36472 (STB served March 25, 2021). Pursuant to the Board’s March 25 decision, Applicants filed an amended application for a “significant” transaction on April 26, 2021. The Board subsequently issued a decision rejecting the amended application and permitting Applicants to file a revised application to remedy certain deficiencies identified by the Board. *CSX Corp. & CSX Transp., Inc.—Control and Merger—Pan Am Systems, Inc.*, FD 36472 (STB served May 26, 2021). Pursuant to the May 26, 2021 decision, Applicants filed the Amended and Supplemented Application on July 1, 2021.

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

Boston & Maine also owns a 50% interest in the Class II rail carrier Pan Am Southern LLC (“PAS”), a 50/50 joint venture between Boston & Maine and Norfolk Southern Railway Company (“NSR”). PAS provides rail service between upstate New York and the Boston area and between Vermont and Connecticut. Springfield Terminal, also a Class II rail carrier, operates PAS as PAS’s contract agent.

The PAR Railroads (including Springfield Terminal) have implemented unified safety rules and practices, as described in further detail in this safety integration plan (“SIP”). While Springfield Terminal operates the PAR System and PAS as two separate railroads for financial purposes, Springfield Terminal maintains the same operating and safety practices across both railroads and Springfield Terminal employees operate across both railroads. Thus, the information provided in this SIP regarding current Springfield Terminal operations of the PAR System also apply to current Springfield Terminal operations of PAS, unless noted otherwise.

Related to but separate from the Proposed Transaction, CSXT, NSR, and Genesee & Wyoming Inc. (“GWI”) have entered into agreements that will strengthen PAS as an independent

rail route for access to rail shippers, and enhance rail competition, in New England. There are two agreements, a Settlement Agreement between CSXT and NSR which includes an agreement relating to operations at Ayer, MA (the “NSR Settlement Agreement”), and a Term Sheet Agreement among CSXT, NSR and GWI. These agreements are contained as exhibits to the Verified Statement of Mr. Sean Pelkey submitted with the Amended and Supplemented Application. These two agreements contemplate transactions requiring STB authorization (“Related Transactions”) that are related to the Proposed Transaction.

The NSR Settlement Agreement will have a small impact on traffic flows on two routes running generally west-to-east: (1) the “Northern Route” on PAS between Rotterdam Junction, NY and Ayer, MA, and (2) the “Southern Route” between Voorheesville, NY and Ayer, MA. Section IV of the NSR Settlement Agreement provides that NSR will obtain trackage rights over existing lines owned by four railroads (CSXT, Boston & Maine, Providence and Worcester Railroad Company (“P&W”), and PAS) for one intermodal/automotive train pair per day (one train in each direction) over the Southern Route between the Voorheesville, NY, area and Ayer. These trackage rights over the Southern Route will allow NSR to move double-stack intermodal trains into Ayer, which NSR cannot do today on the Northern Route.

Additionally, the NSR Settlement Agreement and GWI Term Sheet Agreement provide that Pittsburg & Shawmut Railroad, LLC, doing business as Berkshire & Eastern Railroad (“B&E”), currently a Class III rail carrier and a wholly-owned subsidiary of GWI, will replace Springfield Terminal as the operator of PAS.³

³ The Applicants anticipate consummating the Proposed Transaction and the B&E/PAS transactions at the same time, subject to Board approval of each transaction. However, if the Proposed Transaction is consummated prior to the B&E/PAS transaction, CSXT, NSR, and GWI have agreed that Springfield Terminal will continue to operate PAS until B&E or another third-party operator is able to replace Springfield Terminal as the PAS operator.

II. EXECUTIVE SUMMARY

This SIP, developed in accordance with the regulations of the Federal Railroad Administration (“FRA”) and the STB, describes how CSXT intends to ensure that the Proposed Transaction and Related Transactions are implemented safely and in full compliance with applicable safety laws and regulations. The SIP will address corporate safety culture, employee training, operating practices, motive power and equipment, signal and train control, track and bridge safety standards, hazardous materials, dispatching operations, highway-rail grade crossing systems, personnel staffing, capital investment, and information systems at CSXT and PAR/PAS, as well as at GWI and NSR, where relevant. The SIP will also explain why the Proposed Transaction is expected to have no adverse effects on safety related to any of those subjects.

The regulations governing SIPs indicate that the focus of a SIP is the “amalgamation” of operations of a Class I railroad and another Class I railroad or a Class II railroad that will result from the merger of two pre-existing entities with potentially separate safety practices. *See* 49 C.F.R. § 244.1. The proposed merger of CSXT, a Class I carrier, and Springfield Terminal, a Class II carrier, resulting in unified CSXT operations over the PAR System – would result in such an amalgamation. The Related Transactions described above – including (1) B&E replacing Springfield Terminal as the contract operator of the PAS lines, and (2) NSR operating one train pair per day in trackage rights service over CSXT, P&W, the PAR System, and PAS – would not result in such an amalgamation. Nevertheless, this SIP also addresses relevant safety issues associated with each of the Related Transactions.

The Proposed Transaction and the Related Transactions will allow CSXT to improve rail service and to provide efficient competitive rail service within New England and between New England and CSXT’s existing service area in the United States east of the Mississippi River.

CSXT will bring to New England rail users its best-in-class rail service and its dynamic operating model that has set new standards for safety⁴ and service performance with higher velocity, faster equipment turns, and greater consistency.⁵ The integration of the PAR System into CSXT's network will be done with a focus on maintaining safety. In addition, the operation of PAS by B&E will bring to PAS GWI's long-standing experience in safely operating shortline railroads. Operation of PAS by B&E will improve the efficiency of rail operations on the PAS lines and will improve the safety of PAS operations. Moreover, NSR has considerable experience operating in trackage rights service over the lines of other railroads, and NSR will work with the owners of the railroad lines at issue here to safely and efficiently operate the one intermodal/automotive train pair per day over the Southern Route.

CSXT has substantial experience integrating different rail networks into a unified operating network without creating disruptions that could affect safety. A major element of CSXT's recent transformation has been the integration of the operations of CSXT's many predecessor railroads. As these railroads merged in the past to form CSXT's current footprint, often the operations of each heritage railroad remained different and distinct. Each CSXT predecessor railroad was aligned with one of CSXT's 11 divisions, typically maintained its own large processing hump yard, and operated with a high degree of autonomy. Thus, CSXT train operations were often based on inefficient schedules, as cars would often be directed to multiple hump yards as they traversed through divisions. This typically took the car out of its most direct

⁴ In 2020, CSXT set a new company record for the fewest number of FRA reportable personal injuries, had the lowest injury rate (0.81) for all Class I railroads, and has led the industry two years in a row.

⁵ CSXT led U.S. railroads in 2020 for lowest average terminal dwell reported to the STB. CSXT's line-of-road train velocity was 25.4 mph in 2020, a 23% improvement over 2017 levels. Terminal dwell was also dramatically improved in 2020, averaging 18.8 hours or 27% less than 2017. CSXT's 2020 averages for line of road train velocity (25.4 mph) and terminal dwell (18.8 hours) are better than the company ever performed in a single week prior to 2018.

route, added unnecessary steps, increased dwell, added excess costs, and degraded service reliability and transit times.

In recent years, the CSXT operating team consolidated these divisions and removed the anachronistic barriers to network planning. Operations were restructured around just three regions. The team also centralized dispatching and redesigned the network plan to create hourly trip plans for each car on the railroad. The new plan focuses on how each car can be moved along the most direct possible route with as few touches as possible. These changes resulted in a reduction of more than two days in average transit time and a significantly more fluid and reliable network. The process of integrating and consolidating these divisions gave CSXT valuable experience in how to put together different rail operations in a way that avoids disruptions that can have an impact on safety.

GWI is one of the most experienced acquirers and operators of shortline and regional railroads in North America. Since 2000, GWI has started up, acquired and integrated 105 railroads, not including the multiple other large-scale contract rail operations GWI's subsidiaries have commenced on behalf of customers. The majority of GWI's senior management team, and those who will work on the transition of B&E's operations over the PAS rail lines, have run integrations many times before and are well versed in what is required. GWI is organized to ensure transitions are as seamless as possible and incorporate all stakeholders in planning and communication, including all customers, employees, contiguous freight rail operations, passenger and other freight operators that share infrastructure and or operating rights, and all of the communities and related parties that are involved with and could be impacted by the integration.

While the current transaction is of a smaller scale and involves taking over the contract operations of an established and functioning railroad, the most similar integration to the proposed operation of the PAS rail lines by B&E was GWI's 2013 formation of Rapid City, Pierre and Eastern Railroad, Inc. ("RCP&E"), which purchased from Canadian Pacific Railway the 713 miles of track and trackage rights that made up the west-end of the Dakota, Minnesota and Eastern Railroad, which runs from Minnesota through South Dakota to Wyoming. Over a compressed period of four months and during one of the largest harvests in South Dakota history, the RCP&E hired and trained over 180 employees and procured 50 locomotives and 2,500 railcars. In addition, customer operations and accounting systems were established, operating and commercial sales teams formed and communications licenses acquired from the Federal Communications Commission. The RCP&E has been highly successful, with wide-spread operating and infrastructure improvements providing local customers the confidence to make more than \$300 million in new business investment since start-up and leading to a material increase in rail volumes.

GWI gives safety the utmost consideration during any integration, as GWI's safety culture is integrated into a new operation. GWI railroads have dedicated integration safety teams that embed themselves into any new operation and have consistently improved the safety culture and performance of the new operation. As examples, (i) within two years of GWI's 2012 acquisition of RailAmerica, Inc.'s 41 shortline and regional railroads located in the United States, the combined FRA reportable injury ratio of those railroads improved from 1.80 to 0.50, (ii) within one year of GWI's acquisition of the UK-based freight rail operator Freightliner with more than 2,000 employees, the FRA reportable injury ratio improved from 2.10 to 0.70 and (iii)

in New England, when GWI acquired P&W in 2016, the FRA reportable injury ratio improved from 3.64 to 1.70 within one year.

The amalgamation of operations through the merger of CSXT and Springfield Terminal will not occur immediately. CSXT intends to keep Springfield Terminal in place as the rail operator of the PAR System for at least several months after obtaining STB approval of the Proposed Transaction. This has important implications for the safety issues addressed in this SIP. During this time period before a merger occurs, CSXT will have the opportunity to become closely familiar with the PAR System rail lines, practices and operations before fully integrating PAR System operations into CSXT. CSXT will therefore be able to integrate the PAR System into CSXT without disruption that could create safety concerns. Moreover, as CSXT explained in its Amended and Supplemented Application, CSXT does not expect significant changes in operations either before or after the merger that could create a disruption in operations that might raise safety concerns. Since the changes that CSXT anticipates are relatively limited, implementation of the Proposed Transaction will be made in a measured, careful, step-by-step process, ensuring that the changes that are made do not compromise safety or service.

CSXT expects that, after the STB approves the Proposed Transaction, the existing Springfield Terminal workforce will be allocated between PAS and the PAR System. While implementing agreements are being developed with labor representatives, the PAR System and PAS will continue to be operated by the existing Springfield Terminal workforce basically as they are operated today. During this period while the existing Springfield Terminal workforce continues to operate both the PAR System and PAS, CSXT and B&E will have the opportunity to become more familiar with Springfield Terminal's practices and operating characteristics. No immediate changes will be imposed that could cause disruptions affecting safety. By the time

B&E is able to take over operation of PAS, B&E will have become sufficiently familiar with PAS operations that the change in management structure will be implemented smoothly. As to the PAR System, the existing Springfield Terminal workforce allocated to that system will continue to operate the PAR System until Springfield Terminal is merged into CSXT. This additional time will also give CSXT sufficient opportunity to become familiar with Springfield Terminal operations so that the merger will be implemented seamlessly.

The specific safety issues identified in the FRA's regulations are addressed below. This SIP is divided into major sections that follow FRA's SIP regulations at 49 C.F.R. § 244.13. The discussion of individual issues is divided into a discussion of practices at CSXT, Springfield Terminal (as operator of the PAR System and PAS), and, where relevant, GWI as parent of B&E, the future contract operator of PAS, and NSR, which will operate in trackage rights service over existing lines. B&E does not currently operate, so it has no current operating practices to describe in this SIP. However, GWI will provide the management and operating structure for B&E based on GWI's long experience in owning shortline railroads, and the discussion, where relevant, will include a description of GWI's experience in that regard. With respect to NSR, the discussion, where relevant, includes a description of NSR's practices and policies. Integration issues are covered in each section.

III. SAFETY INTEGRATION PLAN

A. CORPORATE CULTURE

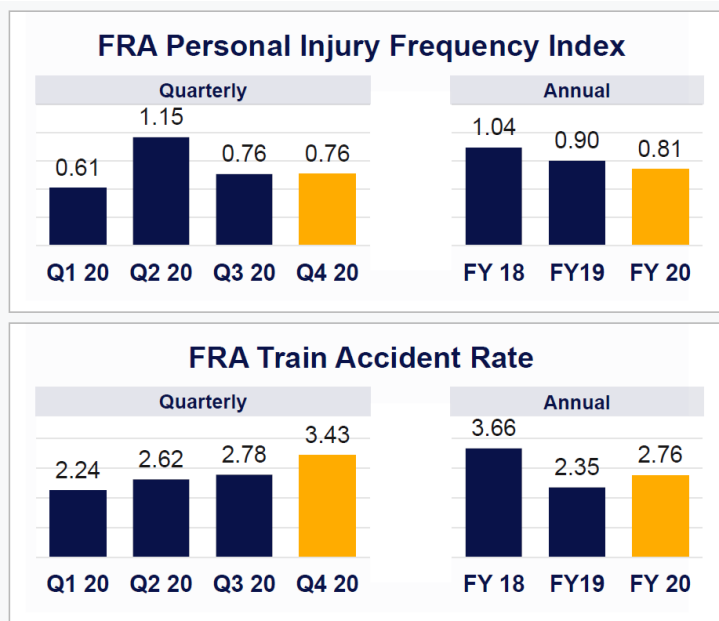
1. Focus on Safety at CSXT

For CSXT, the safety of its employees, its customers, and the communities where it operates is of critical importance. CSXT upholds its safety culture through effective management systems, ongoing training, robust hazard management and emergency preparedness and response mechanisms, and continuous collaboration and communication with employees, customers, suppliers, communities, and industry peers. Successfully managing safety is the bedrock of the success of CSXT's business.

CSXT takes a preventive approach to safety, working proactively to limit any risk to employees or anyone in the vicinity of the CSXT rail network. When an incident does occur, whether minor or significant, CSXT actively looks for opportunities to remove or reduce the risk associated with the incident. CSXT also fosters a culture of safety by equipping its employees with the most up-to-date safety information.

a. Safety Performance

CSXT had fewer train accidents in 2019 than in any other year in the history of the company, with safety metrics improving quarter over quarter. CSXT led Class I railroads with an FRA personal injury rate of 0.89 in 2019 — a 14% decrease from 2018. Additionally, full year injuries and train accidents continue to be at record low levels. The charts provided below summarize CSXT's 2020 fourth quarter and full year safety highlights.



While CSXT is proud of its progress, it will not be satisfied until it has achieved zero accidents and injuries. CSXT is committed to continuous safety improvements and remains focused on reducing risks across its rail network.

b. Safety Leadership

In 2018, CSXT hired a new chief safety officer to revitalize its safety approach. CSXT's chief safety officer conducted a thorough analysis of safety performance data and procedures and led a full redesign of the CSXT safety strategy. Following the appointment of the chief safety officer, CSXT strengthened its safety organization and added comprehensive measures to fortify its safety culture. CSXT also solidified its Operational Training, Operating Practice and Rules, and Field Safety groups by appointing new leaders tasked with identifying gaps and making improvements in their respective areas.

Furthermore, CSXT established an Executive Safety Council to increase leadership engagement and involvement in CSXT's system-wide safety plan. The Council also oversees Regional Safety Councils in each field region to promote knowledge-sharing and ensure alignment to the overall safety plan.

c. Employee Involvement

At CSXT, safety is not just a management function. Every employee is part of the Safety team – regardless of title, job responsibilities, or geographic location. CSXT fosters a culture of learning and takes a network approach to safety, with a goal of together identifying best practices to eliminate risk and sharing those practices across the system.

In 2018, CSXT completed a large-scale safety and culture assessment with a third-party research group to identify areas for improvement. More than 60% of CSXT employees participated in the employee survey portion of the assessment. Employee feedback emphasized the importance of strong leadership, frequent and transparent communication, and the proper upkeep of work environments.

In 2019, CSXT made an important move to tie safety performance to employee bonuses. Ten percent of employee bonus potential is now dependent on CSXT's attainment of key safety targets.

d. Communication

CSXT has made efforts to improve communications with and between its Operations and Safety teams. It conducts weekly meetings with field Operations and Executive team members to discuss ongoing safety performance and improvements, and to increase leadership's visibility into safety operations. At the field level, CSXT provides supervisors with localized, data-driven safety plans, complete with clear expectations on how to execute those action plans. Field Operations leaders are held accountable to the action plans, and monthly scorecards are kept so those leaders can monitor performance.

Safety briefings precede all daily activities at CSXT, during which employees receive information on the sequence of a task or job, the potential hazards involved, the appropriate

equipment to use, and the personal protective equipment (“PPE”) needed. Throughout the day or task, employees follow up with each other to ensure that all team members understand and remain focused on the job being performed.

In 2020, CSXT introduced a new initiative, Have A Voice In Safety, which was designed to create a system where employees can easily report hazardous working conditions, including near accidents that would not normally be captured. Employees can anonymously report a condition or practice that could result in an injury or accident by filling out a form on CSXT’s internal employee system, leaving a voicemail at a 1-800 number, or sending an email to a designated CSXT inbox. CSXT also plans to develop a feature within CSXT’s Railz application that will allow conductors to report these alerts in real time at a specific GPS location.

e. Safety Monitoring

CSXT continually monitors its performance against internal and external requirements in order to verify that it is meeting its safety standards. Safety leaders regularly review safety related data through various analytical tools that allow for drill-down at local levels. Predictive analytics are reviewed weekly to identify emerging trends so that effective actions can be taken. Every day, CSXT tracks practices and procedures through its Public Safety, Health, and Environment Management System, which is regularly updated under the requirements of the American Chemistry Council’s Responsible Care Management System and informed by ISO 14001. In 2019, CSXT completed a full system audit and achieved Responsible Care Management System recertification. Furthermore, to ensure the safety of its physical and operational assets, every year CSXT conducts a comprehensive industry risk assessment, in partnership with the Association of American Railroads (“AAR”).

f. Innovation and Technology

CSXT has significantly invested in new safety technologies, including autonomous track assessment cars, which automate issue detection and significantly reduce train accidents; drones, which give more complete visual data for operational testing; and Train Inspection Portals, an automated system that produces 360-degree scans of railcars passing through the portal at track speed. CSXT views the continued implementation of new tools and technologies as a key component of further improving the safety and efficiency of its operations going forward.

2. Focus on Safety at PAR/PAS

Safety is taken to the highest standards at the PAR Railroads, and in particular at the only PAR railroad that currently operates, Springfield Terminal. As noted above, Springfield Terminal operates over both PAR System and PAS, and the emphasis on safety is the same as to operations over both railroads. Springfield Terminal operations are divided into three divisions, and a Safety Manager oversees each division. Safety Managers work closely with Department Managers to ensure compliance with both federal and PAR rules.

Under PAR's safety policy, it is the primary responsibility of every level of management to safeguard the safety and well-being of all employees. The key person in the PAR safety program is the supervisor, because of his or her direct contact with employees, and, as such, supervisors have an obligation to implement and oversee the safety policy on an ongoing basis, without exception.

PAR has created a comprehensive set of safety rules (the "PAR Safety Rules"), which are issued for the purpose of ensuring greater personal safety to passengers, employees, and the public. The PAR Safety Rules govern all employees of PAR and the PAR Railroads, including Springfield Terminal as the operator of the PAR System and as the operator of PAS. All PAR

employees are required to read and understand the PAR Safety Rules, and employees returning to service after a period of ninety days are required to attend a review of the rules.

At PAR, an employee's first responsibility each day is to read the "Safety Rule of the Day," which is sent to employees via e-mail. All employees are required to comply with and know the meaning, intent and application of the Safety Rule of the Day. Conductors, Engineers, and Foremen must ensure that all members of their crew know and fully understand the Safety Rule of the Day, and the rule must be discussed at all initial job briefings.

Additionally, PAR was the Short Line Safety Institute's ("SLSI") first railroad to be assessed for safety practices and culture. SLSI reviewed all aspects of safety at PAR, both in the field and in offices. SLSI also interviewed employees at various levels of PAR and prepared a Safety Assessment presenting SLSI's findings and opportunities for improvement. SLSI conducted a follow-up assessment of PAR, pursuant to PAR's request.

3. Focus on Safety at GWI Railroads

At GWI, safety is the highest priority. GWI's first Core Value is that "[w]e have an unconditional commitment to the well-being of our people and the safety of our operations." GWI's safety culture is defined by what happens in the middle of a normal workday. GWI places the highest priority on safety because GWI believes that a safe work environment is essential for its employees, its customers and the communities in which its subsidiaries conduct business and that the attention to detail necessary to eliminate employee injuries translates into efficient, well-run operations.

As a team, GWI subsidiaries' employees are individually and mutually responsible for the safety of themselves and others. To protect one another, GWI subsidiaries' employees commit to maintaining a safe work environment and reporting unsafe conditions. When

employees see something, they are expected to say something – taking immediate and appropriate action is fundamental to GWI’s unconditional commitment to safety.

To realize GWI’s Core Purpose of being the safest and most respected transportation service provider in the world, GWI and its subsidiaries commit to upholding the following safety pillars:

1. *People.* GWI’s success starts with each team member. Each GWI subsidiary equips its team with the resources necessary to perform work safely and empowers everyone to actively identify and address unsafe conditions.
2. *Teamwork.* Employees of each GWI subsidiary work together, communicate openly and take action to address safety concerns, ensuring everyone goes home safely every day.
3. *Training.* Understanding and applying safe work practices are integral to safety performance. Each GWI subsidiary incorporates best practices and innovative training solutions to equip its team with the knowledge and skills necessary to work safely.
4. *Safety Culture.* GWI’s safety culture is built on the belief that every accident and injury is preventable. GWI believes that being in a position of safety, mentally and physically, is paramount to the success of its subsidiaries.
5. *Well-being.* To stay safe and healthy, the employees of each GWI subsidiary must maintain mental and physical preparedness before, during and after work. By making healthy lifestyle decisions, the employees of each GWI subsidiary are better prepared to work safely. Furthering GWI’s commitment to employee safety and well-being, each GWI subsidiary maintains a strict, no-tolerance drug and alcohol policy.

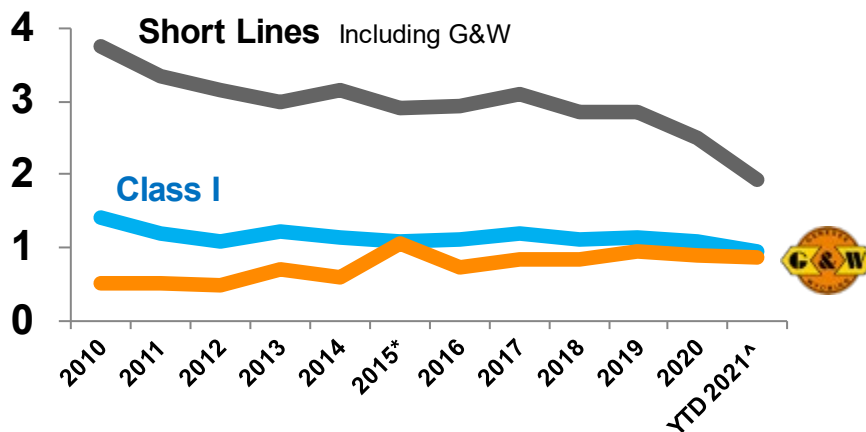
6. *Security.* When employees of GWI subsidiaries see something, they say something. Remaining vigilant and reporting unusual activities protects the operations and communities of GWI's subsidiaries. Employees of each GWI subsidiary are empowered to communicate situations that threaten the safety and security of each subsidiary's team, property, customers or communities.
7. *Tools & Equipment.* Appropriate selection and use of PPE, tools and machinery is fundamental to keeping each GWI subsidiary's team safe. Damaged or defective PPE, tools or machinery must be reported and removed from service.
8. *Compliance.* Rules compliance is a condition of employment. Thorough understanding and diligent application of safety and operating rules safeguard each GWI subsidiary's team from harm.
9. *Reporting.* GWI's subsidiaries report all accidents, incidents and injuries regardless of severity. Accurate, timely incident reporting is an organizational and a governmental requirement. Furthermore, it helps drive continuous improvement by addressing hazards and risks.
10. *Excellence.* Safety is never fixed. GWI's pursuit of perfection is driven by an understanding that GWI and its subsidiaries can learn from successes and mistakes. Through innovation and technology, GWI and its subsidiaries drive continuous improvement to create a safer work environment.

GWI remains steadfast in its commitment to OneG&W: one team with common values and individual responsibility. The decisions and actions of GWI subsidiaries' employees affect not only their own personal safety, but also the safety of their teammates, customers and communities. By working together as a team and paying attention to details, GWI subsidiaries'

employees ensure that everyone returns home safely at the end of every shift.

Each year, GWI establishes stringent safety targets as part of its safety program. To monitor safety performance, GWI applies the guidelines established by the FRA to all of its subsidiaries' operations worldwide. In 2020, GWI's subsidiaries' operations achieved a consolidated FRA reportable injury frequency rate of 0.89 per 200,000 man-hours worked. Through the implementation of the GWI safety program, GWI's subsidiaries have reduced their injury frequency rate by 54% since 2006, when it was 1.95 injuries per 200,000 man-hours worked. For comparative purposes, from January 2020 through December 2020, the United States shortline average reportable injury frequency rate was 2.18 injuries per 200,000 man-hours worked, and the United States regional railroad average was 2.58 injuries per 200,000 man-hours worked. Based on these results, in 2020, GWI's subsidiaries' operations were more than 2.5 times safer than the shortline and regional railroad averages. GWI's safety program also focuses on the safety and security of train operations, and reportable derailments are monitored worldwide in accordance with the guidelines established by the FRA. GWI's subsidiaries' operations achieved a consolidated reportable derailment frequency rate, defined as FRA reportable derailments per 200,000 man-hours worked, of 0.65 and 0.70 for the years ended December 31, 2020 and 2019, respectively.

Injury Frequency Rate Per 200,000 Hours



* G&W results include April 2015 acquisition of Freightliner Group

^ Year-to-date results through to May 2021

Ultimately, safety is about people, not numbers. Safe railroads are places where employees want to work, where attention to detail in all aspects of operations is profound, and where customers want to entrust their shipments. After many years of working with safety industry leader DuPont, GWI established an in-house safety training program, “Target Zero”, focused on the *relentless elimination of unsafe behaviors and unsafe conditions*. Since inception, thousands of GWI’s subsidiaries’ employees have been trained, as well as customers, board members and local stakeholders.

GWI presents safety awards on an annual basis to recognize outstanding performance. These awards include (i) the Chairman’s Safety Award, presented to the GWI operating region achieving the lowest injury-frequency rate, (ii) the President’s Safety Award, presented to the GWI operating region achieving the most improved injury-frequency rate and (iii) the Tyrone James Award, presented to the GWI operating region achieving the lowest three-year average injury-frequency rate.

GWI is equally committed to improving and recognizing the importance of safety in the communities in which its subsidiaries operate. In the last five years, employee volunteers from

GWI railroads gave more than 2,000 Operation Lifesaver presentations to 378,000 schoolchildren, school bus and truck drivers, law enforcement personnel, first responders and other individuals to discuss the importance of rail-crossing safety.

4. Focus on Safety at NSR

Safety is a way of life at NSR, extending beyond its rail operations and into the communities where its employees live and work. NSR is dedicated to providing employees with a safe workplace and the knowledge and tools they need to work safely and return home safely every day. NSR's commitment to an injury-free workplace is illustrated by its "*I am Coming Home*" safety message, which is featured prominently in NSR's yards, shops, and facilities and further reinforces the importance of working safely.

NSR measures employee safety performance through internal metrics such as lost-time injuries and serious injuries per 200,000 employee-hours, and metrics established by the FRA, such as FRA reportable injuries per 200,000 employee-hours. In 2019, NSR saw a 17% decline in serious injuries and an 8% drop in lost work days from workplace injuries. NSR also led the industry in 2019 in tapping into Waze, a mobile navigation application providing alerts to motorists approaching highway-rail grade crossings. NSR has won the Transportation Community Awareness Emergency Response ("TRANSCAER") national award for 18 consecutive years for exceptional achievement in voluntary efforts to help communities prepare for and respond to hazardous material transport incidents.

NSR's capital spending and replacement programs are designed to assure the ability to provide safe, efficient, and reliable rail transportation services. NSR invested \$1.8 billion in 2019 in positive train control safety technology. In addition to enhancing rail safety, NSR plans to leverage Positive Train Control's ("PTC") communication capabilities as part of its

transformation into a next-generation railroad. In 2020, NSR funded \$1.5 billion in capital improvement projects, including investments in track and rail infrastructure and in modernizing its locomotive fleet.

To oversee NSR's ongoing efforts in safety investments, culture, and performance, NSR's Board of Directors formed a dedicated Safety Committee in 2020 that consults regularly with the company's senior leadership team. The Safety Committee's responsibilities include reviewing and evaluating NSR's safety program and practices and monitoring NSR's overall compliance with such safety program and practices.

Furthermore, NSR has traditionally provided free training to first responders on the NSR "Safety Train," a rolling learning lab that helps communities stay safe after potential rail incidents. The Safety Train has visited 23 cities in 14 states, and NSR has provided classroom and hands-on training to 5,800 first responders across 21 states. Due to the COVID-19 pandemic, NSR quickly shifted to a virtual format to continue this important service. Even with the adverse conditions of 2020, NSR provided rail accident response training to approximately 1,000 emergency responders, including local police and fire personnel.

