

May 18, 2020

PUBLIC VERSION

BY E-FILEING

EXPEDITED CONSIDERATION REQUESTED

Ms. Allison C. Davis
Director, Office of Proceedings
Surface Transportation Board
395 E Street, S.W., Room 1034
Washington, DC 20024

Re: *Bessemer and Lake Erie Railroad Company – Acquisition and Operation – Certain Rail Lines of CSX Transportation, Inc. in Onondaga, Oswego, Jefferson, Saint Lawrence, and Franklin Counties, New York* (Docket No. FD 36347)

Dear Ms. Brown:

Applicant Bessemer and Lake Erie Railroad Company (“B&LE”) jointly with CSX Transportation, Inc. (“CSXT”) respectfully submit this letter in response to Ordering Paragraph Number 3 of the Decision No. 4 in this proceeding served April 6, 2020 (“Approval Decision”). In that decision, the Board approved the acquisition by B&LE of the U.S. Massena Lines generally between Woodard and Fort Covington, NY from CSX Transportation, Inc. (“CSXT”), subject to standard employee protective conditions and the condition in Ordering Paragraph Number 3. That condition required B&LE and CSXT to propose a modification or elimination of Section 5.14(b) in the parties’ executed Purchase and Sale Agreement. To allow the parties to continue to explore whether agreement could be achieved on a submission, at the parties’ joint request, the Board in Decision No. 5 served May 8, 2020 extended the deadline for the parties to submit their proposal to May 18, 2020.

The parties have made significant progress on an alternative proposal that would {{[REDACTED]}} in an effort to address the Board’s concerns, but the parties need additional time to reach potential agreement. Thus, B&LE and CSXT will not be submitting a proposal today in response to the Board’s order. B&LE and CSXT plan to file a petition seeking reconsideration of the Board’s Section 5.14(b) Condition in the Approval Decision by the May 28 deadline, and also will continue their negotiations to reach a proposed solution. The parties therefore request to extend the proposal submission deadline to May 26, 2020. Absent reconsideration of the Board’s Section 5.14(b) Condition or an agreement on the proposed solution addressing that condition, the parties would be unable to proceed with the Transaction.

B&LE and CSXT remain committed to the Transaction and to achieving the previously discussed significant benefits in the public interest that it offers, including reduced transit times, preservation of efficient routing, and labor protection.

B&LE and CSXT respectfully seek expedited consideration of this request.

Sincerely,
/s/ Claire M. Maddox

*Counsel for Bessemer and
Lake Erie Railroad Company*

cc: All Parties of Record