5. Safety Integration – Corporate Culture

Safety is central to the cultures of CSXT, PAR, GWI and NSR. All parties have a long history of safe operations on their respective properties and on the properties of other carriers over which they operate pursuant to existing joint facility agreements. All parties will comply with all applicable FRA regulations, including 49 C.F.R. Part 271, Risk Reduction Plan. As discussed throughout this SIP, following full consummation of the transaction, CSXT will take over PAR operations from Springfield Terminal and B&E will take over PAS operations from Springfield Terminal. After Springfield Terminal is merged into CSXT and CSXT assumes

operation of the PAR lines, and B&E assumes operation of the PAS lines, CSXT and B&E intend to carefully integrate the existing Springfield Terminal employees and safety culture into their respective railroads. As explained below in Section III.C.1.e, CSXT and B&E expect to retain the existing PAR Operating Practices and Operating Rules in the near term, and make a decision as to whether and how to integrate those PAR rules into the rules of their respective railroads after careful consideration.

CSXT is committed to successfully integrating the CSXT and PAR corporate cultures when CSXT becomes the owner of the PAR Railroads (including Springfield Terminal) and when Springfield Terminal is merged into CSXT. GWI is committed to maintaining the focus on safety when B&E takes over operations of the PAS lines. NSR is also committed to maintaining the focus on safety when it operates in trackage rights service over existing lines owned by CSXT, PAR Railroads, P&W, and PAS.

In accordance with CSXT's current practices, every employee of Springfield Terminal will be part of the CSXT Safety team after the Proposed Transaction is consummated. As discussed in the Operating Plan that Applicants submitted as Exhibit 13 to the Amended and Supplemented Application, CSXT plans to implement its industry-leading operating practices on the PAR System, modernizing and introducing efficiencies to the PAR System's operations, and emphasizing consistency, reliability, and careful data measurement and management. Both railroads and all rail users will benefit from the more consistent and reliable network that will result from the Proposed Transaction.

Although the safety cultures of CSXT and PAR share some common elements, as a Class I railroad CSXT has additional safety-related resources and tools that will be implemented system-wide following consummation of the Proposed Transaction. For instance, CSXT has put

several processes and procedures in place to ensure employee adherence to safety standards, including the following:

- *Critical Rules:* Although all rules are important, CSXT has identified craft specific rules that, if not followed, have higher tendency to result in catastrophic accidents. Most, if not all, of these Critical Rules are governed by federal regulations (*e.g.*, protecting shove movements, fall protection, jacking equipment). These Critical Rules are socialized with the employees and managers communicate why these identified rules are called critical and set expectations of compliance. Employees receive constant follow-up through focused briefings and operational testing. Following consummation of the transaction, CSXT will conduct a review of any differences in the Springfield Terminal and CSXT Critical Rules in connection with CSXT's broader review of Springfield Terminal's operating rules. CSXT will then make modifications as necessary.
- *Safe Job Procedures:* At daily pre-shift safety briefings, employees discuss the pertinent safety issues of the day. Employees also participate in pre-task briefings throughout the work day to evaluate safety issues in preparation for specific tasks.
- *Peer Safety Programs:* Voluntary and full-time craft workers are assigned to these programs to enhance safety, provide counsel to co-workers and provide another avenue to surface safety issues and ideas. Labor leaders perform safety tours with local management in a safe harbor environment. These tours foster safety partnerships and provide these leaders with perspective and insight as well as demonstrates solidarity on safety issues.

- *Have A Voice In Safety*: Employees of all crafts and locations are encouraged to voice their safety ideas or concerns through one of three options. Each option allows the employee to remain anonymous if desired. Ideas and concerns are reviewed and, if necessary, action plans prepared and tracked to completion.
- *Executive and Regional Safety Councils*: Employees participate in local, regional, division- and system-wide safety meetings to ensure that team members at all levels have the tools and information they need to resolve issues as they arise.

CSXT also plans to clean and update the facilities at crew reporting locations on the PAR System.

CSXT will work towards integrating such key safety measures on a system-wide basis. As indicated in the Accountabilities chart, CSXT's integration process will begin with reviewing PAR's current policies, standards, and safety publications and materials shortly after the Proposed Transaction is consummated, and the process will include the expansion of key CSXT corporate safety initiatives. CSXT is confident that introducing PAR to various CSXT safety programs would help improve safety throughout the network.

After B&E takes over operations of the PAS lines from Springfield Terminal, B&E intends to take a number of steps to apply its safety culture to its contract operation of the PAS lines, including the following:

- B&E will study the existing Springfield Terminal approach to critical rules and B&E will apply its approach regarding critical rules to PAS operations as necessary.
- Starting on the commencement date of operations, B&E will have managers from GWI's Northern Region, along with members from the Region's Safety team, working in 2-person teams that will spend time at all reporting locations to meet the team in the field.

- Conduct face-to-face briefings with each manager, crew and gang on every shift as they come on duty, welcoming them to the Safety Team. At these meetings, GWI's Core Purpose and Core Values will be reviewed and discussed.
- Give each supervisor and manager on site a GWI "Conducting a Job Briefing" card and discuss with them the expectations set forth on such card in detail. Managers will receive training on B&E's safety culture and processes.
- Immediately support Engineering efforts to paint all clearance points and fixed derails to GWI railroads' engineering standards, as well as any additional Northern Region specifics, such as reflectivity, snow markers/cones, etc. In accordance with the Engineering Standard Drawing "Marking Clearance Points," consult with the Region's Engineering and Safety teams to consider erecting signage or otherwise marking any restricted clearance where track centers closer than 13 feet exist.
- Immediately support other departments to mount retro-reflective close clearance signs everywhere needed, particularly all shop entry points.
- Immediately professionally clean, repaint where warranted, and fix any issues in all crew rooms, locker rooms and break and lunch rooms where employees come on and go off duty. "Safety Bulletin Boards" will be installed at all reporting locations and will include monthly scorecards, critical reminders and required FRA postings and alerts.
- Professionally clean and repaint floors of such rooms, marking all step edges, handrails, changes of elevation, barriers, guy wires and trip hazards. Entrance and exit lighting will be inspected.
- Ensure all reporting locations are equipped with first aid kits, fire extinguishers and AEDs with all exits clearly marked.

- Immediately remove from service/replace any unserviceable chairs or any rolling chairs with fewer than five legs.
- At each location, identify any vegetation issues needing additional attention.
- Ensure track mats are installed and/or replaced as needed where locomotives are stored.
- Inspect all tools and equipment to make sure tools are in proper working order and that no handmade tools that are being used.

B. TRAINING

1. Training at CSXT

CSXT has developed an extensive and detailed training program approved by FRA, which meets or exceeds FRA's regulations at 49 C.F.R. Part 243. CSXT's mission is to lead the rail industry as the premier education and development organization that sets the benchmark for safety, technical training and professional development.

CSXT's training programs and initiatives are led by the CSXT Safety Department. Employee training allows CSXT to provide the most reliable rail service to its customers while keeping its communities safe above all else. CSXT works hard to instill safety awareness among its workforce through effective training programs, communication, continuous community engagement and collaboration with customers and peers across the railroad industry.

CSXT employees receive on-going safety training, including the following:

- Job-based training on safety and operating rules provided for all employees across the network annually;
- Monthly training sessions led by local supervisors for employees, supported by updated video tutorials; and

- Regularly scheduled train accident prevention and safety skills training and continuing education.

Under CSXT's periodic oversight program, safety-related employees are tested on applicable federal railroad safety laws, regulations, and orders. CSXT uses the data gathered from this testing to determine whether systemic performance gaps exist, and to determine if modifications to the training program are appropriate.

CSXT also provides specialized safety training for customers and short-line partners, and emergency planning assistance and training to local fire, police and emergency response personnel.

CSXT's state-of-the-art training facility in Atlanta, GA contains 100,000 sq. ft. of covered training space with 12,000 feet of live track (the "CSXT Training Center"). Training courses are designed to meet the needs and learning styles of today's workforce, and the CSXT Training Center curriculum covers the most important aspects of safety, leadership, transportation, mechanical and engineering training. The CSXT Training Center is an Accredited Test Facility by the American Welding Society, with qualified welding instructors on-site. It is staffed with subject matter experts in Transportation, Hazmat, Mechanical Car & Locomotive, Engineering Track, and Communications and Signals ("C&S").

In addition, CSXT employs an in-house instructional design team to provide the most beneficial learning methods and delivery of professionally developed presentations and resource guides that increase knowledge and retention of subject matter.

Training programs at CSXT include the following:

a. Employees who perform train and engine service.

The CSXT Training Center performs all new hire employee training. New hire conductors spend four weeks at the CSXT Training Center and must successfully complete all elements of the course with an overall average score of 85 or higher. In addition, trainees are required to successfully pass a performance evaluation on basic railroad competencies, a signals exam with a score of 100, and a final exam with a minimum score of 85. New hire training also includes an introduction to PTC, which is followed by multiple weeks of on-the-job-training (“OJT”) with qualified employees, where new hire conductors learn the physical characteristics and components of the territory they are assigned. Promotion will occur after successful completion of pre-identified tasks, a Phase II final exam, and a physical characteristics exam. Training for new hire conductors may include additional weeks if remote control operations are utilized over the territory they are assigned.

CSXT provides an ongoing educational program for its conductors to ensure that every conductor maintains the necessary knowledge concerning railroad safety, operating rules and practices, familiarity with physical characteristics, and compliance with relevant federal safety rules. Conductors receive required training every three years to maintain certification. The refresher training is a one-day class led by CSX-certified training instructors. The content of refresher training includes safety and operating rules, air brake and train handling rules, equipment handling rules, hazardous material rules, hours of service training, security awareness, hearing conservation, and ethics training. Employees are required to pass a proctored examination on rules and physical characteristics, with a minimum score of 90. In addition, CSXT utilizes 3-D virtual simulation to evaluate and provide refresh training on train inspections

and brake tests. CSXT also provides a computer-based training program that duplicates the current instructor-led program for all other non-certifying employees, which can be taken throughout the year to allow employees to review current training material. The computer-based program is delivered through desktop training stations or through company-issued electronic tablets.

CSXT's locomotive engineer training is conducted at the CSXT Training Center and consists of three weeks of classroom and locomotive simulator training, as well as hands-on train movements. A minimum score of 90 is required on a mechanical and operating rules exam and successful completion of a simulated ride. Locomotive engineer trainees also train in OJT for approximately four months. The content of the training includes operating and safety rules, mechanical and train handling rules, equipment restrictions, air brakes and inspections, locomotive inspections and brake tests, PTC, and Distributed Power. Locomotive engineer trainees are evaluated during the course of their training by a qualified Designated Supervisor of Locomotive Engineers ("DSLE") or a Contract Supervisor of Locomotive Engineers. A locomotive engineer trainee's final ride is conducted by a qualified company officer with the DSLE's endorsement. The length of this training is based on the successful completion of the required throttle hours and throttle miles. Locomotive simulators may be used to supplement or provide additional throttle time over a territory. Employees must also successfully pass a written/electronic rules exam and physical characteristics exam with a minimum score of 90.

Locomotive engineers and remote control operators ("RCOs") are recertified every three years by CSX-certified training instructors. Classroom training consists of operating and safety rules, airbrake and train handling, equipment restrictions, hazardous materials and brake test inspections. Proctored exams require a minimum score of 90 for recertification. This training is a

one-day class that also includes a recertification evaluation on a Type II Locomotive Simulator or a remote control simulator for RCOs. A minimum score of 80 is required on the evaluation ride to successfully complete recertification.

b. Employees who inspect and maintain track and bridges.

CSXT's training courses for employees who inspect and maintain track and bridges including the following:

- Engineering New Hire: Engineering new hire employees are required to successfully complete two weeks of training, which includes training regarding CSXT Operating Rules and FRA regulations as they pertain to roadway worker safety. All employees are required to complete classroom training with a minimum score of 90 and must successfully complete the physical competency required for new hires. Employees must also demonstrate an understanding of how handheld, hydraulic tools, and roadway maintenance machines should be safely used to accomplish the daily tasks of maintaining the track structure requirement as outlined by FRA. The training includes classroom lectures, scenarios, videos, hands-on demonstrations, simulations and task-based exercises. As part of the new hire orientation, attendees also study railroad safety enforcement procedures, special notice and emergency order procedures, and safety rules and policies surrounding drug and alcohol use. During training, attendees begin a checklist to become qualified as a roadway worker. The checklist is completed by the employee's Manager in the field.
- FRA Track Safety Standards: This four-and-a-half day course provides basic knowledge on FRA's Track Safety Standards located at 49 C.F.R. Part 213, Subparts A – F. Instruction includes track inspection and compliance requirements, including inspecting and supervising track maintenance, and one half-day for the required examination on the FRA Track

Safety Standards. Attendees participate in classroom lectures, scenarios, hands-on practice, field exercises, and classroom testing. Upon completion of this training, each employee is assigned a required track inspector skills assessment checklist, to be completed by the employee's Manager in order to ensure the quality of the employee's inspection capabilities.

- Thermite Welding: This five-day course provides basic knowledge of work tasks and skills of a welder that is responsible for track thermite welding. Instruction includes both classroom lectures and hands-on field exercises. Attendees complete three types of track thermite welds: 1" straight weld, 1" compromise weld, and 2 ¾" wide gap weld. Upon completion of this training, employees should be able to perform the thermite process, and employees' completed weld should meet the inspection requirements under the CSXT welding manual. Employees must also complete the thermite welding checklist, while being observed and signed off by a designated instructor.

- Frog & Switch Welding: This two-week progressive course provides basic skills for performing successful frog and switch welding. Instruction includes both classroom instruction and field exercises. Attendees should be able to identify different types of switches and frogs and determine the correct repair and welding procedures necessary to restore any defect. Employees must demonstrate their abilities to the designated instructor in order to complete the required checklist. In order to be qualified to weld on different types of frogs and switch points, employees must also demonstrate that the quality of their welds meets the visual inspection requirements

- Bridge Inspector: This course provides basic tasks and skills associated with bridge maintenance and construction. Instruction includes training on bridge components and nomenclature, safety rules, and requirements for inspecting and maintaining various types of

bridges. Attendees participate in classroom lectures, documentation exercises, and bridge site visits. Employees must demonstrate an understanding of the CSXT Bridge Management Program and must demonstrate how to input bridge inspection reports into CSXT's Structure Management System.

- Structural Welding: This two-week progressive course provides basic classroom lectures to familiarize attendees with welding safety, terminology, electrode classification, processes, shop guidelines, and welding shop orientation, along with welding simulation practice and hands-on welding. Attendees practice welding beads, beginning with Shielded Metal Arc Welding. Attendees must demonstrate an ability to produce sound weld in accordance with AWS D 1.5 Bridge Code, to the satisfaction of the designated instructor or qualified person.

* * *

CSXT's initial qualification programs for employees who inspect and maintain track and bridges are summarized in the table below.

Position	Initial Qualification Program
All new hired engineering employee	Two-week new hire Roadway Worker Program
Track Inspector, Foreman, Welder	One-week FRA Track Safety Standards Training
Track Welders and Welder Helpers	One-week Thermite Welding Training; Two-week Frog & Switch Welding Training
Bridge Inspectors	Bridge Inspection Class
Structural Welder Bridge	Two-week Welding Program

- c. *Employees who inspect, maintain and repair any type of on-track equipment, including locomotives, passenger cars, and freight cars of all types;*

CSXT provides the following training programs for employees who inspect, maintain and repair on-track equipment:

- Car: A three-week new hire course provides the basic skills necessary for Mechanical Carman and Engine Carpenters to safely perform the required mechanical inspections. The course includes testing, troubleshooting, maintenance, and repair of equipment in accordance with FRA regulations, AAR standards, and CSXT rules, policies, and best practices. Instruction includes three weeks of classroom training. After receiving classroom lectures, scenarios, videos, hands-on demonstrations, simulations and task-based exercises, attendees should be able to perform freight car inspections, properly prepare and inventory an end-of-train device, and demonstrate proficiency in Blue Signal Protection. As part of their new hire orientation, attendees will also study railroad safety enforcement procedures, special notice and emergency order procedures, and safety rules and policies surrounding drug and alcohol use. At the completion of the core program, car personnel attend a two-week welding course at the CSXT welding facility.

- Locomotive: A three-week new hire course provides the basic skills necessary to safely perform the required mechanical inspections. The course includes testing, troubleshooting, maintenance, and repair of equipment in accordance with FRA regulations, AAR standards, and CSXT rules, policies, and best practices. This training covers a basic introduction to locomotives and support systems, and instruction includes annual CSXT safety & rules training, locomotive familiarization, introduction to air brakes, hours of service and initial locomotive movement. As part of their new hire orientation, attendees will also study railroad safety enforcement procedures, special notice and emergency order procedures, and safety rules and policies surrounding drug and alcohol use. At completion of the core program, electricians and skilled

craft employees attend an additional two weeks of craft-specific technical training. Boilermakers attend an additional two weeks of welding training.

* * *

CSXT's car and locomotive training programs are comprised of instructor-led classroom instruction, computer-based learning, and Railway Educational Bureau self-study courses, along with two task-based OJT checklists. One checklist is completed at the Training Center, and the other checklist is for field location OJT tasks. Performance tasks must be observed and signed off by a designated instructor.

CSXT's initial qualification programs for employees who inspect, maintain and repair on-track equipment are summarized in the table below.

Position	Initial Qualification Program
Utility Worker/Service Attendant, Carman Painter	Three-week Locomotive Core Program
Boiler Maker	Three-week Locomotive Core Program; and Two-week Welding Program
Locomotive Mechanical Skill Crafts (Machinist, Diesel Mechanic, Sheet-metal Worker, Pipe Fitter, Mechanic specialist)	Five-week Locomotive Skill Craft Core Program
Diesel Locomotive Electrician	Five-week Locomotive Electrical Core Program
Carman	Five-week Car Core Program, including Two-Week Welding Program

Additionally, the CSXT Mechanical Department assigns quarterly, annual and other periodic training to comply with federal requirements, and CSXT policy and skills advancement requirements.

d. Dispatchers or operators;

CSXT's train dispatcher training is conducted in Jacksonville, FL and led by the CSXT

Network Operations Department. New hire train dispatchers spend eight weeks of classroom training utilizing instructor-led and simulated environment hands-on training, as well as peer-observation training. New hire train dispatchers must successfully complete all quizzes and tests with an overall average of 90 percent or higher and multiple hands-on, instructor-proctored, practical evaluations. The final exam must be completed with a stand-alone score of 90 percent or better. This training also includes an introduction to PTC training, a train dispatcher rules class, and passenger train emergency preparedness plan (“PTEPP”) training and testing. The classroom training is followed by multiple weeks of OJT with qualified employees learning the physical characteristics and components of the territory they are assigned. Promotion will occur after successful completion of tasks under the observation of a supervisor.

Train dispatchers receive training rules and PTEPP every two years. Employees must pass a proctored examination with a minimum score of 90 percent. Updated training is delivered as needed, when new procedures or technology are introduced.

e. Employees who inspect and maintain signal and train control devices and systems;

C&S new hire employees are required to successfully complete two weeks of training, which includes training on CSXT Operating Rules and FRA regulations as they pertain to roadway worker safety. All employees are required to complete classroom training with a minimum passing score of 90 and must also successfully complete the required physical competency for new hires. Employees must also demonstrate an understanding of handheld, hydraulic tools, and C&S-specific tools and test equipment. After receiving classroom lectures, scenarios, videos, hands-on demonstrations, simulations and signal-based exercises, C&S employees receive training an introduction signals, meters, tools, and switches, crossing, bonding and FRA requirements.

Communications employees also receive training on PTC radios and satellite systems. As part of their new hire orientation, attendees must study railroad safety enforcement procedures, special notice and emergency order procedures, and safety rules and policies surrounding drug and alcohol use. During training, attendees begin a checklist to become qualified as a roadway worker. The checklist is completed by the employee's Manager in the field.

Signal employees complete the ASW program as outlined in the FRA 49 C.F.R. Part 243 guide and also have the opportunity to attend the advanced signal courses listed below:

- Advanced Track Circuit Class: This three-day, instructor-led course is for all signalmen, including signal maintainers and construction. The course consists of signal rules covering track circuits, DC track circuit setup, and troubleshooting procedures. It also covers a more advanced introduction to electronic track circuits covering EC4 and ElectrologIXSi. basic meter, and troubleshooting.
- Advanced Switch Training: This three-day, instructor-led course focuses on technical switch training covering M-23 and GRS Model 5 power operated switches and T-21 hand operated switch machines. Topics include SR&I tests 3.0, 4.0, 17.0, switch print reading, switch component replacement, switch troubleshooting, and hands-on competencies.
- Advanced Crossing Training: This three-day, instructor-led class covers all Gen 4 crossing units (PMD 4, XP 4, GCP 3000/4000, MS 4000, and PMD/HXP 3), print reading, wiring, installation, setup, troubleshooting, and downloading.
- Signal Inspector Training: This three-day, instructor-led course familiarizes current or potential Signal Inspectors with signal rules and instructions, and signal inspector test procedures.

f. Hazardous materials personnel, including information technology personnel who affect the transportation of hazardous materials;

Hazardous materials training is a high priority for CSXT and is provided for all required employees in accordance with the U.S. Department of Transportation's ("DOT") regulations. It includes online and in-person instruction and is tailored to the needs of each locality. Training subjects include general awareness, function-specific, and safety training. Reoccurring training is performed on a tri-annual cycle and includes testing on the covered subjects.

CSXT's "incident responders" receive specialized training and medical surveillance, which is based on the Occupational Safety and Health Administration ("OSHA") regulations and National Fire Protection Association standards. CSXT also provides specialized railroad response training for first responders, utilizing the CSXT Responder Incident Training train equipment, the CSXT Emergency Response to Railroad Incident course, and via a partnership with TRANSCAER. CSXT performs key route analysis for all hazardous materials transportation routes and provides density studies to state and local emergency planning agencies. CSXT also provides security plan training for all required employees.

CSXT is a participating member of the AAR Tank Car Committee and the AAR Hazmat Committee, ensuring industry compliance and constant safety improvement in regard to hazardous material transportation packages and policies.

g. Employees who maintain or upgrade communication systems affecting rail operations;

Communications training is provided to the maintainers in the field. It is also provided at the Training Center. CSXT offers the following classes to communications employees:

- Dispatcher Radio Course: This three-day instructor-led course covers the basic fundamentals of CSXT's Kenwood line of radios and AVTEC controller systems.

- Automatic Equipment Identification: This three-day course, which is offered at the Training Center, helps communications employees maintain, troubleshoot, and set up sites.
- Portable Locomotive Technology: This three-day course teaches the basic fundamentals of how to troubleshoot remote control operations from a technology standard.
- Tower and Pole Climbing: Classes on tower and pole climbing are held at the Training Center for C&S employees.

h. Supervisors of employees.

As part of the new hire orientation for supervisors, CSXT provides initial training comparable to the training provided to employees that are supervised. Transportation supervisors receive training to obtain certification consistent with FRA's regulations at 49 C.F.R. Parts 240 and 242. Mechanical and Engineering departments receive special notice and emergency order procedures training. These supervisors are further evaluated on the duties to perform operational tests and provide oversight to the employees they supervise.

In addition, operations managers receive specialized training related to their supervisory position, including reasonable suspicion drug and alcohol testing, professionalism training, company policies, hours of service, service measurements, workplace violence, mastering difficult conversations, and emotional intelligence.

Supervisors also receive specified training in train accident investigation, environmental and hazardous materials, accident and injury reporting, and PTC. All operations supervisors have access to hundreds of business and professional development courses in CSXT's learning development catalog.

In 2020, CSXT introduced a new training program, geared toward new frontline supervisors in transportation. This program aims to create better frontline leaders to advance

safety practices. As part of the program, supervisors receive specialized training at the CSXT Training Center before moving to their field locations to observe and get to know the territory. CSXT's first class of frontline employees completed this training in Q4 of 2020.

2. Training at PAR/PAS

All Springfield Terminal employees are required to participate in a "Safety 101" training program on their first day of employment. The Safety 101 program covers a wide range of topics, including PAR Safety Rules, PPE standards, emergency preparedness, and whistleblower protection, as well as information on PAR policies regarding reporting accidents and handling hazardous materials.

Each department at PAR has specific training needs. When a new employee enters their specific department, the employee receives training from a supervisor within the department or a Safety Manager, and receives OJT. PAR also provides refresher training programs, pursuant to regulations or PAR policy. Employees whose duties require them to be qualified on the PAR operating rules and timetable must pass required examinations. These employees must attend examination classes as directed by proper authority, but not less than once every three calendar years.

All classes of employees receive roadway worker protection, bridge worker safety, railroad safety, and hours of service training. Northeast Operating Rules Advisory Committee ("NORAC") training is provided for employees whose duties require it. Refresher training is conducted as needed and in accordance with applicable regulations.

PAR's Safety Training and Observation Procedure ("S.T.O.P.") Program is its primary tool to improve workplace safety and to prevent accidents and personal injuries through education and compliance of safety rules. This is accomplished through continual, formal,

observations and training by front line managers and supervisors in all departments. The primary purpose of the S.T.O.P. program is to train employees, thereby controlling the work environment so that workers are protected and accidents do not occur. Communication is vital to the success of the S.T.O.P. program. PAR views an effective S.T.O.P. program as the key link between safety rules, operating procedures and the results desired in production, profits, and workplace safety and health.

Specific PAR training programs include the following:

a. Employees who perform train and engine service.

Under the PAR Conductor Certification Program, PAR provides a program of classroom training and OJT for persons seeking certification as a Conductor who have had previous rail industry experience (Train Service, Maintenance of Way (“MOW”), Mechanical, etc.), and provides additional training for candidates with no previous rail experience. Candidates must participate in final written examinations of not less than 100 questions and are required to obtain a passing score of 85%. Examination questions concerning signal identification/definitions must be passed with a score of 100%. Candidates must also participate in a minimum of 100 hours of OJT.

PAR also provides for the continuing education of certified Conductors to ensure that each Conductor maintains the necessary knowledge concerning railroad safety and operating rules and compliance with all applicable federal regulations. Recertification for all certified Conductors occurs at intervals of not greater than 36 months and incorporates formal training and testing. The minimum training duration requirement is 16 hours over the 36-month period. Conductors are required to participate in written examinations totaling at least 100 questions and to obtain a minimum passing score of 85%. Examination questions concerning signal

identification/definitions must be passed with a score of 100%. Certified Conductors are given a minimum of one unannounced operating rules compliance test each calendar year.

b. Employees who inspect and maintain track and bridges.

PAR's Track and Bridge & Building ("B&B") employees receive an initial one-day training session on roadway worker protection, bridge worker safety, and company safety rules. Track foremen receive annual training on continuous welded rail and on 49 C.F.R. Part 213, track safety standards. Track and B&B foremen also complete an initial three-day NORAC qualification class.

As part of the Safety 101 training course, PAR provides employees with guidelines for working safely around tracks. These guidelines emphasize the importance of practicing safety on railway tracks.

Additionally, all engineering department employees receive annual refresher training for roadway worker protection and bridge worker safety. Employees returning to work following an absence greater than 30 days are required to attend a roadway worker protection and safety rules review. Employees qualified on NORAC operating rules are required to attend a one-day refresher class not less than once every three calendar years.

c. Employees who inspect, maintain and repair any type of on-track equipment, including locomotives, passenger cars, and freight cars of all types.

All Mechanical employees receive training on Blue Signal and NORAC Operating Rules. Blue Signal training consists of classroom time, including handouts containing PAR's Blue Signal procedure, a Blue Signal video, and a PowerPoint presentation, and a physical characteristic walk through the yard. Each employee must complete a 30-question test. NORAC Operating Rule training consists of issuing the current NORAC operating rules book, Bulletin Orders and Special Instructions, Time Table, and a PowerPoint presentation which covers all of

the rules pertaining to the Mechanical department. The training concludes with a 25-question test. Employees receive a refresher training every 3 years on Blue Signal and NORAC Operating Rules.

After successful completion of the Blue Signal and NORAC Operating Rules trainings, PAR provides craft-specific trainings for the following employees:

- Machinist: Machinists proceed to a basic airbrake class, which consists of a video regarding the evolution of airbrake, a PowerPoint presentation on airbrake and compressor basics. Employees must complete a 20-question test and a hands-on test regarding the Outbound Airbrake set and release. Machinists then begin their OJT at the Engine House with a senior qualified machinist on the following topics: 1) daily inspection of locomotive; 2) periodic inspection of locomotive; 3) locomotive safety standards; and 4) outbound airbrake/set & release/securement of locomotives. Every machinist must successfully complete each task twice. As each task is completed, it is recorded and added to the employee's training files. After 6 months, machinists return for an in-depth airbrake class, which consists of 4 videos, 3 PowerPoint presentations, 3 workbooks with quizzes, and a 25-question test. There is a 3-year refresher training on the locomotive airbrake system.

- Electrician: Electricians receive formal instruction on PTC systems and departure tests. This class consists of PowerPoint presentations on each PTC system and the components installed on PAR locomotives. Electricians must successfully complete a hands-on demonstration of a departure test on each system. Electricians then start their OJT at the Engine House with a senior qualified electrician. OJT consists of the following: 1) daily inspection of locomotives; 2) periodic inspection of locomotives; 3) locomotive safety standards; and 4) locomotive securement. As each task is successfully completed, it is recorded and added to the

employee's training files. After a 6-month period, Electricians receive additional OJT on the PTC periodic testing.

- Carman: Carmen receive basic airbrake training, which consists of classroom time, a video on airbrake, and a PowerPoint presentation, followed by a 25-question test. Carmen are then paired with senior qualified carmen and begin their OJT on the following categories:
1) suspension system inspection; 2) car body inspection system; 3) safety appliance inspection; 4) Single Car Air Test; and 5) Class 1 Brake Test. As each task is successfully completed, it is recorded and added to the employee's training files. After 6 months of experience, carmen then receive formal training on Single Car Air Test and Class 1 Brake Test. Formal training for Single Car Air Test consists of C.F.R. 232 handouts, review of the handouts and the AAR field manual rules pertaining to Single car Air Test, a 20-question test, and a hands-on demonstration of a Single Car Air Test. Class 1 Brake Test consists of a PowerPoint presentation demonstrating examples of defects, a review of C.F.R. 232, a 25-question exam, and a hands-on demonstration of a Class 1 Brake Test. There is a 3-year refresher on both the Class 1 and the Single Car Air Tests.

* * *

Additionally, PAR provides appropriate personnel with initial and refresher training on PAR's Lock-Out/Tag-Out ("LOTO") policy, which addresses minimum requirements for the control of unexpected start-up or energization of equipment during routine adjustment or maintenance. The LOTO requirements include mandatory training for any equipment that has the potential for unexpected start-up.

d. Dispatchers or operators.

PAR's train dispatcher training program involves classroom, field, and OJT. Student dispatchers are placed into the railroad's New Hire Conductor training, where they learn the

basics of railroad operations, NORAC operating rules, PAR safety rules, and relevant federal safety regulations. After successful completion of this course, student train dispatchers are assigned to OJT with experienced dispatchers. Throughout the OJT period, students receive additional classroom training, with a focus on operating rules specific to train dispatching, including communications, main track authority, train and track car movements, and protection of engineering work. Students are also provided training on dispatch system functionality, hazardous materials, passenger train emergency preparedness, and PTC. Physical characteristics training is achieved through train and track car rides, walkarounds and visits with field personnel.

e. Employees who inspect and maintain signal and train control devices and systems.

New C&S employees are required to complete distance training coursework and testing provided by the Railroad Educational Bureau. Employees considered for promotion from assistant signalman to a higher class, such as signal maintainer, testman, lead signalman or electronic specialist, work with peers and under the close direction of management to learn skills necessary for promotion to a higher class. OJT, management oversight and evaluation are key components to employee advancement. Managers evaluate employee progress, candidates must pass a written exam and, in some cases, a practical skills application exam to be promoted to a higher class. Vendor specific product training is provided as needed. Employees have access to and are trained on testing and maintenance requirements as set forth by federal regulations and company policy.

f. Hazardous materials personnel, including information technology personnel who affect the transportation of hazardous materials.

PAR's Safety 101 course provides information on hazardous materials, including PAR's hazardous materials communication policy and emergency response procedures. PAR also

provides specific hazardous materials training, which covers general awareness/familiarization, function-specific information, safety training, and security awareness training. The hazardous materials training emphasizes that safety is the first importance in the transportation of hazardous materials.

A new employee, or an employee who changes job functions, must complete hazardous materials training within 90 days of employment or change in job function. Such an employee cannot perform hazardous material job functions before completing training, unless the employee does so under the direct supervision of a properly trained and knowledgeable hazardous materials employee.

PAR requires that training records include each hazardous material employee's name, completion date of their most recent training, copies or descriptions of the training materials, and certification that the hazardous materials employee has been trained and tested.

g. Employees who maintain or upgrade communication systems affecting rail operations.

PAR does not have a specific training program for communications employees. Currently, PAR has one management employee responsible for the maintenance of voice band communications systems.

h. Supervisors of employees.

All employees hired and/or promoted to management are provided training by the Human Resources and Safety departments. Topics that are covered in training include company policies, conduct training, federal drug testing policy, and accident investigation.

Engineering department managers are typically chosen from within the PAR workforce and have received specialized workforce training, in addition to general company policy and safety training.

In addition to the prerequisite Safety 101 training, all transportation department supervisors must attend a 5-day class that covers all operating rules and timetable special instructions, and familiarizes supervisors with standard operating practices. Each supervisor must renew their operating rules credentials at least every 3 years by attending a 1-day operating rules review. In addition, supervisors attend a 1-day class that prepares them to perform operational tests and provide guidance to employees in the event of an operational test failure. Supervisors also receive training on hours of service requirements and reasonable suspicion drug and alcohol testing. Field training is performed by another transportation department manager at the location that the supervisor will be assigned to.

3. Training at GWI Railroads

The primary purpose of training at GWI railroads is to prevent injuries, accidents and incidents, as well as to support operating efficiency. Employees must have the knowledge, skills and abilities required to perform essential functions of the job before being expected to successfully demonstrate competency.

GWI railroads' operation training programs have been developed to meet and/or exceed the regulatory requirements outlined in 49 C.F.R. Part 243 and have been approved by the FRA. All new hire training is conducted by a qualified regional and/or corporate trainer. GWI railroads' training programs, initiatives and content are managed by the regional and corporate safety/training teams.

All newly hired employees of GWI railroads participate in an initial classroom style training program covering the common core areas of instruction including Safety Rules, General Code of Operating Rules ("GCOR"), Rail Security, Environmental, Hearing Conservation, as well as information on GWI policies such as accident/injury reporting and Drug & Alcohol

prohibitions. New employees also receive craft specific training as dictated by their role, responsibilities and regulatory requirements and must complete all required OJT and competency checklists as outlined in the GWI railroads' 49 C.F.R. Parts 240-242-243 Program submissions.

In order to maintain requisite knowledge, each GWI railroad employee whose activities are governed by the relevant GWI railroad's operating rules will receive safety and operating rules instruction on at least a triennial basis and be required to pass all examinations.

Training programs at GWI railroads include the following:

a. Employees who perform train and engine service.

All GWI railroads conduct employee training for new hires with the assistance of the GWI Corporate Safety Department. Newly hired conductors receive a minimum of 48 hours of classroom training and must successfully complete all curriculum requirements with a minimum overall average score of 85%. In addition, trainees are required to successfully pass a performance field evaluation on basic railroad competencies and receive no less than 85% on their final exam. New hire training also includes multiple weeks of OJT with certified trainers during which the trainee conductors learn the basics of railroading as well as the physical characteristics of the territory to which they will be assigned. Promotion will occur after successful completion of the competency assessment workbook and meeting all certification requirements.

All GWI railroads provide an ongoing educational program for its conductors to ensure that every conductor maintains the necessary knowledge concerning railroad safety, operating rules and practices, familiarity with the physical characteristics of the territory to which they are assigned, and compliance with relevant federal safety rules and regulations. Conductors receive required training every three years to maintain certification. The content of refresher training

includes safety and operating rules, air brake and train handling rules, hazardous material rules, timetable instructions, security awareness, hearing conservation, and physical characteristics training for the territory to which they are assigned. Employees are required to pass a proctored examination on rules and such physical characteristics, with a required minimum score of 85%. GWI railroads also provide a computer-based training program that duplicates the current instructor-led program for all other employees not seeking recertification, which can be taken throughout the year to allow employees to review current training material. The computer-based program is delivered through desktop training stations or company-issued electronic tablets.

Locomotive engineer training for GWI railroads is conducted at GWI's JAX Training Center located in Jacksonville, FL. Training consists of two weeks of classroom and locomotive simulator training, as well as hands-on train movements. A minimum score of 85% is required on a mechanical and operating rules exam. Locomotive engineer trainees also receive OJT for approximately four months. The content of the training includes operating and safety rules, mechanical and train handling rules, equipment restrictions, air brakes and inspections, locomotive inspections and brake tests. Locomotive engineer trainees are evaluated during the course of their training by a qualified DSLE. A locomotive engineer trainee's final ride is conducted by a qualified DSLE. The length of this training is based on the successful completion of the required minimum hours as a student engineer in compliance with GWI railroads' engineer certification program, which complies with the requirements of 49 C.F.R. 240.101. Employees must also receive a minimum score of 85% on a written/electronic rules exam and physical characteristics exam.

Locomotive engineers are recertified every three years by certified training instructors. Classroom training consists of operating and safety rules, airbrake and train handling, hazardous

materials and brake test inspections. Engineers must receive a minimum score of 85% to be recertified.

b. Employees who inspect and maintain track and bridges.

GWIRailroads provide employees with guidelines for working safely around tracks as part of the New Hire Safety Orientation training course that is administered by each railroad. These guidelines emphasize the importance of practicing safety on railway tracks. In addition, all engineering department employees receive annual refresher training for roadway worker protection and bridge worker safety during a three-day course. Also, employees returning to work following an absence of greater than 30 days are required to attend a roadway worker protection and safety rules review. Employees qualified on GCOR operating rules are required to attend a one-day refresher class not less than once every three calendar years.

c. Employees who inspect, maintain and repair any type of on-track equipment, including locomotives, passenger cars, and freight cars of all types.

The new hire course for GWIRailroads provides the basic skills necessary to safely perform required mechanical inspections. The course includes testing, troubleshooting, maintenance, and repair of equipment in accordance with FRA regulations, AAR standards, and GWIRailroad rules, policies and best practices. This training covers a basic introduction to locomotives and support systems, and instruction includes annual GWIRailroad safety and rules training, locomotive familiarization, introduction to air brakes, hours of service and initial locomotive movement. As part of their new hire orientation, attendees will study railroad safety, and safety rules and policies surrounding drug and alcohol use.

GWIRailroad car and locomotive training programs are comprised of instructor-led classroom instruction, computer-based learning and virtual instructor-led training. A designated

list of performance tasks must be successfully observed, demonstrated and defined, or a combination thereof, and is then signed off by a designated instructor for the appropriate craft at each stage of development. The duration of training time varies by individual to cover electrician, mechanic and car repair specialties, however, new entrants to these crafts can expect to be under direct supervision for at least two years. GWI railroads have the discretion to advance the training of those with prior experience who successfully demonstrate the designated task performances as observed by a designated instructor.

In addition, the GWI railroads' Mechanical Departments assign quarterly, annual and other periodic training to comply with federal requirements, and GWI railroad policy and skills advancement requirements.

Moreover, GWI railroads provide the members of their track maintenance departments, signal maintainers and locomotive maintenance personnel with initial and annual refresher training on the Lock-Out/Tag-Out policy in place on all GWI railroads. Employees of GWI's railroads (and contractors) in the various functional groups are involved in maintaining and servicing equipment, machinery and/or processes wherein unwanted energy sources exist.

The purpose of this policy is to limit the risk of injury due to accidental or unexpected start-up, energization, or release of stored (residual) energy during maintenance and/or repair activities by understanding and complying with the GWI railroad's energy isolation and lockout/tagout procedures. These are the minimum requirements for the control of hazardous energy sources when maintaining or servicing equipment, machinery and/or processes that could cause injury to personnel.

d. Dispatchers or operators.

The train dispatcher training program for GWI railroads is facilitated through the

GWI-owned American Rail Dispatching Center (“ARDC”) and involves classroom and field training and OJT. Student dispatchers learn the basics of railroad operations, GCOR operating rules, GWI railroad safety rules, and relevant federal safety regulations. After the successful completion of this course, student train dispatchers are assigned to conduct OJT with experienced dispatchers. Throughout the OJT period, students receive additional classroom training, with a focus on operating rules specific to train dispatching, including communications, main track authority, train and track car movements and protection of engineering work. Students are also provided training on dispatch system functionality, key train status and movement restrictions and passenger train emergency preparedness.

- e. Employees who inspect and maintain signal and train control devices and systems, including employees who maintain or upgrade communication systems affecting rail operations.*

New “C&S” employees of GWI railroads are required to complete distance and on-site training coursework and testing provided by Signal Training Solutions located in Kansas City, KS. Employees spend three phases of training in Kansas City for a total of six weeks in a classroom setting. Follow up training is instructor-led, both in person and virtually. Employees are assigned to a designated trainer for the duration of their OJT, with management oversight and evaluation key components to employee advancement. Candidates must pass written exams and successfully demonstrate a minimum of 10 observed task performance events of each required skill of a maintainer before being eligible for advancement. Employees have access to and are trained on testing and maintenance requirements as set forth by federal regulations and GWI railroad policies. Advancement is determined by the successful completion of the training period and approval by the supervisors.

Due to the overlap of responsibilities, signal maintainers also serve as radio

communications technicians for GWI railroads.

f. Hazardous materials personnel, including information technology personnel who affect the transportation of hazardous materials.

The New Hire Orientation course administered by GWI railroads provides information on hazardous materials, including GWI railroads' hazardous materials communication policy and emergency response procedures. GWI railroads also provide specific hazardous materials training, which covers general awareness/familiarization, function-specific information, safety training and security awareness training. The hazardous materials training emphasizes that safety is the most important consideration when transporting hazardous materials.

A new employee, or an employee who changes job functions into a transportation role, must complete hazardous materials training and attend a new hire orientation class. Such employee cannot perform hazardous material job functions before completing training, unless the employee does so under the direct supervision of a properly trained and knowledgeable hazardous materials employee.

GWI railroads require that training records include each hazardous material employee's name, completion date of their most recent training, copies or descriptions of the training materials, and certification that the hazardous materials employee has been trained and tested. Refresher training is required on a triennial basis and includes general awareness/familiarization, function-specific information, safety training and security awareness.

g. Supervisors of employees.

As part of the new hire orientation for supervisors, whether promoted or external hires, GWI railroads provide extensive training to new managers. Transportation supervisors, at a minimum, become GCOR-qualified. Transportation, Mechanical and Engineering department supervisors receive specific training on Railroad Operating Practices as required under 49 C.F.R.

Part 218.1 through 49 C.F.R. Part 218.109. In addition, as part of the GWI railroads' New Manager Training, all supervisors receive classroom training on the GWI railroads' Operational Testing & Inspections Program as required under 49 C.F.R. 217.9. These supervisors are further trained and evaluated in the field regarding their ability to perform operational tests and provide oversight to the employees they supervise.

All managers receive specialized training related to their supervisory position, including reasonable suspicion drug and alcohol testing, GWI railroad policies, workplace violence, mastering difficult conversations and emotional intelligence through further individualized training programs. Supervisors also receive specified training in train accident investigation, environmental and hazardous materials, and accident and injury reporting. The continued education of our supervisors consists of maintaining their craft certification requirements and annual training, which includes training on the following:

- 49 C.F.R. 213.1 – 213.369 Track Safety Standards
- 49 C.F.R. 240.1 – 240.411 Certification of Locomotive Engineers
- 49 C.F.R. 242.1 – 242.511 Certification of Conductors
- 49 C.F.R. 243.1 – 243.209 Training & Qualification – Railroad Employees.

4. Training at NSR

NSR provides a wide range of training, developmental programs, opportunities, skills, and resources for its employees to work safely and be successful in their careers. NSR provides hands-on training and simulation training designed to improve training effectiveness and safety outcomes. NSR also uses modern learning and performance technologies to offer robust professional growth opportunities. Through on-demand digital course offerings, custom-built learning paths, and performance-management tools, NSR's platforms deliver a contemporary, convenient, and inclusive approach to professional development.

NSR provides behavior-based safety training to help improve safety and customer service. The training emphasizes using positive reinforcement to sustain safe workplace habits and support continued safety process improvements. Additionally, NSR has a program to conduct periodic oversight tests and inspections to determine if safety-related railroad employees comply with NS rules, and applicable federal railroad safety laws, regulations, and orders.

Training programs at NSR include the following:

- a. Employees who perform train and engine service.*

At NSR, individuals not previously certified as conductors are required to attend certification and qualification phases of the conductor training program, during which they are tested and evaluated. This training is designed to impart knowledge of and ability to comply with applicable federal railroad safety laws, regulations, and orders, as well as any relevant railroad rules and procedures promulgated to implement those applicable federal railroad safety laws, regulations, and orders.

Conductor certification training for individuals not previously certified consists of a program of classroom and outside field instruction. The training facilities provide track, switches, equipment, rolling stock and appliances that replicate the conductor's work

environment for training and practice on the essential job duties of a conductor on NSR.

Examinations for Certification Phase Training is given to each trainee. Trainees must achieve a passing score on examinations for operating rules that includes applicable federal railroad safety laws, regulations and orders, safety rules, policies and procedures, hazardous materials handling and train placement, signal aspects and indications and train air brake inspections and tests.

Qualification Phase training consists of OJT in the trainee's assigned territory to permit the trainee to apply techniques studied in Certification Phase training, and to provide the necessary exposures to assist the trainee in learning the physical characteristics of the territory. Trainees are given written or computer-based tests on operating rules, physical characteristics, and signal rules.

NSR provides an ongoing education program for its conductors to ensure that every conductor maintains the necessary knowledge concerning operating rules and practices, familiarity with physical characteristics, and relevant federal safety rules. The education program may consist of, for example, classroom environment, computer-based or networked interactive multimedia programs; posted instructions and/or formal documents; and information covering new technology, procedure changes, new equipment, etc. through face to face meetings, networked interactive multimedia program, videos, programmed instruction booklets, operating manuals, safety meetings, and quick reference cards or other means. Within each thirty-six month certification period, conductors must attend an 8-hour operating rules and operating practices training class. This class consists of classroom or networked interactive multimedia type instruction and testing. Conductors are required to demonstrate their knowledge by the successful completion of a triennial written examination prior to certification or recertification. The examination contains at least fifty questions, with a minimum passing score of 80%.

Additionally, NSR's Train Service Engineer Training program is designed to build upon the knowledge and experience of a conductor to provide the needed knowledge, skills, and abilities to safely and efficiently operate locomotives/trains. This course provides instruction and application on topics covering locomotive basics, train handling and operation, preparing and inspecting locomotives, braking systems, power brake law, and troubleshooting defects. Using a two-phase approach, the course is structured to provide introductory material and practice in a classroom environment for a period of two weeks, which is then reinforced and refined through application in an on-the-job setting.

Before trainees are allowed to continue into OJT, four tests must be passed: Train Handling (Simulator), Train Operations, Operating Rules, and Signals. The OJT phase of training consists of training on the trainee's assigned territory to permit the trainee to apply techniques studied in the classroom phase and to provide the necessary exposures to assist the trainee in learning the physical characteristics of the territory. After successful completion of the OJT task checklist, trainees must demonstrate the ability to safely operate trains in accordance with all NSR rules and federal regulations by passing a final skills performance evaluation.

NSR maintains an ongoing educational program for its locomotive engineers and RCOs to ensure they possess the necessary knowledge concerning personal safety, operating rules and practices, mechanical condition of equipment and methods of safe train handling, including familiarity with physical characteristics and relevant safety rules. Triennial operating rules and physical characteristics training covers the aforementioned subjects, and may also include the following: triennial operating rules training and testing, training and educational postings, training manuals, on board instruction by DSLEs, Type II simulators to provide train handling and operating rules trainings, ongoing education updates on motive power changes and/or

complex rules changes, and initial PTC engineer training.

NSR's procedure for testing and evaluating previously certified locomotive engineers and RCOs includes knowledge testing on personal safety practices, operating practices, equipment inspection practices, train handling practices or remote control transmitter handling, and compliance with safety rules.

b. Employees who inspect and maintain track and bridges.

NSR provides an initial, 80-hour training course for engineering and roadway workers. This course is intended to introduce employees to the FRA regulatory requirements for railroad communications, railroad operating practices, roadway worker protection, roadway maintenance machine ("RMM"), bridge worker safety, RMM with crane operator training, the Federal Motor Carrier Safety Administration ("FMCSA"), and processor-based signal and train control systems. The training course is delivered using various methods, including instructor-led courses, web-based training, classroom practical exercises, videos, and lab/simulators. Trainees must pass knowledge- and performance-based assessments.

Additionally, NSR provides a 40-hour bridge inspection course, which is intended to introduce candidates to the FRA C.F.R. regulatory requirements for railroad bridge inspectors, bridge inspection procedures, special inspection, and conduct of bridge inspections. The training is delivered through instructor-led courses, classroom practical exercises, and lab/simulator, and trainees must pass knowledge- and performance-based assessments.

c. Employees who inspect, maintain and repair any type of on-track equipment, including locomotives, passenger cars, and freight cars of all types.

NSR provides a 40-hour mechanical safety orientation training, which provides basic safety and regulation information. This training is the prerequisite course for all Mechanical Department training. The topics covered include railroad operating rules, practices and

standards; locomotive component identification and specifications; locomotive safety standards; and freight car safety standards. The training course is delivered using various methods, including instructor-led courses, web-based training, classroom practical exercises, videos, and lab/simulator. Trainees must pass knowledge- and performance-based assessments.

Additional training programs include trainings for boilermakers, machinists, electricians, sheet metal workers, car inspectors, and locomotive qualified mechanical inspector.

d. Dispatchers or operators.

NSR's dispatcher training is a 160-hour course designed to introduce prospective dispatchers to the essential dispatcher functions of moving trains in a safe and efficient manner. Dispatchers are presented with a core classroom-style curriculum of dispatcher basics and instructor-led, scenario-based modules. Hands-on evaluations permit trainees to apply the knowledge from the classroom to simulated, as well as live, situations. This course provides an outlook on dispatching based on the operating rules, dispatching software, and best practices and procedures. Trainees must pass knowledge- and performance-based assessments.

e. Employees who inspect and maintain signal and train control devices and systems.

NSR provides an initial 120-hour signal training, which is intended to introduce participants to the following topics: FRA C.F.R. regulatory requirements for railroad communications, railroad operating practices, roadway worker protection, RMM, bridge worker safety, general rules and instructions for signal systems, track circuits, wire and cable and inspection and test, hours of service, FMCSA, and RMM with crane operator training. The training is delivered through instructor-led courses, web-based training, classroom practical exercise, lab/simulator, and OJT.

NSR also provides a 120-hour signal training, which is intended to introduce participants

to the FRA C.F.R. regulatory requirements for Roadway Worker Protection/Roadway Worker in Charge (“RWIC”). This course also introduces students to the FRA C.F.R. regulatory requirements for Automatic Block Signal Systems, Electric Switch Locks, Power Switches, and Grade Crossing Systems. Furthermore, NSR provides a 120-hour signal training that introduces participants to the Software Management Control implemented by NS, Interlocking System Basics, and Traffic Control Systems Inspection & Test. In each of these programs, trainees must pass knowledge- and performance-based assessments.

f. Hazardous materials personnel, including information technology personnel who affect the transportation of hazardous materials.

NSR provides appropriate training to each employee who directly affects hazardous material transportation safety. Employees who inspect or transport hazardous materials by rail must have a copy of and comply with the United States Hazardous Materials Instructions for Rail. Additionally, employees who transport hazardous materials must have a copy of the current Emergency Response Guidebook readily accessible while on duty.

NSR’s security plan complies with DOT security regulations pertaining to training and security plans with respect to the transportation of hazardous materials. As part of the plan, security awareness training is given to all railroad employees who directly affect hazardous material transportation safety, and is integrated into hazardous material training programs.

g. Employees who maintain or upgrade communication systems affecting rail operations.

NSR provides a 16-hour telecom technician course that is intended to introduce participants to the FRA C.F.R. regulatory requirements for railroad communications, railroad operating practices, roadway worker protection, RMM, and RWIC. This course also introduces the FRA C.F.R. regulatory requirements for bridge worker safety, grade crossing systems, the FMCSA, the software management control implemented by NSR, and processor-based signal

and train control systems. It is an eLearning course, delivered using web-based training and video. Trainees are required to pass a knowledge assessment.

h. Supervisors of employees.

NSR provides Management Programs that prepare employees for management and supervisory responsibilities across departments. Management Programs consist of professional, on-the-job, and operations training over a six to nine-month period.

Specific training courses for supervisors include NSR's C&S Manager Qualification course, which is a 160-hour course that is intended to introduce participants to the FRA regulatory requirements for Railroad Communications; Railroad Operating Practices; Roadway Worker Protection; RMM; Bridge Worker Safety; General Rules and Instructions for Signal Systems; Track Circuits, Wire, Cable and Inspection and Test; Hours of Services; Roadway Worker Protection- RWIC; Rules and Instructions: All systems; Automatic Block Signal Systems; Software Management Control implemented by NSR; Interlocking System Basics; and Traffic Control Systems Inspection and Test.

Additionally, NSR's "Management Training Shop Crafts" course is a 480-hour course intended to provide participants with required knowledge of standards and procedures. Participants gain the knowledge to successfully perform and apply duties in both a classroom and field environment.

NSR also provides a 40-hour bridge supervision course that introduces prospective candidates to numerous standard procedures and programs, courses of instruction and physical demonstration utilizing classroom and controlled environment, and indoor / outdoor training facilities.

5. Safety Integration – Training

Springfield Terminal currently utilizes one set of training plans for employees who operate both the PAR lines and PAS lines. Since, after consummation of the transaction, CSXT will operate the PAR lines, and B&E will operate the PAS lines, there will be two separate training plans in place after CSXT and B&E take over operations. As described throughout this SIP, following consummation of the transaction, CSXT and B&E do not plan to make any immediate changes to the existing Springfield Terminal operations (including training plans) for the PAR lines and the PAS lines, respectively. But over time, CSXT and B&E will implement their own respective training systems.

CSXT and PAR both provide detailed and extensive training programs for their employees. Although CSXT expects that it would initially keep the existing training programs separate, Springfield Terminal would immediately gain access to the resources of CSXT's training department. CSXT and Springfield Terminal would share their training catalogues, videos, and other training products so as to identify courses that could benefit each other.

All employees would receive general and area-specific training, as appropriate. As explained in the Amended and Supplemented Application, CSXT does not anticipate significant changes in operations by Springfield Terminal immediately following consummation of the Proposed Transaction either on the PAR System or on PAS, until B&E takes over operations. Therefore, CSXT does not expect that any significant training programs will require augmentation of training personnel. Since Springfield Terminal employees will continue to operate on lines over which they currently operate, CSXT does not expect to need special training programs focused on operations to ensure smooth integration. Similarly, since

dispatching will be performed by Springfield Terminal employees on systems that will be familiar to those employees, no special training will be needed.

The training needs of any other future integration activities would be reviewed in detail and appropriate resources would be allocated if and when such needs arise. Future training may consist of instructor led classes and function specific training for managers or supervisors. Additionally, other employees may receive instructor led classes, hands-on demonstrations, videos, hand-outs and resource guides, simulator training and computer-based training which could also include augmented reality and 3D virtual simulations. Any additional safety programs being implemented on the PAR System would be accompanied by an extensive overview and introduction.

CSXT's training team is comprised of a large group of Subject Matter Experts. The training team has the ability and flexibility to develop and deliver any necessary training that would be needed prior to any integration of training or safety programs.

As to B&E's operations of PAS, former Springfield Terminal employees hired by B&E to operate PAS will be absorbed into the current training programs required of GWI railroad employees. All B&E operations employees will, at a minimum, be subjected to initial training classes consisting of craft specific Safety Rules adopted by B&E, System Special Instructions issued by B&E, introduction to GWI's Safety Policy and Core Purpose, and area specific training, as appropriate. A comprehensive review of employee training records will be conducted to identify any inconsistencies with regulatory requirements so subsequent and/or consolidated training classes can be scheduled for B&E operations employees. A review of certified transportation employee records will also be conducted to verify certification statuses are current and conducted training meets the GW 240/242 engineer/conductor certification program

requirements.

C. OPERATING PRACTICES

1. Operating Rules, Practices, and Instructions

a. Operating Rules, Practices, and Instructions at CSXT

At CSXT, safety encompasses every aspect of company operations. Above and beyond the rules set by FRA and OSHA, CSXT has its own safety and operational standards to which it holds all CSXT employees accountable. All CSXT operations are subject to the CSXT Operating Rules, which use a combination of timetables with subdivision-specific instructions, Operating Bulletins, and train-specific Dispatcher Message Orders to govern railroad operations.

Operating information is kept in a consolidated Employee Operating Manual, which governs conditions and actions on railroads operated by CSXT in the United States. The rules contained in the manual are designed to protect the lives and livelihoods of employees and the communities where CSXT operates. CSXT considers these rules to be essential for safeguarding the environment and supporting safe and efficient service to its customers. Employees are responsible for knowing and complying with the rules, instructions, and procedures that govern their duties and for taking appropriate action to ensure a safe workplace.

The manual covers numerous topics, including the following:

- General Requirements;
- Signals and Their Use;
- Movement of Trains;
- Utility Employee, Switches, Switching, Shoving, and Securement;
- Centralized Train Dispatching System and Authorities for Movement;
- Train Dispatching;

- Roadway Worker and On-Track Safety;
- On-Track Worker Qualifications;
- Remote Control Operations;
- Electronic Devices and Radio Communication;
- Protection in Bowls and Blue Signal Protection;
- Signal Aspects and Indications;
- Hazardous Material Handling Instructions;
- Equipment Handling Instructions;
- Air Brake and Train Handling Instructions; and
- Safety Rules and Instructions.

When on duty, CSXT employees are required to have the rule books and special instructions that are in effect available for use. Additionally, before entering, using or dispatching controlled tracks, each CSXT employee must possess a copy of the following:

- Rule books specified by system bulletin;
- Applicable timetable instructions;
- System bulletins; and
- Applicable division bulletins.

Transportation employees who inspect or transport hazardous material by rail must have a copy of and comply with the United States Hazardous Materials Instructions for Rail. Employees who transport hazardous materials must also have a copy of the current Emergency Response Guidebook readily accessible while on duty.

Changes to operating instructions are communicated to employees through bulletins until such changes are incorporated in a revised version of the operating instructions or in the

operating rules themselves. Train-specific information and restrictions, such as temporary slow orders, are communicated to train and engine crews through issuance of Dispatcher Messages.

CSXT's Operating Practices group helps ensure the highest degree of safety and productivity in day-to-day operations. Specific Operating Practice responsibilities include developing, implementing, and enforcing Operating Rules; Air Brake & Train Handling Rules; On-Track Safety Rules; Sub-Division Timetables; Operational Testing Program; Conductor Certification Program; Operating Bulletins and Bulletin Notices. The Operating Practices group works closely with CSXT's Training Group to ensure that CSXT's transportation function training needs are satisfied.

b. Operating Rules, Practices, and Instructions at PAR/PAS

The NORAC Operating Rules govern Springfield Terminal operations. These rules apply equally to all railroad employees and must be observed by all employees whose duties are in any way affected by the rules. The NORAC rules cover a wide range of topics, including general rules, inspection of equipment, movement of trains, general signal rules, and PTC systems.

The NORAC rules are supplemented by PAR rules. As discussed above, PAR has created a set of Safety Rules, which are issued for the purpose of insuring greater personal safety to passengers, employees, and the public. The PAR Safety Rules govern all PAR Railroads (including Springfield Terminal) employees and provide general safety instructions, as well as detailed rules on numerous topics. PAR has also created Air Brake & Train Handling Rules and a comprehensive Timetable, which includes special instructions.

PAR employees are required to maintain and have with them while on duty the following manuals, if the employees' duties are affected by the manuals:

- NORAC Operating Rules;

- PAR Timetable;
- PAR Safety Rules;
- PAR Air Brake and Train Handling Rules;
- PAR Hazardous Materials Handling Instructions;
- Emergency Response Guidebook; and
- PAR Roadway Worker On-Track Protection Manual.

c. Operating Rules, Practices, and Instructions at GWI Railroads

GWI railroads generally operate under GCOR. All GWI railroad employees are subject to observance and adherence to GCOR, which governs the general responsibilities of employees and the method of operations, including Block System, Signal & Track Warrant Control Rules, Movement of Trains & Engines, Switching Rules and Inspection of Equipment.

GCOR is further supplemented with specific Air Brake and Train Handling Rules, GWI Safety Rules for the Transportation, Mechanical & Engineering Departments and Roadway Worker Protection & On-Track Safety Rules. Each GWI railroad has its own published timetable that includes special instructions. All rule books that GWI railroads operate under are periodically updated through the System Special Instructions as sanctioned by GWI Corporate Rules Committee.

While on duty, GWI railroad employees are required to have the following manuals readily available, as applicable to their job function and responsibilities:

- General Code of Operating Rules, Eighth Edition;
- Air Brake and Train Handling Rules, Third Edition;
- United States Hazardous Materials Instructions for Rail;
- 2020 Emergency Response Guidebook;

- Train Dispatcher’s Rules/Instructions Manual, Third Edition;
- Transportation Safety Rules and Procedures;
- Mechanical Safety Rules and Procedures;
- Mechanical Department Fall Protection Rules;
- Engineering Safety Rules and Procedures;
- Roadway Worker Protection, RMM and On Track Safety Rules;
- Procedures for the Installation, Adjustment, Maintenance, and Inspection of Continuous Welded Rail (“CWR”);
- Office and Administrative Safety Rules and Procedures; and
- Relevant GWI railroad timetable.

d. Operating Rules, Practices, and Instructions at NSR

Information related to NSR is addressed in the Safety Integration section below.

e. Safety Integration – Operating Rules, Practices, and Instructions

Following consummation of the Proposed Transaction and the Related Transactions, CSXT and B&E will work together to ensure that the operating rules and practices that are in effect make sense and do not create any safety concerns.

CSXT expects that the Operating Practices, Operating Rules, and associated programs of CSXT and the PAR Railroads would remain separate, at least in the near term. As the Proposed Transaction is expected to require minimal dislocation of CSXT and Springfield Terminal operating employees and minimal changes in territories, retaining the existing CSXT and PAR operating rulebooks should not result in confusion or create safety concerns. Nevertheless, CSXT intends to monitor rules performance throughout implementation and make any necessary changes, should there be evidence of problems associated with the various sets of rules. Over

time, CSXT intends to consider whether to retain the existing PAR operating rules, modify the PAR rules, or replace the PAR rules with CSXT Operating Rules. CSXT will carefully review the existing rules before making any decisions and will ensure that any decisions do not create safety concerns. CSXT will also ensure that proper training is provided for all employees, as well as those on third-party railroads operating over PAR.

Similarly, CSXT expects to retain PAR's operational test programs, at least in the near term. Any future program consolidation would occur in compliance with FRA regulations and would be filed with FRA as required. At that time, CSXT would also review possible consolidation of operational test recordkeeping and monitoring systems in to OPTS.

B&E expects that the existing operating rules, practices and associated instructions currently in place for Springfield Terminal's operation of PAS would remain in effect after B&E replaces Springfield Terminal as the contract operator of PAS, at least in the near term. As the Proposed Transaction is expected to result in limited dislocation of Springfield Terminal operating employees and minimal changes in assigned territories, retaining the existing operating rulebooks should not result in confusion or create safety concerns. Nevertheless, B&E intends to monitor rules performance throughout the integration process and make any necessary changes should there be evidence of problems associated with the various sets of rules. B&E would ensure that proper training is provided for all employees, as well as those on third-party railroads operating over PAS.

Similarly, B&E expects to retain PAS's operational test programs, at least in the near term. Any future program consolidation would occur in compliance with FRA regulations and would be filed with FRA as required. At that time, B&E also would review possible

consolidation of operational test record-keeping and monitoring systems in the PSTechnology's QualPro electronic record keeping system currently used by GWI railroads.

With respect to NSR trackage rights operations, the Operating Rules, Timetables, and Special Instructions of the host railroad apply to the operations of NSR and any other trackage rights user on routes contemplated in this transaction.

2. Drug and Alcohol Program Reporting

a. Drug and Alcohol Program at CSXT

CSXT is committed to establishing a workplace free of drug and alcohol misuse. In accordance with the applicable federal regulations, CSXT prohibits persons who perform work regulated by the federal Hours of Service Laws and/or are a "roadway worker," as defined in 49 C.F.R. § 214.7, from being under the influence and/or possession of illegal substances and/or under the influence of alcohol while on duty or within four hours of reporting for regulated service. Additionally, illegal substance use is prohibited on or off duty, except as allowed in 49 C.F.R. § 219.103.

The CSXT policy on the use of drug and alcohol is provided below:

Employees shall neither report for duty nor perform service while under the influence of, nor use while on duty or on CSXT property, any drug, medication, or other substance, including prescribed medication that will in any way adversely affect the employees' alertness, coordination, reaction, response or safety.

The illegal use and/or possession of a drug, narcotic, or other substance that affects alertness, coordination, reaction, response, or safety as defined in 49 CFR § 219.103 is prohibited while on or off duty.

Drug and/or alcohol testing programs at CSXT include pre-employment, post-accident, reasonable cause/suspicion, random, return-to-duty drug, and follow-up testing. CSXT has established programs which require regulated employees to demonstrate their safety posture through complying with the following:

- Urine screens to detect the presence of marijuana, cocaine, opioids (morphine, codeine, heroin, oxycodone, oxymorphone, hydrocodone, and hydromorphone), phencyclidine and amphetamines (including methamphetamines and ecstasy);
- Breath alcohol tests to detect the unauthorized use of alcohol; and
- Urine, blood and tissue (fatality) testing after qualifying FRA post-accident events.

Supervisors must complete training in the signs and symptoms of alcohol misuse and controlled substance use. The training covers the physical, behavioral, speech and performance indicators of probable alcohol misuse and use of controlled substances. It prepares supervisors to make the decisions necessary in reasonable suspicion situations.

Each regulated service person has access to the drug and alcohol policy via the CSX Gateway and the other information requirements in 49 C.F.R. § 219.23(e), which clearly states the prohibitions required by the regulation. In addition, each regulated person has access to resources concerning the misuse of alcohol or controlled substances and available methods of intervening when an alcohol or controlled substance problem is suspected, including referral to an employee assistance program and/or referral to management.

b. Drug and Alcohol Program at PAR/PAS

Under PAR's drug and alcohol policy, employees must not have any prohibited substances while on company property, or in their bodily fluids when reporting for duty, while on duty, or while on company property. The PAR drug and alcohol program includes random testing of employees for the presence of certain controlled substances and alcohol, and it requires testing under the authority of the FRA and PAR policy in the following situations:

- Pre-Employment
- Post-Accident;

- Reasonable Cause (tested when on duty and involved in an accident/incident);
- Reasonable Suspicion (tested when supervisor has reasonable suspicion that employee is under the influence of alcohol or a controlled substance);
- Return to Duty; and
- Follow-up.

Specifically, the PAR drug testing program requires regulated employees to demonstrate their safety posture through complying with urine screens to detect the presence of marijuana, cocaine, opioids (morphine, codeine, heroin, oxycodone, oxymorphone, hydrocodone, and hydromorphone), phencyclidine and amphetamines (including methamphetamines & ecstasy). The PAR alcohol testing program requires covered employees to demonstrate their safety posture through complying with breath alcohol tests to detect the unauthorized use of alcohol. Compliance with the requirements of the PAR drug and alcohol policy and all DOT, FRA and FMCSA regulations is a condition of continued employment.

c. Drug and Alcohol Program at GWI Railroads

B&E is committed to maintaining a healthy and safe work environment. In accordance with the applicable federal regulations, B&E prohibits persons who perform work regulated by the federal Hours of Service Laws and/or perform duties as MOW workers as described in the definition of a “roadway worker,” in 49 C.F.R. § 214.7, from being under the influence and/or possession of illegal substances and/or under the influence of alcohol while on duty or within four hours of reporting for regulated service. In addition, illegal substance use is prohibited on or off duty, except as allowed in 49 C.F.R. § 219.103.

The GWI railroads’ Drug and Alcohol Policy prohibits the use of illicit substances including the following: (a) the use of controlled substances (including substances without valid prescriptions); (b) the use of substances such as incenses, imitation or synthetic drugs, paints,

glues, aerosols, aromatics or inhalants that alter the behavior, reasoning or performance of the user; or (c) impairment by alcohol when any employee is subject to duty, reporting for duty, on duty, or on railroad properties or equipment.

Illegal use includes testing positive for the presence of the illicit substances listed above, including those otherwise legal substances that are used without a prescription from an appropriate licensed practitioner. Illegal possession includes those drugs specified under the Federal Controlled Substances Act that have not been properly prescribed and dispensed. Federal controlled substances are listed in 21 C.F.R. Part 1308.

Drug and/or alcohol testing programs at GWI railroads include pre-employment, return-to-work, return-to-duty, follow-up, random, reasonable cause, reasonable suspicion and FRA post-accident testing. GWI railroads have established programs that require regulated employees to demonstrate their safety posture through complying with the following:

1. Urine screens to detect the presence of marijuana, cocaine, opioids (morphine, codeine, heroin, oxycodone, oxymorphone, hydrocodone, and hydromorphone), phencyclidine and amphetamines (including methamphetamines and ecstasy);
2. Breath alcohol tests are used to detect the unauthorized use of alcohol; and
3. Breath, urine, blood and tissue (fatality) testing after qualifying FRA post-accident events.

Supervisors must complete training on alcohol misuse and controlled substance use. The training covers the physical, behavioral, speech and performance indicators of probable alcohol misuse and use of controlled substances. It prepares supervisors to make the decisions necessary in reasonable suspicion and FRA post-accident situations (*i.e.*, what is a qualifying event and who is to be tested).

Each regulated service person receives a copy of the Drug and Alcohol Policy and the other information requirements in 49 C.F.R. § 219.23(e), which clearly states the prohibitions required by the regulation. In addition, each regulated person is given information concerning the problems caused by alcohol or controlled substances and available methods of intervening when an alcohol or controlled substance problem is suspected, including confrontation, referral to an employee assistance program and/or referral to management.

d. Drug and Alcohol Program at NSR

NSR's policy on alcohol and drugs applies to all employees, except commissioned officers in the police department, who are subject to a separate policy on drugs. The NSR policy does not take the place of Rule G, which applies to all employees. Under NSR's policy, employees who use a prohibited drug are not permitted to perform service and may be subject to dismissal. Employees are prohibited from reporting for duty or remaining at work if their ability to safely perform their job duties is adversely impacted by their medication(s). Additionally, NSR prohibits all possession and use of or impairment by alcohol when employees are on duty, reporting for duty, on company property, in company work equipment or vehicles or occupying facilities provided by the company.

NSR has established policies governing post-accident toxicological testing, reasonable cause testing, and random alcohol and drug testing programs, as required under 49 C.F.R. Part 219.

e. Safety Integration – Drug and Alcohol

CSXT and PAR both have drug and alcohol programs that comply with applicable regulations and requirements. CSXT would initially retain the existing CSXT drug and alcohol programs for CSXT employees operating over existing CSXT lines, and the existing PAR programs for Springfield Terminal employees operating over PAR and PAS lines. However,

CSXT recognizes the value of a common program for the entire network. Once Springfield Terminal employees become part of CSXT's pool, they will be subject to CSXT's drug and alcohol policy and will be trained on the policy as necessary.

B&E and Springfield Terminal each have drug and alcohol programs that comply with applicable regulations and requirements. B&E would initially retain the existing drug and alcohol programs of Springfield Terminal until such time when a new submission to the FRA is completed. At that time, all applicable employees will fall under the new submission.

NSR will continue to apply its existing drug and alcohol programs to NSR employees that participate in trackage rights operations.

3. Locomotive Engineer Qualification and Certification

a. Locomotive Engineer Qualification and Certification at CSXT

CSXT's locomotive engineer training program provides initial and ongoing training and evaluation. With respect to persons not previously certified, student train service engineers must attend Phase I and Phase II training of the program. Phase I training is a program of classroom instruction conducted by qualified classroom instructors. The curriculum and subject matter of the training encompass a minimum of 3 weeks or 120 hours for contract employees seeking certification, and a minimum of 2 weeks or 80 hours for managers seeking certification. Final exams for Phase I include a signal exam (a score of 100% is required); an operating rules exam (a minimum score of 85% is required); an air brake performance evaluation (students that do not demonstrate 100% proficiency must retake the exam); and an air brake, train handling and mechanical exam (a minimum score of 85% is required).

Phase II training consists of in-service training at the student engineer's work location to permit the student to apply locomotive operation and train handling techniques studied in Phase I, and to allow the student to learn the physical characteristics of the territory. At or near the

completion of Phase II, all student engineers must attain a score of 85% on a written or electronic physical characteristics exam that consists of at least five questions specific to the student's qualifying territory. Additionally, students must operate a train over a portion of their subdivision in the presence of a designated supervisor. The student must demonstrate, to the satisfaction of the supervisor, their ability to successfully handle the train as well as their knowledge of the physical characteristics of the territory. Furthermore, students must successfully complete an exam with a minimum of 35 questions covering the entire employee operating manual. A minimum score of 85% is required.

With respect to persons previously certified, CSXT provides an ongoing educational program for its train service engineers and RCOs to ensure that every engineer and RCO maintains the necessary knowledge, skill and ability concerning personal safety; operating rules and practices; mechanical condition of equipment; methods of safe train handling or remote control operations, including familiarity with physical characteristics; and relevant safety rules, as applicable. This training includes a mandatory comprehensive operating rules and practice training session conducted at least every 3 years in a classroom environment or via networked interactive computer multimedia programs, and skills performance testing to test the person's skills in the most demanding type of service they would be required to operate. In non-recertification years, train service engineers, RCOs and locomotive servicing engineers-transportation participate in an annual skills monitoring.

Persons previously certified must complete knowledge testing designed to examine the employee's knowledge of the railroad's rules and practices for the safe operation of trains or the remote control transmitter. The exam for train service engineers and RCOs will contain at least fifty (50) questions with a minimum passing score of 85%. The exam for locomotive servicing

engineers-transportation will contain at least twenty-five (25) questions with a minimum passing score of 85%. Persons previously certified must also complete skills performance testing, designed to examine an engineer or RCO's skills in safely operating locomotives or trains annually and at the conclusion of formal remedial training.

CSXT employs the following procedures to document facts relied on when making certification determinations for train service engineers and RCOs:

1. Operation of motor vehicles.
2. Operating rules compliance.
3. Alcohol/drug abuse violations.
4. Knowledge testing.
5. Skills performance testing.
6. Engineer training program records.

b. Locomotive Engineer Qualification and Certification at PAR/PAS

PAR's locomotive engineer certification program includes testing and evaluation procedures for non-certified train service engineers. The training program includes hearing and vision acuity testing, an oral interview, and the review of test results, discipline record, attendance records, driving records, and other pertinent data from the applicant's personnel file. Successful applicants must participate in a Train Service Engineer Training Program, which includes classroom training and training with actual locomotive or simulator equipment. The required subjects include machinery, air brakes, and train handling. At minimum, classroom training is comprised of 8 hours each on operating rules/hazardous materials, emergency response, and federal regulations. Applicants must also successfully complete a minimum of 240 hours, or 30 trips, of on the job performance skills training with a certified locomotive engineer or other qualified instructor.

Upon the conclusion of the training program, applicants must participate in final written examinations of at least 100 total questions, covering personal safety practices, operating rules and practices, mechanical condition of equipment, train handling practices, and relevant federal safety rules. Applicants must obtain a passing score of 90%.

PAR provides continuing education for certified locomotive engineers to ensure that all locomotive engineers maintain the requisite knowledge of personal safety, operating rules and practices, mechanical equipment, methods of safe train handling, and relevant federal safety rules. Recertification of all certified locomotive engineers occurs within 36 months of the employee's last qualification or requalification date.

As part of the recertification process, certified locomotive engineers are required to attend training sessions totaling a minimum of 11 hours, conducted within 12 months prior to their recertification. These training sessions are conducted in classroom settings. Prior to the completion of classes, all certified locomotive engineers are required to complete a written examination and obtain a passing score of 90%.

c. Locomotive Engineer Qualification and Certification at GWI Railroads

The locomotive engineer training program used by GWI railroads provides initial and ongoing training and evaluation. With respect to persons not previously certified, student train service engineers must complete a four-phase training program. Initial locomotive engineer classroom instruction is conducted by qualified classroom instructors at GWI's Jacksonville Training Center. The curriculum and subject matter of the training encompass a minimum of two weeks. Knowledge exams are administered throughout the training, as well as a final exam with a minimum score of 85% required, which includes testing on mechanical inspection, air brakes, train handling, operating rules, personal safety and federal regulations.

OJT is conducted at the student engineer's work location under the direction of a certified

trainer to permit the student to apply locomotive operation and train handling techniques he/she has learned, and to allow the student to learn the physical characteristics of the territory. At or near the completion of the OJT, all student engineers must attain a score of 85% on a written or electronic physical characteristics exam. In addition, students must operate a train over a portion of their subdivision in the presence of a DSLE for a final evaluation and skills performance ride. The student must demonstrate, to the satisfaction of the supervisor, their ability to successfully handle the train as well as their knowledge of the physical characteristics of the territory.

With respect to persons previously certified, GWI railroads have an ongoing educational program for its train service engineers, including familiarity with physical characteristics and relevant safety rules, as applicable. This training includes a mandatory comprehensive operating rules and practice training session conducted at least every 3 years in a classroom environment or via networked interactive computer multimedia programs, and skills performance testing to test the person's skills in the most demanding type of service they would be required to operate. In non-recertification years, train service engineers and locomotive servicing engineers participate in an annual skills monitoring ride performed by a DSLE.

Persons previously certified must complete knowledge testing designed to examine the employee's knowledge of the railroad's rules and practices for the safe operation of trains. The exam(s) for train service engineers will contain at least 75 questions with a minimum passing score of 85%. The exam(s) for locomotive servicing engineers will contain at least 25 questions with a minimum passing score of 85%. Persons previously certified must also complete skills performance testing, designed to examine an engineer's skills in safely operating locomotives or trains annually and at the conclusion of formal remedial training.

GWI railroads follow the procedures outlined in GWI's 240 Engineer Certification

Program submission to document facts relied on when making certification determinations for train service engineers and locomotive servicing engineers. These include the following:

1. Employee safety record including operating rules compliance Safety conduct as a motor vehicle operator;
2. Hearing/vision acuity;
3. Knowledge testing; and
4. Skills performance testing.

d. Locomotive Engineer Qualification and Certification at NSR

NSR's locomotive engineer certification program provides initial and ongoing training and evaluation. As discussed in the Training section above, NSR's Train Service Engineer Training program provides the needed knowledge, skills, and abilities to safely and efficiently operate locomotives/trains. Using a two-phase approach, the course is structured to provide introductory material and practice in a classroom environment for a period of two weeks, which is then reinforced and refined through application in an on-the-job setting. Trainees must pass tests on Train Handling (Simulator), Train Operations, Operating Rules, and Signals before moving on to OJT. The OJT phase of training consists of training on the trainee's assigned territory to permit the trainee to apply techniques studied in the classroom phase and to provide the necessary exposures to assist the trainee in learning the physical characteristics of the territory. After successful completion of the OJT task checklist, trainees must demonstrate the ability to safely operate trains in accordance with all NSR rules and federal regulations by passing a final skills performance evaluation.

NSR's ongoing educational program for locomotive engineers ensures that they possess the necessary knowledge concerning personal safety, operating rules and practices, mechanical condition of equipment and methods of safe train handling, including familiarity with physical

characteristics and relevant safety rules. Triennial operating rules and physical characteristics training covers the aforementioned subjects and may also include additional topics. NSR's procedure for testing and evaluating previously certified locomotive engineers includes knowledge testing on personal safety practices, operating practices, equipment inspection practices, train handling practices or remote control transmitter handling, and compliance with safety rules.

e. Safety Integration – Locomotive Engineer Qualification and Certification

CSXT and PAR would at least initially retain their existing separate locomotive engineer qualification and certification programs. As explained previously, Springfield Terminal employees will continue to operate over territory with which they are familiar in equipment that is currently being used. However, as CSXT becomes more familiar with existing PAR programs, CSXT will look for ways to consolidate those programs with CSXT's existing programs. Over time, after Springfield Terminal is merged into CSXT, CSXT will eventually incorporate operations over the PAR System into the existing CSXT programs. Any future changes would meet regulatory requirements and would be communicated to FRA for approval, as required. The parties will comply with all applicable FRA regulations, including 49 C.F.R. Part 240 (Qualification and Certification of Locomotive Engineers) and 49 C.F.R. Part 242 (Qualification and Certification of Conductors).

B&E expects to at least initially retain the existing locomotive engineer qualification and certification program utilized for Springfield Terminal employees that operate over PAS. The newly hired B&E employees will continue to operate over territory with which they are familiar in equipment that is currently being used. B&E will implement the GWI railroad program described above in its operations over the PAS rail lines only once a new submission to the FRA is completed. At that time, all applicable employees will fall under the new submission.

NSR will continue to apply its existing locomotive engineer qualification and certification program to relevant NSR employees that participate in trackage rights operations.

4. Hours of Service Laws

a. Hours of Service at CSXT

CSXT's Operating Rules, which govern conditions and actions on railroads operated by CSXT in the United States, include information on Hours of Service Act requirements. Under the rules, employees whose work activities subject them to the Hours of Service Act must do the following:

1. Have the required mandatory rest;
2. Inform the proper authority before accepting any call to work that requires reporting for duty before the completion of mandatory rest period;
3. Report to the proper authority any occurrence in which the maximum limits of the Hours of Service Act are exceeded; and
4. Accurately complete Hours of Service documentation with the required information in the prescribed format.

Additionally, employees whose activities place them under the requirements of train and engine Hours of Service must:

1. Report to the proper authority any interruption of mandatory undisturbed rest periods, including time rest was interrupted, name of person interrupting the rest, and circumstances of the interruption;
2. When going on duty, notify the train dispatcher if 264 total hours on duty or 25 total hours of qualifying limbo time for the calendar month have been reached; and
3. Notify the train dispatcher three hours prior to the expiration of their hours of service limits. This notification must include whether or not the train is a Key train.

CSXT train dispatchers are accountable for preventing any crews from going on the hours of service without a plan approved by supervisor or chief. Employees are responsible for recording their hours of service properly. Under the operating rules, service performed in excess of 12 hours in any 24-hour period is a violation of the hours of service.

b. Hours of Service at PAR/PAS

PAR provides an hours of service reference guide for train service employees. This manual is intended to provide an overview of the requirements of the Hours of Service Law, as it applies to train and engine service employees.

The PAR guidance states that a train employee, defined as an individual engaged in or connected with the movement of a train, must not exceed 12 consecutive hours of time on-duty, and must not go on-duty unless the employee has accumulated a minimum of 10 consecutive hours off-duty.

Employees must report their hours of service information at the conclusion of each duty tour, and must document and submit any other time spent in any service for the railroad that affects their hours of service totals. Employees are required to submit their original, signed hours of service records for collection by the payroll department. In addition to serving as the employee's time sheet for payroll purposes, the original form also represents the employee's official hours of service record.

c. Hours of Service at GWI Railroads

The GWI railroad operating rules, which govern conditions and actions on GWI railroads in the United States, include information on Hours of Service Act requirements. Under these operating rules, employees whose work activities subject them to the Hours of Service Act must do the following:

- Have the required mandatory rest;

- Inform the proper authority before accepting any call to work that requires reporting for duty before the completion of the mandatory rest period;
- Report to the proper authority any occurrence in which the maximum limits of the Hours of Service Act are exceeded; and
- Accurately complete and certify Hours of Service records within the GWI railroads' electronic record keeping system.

For train and engine service employees, GWI railroads utilize an electronic Hours of Service record keeping system called PSTechnology's CrewPro that allows employees subject to Hours of Service laws to correctly report and document their covered service activities. Furthermore, each covered service employee is required to participate in CrewPro training to ensure proper use of the electronic system and compliance with 49 C.F.R. 228.207 prior to first recording any tour of duty records in the system.

Employees of GWI railroads whose activities subject them to Hours of Service limitations must:

- Report to the proper authority any interruption of mandatory undisturbed rest periods, including the time their rest was interrupted, the name of the person interrupting their rest and the circumstances of the interruption;
- Not exceed the maximum allowable monthly total hours of 276 or the monthly allowable limbo time of 30 hours; and
- Notify the train dispatcher prior to the expiration of their Hours of Service limits allowing sufficient time for the dispatcher to make arrangements for transportation and/or a replacement crew. This notification must include whether or not the train is a "key train".

GWIRailroads' train dispatch and crew calling services provide direct assistance to train crews so as to prevent them from exceeding the hours-of-service requirements, thus causing unnecessary delays and violations of federal statutes. Through mutual coordination, train dispatchers and crew callers communicate with train crews and their management to determine the safest and most practical method for relieving and re-crewing trains.

d. Hours of Service at NSR

NSR has processes in place to handle applicable hours of service reporting requirements. Hours of service requirements are covered in NSR materials and training programs, as appropriate. Such training programs may include evaluating an employee's understanding of the purpose of the Hours of Service Act and knowledge of the following terms: commingled service, limits of on-duty hours, rest periods and work cycles, travel time, trouble calls and travel and travel on an on-track vehicle. Additionally, trainings may include evaluating an employee's ability to correctly enter start times, ending times, calculate totals, and monitor on-duty hours to avoid violations in accordance with the requirements of the Hours of Service Act.

e. Safety Integration – Hours of Service

CSXT and PAR are both subject to federal hours of service laws and have processes in place to handle applicable reporting requirements. Although CSXT intends to retain these separate processes for the near term, CSXT would move to full integration of its hours of service reporting programs after Springfield Terminal is merged into CSXT. Before the merger, CSXT will have an opportunity to become familiar with any differences in the hours of service practices of Springfield Terminal so that it can integrate Springfield Terminal employees into CSXT's practices without disruption. When Hours of Service reporting functions are integrated, CSXT would do so in a manner that ensures compliance with FRA requirements. CSXT would provide the necessary training for all affected employees.

B&E and Springfield Terminal are both subject to federal hours of service laws and have processes in place to handle applicable reporting requirements. Upon the start-up of operations, B&E will familiarize itself with the current Springfield Terminal hours of service processes in place to identify any differences with the processes used by GWI railroads generally. Upon completion of required employee training and integration of the railroad operating plan, employee information, locomotives and job assignments into CrewPro, all affected employees would transition to the CrewPro Hours of Service system described above. When the electronic Hours of Service reporting functions are integrated, B&E would do so in a manner that ensures compliance with FRA requirements and be coordinated to establish a hard cut over date.

NSR will continue to apply its existing processes related to compliance with federal hours of service laws to NSR employees that participate in trackage rights operations.

D. MOTIVE POWER AND EQUIPMENT

1. Motive Power and Equipment at CSXT

CSXT qualifies all employees who inspect, maintain, or repair railroad freight or passenger cars and locomotives through initial training at the CSXT Training Center in Atlanta, GA. Employees are also required to perform academic work if they are hired as an apprentice. Upon arrival, employees undergo qualification periods at their hired location. Every year, all inspection qualifications and safety rules and regulations are trained.

CSXT's car and locomotive training programs are discussed in detail in the Training section above. The car training program is a three-week new hire course that provides the basic skills necessary for Mechanical Carman and Engine Carpenters to safely perform the required mechanical inspections. The locomotive training program is a three-week new hire course that provides the basic skills necessary to safely perform the required mechanical inspections.

The car and locomotive training programs are comprised of instructor-led classroom

instruction, computer-based learning, and Railway Educational Bureau self-study courses, along with two task-based OJT checklists. One checklist is completed at the Training Center, and the other checklist is for field location OJT tasks. Performance tasks must be observed and signed off by a designated instructor. Additionally, the CSXT Mechanical Department assigns quarterly, annual and other periodic training to comply with federal requirements, and CSXT policy and skills advancement requirements.

CSXT has two mechanical facilities at its Selkirk, NY yard, where CSXT services locomotives and repairs railcars. The Selkirk Yard multi-track locomotive maintenance facility includes both a Locomotive Shop and Service Center, where employees perform repair, service and maintenance on numerous locomotives each day, around the clock. While locomotives take on fuel, water and sand, employees make inspections and necessary minor adjustments and repairs. In the Locomotive Shop, federally mandated and preventative maintenance on locomotives are performed. Running repair of locomotives is also performed, such as engine work, traction motor replacement and wheel truing. Repairs to freight cars at Selkirk Yard are made in an enclosed facility measuring approximately 16,800 square feet, equipped with four through tracks. Multiple tracks are set-up to handle light, or running repairs, such as wheel changes and air brake work. Heavier repairs can also be completed within the shop at work stations equipped with stationary jacks, job cranes, welding equipment, power tools and lubrication. A supply of such items as couplers, draft gears, car doors and other safety appliances are readily available from the inventory kept on-site.

CSXT has additional facilities with similar capabilities, including facilities in Waycross, GA, Cumberland, MD and Cincinnati OH.

2. Motive Power and Equipment at PAR/PAS

PAR's qualification standards for employees who inspect, maintain, or repair railroad freight or passenger cars and locomotives are discussed in detail in the Training section above. All Mechanical employees receive initial training on Blue Signal and NORAC Operating rules. After successful completion of the initial training, PAR provides craft-specific employees with additional training, including trainings for machinists, electricians, and carmen.

The PAR System operates a mechanical facility at Waterville, ME, where Springfield Terminal currently performs major locomotive repair and overhauls, along with car repair. PAS has a mechanical facility at East Deerfield, where Springfield Terminal currently performs locomotive and car repair work.

3. Motive Power and Equipment at GWI Railroads

As the contract operator of PAS, B&E will simply use the existing yards and equipment located on PAS. Prior to the start-up of its operations over the PAS rail lines, B&E intends to purchase 33 locomotives for use in PAS operations from CSXT or Springfield Terminal.

Qualification standards for Mechanical Department employees of B&E will follow the guidelines outlined in the GWI 243 training and qualification submission to the FRA for the transportation, mechanical and engineering crafts. Training consists of both classroom and computer-based training. Qualifying candidates must demonstrate OJT proficiency to the satisfaction of a designated instruction supervisor.

4. Motive Power and Equipment at NSR

NSR's mechanical safety orientation training provides basic safety and regulation information. This training is the prerequisite course for all Mechanical Department training. The topics covered include railroad operating rules, practices and standards; locomotive component

identification and specifications; locomotive safety standards; and freight car safety standards.

NSR also provides a 40-hour Locomotive Qualified Mechanical Inspector training. Participants are introduced to the baseline knowledge that will be required to be a Qualified Mechanical Inspector for locomotive calendar day inspections. Participants will also become familiar with, and have the ability to use technical publications, C.F.R., MSB's, and LDI's. As Inspectors or Repairpersons, they will be required to repair/inspect various types of locomotives to comply with C.F.R. 229 for Qualified Mechanical Inspectors.

Participants of these training programs are required to pass knowledge- and performance-based assessments.

5. Safety Integration – Motive Power and Equipment

CSXT and PAR both have programs and practices that are designed to ensure the safety of their locomotives and railcars. Upon consummation of the Proposed Transaction, Springfield Terminal will continue operating over the PAR System with existing equipment and will continue to maintain that equipment at existing facilities. CSXT does not anticipate any short-term need to change the programs and practices of Springfield Terminal that are focused on safety of locomotives and railcars and the personnel that work on that equipment. Both railroads conduct inspections and maintenance using qualified employees and in compliance with applicable requirements.

However, over the longer term, after Springfield Terminal is merged into CSXT, it will be appropriate to integrate the use and maintenance of existing PAR equipment more directly into CSXT's national system. CSXT expects that benefits will come from access to CSXT's motive power and equipment system resources and expertise. For example, CSXT expects that the transfer from a higher-maintenance, older, and less-powerful Springfield Terminal

locomotive fleet to the more modern, fuel-efficient, and powerful CSXT locomotive fleet will result in operating and financial benefits to the lines that currently comprise the PAR System, along with a reduction in greenhouse gas emissions and environmental impacts. This transition will occur over time, thus giving CSXT the opportunity to ensure that the transition occurs safely and without disruption to existing operations. Post-transaction, CSXT will continue to operate the CSXT and PAR mechanical facilities that are described above.

B&E will implement programs and practices that are designed to ensure the safety of its locomotives and railcars. B&E will operate over the PAS lines with its own equipment and will maintain that equipment at existing facilities on the PAS lines. B&E does not anticipate any short-term need to change the programs and practices of Springfield Terminal that are focused on safe protocols and procedures of locomotive and railcar servicing including the corresponding work groups. Both railroads conduct inspections and maintenance using qualified employees in compliance with applicable requirements. B&E will incorporate operations over PAS lines into the existing GWI railroad programs over time. B&E plans to continue to operate the East Deerfield facility post-transaction.

NSR also has programs and practices that are designed to ensure the safety of its locomotives and railcars, and will apply those programs and policies to its trackage rights operations.

E. SIGNAL AND TRAIN CONTROL

1. Signal and Train Control at CSXT

CSXT signal and train control systems include approximately: 1) 14,000 miles of Traffic Control (“TC”); 2) 772 miles of Track Warrant Control Automatic Block Signal (“TWC-ABS”); 3) 13,000 track miles of PTC; and 4) 462 miles of Cab Signals (“CSS”).

These signal and train control systems utilize signal aspects and indications to separate trains while providing speed and routing information for safe and efficient operation. Where TC is in operation, controlled wayside signals are interconnected with the dispatch system to allow a train dispatcher to control train traffic into a controlled track. Where TWC-ABS is in operation, trains are authorized to occupy tracks by verbal authority from the train dispatcher. Train movements are then governed within the block by the automatic wayside signals designed to separate trains and provide broken rail detection. Where CSS is in operation, cab signals are available in the locomotive cab to provide continuous signal aspects conveying the condition of the track ahead. CSXT implemented the Interoperable Electronic Train Management System (“I-ETMS”) for PTC. This system is an overlay system that integrates existing signal system technologies with new technologies that are designed to reliably and functionally prevent train-to-train collisions, over-speed derailments, incursions into established work zones, and movement through an improperly lined mainline switch.

CSXT has successfully installed PTC on over 13,000 track miles and equipped 1,800 locomotives. CSXT began PTC operations on its first subdivision in August 2015 and was the second Class I to complete PTC activation of its PTC footprint in June 2019. Additionally, CSXT established a robust interoperability test program and worked to complete necessary testing to achieve full interoperable operations with all of its tenant railroads in advance of the December 31, 2020 deadline. CSXT continues to work with the industry on adding PTC enhancements to improve safety and reliability of railroad operations. CSXT typically runs 800 – 1,000 trains covering over 130,000 miles with PTC each day.

CSXT is interoperable with all Class I railroads. In addition to the Class I railroads, CSXT is interoperable with other shortline and passenger railroads, including but not limited to

the Belt Railway of Chicago, Metra, Conrail, National Railroad Passenger Corporation (“Amtrak”), South Florida Regional Transportation Authority (Tri-Rail), Wheeling and Lake Erie Railway, KWT Railway and Virginia Railway Express.

CSXT’s signal and train control infrastructure includes fixed wayside signals, switch machines, track circuits, electronic devices, microprocessor-based controllers, relay-based controlled systems, satellites, cellular towers, and fiber optics. CSXT has implemented various specialized systems, included approximately 870 defect detectors, which are located strategically across the CSXT network. Additionally, two train inspection portals were recently installed, and a third is pending. Wayside defect detectors are in use at strategic locations across the CSXT network to monitor the health of rolling stock. These wayside detectors include infrared sensors that check wheel bearing temperature, acoustic sensors that listen for cracks in wheels, load impact detectors that look for wheel defects and other sensors that observe truck symmetry and other important conditions. This technology helps CSXT predict potential failures and repair defects.

2. Signal and Train Control at PAR/PAS

Two primary methods of train control, Traffic Control System (“TCS”) and Form D Control System (“DCS”), are used by PAR on the lines operated by Springfield Terminal, including PAS. PTC (Advanced Civil Speed Enforcement System (“ACSES”)) has recently been installed on portions of the dispatched territory, and Automatic Train Control installation is ongoing in these areas to compliment the ACSES system. In DCS territory, operations are managed through paper-based train sheets. Train sheets are also used to record all restrictions, foul time authorities, hours of service information and unusual occurrences for both TCS and DCS territories, serving as the official record of train movements as required by FRA regulations.

Movement authorities (Form D permits) are prepared in a separate Microsoft Windows-based software and delivered by radio or telephone. This system also keeps a record of the Form Ds that have been cancelled or fulfilled and provides an archive of all Form Ds issued.

There are 19 defect detectors across the PAR System (including 2 on the Massachusetts Bay Transportation Authority (“MBTA”) territory) and each communicates directly to train crews over voice radio frequency.

As to PTC, PAR operates as an ACSES PTC tenant on approximately 241 route miles of Metro North (Waterbury Branch), Amtrak (ML-Springfield to Mill River), and MBTA (Fitchburg ML, New Hampshire ML, Western Route, Eastern Route and Wildcat Branch). Interoperable Electronic Train Management System (“I-ETMS”) PTC tenant operations on CP include rights over 17.2 route miles of the Freight Sub from Mechanicville, NY to Mohawk yard in Glenville, NY. To achieve interoperability with its Host railroads, PAR installed ACSES PTC hardware and software on 45 locomotives, I-ETMS PTC hardware and software on 12 locomotives, and implemented a (Wabtec) hosted crew authorization back office server for CP operations.

MBTA has installed an ACSES PTC system on all north-side lines, including on PAS wayside from CPF-330 to CPF-335, and is considered the PTC Host on those lines. Additionally, MBTA is installing a cab signal system to satisfy FRA PTC requirements. MBTA will be responsible for the management and maintenance of PTC on PAS territory. PAS will continue to be responsible for management and maintenance of all other PAS-owned assets or facilities.

PAR maintains signal territory consisting of 87 control points, 127 power switches, 109 block signals, and 29 electric locks, over 480 track miles of TCS, and 22 miles of Form D/ABS territory. PAR (Springfield Terminal) is responsible for dispatching an additional 66.4 track

miles of MBTA owned and maintained CTC & ACSES PTC territory, including an additional 13 control points.

3. Signal and Train Control at GWI Railroads

Information related to B&E is addressed in the Safety Integration section below.

4. Signal and Train Control at NSR

Information related to NSR is addressed in the Safety Integration section below.

5. Safety Integration – Signal and Train Control

CSXT does not intend to integrate the signal and train control systems that currently exist on the PAR System in the foreseeable future. Following consummation of the Proposed Transaction, the CSXT system and the PAR system will continue to run separately. This will apply to any PTC system installed on the Downeaster line, as described in more detail below. One of CSXT's objectives is to modernize the PAR system, and that may eventually involve improvements and upgrades to the signals and control systems. That project, however, would take time and it would not occur immediately, either with the consummation of the Proposed Transaction or with the merger of Springfield Terminal into CSXT.

As discussed further in the Dispatching section, PAR is in the process of procuring a new dispatching system but has not entered into a contract or finalized plans for the new system. CSXT has no role in PAR's procurement of this new dispatching system, and will simply inherit the status of PAR's procurement process upon consummation of the Proposed Transaction. CSXT does not anticipate that the new dispatching system will be in place at that time, and therefore cannot say whether and how the new system may impact integration plans with respect to the signal and train control systems. Thus, CSXT is unable to fully identify specific integration plans at this time related to dispatching and signal and train control. Upon

consummation of the Proposed Transaction, CSXT will carefully review the status of the PAR dispatch system procurement and signal and train control systems, and integration decisions will be made, as appropriate.

CSXT proposes that, in connection with FRA's oversight of the implementation of this safety integration plan, CSXT and FRA meet on a regular basis so that CSXT may provide updates regarding the dispatch system procurement and any progress towards integration of the CSXT and PAR signal and train control systems. Any future changes to the PAR signal and train control systems would meet regulatory requirements and would be communicated to FRA for approval, as required.

With respect to PTC, Amtrak operates the Downeaster service between Boston North Station and Brunswick, ME. CSXT understands that Amtrak has received grant funding to install the I-ETMS PTC system on this line segment, which is approximately 125 miles of track, and that Amtrak is prepared to pay for the costs of installation of an I-ETMS system. Amtrak has indicated that it would like to begin the planning and design phase of that installation, and it would like CSXT's support and guidance, given CSXT's expertise on implementing I-ETMS across the CSXT network. CSXT and Amtrak will work on an agreement to allow CSXT to begin the planning and design phase of I-ETMS installation on the Downeaster route. Once that agreement is in place, and after consummation of the Proposed Transaction, CSXT will begin working with Amtrak on the design and planning phase. CSXT will then review the status of PTC installation in regard to the Downeaster service and will perform the installation work, as necessary.

As to B&E, B&E will step in as operator of PAS and will operate the facilities as they exist today (as described above). As the contract operator of PAS, B&E will not be responsible for decisions regarding upgrades to signals and control systems.

With respect to NSR trackage rights operations, the host railroads are responsible for managing these functions. NSR will have no responsibility for these items on the route contemplated in this transaction.

F. TRACK SAFETY STANDARDS AND BRIDGE STRUCTURES

1. Track Safety Standards and Bridge Inspections at CSXT

Maintenance of the railroad infrastructure is essential to CSXT. CSXT spends more than \$1 billion annually on improving and maintaining track, bridges, signal systems, equipment and operations, to keep customers' shipments moving safely and reliably.

a. Maintenance and Inspection Programs for Track

Inspections of CSXT track in the U.S. are mandated by FRA Railroad Track Safety Rules. CSXT was successful at integrating its track inspection programs of Conrail properties during that merger in late 1999 and early 2000. CSXT's Engineering Track Standards and Maintenance of Way instructions ("MWIs") contain inspection requirements and recommended methods for the entire CSXT system that will be followed. These methods include important practices and procedures outlined in the CSXT Field manual and MWIs aimed at ensuring the quality and safety of CSXT's track, which include the following:

- Manned Track Geometry Cars: CSXT uses 3 manned rail-bound geometry cars, which contain the latest testing technologies that measure and record track conditions under dynamic wheel loading while traveling at normal track freight and passenger speeds. It is programmed to handle both FRA and Canadian track requirements and is used on all CSXT mainline territory. These cars cover all core lines based on traffic and tonnage on CSXT

mainlines and they are outlined in CSXT's MWI for Track Geometry Testing. Of course, FRA's geometry cars also test CSXT's tracks to audit CSXT's inspection and maintenance programs.

- Unmanned Track Geometry Cars: CSXT currently has 5 autonomous track assessment cars ("ATACs"). CSXT intends to further expand track testing capability by adding 3 more by the Q1 2022. CSXT's ATAC fleet is based on a freight car platform and is shipped like a freight car in revenue service to cover territory with little interference with operations. CSXT does not use dedicated trains or use crews unnecessarily for this purpose. The cars have covered as much as 100k miles each during the course of the year. They distribute geometry exceptions to the field forces for verification and remediation using automated email notifications and uploaded to CSXT computer tracking systems for remediation.

- Hi-rail mounted track geometry and machine vision trucks: CSXT uses 4 hi-rail trucks for testing yards, spurs and branch lines and will be adding a newer machine vision truck in early 2022. Two trucks XGT6 and XGT7 have light geometry systems. Also, XGT7 has the latest joint bar machine vision test system for finding cracks, broken, missing bolts and nuts, and sheared bolts on joint bars. The other two trucks have downward facing laser triangulation machine vision and line scan machine vision.

- Clearance Truck: CSXT operates a clearance truck which was renewed last year with the latest L-Kopia clearance system, LiDar, and right of way video recording.

- Vertical Track Interaction Testing ("VTI"): CSXT has 26 VTI units on various locomotives that run our network. These units report various types of short chord length irregularities that can affect ride quality, safety, and lading. Notifications are sent to the track supervisor when exceptions exceed CSXT thresholds that are described in MWI for VTIs. Corrective actions are described and they are relative to the type of acceleration that is associated

with locomotive wheel, truck, and body.

- Rail Testing: Rail Flaw Detection Program is used on all CSXT mainline track including Class 1 and Class 2. CSXT tests above and beyond the frequencies described in the C.F.R. 49 part 213 in most cases. Testing is accomplished by using ultrasonic and induction testing with visual test data (B-Scan) displayed to the chief operator. Defects detected are immediately reported to the Track Supervisor who must determine and apply correct remediation described in C.F.R. 49 part 213. CSXT also evaluates the track based on risk and adjusts the frequencies of test based on the risk. CSXT also increases testing on select high risk tracks in the winter months and uses certified fit rail for repairs and replacement.

CSXT has gone an entire year as the first U.S. Class 1 to have a zero FRA reportable mainline derailment, as proof of CSXT's success of testing and capital planning based on internal data evaluations. CSXT currently is rail testing more than 100,000 miles of track a year using the Stop and Verify method and the Continuous Rail Test method which uses the latest run over run analysis and artificial intelligence. CSXT intends to do even more testing in 2022 than in 2021.

- Rail Grinding: CSXT has a rail grinding program covering over 10,000 mainline miles per year. This program is scheduled to do maintenance level grinding to maintain desired rail head profile for the best wheel/rail interface, and to control development of rail surface fatigue defects that can lead to broken rails and internal defects.

* * *

The CSXT Engineering Department MOW Field Manual provides guidelines, procedures, and policies for the maintenance of CSXT owned track and right-of-way. Engineering personnel responsible for maintaining the track and right-of-way should maintain a

copy of the Field Manual and keep it available for reference while on duty. The manual is for the guidance of Engineering (MOW) forces in the inspection, construction, or repair of track. Under the manual, at a minimum, all work must be performed to comply with FRA's regulations at Part 213 and must follow the policies and procedures set forth by CSXT MOW Instructions.

The MOW Field Manual provides instructions on a number of topics including the following:

- Roadbed;
- Track geometry;
- Ties and fastenings;
- Rail and joints;
- Turnouts;
- Right-of-way and facilities;
- Track buckling prevention guidelines; and
- Track inspection requirements.

CSXT has also issued instructions governing the installation and thermal adjustment of continuously welded rail on all CSXT track. These instructions address the proper procedures for installation and thermally adjusting continuously welded rail installed as part of out of face, curve patch, or new construction projects.

Additionally, CSXT provides a MOW/Bridge Job Briefing Book, which outlines briefings steps, identifies questions that should be able to be answered by all involved when a job briefing is completed, and includes hazard checklists and roadway worker rules.

Furthermore, CSXT employees have gathered periodically to perform informal "Clean Sweeps" at their worksites – making sure their spaces are neat and orderly. Clean Sweeps can

include organizing amenities and materials, repainting walkways and parking lots, enabling recycling, and more. With great benefits for safety, environmental sustainability, and on-site employee culture, Clean Sweeps became a strategic corporate initiative in 2019.

b. *Maintenance and Inspection Programs for Bridges*

Bridges are critical to the operation of CSXT's business, and to the essential contribution CSXT makes to the smooth flow of commerce across North America. There are more than 14,000 bridges on CSXT's transportation network, including 9,600 that carry trains and more than 4,000 that cross over CSXT's rights-of-way. To manage these vital resources, CSXT has strict and well-established policies and protocols for bridge inspection, maintenance and incident response.

CSXT's Engineering Department Structure Maintenance Manual provides information, guidelines, and procedures for construction and maintenance of CSXT structures, particularly bridges and culverts. Engineering personnel responsible for maintaining those structures must maintain a copy of the handbook and keep it available for reference while on duty. The manual is for the guidance of Engineering forces in the inspection, construction, and repair of bridges, tunnels, culverts, and other structures. At all times all work, at a minimum, must be performed to comply with FRA Part 213, Part 214 and Part 237, Transport Canada Regulations, and must follow the policies and procedures set forth by CSXT MOW Instructions and Safe Job Procedures.

CSXT inspects every bridge on its network at least once each calendar year. Dedicated Bridge Inspectors look for signs of wear, weakness or damage that might indicate fatigue or premature aging of the structure. They rely on detailed inspection protocols and extensive knowledge of engineering standards to identify characteristics that may require maintenance or repair.

CSXT inspectors often use free climbing to conduct their inspections, allowing them to access areas of bridges that otherwise might not be visible. Depending on the location of the bridge and type of inspection, they also use trucks, ladders and man lifts.

Inspectors enter their reports into an electronic database for review by a Bridge Supervisor. If an Inspector observes an area of concern, the Bridge Supervisor is required to conduct a follow-up “intermediate inspection.” This two-step process helps ensure that issues of concern are evaluated by more than one employee and that maintenance plans are developed and implemented.

Inspections include a careful evaluation of all the key components of a bridge – the deck, superstructure and substructure – noting any exceptional condition that suggests unusual wear or deterioration. If an issue is identified that compromises the safety of our employees, local residents, rail equipment or customers’ freight, inspectors are empowered to take immediate action based on the conditions they see. That includes taking the bridge out of service or reducing the allowable train speed until further inspections or repairs are complete.

c. Qualification Standards for Roadway Workers

CSXT provides New Hire Roadway Worker training, which provides basic technical training and knowledge with an emphasis on safety, attendance, and attitude for new hires. Instruction includes the appropriate annual Safety, On-Track Worker, Hazardous Material, and Environmental. Over two weeks, attendees experience classroom lectures, scenarios, and simulations in a Welding lab as well as field exercises and demonstrations. As part of their new hire orientation, attendees also study railroad safety enforcement procedures, special notice and emergency order procedures, and safety rules and policies surrounding drug and alcohol use. Attendees must obtain a minimum score of 85% on a written test and are evaluated on competency.

CSXT also provides an employee-in-charge training course, which provides training and a checklist to verify a roadway worker has the abilities, outlined in the FRA guidelines, to be considered an Employee-In-Charge. This three-hour course serves to designate a roadway worker/lone worker qualified on Operating and On-Track Worker Rules and the physical characteristics who is responsible for all movements and on-track safety for a roadway workgroup within working limits. The course focuses on the following topics: On-track worker safety while on or about the tracks; critical importance on job briefing and understanding of each workgroup member; good faith challenge and how to correctly implement it, if needed; and track renewals, inspection, and compliance requirements. Attendees must take a written test and must demonstrate, to the satisfaction of an instructor, qualified person, proficiency in the OJT checklist for Qualified Employees-In-Charge.

2. Track Safety Standards and Bridge Inspections at PAR/PAS

a. Maintenance and Inspection Programs for Track

PAR's Manual for Track Maintenance and Construction provides practical standards for the construction and maintenance of track. The manual applies to Springfield Terminal operations on both the PAR System and PAS. The manual is for the guidance of Engineers of Track, Supervisors of Track, Track Foreman, Track Inspectors, other MOW and Engineering Department Forces, Contractors, and others affected with constructing or repairing tracks or facilities on PAR System and PAS properties. It is to be used in conjunction with standard plans and practices. The manual provides numerous, detailed instructions on maintenance and inspection procedures.

PAR has also issued a Roadway Worker On-Track Protection Manual, which contains rules and operating procedures governing track occupancy and protection. The manual presents the following on-track protection steps:

- Step 1: Know your responsibilities.
- Step 2: Determine the type of track.
- Step 3: Determine who needs protection.
- Step 4: Determine the protection available.
- Step 5: Establish the protection.
- Step 6: Perform the work and clear the track.

b. *Maintenance and Inspection Programs for Bridges*

PAR's Bridge Management Procedures provide a thorough and uniform system of instructions for inspecting the various types of bridges and culverts. These instructions apply to all structures owned or maintained by PAR. The procedures cover a variety of topics, including inspection safety, structure inspection schedules, reporting procedures, special inspections, bridge inspection program audits, and bridge repairs and modifications.

Bridge engineers employed by PAR are responsible for determining the forces and stresses in railroad bridges and components, developing inspection procedures, and reviewing inspection reports, in addition to other responsibilities. Bridge engineers must have one of the following qualifications:

- (1) a degree in engineering granted by a school of engineering with at least one program accredited by ABET, Inc. or its successor organization, as a professional engineering curriculum; or a degree from a program accredited as a professional engineering curriculum by a foreign organization recognized by ABET, Inc. or its successor; or
- (2) a current registration as a professional engineer.

PAR's bridge inspectors are responsible for conducting inspections, reporting any defects that affect the safety of rail traffic, personnel and the general public, and maintaining a record of

inspections on all structures in accordance with the structure inspection schedule. Bridge inspectors must have the following qualifications:

- (1) must be instructed and demonstrate their knowledge of structures, methods of inspection, and preparation of an inspection report;
- (2) must understand and be judged competent in the use of fall protection, climbing techniques, and methods of inspecting various railroad structures;
- (3) must be given the opportunity to accept the responsibility and volunteer to perform inspections;
- (4) must be trained and demonstrate the proper use of fall protection equipment and ladders; and
- (5) must be given instruction in climbing techniques and must demonstrate their ability to climb safely on bridge structures.

Under the PAR structure inspection schedule, railway bridges, overhead bridges, and tunnels must be inspected annually, or more frequently if conditions warrant, with no more than 540 days between successive inspections. If a new bridge or tunnel is installed or renewed, an initial inspection must be made upon completion. A bridge inspection report must be filled out for each structure inspected. Bridge repairs or modifications must be performed under the immediate supervision of a railroad bridge supervisor.

c. Qualification Standards for Roadway Workers

PAR's Track and B&B employees receive an initial one-day training session on roadway worker protection, bridge worker safety, and company safety rules. Track foremen receive annual training on CWR and on 49 C.F.R. Part 213, track safety standards. Track and B&B foremen also complete an initial three-day NORAC qualification class. Employees receive must pass written exams on CWR and 49 C.F.R. Part 213.

Additionally, all engineering department employees receive annual refresher training for roadway worker protection and bridge worker safety. Employees returning to work following an absence greater than 30 days are required to attend a roadway worker protection and safety rules review. Employees qualified on NORAC operating rules are required to attend a one-day refresher class not less than once every three calendar years.

PAR generally designates the Track Foreman, the B&B Foreman, or the qualified leading member of a Signal Crew as the “Employee Responsible for On-Track Protection” (“EROP”) for members of his or her respective work group. The EROP must be qualified under PAR’s operating rules and physical characteristics of the territory involved.

A “lone worker” (*i.e.*, an individual employee who is not being afforded on-track protection by another employee) must also be qualified under PAR’s operating rules and physical characteristics of the territory involved. Any roadway workers who operate self-propelled roadway maintenance machines must be qualified or qualifying under the supervision of a qualified employee to operate the machine.

3. Track Safety Standards and Bridge Inspections at GWI Railroads

a. Maintenance and Inspection Programs for Track

GWI railroads comply with FRA Part 213 regulations at a minimum. Engineering rules, procedures and guidelines are provided to MOW forces for additional standards in the construction and maintenance of the infrastructure and are available to all employees and contractors responsible for inspection, maintenance and construction of railroad tracks and facilities. Topics include:

- a. Track Inspection Procedures and Miscellaneous;
- b. Subgrade, Ballast, Track Geometry;
- c. Switch Machines, Turnouts, Derails, Track Crossings;

- d. Rails, Joint Bars, Fasteners;
- e. Ties and Road Crossings; and
- f. Bridge Management and Structures.

All GWI railroads have adopted a Track Geometry Testing Policy and a Rail Flaw Detector Policy. Geometry testing utilizes GWI subsidiary-owned and operated testing vehicles, with rail inspections conducted by third party contractors. These policies dictate testing frequency, defect thresholds and remedial action procedures that must be implemented when a condition is identified.

Procedures are established for the installation, adjustment, maintenance and inspection of continuously welded rail. These procedures address the approved methods for managing thermally adjusted rail and apply to out-of-face, curve patch and new construction projects.

GWI railroads provide engineering employees with a Job Briefing Booklet that identifies the steps for an effective job briefing, questions that all participants must answer when the job briefing is completed, safety and health hazard checklists and instructions for detailing all pertinent safety devices and precautions as required by the railroads' Roadway Worker Protection and On-Track Safety Rules.

b. *Maintenance and Inspection Programs for Bridges*

GWI railroads manage their inventory of bridges and culverts in North America through a Structures Management Program that defines responsibilities for compliance, qualifications and designations of responsible persons, bridge capacity rating requirements and structures inspection guidelines, as well as parameters for repair or modification of bridges and instructions for documentation and record keeping.

Each GWI railroad maintains a copy of the current Structures Management Program with specific details for the structures in operation on its right-of-way.

All bridges are examined at least once per year. Bridge inspectors aim to detect any indication of unexpected wear or damage that has potential to manifest into a condition that will impact the safety or expected lifespan of the structure. Inspectors are qualified to free climb structures. Unmanned aerial vehicle and specialized platform and bucket trucks are used in inspections when required. Underwater inspections utilize divers and sonar devices. Inspections are electronically recorded and reviewed by a bridge manager.

Bridge inspectors are provided with a Structures Inspection Manual to ensure the integrity of structures across the railroad in accordance with the Structures Management Program. This manual includes excerpts of the Structures Management Program and has detailed instructions and guidance concerning bridge safety and types of inspections. Procedures and checklists are defined to ensure consistent and thorough inspections as well as requirements for condition prioritization and application of remedial actions.

c. Qualification Standards for Roadway Workers

GWI railroads provide new hire Roadway Worker training, which provides basic technical training and knowledge with an emphasis on safety, attendance and attitude for new hires. Instruction includes the appropriate annual Safety, Roadway Worker, Hazardous Material and Environmental training. As part of the new hire orientation, attendees also study railroad safety enforcement procedures, special notice and emergency order procedures, and safety rules and policies surrounding drug and alcohol use. Attendees must obtain a minimum score of 80% on a written test and are evaluated on competency.

GWI railroads also provide an employee-in-charge training course, which provides training and a checklist to verify that a roadway worker has the abilities, outlined in the FRA guidelines, to be considered an Employee-In-Charge. This course serves to designate a roadway worker/lone worker qualified on Operating and Roadway Worker Rules and the physical

characteristics that is responsible for all movements and on-track safety for a roadway workgroup within working limits. The course focuses on the following topics: roadway worker safety while on or about the tracks; critical importance on job briefing and understanding of each workgroup member; good faith challenge and how to correctly implement it, if needed; and track renewals, inspection and compliance requirements. Attendees must take a written test and must demonstrate, to the satisfaction of an instructor, proficiency in the OJT checklist for Qualified Employees-In-Charge.

4. Track Safety Standards and Bridge Inspections at NSR

Information related to NSR is addressed in the Safety Integration section below.

5. Safety Integration – Track Safety Standards and Bridge Inspections

CSXT and PAR both make good use of technology and employee training to ensure the safety of their track, bridges, and employees. CSXT and PAR would at least initially retain their existing maintenance and inspection programs for tracks and bridges and qualification standards for roadway workers. However, as CSXT becomes more familiar with existing PAR programs, CSXT will look for ways to consolidate those programs with CSXT's existing programs. Any future changes would meet regulatory requirements and would be communicated to FRA for approval, as required.

With respect to B&E, commencing shortly after the commencement of operations over the PAS rail lines, B&E will begin to train and develop its employees to comply with GWI railroads' standards of inspection, repair and reporting as it relates to Track, Bridge and Signals. This training will begin with classroom training of the employees by our Regional and Corporate safety and engineering teams. Once training is complete, the migration of information from all previous systems used into our Digital Track Notebook will take place by our employees along

with support function personnel. Over the next several months, through mentoring and development of the B&E team by Regional and support staff, B&E will complete the integration of all of its standards.

With respect to NSR, the host railroad is responsible to manage these functions. NSR will have no responsibility for these items on the route contemplated in this transaction.

G. HAZARDOUS MATERIALS

1. Transportation of Hazardous Materials at CSXT

For many years, CSXT has been a leader in assembling an expert team to manage hazardous materials movements and to respond to hazardous materials incidents. CSXT works closely with its employees, customers, regulators, and suppliers to deliver and handle chemicals and hazardous materials safely, reliably, and with care. CSXT's approach to hazardous materials transportation relies on company-wide preparedness using the following principles of a "3R" methodology: 1) Recognize variations from the routine; 2) Record your observations with as much information as possible; and 3) Report your observations of suspicious persons or activities clearly and accurately. The 3R approach covers how and to whom to report hazards and emergency events and is based on regulatory requirements, including how to conduct package inspections specified in FRA and AAR standards M-1002 Technical Approval Requirements and M-1003 Quality Assurance Program Requirements. The approach is also codified in CSXT's security policy and operating manual. CSXT has robust guidelines, protocols, and training in place to ensure the safe handling of hazardous materials. This includes how to respond to hazardous material incidents as well as non-hazmat events.

CSXT operating procedures include special rules for handling hazardous materials, which require that specific activities and precautions are taken when moving these materials. In addition, the CSXT Public Safety and Environment Management System maintains a series of

documents that provide detailed instructions about performing public safety and environmental tasks as they relate to the responsible transport or clean-up of hazardous materials. CSXT guidelines complement AAR's published standards of operating practices for the transportation of hazardous materials (Circular No. OT-55).

CSXT continually conducts inspections of hazardous material shipments to ensure the safety of its employees, its customers' freight and the communities it serves. CSXT conducts hazardous materials inspections in major rail yards each year. These inspections include in-depth reviews called Hazmat Confident Campaigns, which involve a large team of hazardous materials professionals, as well as smaller, more frequent yard inspections conducted by local CSXT Hazardous Materials Managers. Both types of reviews involve a detailed inspection of CSXT trains, customer railcars, including shipment documentation, and employee actions for compliance with DOT regulations related to hazardous materials.

The CSXT Public Safety Coordination Center ("PSCC") is its communications hub for coordinating with first responders and dispatchers 24 hours a day. Anyone can report railroad incidents by calling the PSCC to provide information on blocked crossings, crossing collisions, signal problems, materials released, theft, vandalism, or trespassing. The PSCC engages directly with local authorities and CSXT internal resources to address issues promptly.

CSXT is committed to increasing public transparency around the safe movement of hazardous materials on the company's network, balancing publicly available information with the ongoing need to protect rail security and customer proprietary information. CSXT regularly updates its website with the types of commodities it transports.

Emergency responses are governed by the CSXT Security Management Plan, which postures the CSXT network in accordance with security regulations issued by FRA. Any and all

new assets will be assessed and then incorporated into the plan, which will provide a risk-based approach to specific emergencies.

In the event of an emergency involving a hazardous material, CSXT employees are well prepared to respond quickly and in a way that protects public safety and the environment. A series of emergency response plans document appropriate rail emergency response procedures and notifications.

The CSXT chemical safety and hazardous materials teams work closely with customers and local communities to train for and safely manage the movement of hazardous materials. CSXT has hazmat managers and trained contractors deployed across the company's network to facilitate strong relationships with first responders and other community leaders, and to reduce response time in the event of an incident. CSXT provides specialized training to better prepare first responders with their response to a rail-related incident. Each year, CSXT conducts hands-on sessions, classroom training at local fire stations, exercises and table-top drills, web-based and self-study training courses. The hands-on and classroom safety training helps strengthen CSXT's partnership with first responders and provides a higher level of emergency readiness.

CSXT's Internal Audit process verifies its train inspection procedures, including its efforts to track safety operations as related to hazardous materials shipment. Yard emergency response plans are reviewed by CSXT Hazardous Materials Managers and reviewed for accuracy by a third party.

To increase communication and coordination further with the first responder community, CSXT joined AskRail in 2019. A collaborative effort between railroads and the emergency response community, AskRail is a mobile app that provides more than 25,000 first responders

with immediate access to accurate, timely data about what type of hazardous materials a railcar is carrying so they can make an informed decision about how to respond to a rail emergency.

Additionally, as part of CSXT's commitment to the safety and security of its network and the communities where it operates, CSXT has established several public-private partnerships to provide state homeland security officials information they can use to protect the communities they serve. CSXT has partnerships with 17 states and the District of Columbia, the American Chemistry Council's Chemtrec call-response center, and the Transportation Security Administration. These partnerships provide information, resources and strategies to help better protect the communities in which CSXT operate. CSXT believes that these partnerships – the first of their kind in the rail industry – can serve as a model and be replicated in other areas.

The elements of these partnerships include the following:

- Sharing of hazardous materials density studies: This data helps emergency response organizations plan their resources and identify the types of emergency response training applicable to their jurisdiction.
- Closer coordination of law enforcement operations in and around CSXT yards: CSXT can provide its partners with around-the-clock access to its rail security professionals.
- Developing better rail security policies: States and CSXT continue to work with policymakers to identify important public policy issues that can impact and improve rail security.

2. Transportation of Hazardous Materials at PAR/PAS

PAR provides its employees with the necessary instructions and trainings on hazardous materials. The DOT Hazardous Material Regulations (“HMR”) govern carriage by rail of hazardous materials on the PAR System and PAS. PAR's instructions on hazardous material

handling are excerpted from the HMR. These instructions must be complied with by all PAR hazardous materials employees. Hazardous materials employees are prohibited from performing any function subject to the requirements of the DOT, unless trained in accordance with the requirements prescribed by DOT. Any employee qualified on hazardous materials training is required to know, understand, and report any defect or violations of the HMR to their supervisor.

As to field inspection practices, in accordance with the HMR, PAR requires that, at each location where a hazardous material is accepted for transportation or placed in a train, each rail car containing the hazardous material must be inspected, at ground level, for required markings, labels, placards, securement of closures and leakage. Cars must be inspected before they are accepted for transportation. PAR's hazardous materials training includes instructions on field inspection practices and pre-departure inspection procedures.

PAR has established a hazard communications policy to ensure the protection of employees from chemical exposure hazards, and to comply with the requirements of 29 C.F.R. §§ 1910.1200 and 1910.1000. The policy applies to all workers who may be exposed to a chemical hazard during normal work, non-routine tasks, or emergency operations. All PAR work areas are included in the program. Under the policy, the PAR Safety Department reviews incoming material safety data sheets to determine if the material is restricted from use by PAR, that new or significant health/safety information is listed, and that all areas are completed in the appropriate manner. The Safety Department also ensures that new information is passed on to the affected employees.

As discussed above, hazardous materials training is provided during the Safety 101 course, as well as through refresher trainings. Under the hazard communications policy, all employees must be trained in the hazards posed by the materials they work with that are covered

under the OSHA Hazard Communications Standard. Training includes the following information:

- How to identify and detect the presence of the material;
- The hazards associated with an exposure to the material;
- Control measures that can prevent exposures;
- How to use PPE properly;
- Emergency procedures to use in case of a release of material; and
- Procedures to use for non-routine tasks.

PAR's emergency procedures emphasize that safety is the primary importance, and that employees should prevent others from entering the release and should protect the public and the environment. The emergency procedures state that an employee must immediately call the District Train Dispatcher and must use the waybill and emergency response guidebook and communicate with the emergency responders at the scene. Employees should assess the following from a distance:

- Assess the damage;
- Identify leaking material;
- Location of any injured;
- Location of threatened personnel;
- Presence of smoke, vapor or runoff;
- Weather conditions and wind speed; and
- Topographical features.

PAR has created a Hazardous Material and Oil Spill Procedures and Reporting Plan to provide a comprehensive plan for emergency preparedness and response in the event of a spill or release or threat of a spill or release of hazardous material or oil.

PAR's hazardous materials training also provides employees with information on inspecting for placards and ensuring that all required placards are present, undamaged, and are consistent with the shipping paper information. PAR also provides guidance for train dispatchers who are on duty at the time of a hazardous material incident.

3. Transportation of Hazardous Materials at GWI Railroads

By working closely with all stakeholders, GWI railroads have helped to lead the railroad industry's safety charge regarding the transport of hazardous materials. Initial and recurrent training occurs at a frequency that is greater than federal standards, which allows GWI railroad employees to maintain up-to-date knowledge of regulatory changes while assuring they remain attentive to operating conditions.

GWI railroad internal hazardous material policies are an added layer to federal operating procedures. Included in those policies are reduced operating speeds and minimum service-time requirements for locomotive engineers that operate trains containing TIH/PIH materials. GWI railroad operating procedures are also complemented by AAR Circular OT-55.

GWI railroads continually conduct inspections of hazardous material shipments to ensure the safety of its employees, its customers' freight and the communities served. Ground-level inspections performed by GWI railroad employees meet regulatory expectations and are performed before acceptance and while in transportation service.

Field inspections also include those within GWI railroad facilities. Hazardous material and environmental inspections occur regularly. To meet our federal and internal environmental

standards, items such as the integrity of fixed tanks, proper labeling and storage of hazardous materials, and access to personal protective equipment and spill kits are scrutinized consistently. Additionally, GWI railroads' Spill Prevention, Control, and Countermeasure (SPCC) and Stormwater Pollution Prevention Plans (SWPPP) are reviewed routinely for accuracy.

Streamlined communication protocols have been established for field employees and management. These protocols identify the proper agencies and response organizations to contact in the event of a hazardous materials incident. In addition, GWI's ARDC employs a 24/7 emergency response desk with persons trained to coordinate with federal and state agencies on behalf of each individual GWI railroad.

GWI railroads are committed to increasing public transparency around the safe movement of hazardous materials on their rail lines, balancing publicly available information with the ongoing need to protect rail security and customer proprietary information.

GWI railroads have developed a standardized call structure for frontline employees and management. Through the creation of GWI railroad internal Crisis Notification process and Emergency Response Plans, employees are trained on proper call sequences depending upon the type of incident. Foremost to this process is the safety of GWI railroad employees, their customers and the public at large. Additionally, GWI provides 20 different State Emergency Response Commissions shipment and routing information that can be distributed to local municipalities to help them prepare and respond to a hazardous materials incident.

Through Wabtec, GWI's Transportation Management System ("TMS") vendor, and the use of mCrew tablets, a mobile reporting tool that can provide real-time train and railcar movements from the field, GWI employees alert Customer Service to any change in the status of hazardous materials cars. The data provided identifies the whereabouts of hazardous materials

cars specific to its placement within a train, which can be used by first responders in the event of an incident. Customer Service has dedicated representatives for each GWI railroad available 24/7/365. As an external support measure, Customer Service has a devoted phone line for federal agencies that can provide timely and accurate information for hazardous material shipments.

4. Transportation of Hazardous Materials at NSR

Appropriate training is provided to each employee who directly affects hazardous material transportation safety, including initial new-hire training and tri-annual refresher training.

All employees are governed by NSR's United States Hazardous Materials Instructions for Rail (HM-1). These instructions provide guidance on how to perform duties so that both employees and NSR comply with DOT regulations. NSR employees who inspect or transport hazardous materials by rail must have a copy of and comply with the Hazardous Materials Instructions for Rail. Employees who transport hazardous materials must also have a copy of the current Emergency Response guidebook readily accessible while on duty.

NSR's security plan complies with DOT security regulations pertaining to training and security plans with respect to the transportation of hazardous materials. As part of the plan, security awareness training is given to all railroad employees who directly affect hazardous material transportation safety, and is integrated into hazardous material training programs.

The Hazardous Materials Instructions for Rail contain detailed instructions and procedures regarding field inspections, including inspections for all car types, specific car types, placards, and shipments. The instructions also contain information on NSR's emergency response procedures. Under NSR's emergency response procedures, an employee's responsibility when observing an incident is to determine the status of the incident and to

immediately report the incident to the Train Dispatcher or Yardmaster. The Hazardous Materials Instructions for Rail emphasize that safety is of first importance when an emergency occurs.

In the event of an emergency situation, NSR has plans to respond and manage incidents, with a primary objective of protecting life and health (of employees and the general public), protecting the environment and minimizing property damage, complying with regulatory requirements, and restoring train operations. NSR's Corporate Emergency Response Plan ("ERP") has been developed to provide guidance and standard operating procedures to employees responding to emergency situations. These situations may include, but not limited to, derailments, releases of hazardous materials and natural disasters such as earthquakes, floods and hurricanes. All employees should be familiar with the Corporate ERP, which is accessible electronically.

Employees performing back office IT and customer service functions to support compliance with Hazardous Materials regulations and NS-internal rules are trained in accordance with industry-standard electronic data interchange practices as dictated by the AAR and AAR's technology subsidiary Railinc.

5. Safety Integration – Transportation of Hazardous Materials

CSXT has developed a number of excellent hazardous materials programs to ensure safety in this area. These programs directly address the potential hazmat-related concerns that FRA has raised concerning rail control transactions, such as inspections, communications, emergency response, and IT systems.

CSXT expects to expand its "3R" methodology in regard to hazardous materials transportation – Recognize, Record and Report – into PAR/PAS territory shortly following

consummation of the transaction. Additionally, as noted above, CSXT believes that its rail security partnerships can serve as a model and be replicated in other areas.

As noted in the Amended and Supplemented Application, Mr. Mark Wallace expects that the organic growth that will result from the Proposed Transaction will occur primarily in certain commodities, including energy-related products. The largest refinery in Canada, located in New Brunswick, will have new opportunities to move energy-related products in efficient single-line service to markets on CSXT. CSXT's hazardous materials policies will apply to such movements.

CSXT will continue its practice of sharing, upon request, hazardous materials density studies with local communities in order to provide information about the types and amounts of hazardous materials transported in the local community. CSXT believes that this program is very useful for local emergency responders to develop effective and realistic emergency response plans. The reports provide detailed information, including a list of each commodity by name, hazard class, carloads and percentage of the carload total, and a breakout of the most often transported products for a location and the total hazardous materials traffic handled.

As described above, GWI railroads have developed internal policies that assist in the safe and efficient movement of trains handling hazardous materials traffic. These actions include track inspection protocols, emergency response methodology and expedited delivery that extend beyond standard regulatory requirements, as well as the development of railroad-specific Emergency Response Plans and Key Train Inspection Protocols provide. Determining current PAS hazardous materials transport protocols is essential to B&E's implementation of such policies and protocols. To prepare, prior to the start-up of operations, B&E will develop a PAS-specific Emergency Response Plan. Also, training with respect to such Emergency

Response Plan will begin almost immediately upon start-up of operations and will consist of employee/management responsibilities, proper call structures and identification of first response agencies. Track inspections for higher volume hazardous material routes will be phased in over the ensuing months once volumes, commodity type and routes are analyzed.

NSR has also developed policies and procedures that assist in the safe and efficient movement of trains handling hazardous materials traffic. NSR will continue to comply with applicable policies and procedures for its trackage rights operations.

H. DISPATCHING OPERATIONS

1. Dispatching at CSXT

All of CSXT's dispatching is conducted in Jacksonville at CSXT's network operations. The dispatch center is broken up into 9 divisions, which include a total of 47 dispatch desks and 9 chief desks. CSXT has approximately 300 dispatchers spread out over the 9 divisions. Each dispatcher is assigned to one division.

Dispatchers are responsible for moving trains safely and efficiently. Any activities on a track must go through dispatch, including maintenance. Dispatchers utilize the Computer-Aided Dispatch ("CAD") system, as well as other systems in order to perform their duties. Each dispatcher desk must have a current copy of the CSXT Operating Rules and Special Instructions in effect. Those positions handling passenger trains must also have a copy of the passenger train Emergency Preparedness Plan.

CSXT has a crew management system, which is utilized to call the crews to work. There are 12 crew dispatcher desks, and they are responsible for calling the crew requested in the field. Additionally, CSXT does crew balancing, which involves balancing the manpower for crews. With respect to determining workload and duties of dispatchers, CSXT uses 11 criteria to

determine workload for a train dispatcher's desk. There are meetings several times a year at CSXT where dispatcher workload is reviewed and discussed.

CSXT's Passenger Operations team proactively works with dispatchers to make sure that passenger trains remain on schedule and that they are provided with the required preference.

2. Dispatching at PAR/PAS

Springfield Terminal operates under NORAC operating rules and dispatches MBTA commuter and Amtrak passenger trains over the PAR System and PAS network, in addition to Springfield Terminal's freight trains. Under the NORAC operating rules, dispatchers are in charge of the movement of trains and have supervision over employees connected with those trains. Dispatchers issue authorities for movement and other instructions as required for the safe and efficient movement of trains and track cars. At locations that are controlled by dispatchers, they are responsible for arranging the use of blocks, tracks, interlocking switches, and signals for the prompt movement of trains.

Springfield Terminal dispatches from a central operations center in North Billerica, MA. Springfield Terminal currently controls its signaled territory using a modified legacy version of Track Driver Professional (aka also known as Train Track). The signaled territory is displayed over six screens. PAR has three dispatching districts, each controlling the territory on two of the six screens, as well as viewing the screens of adjacent districts.

A new dispatching center is being built by MBTA across the street from PAR's current operations center. PAR has begun discussions about conducting dispatcher functions at the new center upon its completion. Additionally, as described in further detail above, PAR is in the process of procuring a new dispatching system. PAR has not entered into a contract or finalized plans for the new system.

The Verified Statement of Mr. Andy Daly included in Exhibit 13-C to the Amended and Supplemented Application details dispatching responsibilities for all of the passenger services that run over rail line segments affected by the Proposed Transaction and the Related Transactions.

3. Dispatching at GWI Railroads

The current dispatch practices at GWI railroads are not relevant because B&E expects to hire existing Springfield Terminal employees and will simply take over the existing Springfield Terminal dispatching desk that relates to PAS operations.

4. Dispatching at NSR

Information related to NSR is addressed in the Safety Integration section below.

5. Safety Integration – Dispatching

CSXT does not intend to integrate CSXT and Springfield Terminal dispatching in the foreseeable future. Rather, CSXT intends to maintain separate dispatching systems for CSXT and Springfield Terminal dispatching operations, and Springfield Terminal dispatching operations will continue to be located in North Billerica, MA.

As noted above, PAR is in the process of procuring a new dispatching system but it has not entered into a contract or finalized plans for the new system. CSXT has no role in PAR's procurement of this new dispatching system, and will simply inherit the status of PAR's procurement process upon consummation of the Proposed Transaction. CSXT does not anticipate that the new dispatching system will be in place at that time. Thus, CSXT is unable to fully identify specific integration plans at this time related to dispatching and signal and train control. Upon consummation of the Proposed Transaction, CSXT will carefully review the status of the

PAR dispatch system procurement and signal and train control systems, and integration decisions will be made, as appropriate.

As described above, CSXT proposes that, in connection with FRA's oversight of the implementation of this safety integration plan, CSXT and FRA meet on a regular basis so that CSXT may provide updates regarding the dispatch system procurement and any progress towards integration of the CSXT and PAR dispatch systems. Any future changes to the PAR dispatching system would meet regulatory requirements and would be communicated to FRA for approval, as required.

Following consummation of the Proposed Transaction, CSXT will evaluate the existing disaster recovery/business continuity plans in place today for the Springfield Terminal/PAR dispatching system. Should the Springfield Terminal/PAR dispatching system fail, CSXT would implement those disaster recovery/business continuity plans and restore the functionality to the system.

As discussed in Mr. Daly's Verified Statement, CSXT and B&E will commit to fully stepping into the shoes of Springfield Terminal regarding any agreements or commitments made by Springfield Terminal to the Massachusetts Department of Transportation ("MassDOT") and MBTA, including with respect to Springfield Terminal's dispatching responsibilities. Specifically, the Springfield Terminal dispatching operations of MBTA and MassDOT passenger trains will continue to be located in North Billerica, MA for the foreseeable future. When CSXT assumes the dispatching operations, CSXT does not anticipate making any operational changes. FRA, MBTA and MassDOT will be consulted in the unlikely event that operational considerations require reevaluation of this arrangement.

The map attached as Appendix 2 shows dispatcher desk responsibilities in the Boston, MA region post-transaction, with CSXT dispatching PAR System lines and B&E dispatching PAS network lines.

Upon consummation of the Proposed Transaction, CSXT and NSR agree to cause PAS to fully comply with maintenance and dispatching obligations for the Knowledge Corridor/Conn. River Main Line to the extent required by existing agreements between MassDOT and PAS, including but not limited to those specifically aimed at supporting passenger service on the Knowledge Corridor/Conn. River Main Line, meeting the terms of the 2015 Operating Agreement between MassDOT, MBTA and PAS dated May 21, 2015, and principally, Exhibit B – Service Outcome Agreement attached thereto.

With respect to NSR, the host railroad is responsible to manage these functions. Except as noted above, NSR will have no responsibility for these items on the route contemplated in this transaction.

I. HIGHWAY-RAIL GRADE CROSSING SYSTEMS

1. Grade Crossing Safety at CSXT

CSXT is committed to the safety of communities, and its employees work year-round to improve highway-rail grade crossing safety in various ways, including the following:

- CSXT works to improve highway-rail grade crossings equipped with passive warning signs, with a program to clear-cut trees and vegetation to give motorists a better view as they approach the tracks.
- CSXT was the first railroad in the United States to adopt a system-wide highway-rail grade crossing emergency notification sign program. These Emergency Notification System (“ENS”) signs, now required by federal law, provide a means by which the

public may report malfunctioning warning signals, vehicles stalled on the tracks or any other emergency situation.

CSXT utilizes constant warning detection, employs widespread use of remote health monitoring, continues to identify locations to upgrade signal lights to LED technology, and is implementing a plan to install hydrogen fuel cells at crossings to assist with emergency power in the event of power failures. With respect to signs used at crossings, the CSXT Public Projects team follows the Manual on Uniform Traffic Control Devices requirements regarding signage at public crossings and ensures the ENS signs contain CSXT's emergency contact number, 800-232-0144, allowing the public to contact CSXT with information on emergency situations or crossing signal problems 24 hours a day, 7 days a week.

CSXT's PSCC, which handles incoming calls for emergency incidents, is located in Jacksonville, FL and staffed around the clock by trained operators that coordinate safety dispatching and response teams. PSCC handles emergency calls 24 hours a day, 365 days a year. When there is an emergency at a highway / rail intersection, or at a location in close proximity to rails, the public can reach the PSCC by dialing 800-232-0144.

CSXT also works closely with FRA in assisting with its mission to improve safety, working to reduce the number of railroad crossing and trespasser incidents. With the assistance of FRA's programs, the number of fatalities at railroad crossings or due to trespassing has been reduced by 60% over the last two decades. FRA's Railroad Crossing Safety and Trespasser Prevention Division remains committed to continuing this trend.

Enforcement activities include crossing blitzes with local police authorities, and information sessions for local police forces and the judiciary. CSXT conducts highway-rail grade crossing investigation and safety courses for first responders. CSXT regularly discusses crossing

safety with the FRA's Railroad Crossing Safety and Trespasser Prevention Division as well as state and other highway authorities, ensuring the partnership required to further crossing safety.

CSXT's Public Projects team works with state transportation agencies on corridor improvement initiatives designed to close or consolidate crossings, as well as identifying grade crossings needing improvement.

Additionally, CSXT works closely with Operation Lifesaver, an education and awareness organization dedicated to ending collisions, fatalities and injuries at highway-rail grade crossings and along railroad rights-of-way. Each year, Operation Lifesaver's network of authorized volunteers conduct free programs on rail safety education for hundreds of groups around the country. Operation Lifesaver's authorized volunteers provide free safety presentations for people of all professions and age groups to help them make safe decisions around tracks and trains. CSXT, along with Operation Lifesaver and other partner organizations, are leading safety awareness activities throughout CSXT's network, of which grade crossing safety is a major focus. This outward facing safety program focuses on the traditional "3 E's" of Education, Engineering, and Enforcement, with additional emphasis on regulatory change.

The CSXT Police Department ("CSXPD") participates in Operation Lifesaver's Railroad Investigation and Safety Course, which prepares first responders to use the proper safety techniques while investigating or responding to a grade crossing collision or trespasser incident, in addition to maintaining on-scene safety unique to the railroad environment. Additionally, CSXPD provides in its policy manual standard operating procedures concerning crossing accidents to ensure consistent practices across the network.

Rail Safety Week is a collaborative awareness campaign drawing participants from Class I railroads, the U.S. Department of Transportation, first responders and more. CSXT's annual

network-wide outreach may include activities such as trespassing and traffic enforcement blitzes, school and community presentations and truck driver outreach.

2. Grade Crossing Safety at PAR/PAS

There are a total of 649 at-grade crossings located on the PAR System, that span across the states of Maine, Massachusetts, and New Hampshire. 461 crossings are designated as public, and 188 crossing are designated as private. Of those, there are 333 passive crossings equipped with just signage. In addition to the passive crossings, there are a total of 314 crossings that are also equipped with some type of active warning system: 165 crossings are equipped with a combination of flashing lights and pedestrian bells; and 149 crossings are equipped with a combination of flashing lights, pedestrian bells, and gates. There are an additional 11 crossings that are dispatched by Springfield Terminal and maintained by MBTA. All 11 of these crossings are equipped with a combination of flashing lights, pedestrian bells and gates.

There are a total of 147 at-grade crossings located on the PAS network, that span across the states of Connecticut, Massachusetts, New York and Vermont. 109 crossings are designated as public, and 38 crossings are designated as private. Of those, there are 41 passive crossings equipped with just signage. In addition to the passive crossings, there are a total of 106 crossings that are also equipped with some type of active warning system: 20 crossings are equipped with a combination of flashing lights and pedestrian bells; and 86 crossings are equipped with a combination of flashing lights, pedestrian bells, and gates. There are an additional 10 crossings that are dispatched by Springfield Terminal and maintained by MBTA. All 10 of these crossings are equipped with a combination of flashing lights, pedestrian bells and gates.

All crossings on the PAR System and PAS are equipped with appropriate regulatory required signage, including ENS signs containing a 24/7 Operations Center number, 800-955-

9208, allowing the public to contact PAR/PAS with information on emergency situations or crossing signal problems 24 hours a day, 7 days a week.

Significant safety improvements have been made to many grade crossings over the last 10 years. In fact, through grant, expansion and other federal or state projects, over \$20 million has been spent on improving grade crossing warning systems. New crossing improvement projects include many safety enhancing features, such as video monitoring, LED lighting, digital and analog data recorders, positive gate down indication, constant warning, and in some cases, interconnection with the wayside signal system. Currently awarded grant and federal aid projects will directly invest nearly \$15 million in grade crossing safety and reliability improvements in the coming years.

3. Grade Crossing Safety at GWI Railroads

With respect to signs used at crossings, GWI railroads follow the Manual on Uniform Traffic Control Devices requirements regarding signage at public crossings and ensures the ENS signs contain the 1-800 emergency number applicable to specific crossing locations, allowing the public to contact the relevant GWI railroad quickly with information on emergency situations or signal crossing problems 24 hours per day.

GWI railroads work closely with Operation Lifesaver, an education and awareness organization that has successfully reduced the number of collisions, fatalities and injuries at highway-rail grade crossings and along railroad rights-of-way year over year. Each year, Operation Lifesaver's network of authorized volunteers conduct free programs on rail safety education for hundreds of groups around the country ranging from school age children to first responders. Operation Lifesaver's authorized volunteers provide free safety presentations for people of all professions and age groups to help them make better decisions around railroad

equipment.

GWIRailroads conduct community outreach, which typically includes activities such as trespassing and traffic enforcement blitzes, school and community presentations and truck driver outreach with an emphasis on Rail Safety Week.

4. Grade Crossing Safety at NSR

Information related to NSR is addressed in the Safety Integration section below.

5. Safety Integration – Grade Crossing Safety

Following consummation of the Proposed Transaction, the PAR/PAS route between Ayer and Worcester will see an additional pair of daily NSR intermodal trains, increasing the regular daily train movement from two to four. There are 22 at-grade crossings on this line segment, 17 of which are equipped active warning devices (combination of flashing lights, gates and/or pedestrian bells). As a result of the existing crossing safety devices and the fact that only a single train pair per day will be added, CSXT is confident that the anticipated increased train traffic would not result in a significant increase in crossing safety concerns.

CSXT understands that the following quiet zones are in place on the PAR system:

ME	Waterville	Pre-Rule	PAR
ME	Portland	Pre-Rule	PAR
ME	Freeport	New	PAR
ME	Westbrook	Pre-Rule	PAR
ME	Portland	Pre-Rule	PAR
ME	Yarmouth	New	PAR
ME	Fairfield	Pre-Rule	PAR
ME	Falmouth	Pre-Rule	PAR
ME	Pittsfield	Pre-Rule	PAR
ME	Falmouth	New	PAR
ME	Westbrook	Pre-Rule	PAR
ME	Portland	Pre-Rule	PAR

Based on the minimal projected traffic growth on the PAR system, discussed in detail in the Amended and Supplemented Application, and the Supplemental Verified Statement of Mark Wallace, filed August 19, 2021, the projected traffic growth will not result in any changes to the eligibility of these quiet zones.

Along the Southern Route, between Voorheesville, NY and Worcester, MA, there are a total of 75 at-grade crossings. 32 crossings are designated as public, and 43 are designated as private. All public crossings along this route are equipped with active warning devices (combination of flashing lights, gates and pedestrian bells). As a result of the existing crossing safety devices and the fact that only a single train pair per day will be added, CSXT is confident that the anticipated increased train traffic would not result in a significant increase in crossing safety concerns.

CSXT would concentrate its Operation Lifesaver and other education and enforcement resources on the section of track between Worcester, MA and Ayer, MA, both prior to and in the

months following the traffic increases. CSXT would also ensure that the 1-800 information posted on the ENS signs at the crossings are updated to include the appropriate information for the responsible railroad. The construction of the new tracks in the Ayer Terminal is not expected to create any new at-grade crossings.

With respect to the avoidance of blocked or obstructed highway-rail crossing systems by trains, locomotives, railroad cars, or other pieces of rolling equipment, as discussed in the Operating Plan submitted with the Amended and Supplemented Application, CSXT expects to make infrastructure improvements in rails, ties, yards and bridges and to implement standard CSXT asset replacement cycles. These improvements can be expected to improve velocity on some segments of PAR System lines, allowing CSXT to consolidate some existing train starts on the PAR System, and potentially increase train lengths. CSXT anticipates that the majority of these changes will be implemented on the PAR System in largely rural areas north and east of Portland, ME, where longer trains will be less impactful on communities with at-grade crossings. As CSXT makes capital improvements to increase velocity, faster movements through grade crossings will help offset any impacts of longer trains.

To ensure a full and proper dialogue with affected parties, CSXT has already engaged in preliminary discussions with communities that would see increased rail traffic as a result of the Proposed Transaction, and would work with them to jointly find ways of addressing specific concerns. Specifically, CSXT has engaged with the Village of Voorheesville, NY (the “Village”), as well as representatives from the county, FRA, and the New York State Department of Transportation (“NYSDOT”), in regard to the Village’s existing Quiet Zone project and the re-established S. Main Street project. CSXT commits to continue to cooperate and assist the Village and County in the ongoing design of the Quiet Zone for the Voorheesville Ave and Main

Street at-grade crossings over CSXT.

NSR commits to operating the pair of daily NSR intermodal trains in a way that will minimize disruption and blocked crossings in all communities through which the NSR trains will run, including the Village of Voorheesville, N.Y. and the Village of Altamont, N.Y.

Furthermore, PAR, PAS and CSXT all currently support a number of Operation Lifesaver state programs. In addition to the current support CSXT provides to the Massachusetts and New York Operation Lifesaver programs, CSXT would introduce funding to support the Maine and New Hampshire Operation Lifesaver programs.

A review of the grade crossing safety programs and practices on the PAR System indicate a number of best practice elements from which the combined system could benefit. These include research initiatives/crossing closure/consolidation programs; an integrated crossing incident database; and various enforcement and education programs, especially CSXT's significant Operation Lifesaver resources.

CSXT utilizes the Road Crossing Management System ("RCMS") to house various crossing information for each location on the rail network. The RCMS is designed to report this data to the FRA Crossing Inventory system where CSXT is the primary operating railroad.

When CSXT takes over Springfield Terminal as the primary operating railroad on the PAR System, the road crossing data for the PAR crossings will be incorporated into RCMS, and CSXT will maintain and report the inventory to FRA.

CSXT will implement its Train Speed Changes Best Practice procedure along line segments that are upgraded to include a permanent increase in the maximum authorized train speed. This multi-departmental procedure is intended to facilitate a structure that implements changes in permanent track speeds safely and efficiently. It establishes departmental

responsibilities and action steps that must be followed when any increase in permanent track speed is planned on a line segment. This procedure also ensures that municipalities are not only notified of pending speed changes prior to implementation, but also are educated with regard to the possible effects the speed change may have on their community.

B&E's plan following the start-up of operations in respect of the Grade Crossing Warning Device (crossings) and Train Control Systems will be to maintain, inspect and test in compliance with the C.F.R. 49 Parts 234, 235 and 236. All maintenance and related inspections for the PAS, including the maintaining and testing of all crossings and signals assets, will be done in accordance with FRA and State regulations and laws and GWI railroad standards, including responding to signal trouble calls, repair of malfunctioning signal devices and systems, repair and maintenance of inter-site communication devices and wayside devices (*e.g.*, Hot Boxes, Draggers and Slide Detectors ECT). B&E will maintain all inspection records as required by law and will be recorded electronically and readily available for FRA inspection.

With respect to NSR trackage rights operations, the host railroad is responsible for managing these functions. Except as noted above, NSR will have no responsibility for these items on the route contemplated in this transaction.

J. PERSONNEL STAFFING

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

Springfield Terminal providing service over the PAR Railroads as a result of its control and eventual merger of Springfield Terminal.

In addition, in advance of the consummation of the Related Transactions, Springfield Terminal and B&E will enter into implementing agreements with employee representatives to allocate the current Springfield Terminal workforce between Springfield Terminal, or CSXT, as operator of the PAR System and B&E as contract operator of PAS. Following these steps, B&E will start operating PAS, replacing Springfield Terminal. Following full consummation of the transaction, CSXT and B&E will evaluate staffing needs and will hire in areas where labor needs exist.

Applicants do not anticipate any adverse impacts on the number of Springfield Terminal craft employees allocated to operate the PAR System. However, Applicants understand that B&E does not expect to need the same number of employees who currently operate PAS. Therefore, Applicants expect that some of the Springfield Terminal craft positions will be adversely affected, as explained in more detail in the Labor Impact Statement attached as Appendix 1, and those Springfield Terminal employees will be able to assert their rights under *New York Dock Ry.—Control—Brooklyn Eastern Dist.*, 360 I.C.C. 60 (1979), and any implementing agreements.

B&E will ensure that the expected reduction of Springfield Terminal employees allocated to PAS will not create safety issues. B&E will base its rolling stock, labor and equipment requirements on the execution of B&E's expected operating plan and the related experience of GWI's railroads in the region. B&E will have access to GWI's superior safety, operating and technology programs. B&E expects that all functional areas of PAS operations will benefit from a greater deployment of technology and further digitization of railroad operations than is utilized

by the current operator of PAS, Springfield Terminal. B&E expects that these improvements will lead to increased productivity of the PAS network.

With respect to NSR, NSR employs 73 Train and Engine Service employees in the conductor and engineer ranks who would potentially conduct trackage rights operations over the route contemplated in this transaction. NSR also employs 3 managerial employees with direct responsibility for the Train and Engine crew bases operating over the route contemplated in this transaction.

K. CAPITAL INVESTMENT

1. CSXT

CSXT regularly invests a significant percentage of its revenue on capital expenditures to provide for the safety and productivity of its operations. CSXT's capital expenditures of approximately \$1.63 billion in 2020 demonstrates CSXT's commitment to maintaining a safe, world-class rail network that is positioned for growth. This investment in infrastructure, along with increased operating efficiencies and improved asset utilization, have provided CSXT with a substantial capacity reserve to accommodate higher volumes as economic conditions improve and highway-to-rail conversions increase.

In 2019, CSXT invested \$1.3 billion out of a total of \$1.7 billion capital spending in critical infrastructure to maintain its safety standards, including installing nearly 3 million new ties and nearly 1,000 linear miles of new rail, as well as surfacing more than 4,700 miles of track.

The table below summarizes CSXT's capital expenditures in 2019 and 2020.

Capital Expenditures <i>(Dollars in Millions)</i>	Fiscal Years	
	2020	2019
Track	\$ 858	\$ 860
Bridges, Signals and Other	508	493
Total Infrastructure	1,366	1,353
Strategic Projects and Commercial Facilities	143	141
Locomotives	57	55
Regulatory (including PTC)	39	91
Freight Cars	21	17
Total Capital Expenditures	\$ 1,626	1,657

The chart below summarizes CSXT's capital spending in critical infrastructure from 2017 to 2020.

	2020	2019	2018	2017
Money invested in infrastructure	\$1.4B	\$1.3B	\$1.3B	\$1.3B
Total capital spending	\$1.6B	\$1.7B	\$1.7B	\$2.0B
New ties installed	2.95M	3.18M	2.71M	2.69M
New rail installed	899 linear miles	769 linear miles	846 linear miles	863 linear miles
Surfacing	4,543 miles	4,712 miles	4,408 miles	4,098 miles

CSXT's largest category of capital investment is the replacement of track assets and the acquisition or construction of new assets that enable CSXT to enhance its operations or provide new capacity offerings to its customers. Capital investment related to locomotives and freight cars comprises the second largest category of the Company's capital assets.

A significant part of CSXT's capital improvement program each year is ensuring reliability of its signal system. This may include projects such as updating switch machines, highway grade crossings, and microprocessor-based controllers, or removing legacy signal control systems. Additionally, CSXT is constantly refreshing its PTC components. CSXT is

committed to maintaining and improving its existing infrastructure and expanding its network capacity for long-term growth.

CSXT has also reached a settlement agreement with the State of Maine Department of Transportation (“MaineDOT”) in which CSXT and MaineDOT have agreed to work cooperatively to complete two federal infrastructure grants described to upgrade PAR System line segments in Maine, and to work together on future projects to increase capacity, enhance safety, and promote efficient railroad operations. This agreement is contained as an exhibit to the Verified Statement of Mr. Sean Pelkey submitted with the Amended and Supplemented Application.

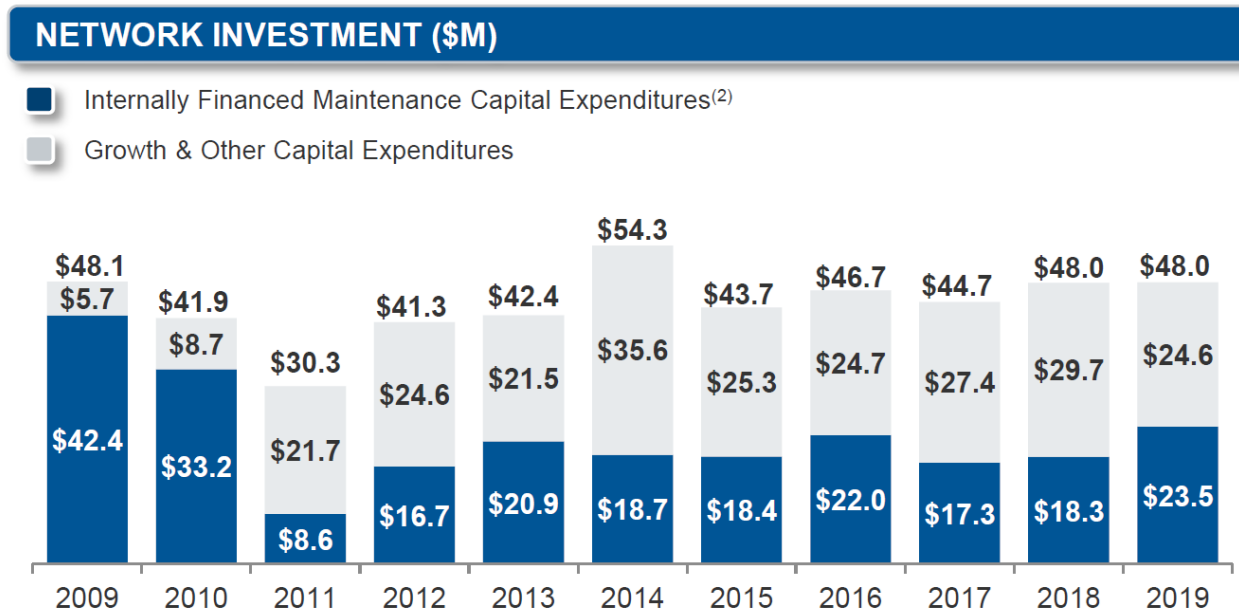
Additionally, CSXT has reached a settlement agreement with the Northern New England Passenger Rail Authority (“NNEPRA”), the state sponsor of Amtrak’s Downeaster passenger rail service between Brunswick, ME, and Boston, MA, regarding potential issues between CSXT and NNEPRA arising out of the Amended and Supplemented Application. CSXT has agreed to participate in good-faith discussions with NNEPRA and Amtrak regarding improvements to, or expansion of, the Downeaster service. CSXT and NNEPRA have also agreed to work cooperatively on certain projects and on future projects to improve rail lines owned or controlled by CSXT over which the Downeaster service operates, with the overall goal of enhancing safety and reliability and promoting efficient railroad operations to support improved and/or increased passenger service. This settlement agreement was filed with the Board on August 5, 2021.

2. PAR/PAS

Since 2009, over \$475 million has been invested in PAR and PAS infrastructure. Approximately 50% of this amount was financed by external sources. Between 2017 and 2020, infrastructure investment has focused on operational improvement. Recent MOW investments

have been focused on optimizing track speed and turn time while enhancing safety and reliability.

Capital investments for PAS are determined through unanimous vote by a committee comprised of six representatives (three from PAR and three from NSR). Investment in the PAR and PAS networks between 2009 and 2019 is summarized in the chart below.



Additionally, over the last ten years, over \$20 million has been spent on signal system upgrades. Over \$8 million in upgrades is planned in upcoming awarded grant, expansion and federal aid projects.

The PAR System has been awarded or has proposed applying for the following grants related to capital improvements. The awarded grants will result in the following upgrades: (1) replacing approximately 150 miles (75 track miles) of rail with new continuously welded rail, (2) replacing 65 mainline switches, (3) upgrading 119 rail crossings, (4) upgrading the timber decks on 28 bridges, and (5) strengthening five bridges to 286k weight capacity. CSXT will continue to advance work related to these grants post-transaction. Assuming that the Springfield Terminal

labor force is integrated into CSXT in a timely manner, CSXT intends to start work related to the CRISI grants within one year of Board approval of the Proposed Transaction and to complete upgrades within five years.

Grants Awarded	Project Location	Total Project Amount	RR Contribution
Pine Tree Corridor 286k Capacity and Safety Improvements (Pan Am CRISI)	Mattawamkeag to Waterville	\$41,993,572	\$25,816,112
Pan Am Railways Mainline Upgrades & Rail Crossing Safety Improvements (MeDOT CRISI)	Waterville to Royal Junction	\$35,505,772	\$17,468,840
Wells Area Improvement Project (NNEPRA CRISI)	Wells & North Berwick, ME	\$15,813,158	\$1,500,000
Hoosick Junction Expansion Phase 1 (NYSDOT PFRAP)	Hoosick Junction	\$3,138,390	\$628,000
Hoosick Junction Expansion Phase 2 (NYSDOT PFRAP)	Hoosick Junction	\$3,335,229	\$667,046
Proposed Grant Applications	Project Location	Total Project Amount	RR Contribution
Patriot Corridor Track and Grade Crossing Improvements (CRISI or BUILD)	Gardner to East Deerfield	\$12,087,934	\$6,043,967
Rotterdam Branch Improvements (NYSDOT PFRAP)	Rotterdam Branch	\$5,603,780	\$1,120,756
Freight Main Line Bridge Rehabilitations (NYSDOT PFRAP)	Mechanicville to Schaghticoke	\$804,856	\$160,971

3. GWI Railroads

The current capital investment programs at GWI railroads are not relevant because B&E, as the contract operator of PAS, will only make any capital investments in the track and structures, and the signals and train control systems, on the PAS lines at the direction and sole expense of the owners of PAS. B&E expects to invest up to \$20 million in connection with the purchase of 33 locomotives and the purchase or lease of maintenance of way equipment prior to its start-up of operations on the PAS lines.

4. Integration

The PAR System and PAS network have been maintained for decades with limited resources, leading to subpar infrastructure that CSXT plans to fix. In particular, CSXT plans to increase capital investment across the PAR System to raise track standards, which will include catch-up investments in rail, tie, bridge and yard improvements. Additionally, CSXT intends to implement standard CSXT asset replacement cycles. In particular, where appropriate, CSXT plans to restore the PAR System mainline track conditions from FRA Class 1 (10 mph maximum speed) to FRA Class 2 (25 mph maximum speed) track standards. CSXT expects this work to start soon after the Proposed Transaction is consummated (pending weather and resource deployment) and to complete this work within approximately five years. Moreover, CSXT will continue to advance work related to the grants described above. CSXT intends to take advantage of these grants and the funding that is available and is committed to continuing the execution of federal and state grant programs that have already approved funding.

CSXT also plans to perform catch up tie replacement and surfacing work on PAR System mainlines consistent with CSXT's system cycles, which typically replaces 900-1100 ties per mile per year. CSXT plans to systematically upgrade the remaining PAR System freight mainline

track conditions via increased tie replacement cycles (from the current 500 ties/mile/year to approximately 1,100 ties/mile/year), replacement of jointed rail with welded rail, and more regular surfacing and roadbed maintenance.

CSXT's Engineering Standards and evaluation process uses a risk-based method to evaluate the level of upgrades necessary, taking into consideration actual rail/tie age, geometry, defects, train speed, tonnage, commodities as well as community and environmental factors. CSXT's robust asset management system (My Engineering Life) tracks asset inspection and maintenance schedules. CSXT expects that implementation of this robust process will significantly improve the current state of deferred maintenance and delayed capital improvements which will lead to increased safety, reliability and fluidity, resulting in service improvements and operating economies across the PAR System.

Key elected officials and stakeholders in the New England region have acknowledged that CSXT's planned investments in the PAR System infrastructure will have a transformative effect on the New England rail system.

As discussed further in Exhibits 4 and 4-A to the Amended and Supplemented Application, CSXT has identified concrete steps that can be taken, at CSXT's expense, to upgrade the PAR System line segment between Worcester, MA and Ayer, MA that runs for short segments along or over the Wachusett Reservoir. In particular, CSXT plans to upgrade approximately 7.6 miles of track adjacent to the Wachusett Reservoir to FRA Class 3 track standards. While FRA Class 3 track standards would permit 40 mph maximum speeds, CSXT will continue to assess operational plans for this line segment given the concerns of local stakeholders. CSXT has experience safely operating over and adjacent to reservoirs across the CSXT network. CSXT also has experience with sensitive facilities and with working with local

communities and authorities to ensure safe operations and emergency protocols. As noted above, CSXT will continue its practice of sharing, upon request, hazardous materials density studies with local communities in order to provide information about the types and amounts of hazardous materials transported in the local community.

CSXT understands the importance of passenger service on the lines it will acquire, and the Amended and Supplemented Application makes a number of commitments regarding passenger service, including passenger service in Massachusetts. CSXT has committed to working cooperatively with MassDOT and MBTA on Commonwealth-funded projects to develop and implement operating system improvements and construct infrastructure, including the projects discussed in Merrimack Valley Legislative Delegation's comments filed with the Board on March 15, 2021.

B&E expects to optimize its engineering headcount to maintain PAS's infrastructure, with B&E coordinating with the owners of PAS – NSR and CSXT – on the most efficient and effective way to complete specific capital project work. This coordination may include the deployment of NSR's and CSXT's highly-automated engineering crews, where appropriate, as B&E operations allow. The Class I engineering teams dedicated to executing large rail and tie projects typically are far more efficient than those of any regional or shortline railroad operator. PAS and B&E will benefit from greater coordination in the future, especially with CSXT as a new owner of PAS along with NSR.

CSXT and NSR plan to restore a connection between existing CSXT and NSR lines near Voorheesville, NY. This will allow NSR to enter CSXT's line and take advantage of the "Southern Route" trackage rights described above. Article 4.C of the draft trackage rights agreement between NSR and CSXT, submitted by NSR in FD 36472 (Sub-No. 1), provides:

Prior to commencing operations over the Trackage Rights, NSR shall (i) prepare in good faith consultation with CSXT and provide to CSXT for approval, which shall not be unreasonably withheld, plans pursuant to the specifications in Attachment A to this Agreement, including the costs to construct a connection between the NSR track that runs between Delanson, NY and Schenectady, NY and the CSXT track that runs between Rotterdam Jct., NY and Voorheesville, NY, which shall be able to handle the Subject Traffic at speeds reasonably acceptable to CSXT (the “Improvements”);

To reconnect the two lines and re-establish the connection, NSR will simply need to upgrade the existing NSR-owned track leading to the CSXT track in Voorheesville and rehabilitate the existing connecting tracks. CSXT will need to install a new turnout and dispatcher-controlled power switch and signals at the point of the connection.

As described in further detail in the Operating Plan submitted with the Amended and Supplemented Application, CSXT plans to implement certain improvements to Ayer Yard in order to increase capacity, ensure fluidity, and allow for a new physical interchange between B&E (operating PAS) and CSXT (operating the current PAR System). The Ayer Yard improvements will consist of the following five projects:

1. **Add new storage track off of the thoroughfare track (2,400ft).** This work provides additional capacity to stage block swaps and / or the Pan Am water containers & trash containers while freeing up the thoroughfare track for thru trains.
2. **Add power assisted switches on hand-throw electric lock universal cross-overs.** This work enables Intermodal Trains to make head end moves into Ayer Yard rather than pulling past the east wye and making back-up moves through the passenger station. This will save time, free up moves on the east wye, and reduce congestion at the Ayer passenger station.
3. **North End Ayer Yard: reconfigure the M1, M2, and M3 ladder tracks and add 750 feet of stub-end drill track.** This work enables the intermodal trains to enter the yard (processing tracks M1, M2 & M3) from the east wye and not impact the local switching or block the thoroughfare track on the north end. This work will also isolate the intermodal service from the local service.
4. **South End Ayer Yard: Add cross-over from M2 and M3 tracks to thoroughfare track.** This work provides switching room on the M2 and M3

intermodal tracks using the thoroughfare track if the South Intermodal Lead (I/M Lead) is occupied. The new cross-over from the Track 11 Extension to the thoroughfare track allows through trains to bypass the intermodal train that may be working on the thoroughfare track.

5. **Add an additional storage track off of the thoroughfare track (2,300ft).**
Again, this work provides additional capacity to stage block swaps, the water containers, and trash containers while freeing up the thoroughfare track.

L. INFORMATION SYSTEMS COMPATIBILITY

1. Information Systems at CSXT

CSXT relies on information technology in all aspects of its business. The performance and reliability of CSXT's technology systems are critical to its ability to operate and compete safely and effectively. The CSXT Technology department provides a wide range of information technology applications and support services. Applications encompass day-to-day processing including freight scheduling, tracking and monitoring, as well as more comprehensive functions such as data resource management, system architecture and network management.

CSXT's Technology group oversees the design, development, and maintenance of all information systems. CSXT extensively uses computerized information systems to manage train operations.

CSXT leverages its Car & Train system to ensure accuracy of train consists. The Car & Train system receives updates from CSXT's Automated Equipment Identification ("AEI") system, as well as the Work Order Reporting System to ensure that all operational changes are captured and accurately reported. Car & Train is also the primary system of record for movement history of the railcar fleet that traverses over the CSXT network.

The Locomotive Management System ("LMS") is a modern application that assists railroad operators with optimized assignment of locomotives to ready and available consists in a

rail yard. Additionally, the LMS system is the system source of record for active and historical tracking of locomotives.

Dispatchers at CSXT utilize the advanced Next Generation Dispatch system to conduct dispatching operations. This system is fully integrated into the CSXT PTC system, as well as Signals control systems.

To ensure safe movement of freight, CSXT utilizes both Waybilling and the Yard Enterprise System to appropriately position, track and report, hazardous materials on the CSXT network.

CSXT has successfully conducted business continuity (*i.e.*, disaster recovery) exercises annually for over two decades to ensure safe and reliable operations in unexpected conditions. With the increase in cyber security activity, as well as the presence of a global pandemic, CSXT has made significant investments in its business continuity infrastructure and processes to enable more resilient and remote capabilities in the event of a business interruption.

Furthermore, CSXT has vastly upgraded its use of technology over the past few years and has seen the results in its safety performance. CSXT views the continued implementation of new tools and technologies as a key component of further improving the safety and efficiency of its operations going forward. Examples of such tools and technologies are provided below:

- Train Inspection Portal: CSXT's Train Inspection Portal, introduced in December 2019, was created to increase inspection efficiency and efficacy. Designed as an open "gate" over the train track, the portal has 17 ultra-high definition cameras capturing 360-degree scans of passing trains at track speed. The captured images are processed through multiple algorithms in just two minutes, giving inspectors at a central location the ability to review all angles of trains, valuably supplementing information received from manual inspections. The portal has the

potential to reduce the time a train spends at each inspection location by almost 97%. The system reduces human error and protects CSXT's carmen from safety hazards during inspection while building a database of images to be used for further innovation. CSXT's first two Train Inspection Portals came into operation in 2020.

- Inward Facing Camera and Cell Detection Technology: Inward facing camera and cell detection technology allows CSXT to streamline the detection and dissemination of safety alerts by taking the locomotive diagnostic information and remotely transmitting alerts to CSXT personnel when it senses problems outside of CSXT operating and safety parameters. In 2019, nearly 400 Locomotive Data Acquisition and Recording Systems, which combine event recorder, PTC and video data into one location, were installed on CSXT locomotives. Issues such as cell phone usage on a moving train, engineer-initiated emergency brake applications, PTC enforcements, and severe train slack are just a few examples of alerts the system recognizes and flags. Once an alert is received, it is thoroughly reviewed by Safety Department employees who coordinate with local field officers to address any risky behavior or unsafe actions. The Safety Department also uses this technology to randomly audit train crews for compliance even when no alerts are received. The system also provides a remote, real-time solution for retrieving event recorder and video downloads. In 2019, CSXT performed more than 300 audits helping to ensure crew compliance with CSXT rules and policies.

- Asset Monitoring and Detection Technology: CSXT uses sensing cameras and access controls to monitor access to its properties and assets, including an upgraded badge access system installed in early 2020. Technology platforms used include the Security Countermeasure System ("SCMS"), which maps out each company location, the critical assets onsite and the employee assigned to the asset, and then assigns countermeasures. In emergency situations

where the security plan is invoked, SCMS can raise security alerts to CSXT management. The Crisis Alert Response System is also used to measure and assess environmental risks (such as weather threats and hazardous material plumes) and project the expected impact on a community. To communicate with all employees by email, phone, and text in a matter of seconds, CSXT uses the MIR3 communication platform.

Additionally, the PSCC is CSXT's central communications hub for coordinating with first responders and dispatchers 24 hours a day. Anyone can report railroad incidents by calling the PSCC to provide information on blocked crossings, crossing collisions, signal problems, materials released, theft, vandalism, or trespassing. The PSCC engages directly with local authorities and CSXT internal resources to address issues promptly. To increase communication and coordination further with the first responder community, CSXT joined AskRail in 2019. A collaborative effort between railroads and the emergency response community, AskRail is a mobile app that provides more than 25,000 first responders with immediate access to accurate, timely data about what type of hazardous materials a railcar is carrying so they can make an informed decision about how to respond to a rail emergency.

2. Information Systems at PAR/PAS

PAR's IT group handles everyday servers, including email, internet access, HR systems, and file management. Information systems related to signals and dispatching is covered by the Signal Department.

As noted above, PAR currently controls its signaled territory using a modified legacy version of Track Driver Professional (also known as Train Track). Dispatchers track train consists on paper train sheets and include information on, for example, train movements, destinations, and crews. Cars, themselves, are tracked through the AEI reading system. The RMI

information system is the main database, which gives dispatchers the safety information they need. All information from the train sheets is entered into the RMI system.

Movement authorities (Form D permits) are prepared in a separate Windows based software and delivered by radio or telephone. This system also keeps a record of the Form Ds that have been cancelled or fulfilled and provides an archive of all Form Ds issued.

Communications with field locations are predominantly done using voice band modems over copper DS0 dedicated circuits, most being multi-drop. A few locations have recently been migrated to PAR's MPLS and private wireless (cellular) network, using serial over IP. These latter networks were recently created to address both PAR's CTC and PTC needs, hosting the necessary communications for PTC, as well as allowing PAR to migrate off of copper voice-band circuits for CTC. PAR views this migration as the future, as the telephone company is beginning to terminate copper voice band services in some towns. Currently, PAR controls CTC locations over twenty-five dedicated circuits.

Dispatchers also utilize internal company networks to access email, car movement (RMI) and other business systems and information. Radio and telephone systems, including dedicated ring-down circuits with MBTA/Keolis dispatch are also used. Primary means of voice communication for railroad operations are conducted over VHF radio network. Each dispatching desk uses a BOSCH Telex VoIP system to control 25 wayside and leased mountain top radio base stations. From Portland, Maine to Mechanicville, NY, Springfield Terminal train-to-dispatcher and dispatcher-to-train communications are conducted on a duplex frequency system. This is done as to reduce the interference caused by high train density and overlapping dispatching territories. Territory from Portland, Maine and points north and east to the end of the FML are dispatched on a single frequency. Yard and switching activities off the line of road are

conducted using multiple “yard” frequencies depending on geographic location. Rigby Yard, Ayer Yard and Deerfield Yard are equipped with yard frequency repeaters to improve communications coverage while performing switching operations. The PAR radio network is a private, dedicated network, connected to the radio sites over twenty-five point-to-point T1 circuits. In the event that a dispatcher loses communication with a train, radios would be the primary source for communication, followed by phones.

To support PTC (ACSES) operations, “ARIS” terminals have been installed in two of the three dispatching districts. The ARIS system provides an interface to the MBTA’s PTC safety server. All restrictions in PTC (ACSES) territory must be entered into this system in order to be enforced by PTC.

3. Information Systems at GWI Railroads

GWI’s corporate information technology group handles everyday servers, including email, internet access, HR systems and file management. Information systems related to engineering and signals are maintained in Digital Track Notebook. Primary means of voice communication for GWI railroad operations are conducted over VHF radio network. GWI railroads transmit information regarding train consists, the movements and movement history of locomotives and railroad freight cars and the transportation of hazardous materials via its TMS application (same as Springfield Terminal uses today) and the use of mobile tablets.

The exchange of information during dispatching is not relevant due to B&E performing dispatching along the PAS rail lines at the same location, and using the same technology, as Springfield Terminal uses today.

4. Information Systems at NSR

NSR utilizes industry-standard electronic data interchange practices, as dictated by the AAR and AAR's technology subsidiary, Railinc, with respect to train consists, movements and movement history of locomotives and railroad freight cards, dispatching operations, emergency termination of operations, and transportation of hazardous materials. NSR subscribes to industry-standard equipment databases maintained by AAR and other similar entities providing services to the rail industry.

5. Safety Integration – Information Systems

CSXT has begun reviewing the information systems utilized by PAR. Following consummation of the Proposed Transaction, CSXT will eventually incorporate most of PAR's systems into CSXT's systems. However, this process will not be immediate. The CSXT and PAR teams will have a series of meetings in order to understand each carrier's information systems and develop plans for integration. During integration, CSXT plans to leave PAR systems online as a fallback measure to ensure integration is successful prior to a complete cutover. Standard change control processes and procedures will be utilized, and on an incremental, system-by-system basis, thorough testing of data and functionality will be validated in a User Acceptance environment prior implementation in production.

As discussed above, PAR is in the process of procuring a new dispatching system but has not entered into a contract or finalized plans for the new system. CSXT has no role in PAR's procurement of this new dispatching system, and will simply inherit the status of PAR's procurement process upon consummation of the Proposed Transaction. CSXT does not anticipate that the new dispatching system will be in place at that time. Thus, CSXT is unable to fully identify specific integration plans at this time related to dispatching and signal and train control.

Similarly, CSXT is unable to fully identify specific integration plans in regard to information systems related to dispatching and signal and train control. Upon consummation of the Proposed Transaction, CSXT will carefully review the status of the PAR dispatch system procurement, the signal and train control systems, and the related information systems, and integration decisions will be made, as appropriate.

As described above, CSXT proposes that, in connection with FRA's oversight of the implementation of this safety integration plan, CSXT and FRA meet on a regular basis so that CSXT may provide updates regarding the dispatch system procurement and any progress towards integration of the CSXT and PAR dispatch systems. Any future changes to the PAR dispatching and signal and train control systems would meet regulatory requirements and would be communicated to FRA for approval, as required.

Additionally, CSXT will modernize and introduce efficiencies to the PAR System's operations, emphasizing consistency, reliability, and careful data measurement and management. For example, on a daily basis, the CSXT operating team reviews detailed performance metrics regarding the CSXT system, including charts and data on a wide range of issues, such as train velocity, train length, train tonnage, train delay hours, carload trip plan compliance and failures, on-time originations and arrivals, locomotive miles per day, and extra yard jobs and locals. CSXT makes many of these metrics publicly available on its website at <https://investors.csx.com/metrics/default.aspx>. CSXT's modern tools and operating practices will replace the manual combination of paper forms and spreadsheets currently used by Springfield Terminal to operate the PAR System.

B&E will have access to GWI's superior safety, operating and technology programs. B&E expects that all functional areas of PAS operations will benefit from a greater deployment

of technology and further digitization of railroad operations than is utilized by the current operator of PAS, Springfield Terminal. B&E expects that these improvements will lead to increased productivity of the PAS network. This deployment will include the use of automated, cloud-based solutions to more efficiently manage train crew scheduling, equipment, rolling stock and locomotive utilization, and maintenance planning. These tools will replace the manual combination of paper forms and spreadsheets currently used by Springfield Terminal to operate the PAS network.

B&E does not expect the integration of information systems to involve significant amounts of training due to Springfield Terminal also using the TMS application.

With respect to NSR trackage rights operations, the Proposed Transaction will not involve the integration of NSR's information systems. However, with respect to emergency termination of operations, NSR intends to further develop communication protocols with railroads hosting the operations contemplated in this transaction to ensure no delay in time-sensitive communications.

IV. IMPLEMENTATION OF SAFETY INTEGRATION PLAN

CSXT and B&E have each developed a SIP Accountabilities ("SIPA") implementation plan, which sets out how each party would carry out the initiatives described in this document and the resources to be assigned to each initiative (Appendices 3 & 4). CSXT and B&E expect that their plans would be dynamic, changing with experience and as decisions are made. CSXT and B&E would provide FRA with regular updates of the SIP, as required.

James Schwichtenberg, CSXT's Vice President and Chief Safety Officer, and Leonard Wagner, B&E's President, would bear direct responsibility for seeing that the Proposed Transaction is safely implemented in accordance with the SIP. If in doubt about any particular issue, CSXT and B&E would maintain the status quo (with proper procedures) until assured that

implementation could take place with no adverse safety consequences.

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APPENDIX 1

Impacts of the Proposed Transaction upon Carrier Employees

Impacts of the Proposed Transaction upon Carrier Employees

CSXT

Employees Affected by the Proposed Transaction

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

PAR Railroads Operated by Springfield Terminal

Employees Affected by the Proposed Transaction

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

PAS Operated by Springfield Terminal

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

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

Classification -->

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

Classification -->

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

Classification -->

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

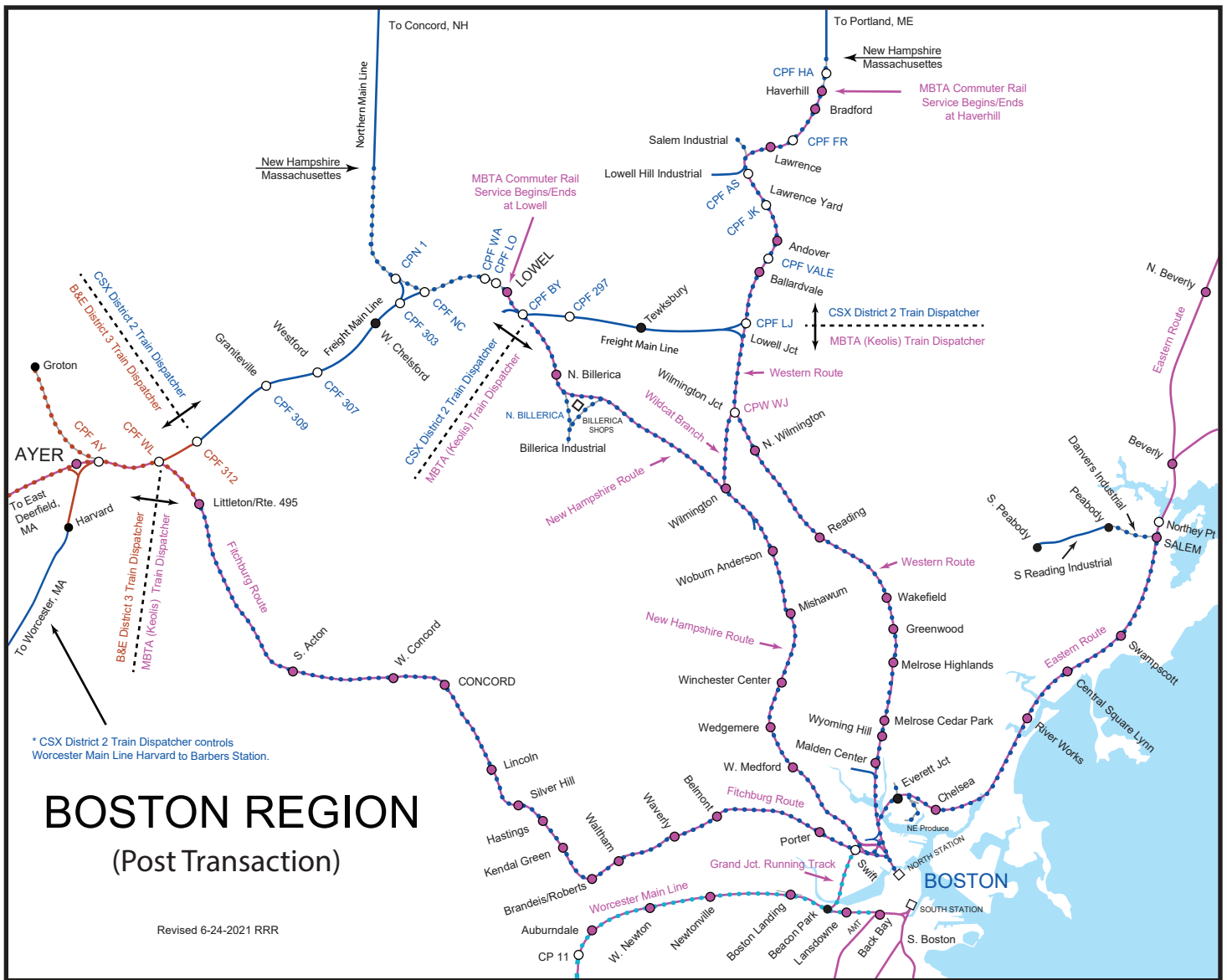
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APPENDIX 2

Boston Region (Post Transaction) Map



Dispatcher Desks

District 1 (CSX)

Freight Main Line - Winn to CPF 199
Brunswick Branch
Bucksport Branch
Hinckley Branch
Mountain Branch
Rumford Branch

District 2 (CSX)

Freight Main Line - CPF 199 to CPF 312
Northern Main Line
Western Route Main Line - East of CPF LJ
Worcester Main Line
Hillsboro Branch
Portsmouth Branch

District 3 (B&E)

Freight Main Line - CPF 312 to CPF 468
Conn River Main Line
Rotterdam Branch
Waterbury Branch

LEGEND

	Pan Am Railways (PAR)
	PAR Perpetual Freight Easement
	Pan Am Southern (PAS)
	PAS Perpetual Freight Easement
	CSX Transportation (CSXT)
	CSXT Trackage Rights
	CSXT Perpetual Freight Easement
	MBTA Commuter Rail Line
	MBTA Owned (No Commuter Service)
	MBTA Commuter Rail Station
	Dispatcher Controlled Interlocking

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APPENDIX 3

CSXT's Safety Integration Plan Accountabilities Chart

CSXT Safety Integration Plan – SIPA Action Items

*Initial filing based on earliest projected transaction implementation date (May 1, 2022).
To be adjusted in accordance with actual approval date.⁶*

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
Safety Culture					
SC1	Integration of safety policy and standards			Meadows	Safety
	a) Review current policies and standards	1 month	6 months		
	b) Produce and communicate common policies and standards	3 months	6 months		
SC2	Expansion of key CSXT corporate safety initiatives			Meadows	Safety
	a) Provide information on initiatives	1 month	3 months		
	b) Identify required modifications	3 months	6 months		Review PAR initiatives and goals. Determine where align and where modification is needed to align to CSX
	c) Expand initiatives to PAR	6 months	12 months		
SC3	Switching Operations Fatality Analysis (SOFA) program integration			Whitt	Safety
	a) Review current SOFA initiatives	1 month	3 months		
	b) Identify best practices	3 months	6 months		
	c) Integrate best practices into common program	6 months	12 months		
SC4	Integration of safety publications and material			Meadows	Safety
	a) Review current material and publications	1 month	3 months		
	b) Integrate Safety Publications	6 months	12 months		HR will need to establish CSXT email and contact information for PAR employees
	c) Integrate posters and other safety material	6 months	12 months		Partner with Corporate Communications
SC5	Integration of accident/injury information systems			Meadows	Safety
	a) Add PAR subdivisions to CSXT system	3 months	24 months		Partner with Technology and GIS to load PAR into CSXT mapping system
	b) Develop process for inputting PAR accidents/injuries	3 months	24 months		Provide training to PAR supervision on CSXT Railroad Accident Reporting System
	c) Implement process for capturing PAR accidents/injuries	6 months	18 months		Process will involve both current processes until integration of PAR into CSXT mapping and data systems.

⁶ The estimated timing for each action item is presented in the chart as the number of months following consummation of the Proposed Transaction.

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
Training					
T1	Sharing of training programs and resources			Branson	Safety
	a) Review current programs and resources	3 months	6 months	Branson and Rivers	May need to establish CSXT ID's or set up PAR as contractors initially to gain access to CSXT training courses
	b) Determine suitability and identify those ready or requiring change	6 months	12 months		Initially, programs and training will remain the same until it has been determined if additional changes are needed
	c) Modify as required	6 months	18 months		
	d) Develop training material	12 months	24 months	Instructional Design	Work with Instructional Design to assign and distribute any identified training needs
	e) Provide training	12 months	36 months	Training Team - Branson	If necessary, training will consist of instructor led, hands-on and computer based training
Operating Practices					
OP1	Review of Operating Rules			Whitt	Safety
	a) Identify differences	1 month	3 months		Existing rules on each railroad will remain the same in the near term.
	b) Notification of 3rd party roads, if applicable	1 month	6 months		
	c) Implementation, if applicable	12 months	24 months		
	d) Address any identified interpretation problems, if applicable	12 months	24 months		As well as on-going after that as needed
OP2	Consolidation of Efficiency Test Program			Whitt	Safety
	a) Identify differences	3 months	9 months		To be implemented following consolidation of operating rules to CSXT
	b) Develop training material	9 months	12 months		
	c) Provide training	12 months	24 months		
	d) Implementation	24 months	36 months		
OP3	Drug and Alcohol Programs			B. Hamilton	Total Rewards
	a) Review existing programs, procedures, and systems for potential areas of consolidation	1 month	3 months		
	b) Undertake modifications required to address identified changes	1 month	3 months		
	c) FRA approval for changes in program	1 month	6 months		
	d) Provide training on new features and systems	3 months	6 months		
	e) Implement new process	1 month	6 months		
OP4	Consolidation of Locomotive Engineer and Conductor Qualification and Certification Program			Whitt / Ammons	Safety Existing programs to be retained in short term
	a) Review existing programs, procedures and systems for potential areas of consolidation	3 months	9 months		
	b) Undertake modifications required to address changes	9 months	18 months		
	c) FRA approval for changes in program	18 months	24 months		
	d) Implement new process	24 months	36 months		

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
OP5	Hours of Service Records			J. Hollenbeck	Network
	a) Review existing systems and procedures for potential areas of consolidation	1 month	6 months		
	b) Undertake modifications required to consolidate	1 month	6 months		
	c) Train employees on new procedures	6 months	18 months		
	d) Implementation	6 months	18 months		
Mechanical					
M1	Expansion of CSXT Expertise and Resources	1 month	1 month	C. Hatcher	Mechanical
	a) Advise local officers of resources				
M2	Consolidation of Information Systems	3 months	12 months		
	a) Review and identify change requirements				
	b) Make system modifications				
	c) Provide training				
	d) Implement consolidated systems				
M3	Car Fleet and Locomotive Management	3 months	12 months		
	a) Add to combined fleet inventory and planning models				
M4	Transfer of some employees to CSXT Facilities if applicable				
	a) Advise employees	1 month	1 month		
	b) Provide training in local shop rules and safety procedures	3 months	4 months		
M5	Territorial Consolidation Training	3 months	6 months		
	a) Provide training in Operating rules, track protection and related safety procedures				
M6	Review of end-of-train (EOT), radio, event recorder and locomotive control system compatibility	3 months	6 months		
	a) Conduct review and identify potential incompatibilities				
	b) Develop mitigation to address any identified incompatibility issues				
	c) Implement mitigation where required				
Signals and Train Control					
ST1	Expansion of CSXT Signals & Communications expertise			C. Walker	Signals/Comms
	a) Communicate existence of signal design and testing resources	1 months	12 months		
	b) Communicate existence of C&S operational support resources	1 months	12 months		
	c) Communicate existence 24/7 Network Operation Center resources	1 months	12 months		
ST2	Consolidate Test & Inspection Records				

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
	a) Review existing test procedures and documentation	3 months	6 months		
	b) Develop plan for consolidation	6 months	16 months		
	c) Provide training on procedures and systems	16 months	20 months		
	d) Implement	20 months	36 months		
ST3	Consolidate Signal Design & Software Files				
	a) Integrate signal design plans within centralized database	3 months	36 months		
	b) Integrate signal software within centralized database	3 months	36 months		
ST4	Territorial Consolidation Training				
	a) Provide training in Signal Rules and Instructions, Operating Rules, On-Track Protection, and related safety procedures	3 months	12 months		
Engineering					
E1	Expansion of CSXT bridge inventory, inspection and ratings, as well as building inventory			E. Sparks	Buildings & Bridges
	a) Import Bridge, Culvert & Tunnel inventory into SMS	3 months	12 months		
	b) Scan & upload structural drawings and rating calculations into SMS	3 months	24 months		
	c) Import Building & Facility inventory into EAM	3 months	12 months		
	d) Scan & upload Building & Facility drawings and files to EAM.	3 months	24 months		
E2	Expansion of CSXT Rail Testing Expertise			B. Spencer	Engineering
	a) Initial assessment of PAR rail assets and testing status	1 month	3 months		
E3	Expansion of specialized track testing and evaluation equipment			B. Spencer	Engineering
	a) Develop plan for expansion on PAR	3 months	6 months		
	b) Carry out necessary changes to equipment systems	3 months	6 months		
	c) Train employees/implement	3 months	6 months		
E4	Expansion of engineering systems				
	a) Identify required changes to systems for PAR use	3 months	6 months	Stephen Love	
	b) Modify systems as required	3 months	6 months		
	c) Train employees/implement	3 months	6 months		
E5	Territorial Consolidation Training				
	a) Provide training in Operating rules, track protection, and related safety procedures	3 months	12 months		
Hazmat					
H1	Expansion of Hazmat Audit program			C. Machenberg	Hazmat
	a) Review and modify audit protocol for use on PAR	3 months	12 months	Mike Austin	
	b) Conduct initial audit	3 months	24 months	Mike Austin	
H2	Expansion of CSXT Hazmat programs or partnerships			David Scoons	Hazmat field manager for this new region

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
	a) Provide local officers with information on resources	3 months	12 months	David Scoons	
	b) Conduct initial training	3 months	36 months	David Scoons	This training will include 1 st responder training
H3	Expansion of Responsible Care Program			Mike Mendoza	Mike currently manages the ACC RC program
	a) Identify local code champions	3 months	12 months	Mike Mendoza	CSXT is currently a RC member, audits will fall into the 3 year cycle
	b) Make application to ACC	3 months	12 months	Mike Mendoza	CSXT is currently a RC member, audits will fall into the 3 year cycle
	c) Perform initial gap analysis	3 months	36 months	Mike Mendoza	CSXT is currently a RC member, audits will fall into the 3 year cycle
	d) Receive Resp. Care membership	3 months	36 months	Mike Mendoza	CSXT is currently a RC member, audits will fall into the 3 year cycle
H4	Expansion of Security Training			Jack Gibson	
	a) Review PAR security plans	3 months	12 months		
	b) Integrate with CSXT plan	3 months	24 months		
	c) Address gaps in PAR operations	3 months	24 months		
	d) Review training records	3 months	12 months		With will be in coordination with the Safety/Rules department timelines
	e) Integrate into CSXT training program	3 months	24 months		With will be in coordination with the Safety/Rules department timelines
Dispatching					
D1	PAR Train Dispatching			Bittner	
	a) Develop plan	TBD	TBD		Timing will be determined based on further internal review.
	b) Advise employees	TBD	TBD		Timing will be determined based on further internal review.
	c) Provide training	TBD	TBD		Timing will be determined based on further internal review.
	d) Implementation	TBD	TBD		Timing will be determined based on further internal review.
D2	PAR Crew Dispatching			Bittner	
	a) Develop plan	TBD	TBD		Timing will be determined based on further internal review.
	b) Advise employees	TBD	TBD		Timing will be determined based on further internal review.
	c) Provide training	TBD	TBD		Timing will be determined based on further internal review.
	d) Implementation	TBD	TBD		Timing will be determined based on further internal review.
Crossing and Trespass Safety					
CT1	Coordination of Crossing Safety and Trespass Prevention Activities			S. Douris / B. Rohauer / T. Bellamy	
	a) Review best practices of PAR and CSXT	1 month	6 months	Com Affairs & Safety CSXT PD	Meet with PAR management to discuss current public safety programs. Integrate CSXT best practices into PAR operating environment
	b) Develop a public outreach plan based on current and historical incident data. Utilize data to strategically apply resources in target areas	3 months	24 months	Com Affairs & Safety Corp Com CSXT PD	PAR managers will be trained in the Railroad Accident Reporting system, at which time all crossing and trespass incident data will be collected in a centralized location (RAR) .
	c) Connect with Maine and New Hampshire State Operation Lifesaver programs	2 months	12 months	Com Affairs & Safety	Provide annual funding and CSXT representation on board of directors and/or advisory committees

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
				Corp Com	
CT2	Review Train and Track Speed Changes				
	a) Provide state agencies information on projected train traffic counts for review of safety concerns	2 months	6 months	Public Projects Com Affairs & Safety	Advise and work with various state Department of Transportation representatives on rail traffic changes
	b) Implement CSXT Train Speed Changes Best Practice procedure on line segments with permanent track speed increases	Upon completion of track project	1 month	Transportation, Engineering, Safety, Com Affairs & Safety, Corp Com, Passenger Ops	Use multi-departmental procedure to facilitate a structure that implements changes in permanent track speeds safely and efficiently.
CT3	Upgrade Identified Highway-Rail Grade Crossings				
	a) Worcester Main Line – Harvard-Barbers	12 months	36 months	Public Projects Engineering	Crossing upgrade work in conjunction with line segment infrastructure upgrade project
	b) Main Street Crossing Voorheesville	Late 2022	TBD	Public Projects Engineering NSR	Re-establishment of Main St crossing on NSR connection track at Voorheesville, NY. NSR is progressing the design with a stated goal to start construction in late 2022.
	c) Mattawamkaeg Main Line CRISI Grant Project	12 months	TBD	Pan Am CSXT (post transaction)	Crossing upgrade work in conjunction with line segment infrastructure upgrade project
	d) Other CRISI or track projects on PAR	12 months	60 months	Pan Am CSXT (post transaction)	Estimated timing assumes that the Springfield Terminal workforce is integrated into CSXT in a timely manner
Info, Systems and Ops, Technology					
IT1	Integration of IT Systems			S. Watkins	IT
	a) Identify any differences between PAR and CSXT IT systems	1 month	3-6 months		3 month timeframe contingent upon final definitions for physical assets & network.
	b) Detailed planning of required changes	TBD	TBD		Need to better understand PAR's current IT stack and what it would take to absorb the logical assets and migrate them to CSXT.
	c) Develop training material	TBD	TBD		Timing will be determined based on further internal review.
	d) Provide training	TBD	TBD		Timing will be determined based on further internal review.
	e) Implement integrated systems	TBD	TBD		Timing will be determined based on further internal review.
IT2	Integration of Additional IT Systems			S. Watkins/D. Rich	
	a) Detailed planning of required changes	TBD	TBD		Timing will be determined based on further internal review.
	b) Produce detailed specifications and make necessary modifications	TBD	TBD		Timing will be determined based on further internal review.
	c) Implementation	TBD	TBD		Timing will be determined based on further internal review.
IT3	Integration of Disaster Recovery Plans			G. Eppinger	

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
	a) Detailed planning of required changes	TBD	TBD		Timing will be determined based on further internal review.
	b) Produce detailed specifications and make necessary modifications	TBD	TBD		Timing will be determined based on further internal review.
	c) Implementation	TBD	TBD		Timing will be determined based on further internal review.

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SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

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

APPENDIX 4

B&E’s Safety Integration Plan Accountabilities Chart

Berkshire & Eastern Railroad – SIPA Action Items

Initial filing based on earliest projected transaction implementation date (May 1, 2022).

To be adjusted in accordance with actual approval date.

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
Safety Culture					
SC1	Review of Materials			J. Connelly/T. Ferris	
	a) Discuss Core Purpose and Core Values	5/1/2022	On going		Covered during Town Hall meetings
	b) Training on safety culture and processes	5/1/2022	6/1/2022		Covered during Town Hall meetings
	c) Review job briefing expectations	5/1/2022	On going		Covered during managerial oversight of operations
SC2	Install Signage			J. Connelly/T. Ferris	
	a) Paint all clearance points and fixed derails	5/1/2022	7/30/2022		Safety Committee activity
	b) Erect signage or otherwise mark restricted clearances, as necessary	5/1/2022	6/15/2022		Safety Committee activity
	c) Mount retro-reflective close clearance signs	5/1/2022	6/15/2022		Safety Committee activity
	d) Install Safety Bulletin Boards at reporting locations	5/1/2022	5/30/2022		
SC3	Cleaning and Painting; Vegetation			J. Connelly/T. Ferris	
	a) Clean and repaint, as necessary, crew rooms, locker rooms and break and lunch rooms	6/1/2022	On Going		Inspect and determine what if anything needs to be done
	b) Mark all step edges, handrails, changes of elevation, trip hazards, exits and barriers	5/1/2022	On going		Identify needs and repair as needed
	c) Identify any vegetation issues that need attention	5/1/2022	On going		Initial inspection will be completed within the first 15 days and then on going as needed
SC4	Reporting Location Equipment			J. Connelly/T. Ferris	
	a) Ensure reporting locations are equipped with first aid kits, fire extinguishers and AEDs	5/1/2022	5/10/2022		Inspection to take place during the first ten days
	b) Remove from service any unserviceable chairs or rolling chairs with fewer than five legs	5/1/2022	On going		Directly related to Job Briefing expectations and observations
SC5	Tools and Equipment			J. Connelly/T. Ferris	
	a) Ensure track mats are installed and/or replaced as needed where locomotives are stored	5/1/2022	7/1/2022		Should already be in compliance, however, inspection and repair will commence day 1
	b) Inspect all tools and equipment to ensure they are in working order and that no handmade tools are being used	5/1/2022	7/1/2022	Brian Myers	Will inspect and replace during first 30-60 days

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
Training					
T1	Initial Training and Review of Records			T. Ferris	
	a) Initial training classes consisting of craft-specific safety rules, system special instructions and area specific training	5/1/2022	7/1/2022		Training Manager to hold class
	b) Comprehensive review of employee training records	3/1/2022	6/1/2022		
	c) Review of certified transportation employee records	3/1/2022	6/1/2022		
	d) Implement training as required	5/1/2022	7/1/2022		Compliance manager
Operating Practices					
OP1	Review of Operating Rules			T. Ferris	
	a) Identify differences between NORAC and GCOR	1/1/2022	5/1/2022		VP/AVP Safety and Compliance will identify differences
	b) Develop training material, if applicable	10/1/2022	12/1/2022		
	c) Provide training, if applicable	1/1/2023	5/1/2023		Training Manager to hold class
	d) Notification of 3rd party roads, if applicable	12/1/2022	12/31/2022		Notification to 3 rd party roads with 3 rd party road training done by 5/1/2023 implementation
	e) Implementation, if applicable	5/1/2023	5/1/2023		
OP2	Consolidation of Operational Test Programs			T. Ferris/J. Angel	
	a) Identify differences	1/1/2023	5/1/2023		Manager of 217.9 to review the differences.
	b) Develop training material	10/1/2022	12/1/2022		Training material is outlined in 217.9 FRA submission
	c) Provide training	1/1/2023	5/1/2023		Training managers will train managers on 217.9 requirements per the FRA submission
	d) Implementation	5/1/2023	5/1/2023		
	e) Consolidate operational test record-keeping and monitoring systems in QualPro	4/1/2023	5/1/2023		PST to assist in converting/transferring data to current QualPro system
OP3	Drug and Alcohol Programs			A. Riley	
	a) Review existing programs, procedures, and systems for potential areas of consolidation	1/1/2022	4/1/2022		FRA 219 Compliance Plan / Company D&A Policy
	b) Undertake modifications required to address identified changes	1/1/2022	4/1/2022		
	c) FRA approval for changes in program	4/1/2022	4/29/2022		
	d) Provide training on new features and systems	4/1/2022	Ongoing		
	e) Implement new process	5/1/2022	5/1/2022		
OP4	Consolidation of Locomotive Engineer Qualification and Certification Program			T. Ferris/J. Angel	
	a) Review existing programs, procedures and systems for	1/1/2022	On-going		

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
	potential areas of consolidation				
	b) Undertake modifications required to address changes	3/1/2024	4/1/2024		
	c) FRA approval for changes in program	4/1/2024	5/1/2024		Based off current G&W 240 Certification Program
	d) Implement new process	5/1/2024	7/1/2024		
OP5	Hours of Service Records			L. van Koningsbruggen/J. Chapin	
	a) Review existing systems and procedures for potential areas of consolidation	5/1/2022	11/1/2022		
	b) Undertake modifications required to consolidate	5/1/2022	11/1/2022		PST to convert & transfer HOS records and absorb into CrewPro
	c) Train employees on new procedures, including use of CrewPro	11/1/2022	3/31/2023		The 228 training video will be used.
	d) Implementation	11/1/2022	3/31/2023		
Mechanical					
M1	Consolidation of Motive Power and Equipment practices			B. Myers	
	a) Review existing programs, procedures and systems for potential areas of consolidation	5/1/2022	6/1/2023		
	b) Undertake modifications required to address changes	5/1/2022	6/1/2023		
	c) FRA approval for changes in program	5/1/2022	On going		
	d) Train employees on new procedures	5/1/2022	On going		
	e) Implement new process	5/1/2022	6/1/2023		
Signals and Train Control					
	Not applicable				
Engineering					
E1	Consolidation of Track Safety Standards and Bridge Inspections practices			T. Dragland/J. Watson/B Riehl	
	a) Review existing programs, procedures, and systems for potential areas of consolidation (ATOM Electronic Bridge Insp System)	5/1/2022	1/01/2023		
	b) Undertake modifications required to address changes	5/1/2022	10/15/2022		
	c) Train employees on new procedures, including use of Digital Track Notebook/ATOM	5/1/2022	Ongoing		
	d) Implement new process	8/1/2022	Ongoing		
Hazmat					
H1	Emergency Response Plan			C. Hiles	
	a) Develop PAS-specific Emergency Response Plan	1/1/2022	5/1/2022		

Item	Description	Est. Start Date	Est. End Date	Accountability	Comments
H2	Hazmat Training/ Programs			C. Hiles	
	a) Introduce Emergency Response Plan training	5/1/2022	7/1/2022		
	b) Review PAS State/Federally mandated hazmat programs, plans, analysis, and reporting requirements.	5/1/2022	10/1/2022		Review requirements per 49 C.F.R. 130.100, 172.820
	c) Analyze volumes, commodity types and routes to determine track inspection protocols for hazmat	5/1/2022	10/1/2022		Internal protocols
	d) Review/update B&E training program as needed.	5/1/2022	10/1/2022		
	Not applicable				
Crossing and Trespass Safety					
CT1	Coordination of Crossing Safety Activities			T. Dragland/J. Mollart	
	a) Review best practices	5/1/2022	On Going		
	b) Train employees on new procedures	5/1/2022	On Going		
	b) Implement new process	5/1/2022	On Going		
Info, Systems and Ops, Technology					
IT1	Integration of IT Systems				
	a) Identify any differences between PAS and B&E IT systems	1/1/2022	4/30/2022	D. Pappa	
	b) Develop training material	1/1/2022	4/30/2022	G. Walling/K. Gray	Most of the training material is already created, but may need some tweaking
	c) Provide training	5/1/2022	7/31/2022	G. Walling/K. Gray	Concurrent MCrew, CrewPro, QualPro, computer access, UltiPro training
	d) Implement integrated systems	5/1/2022	7/31/2022	D. Pappa/K. Gray	Laptops, desktops, firewalls, switches, kiosks, wireless access points, radio communications and, possibly, RailIQ tablets

CERTIFICATE OF SERVICE

I hereby certify that I have caused this Safety Integration Plan in Docket No. FD-36472, *CSX Corporation and CSX Transportation, Inc.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company*, to be served electronically or by first class mail, postage pre-paid, on all parties of record in this proceeding.

/s/ Sally Mordi

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

December 13, 2021