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2/2068

September 23, 2004

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Room 700  
Washington, D. C. 20423

ENTERED  
Office of Proceedings

SEP 23 2004

Part of  
Public Record



RE: Finance Docket No. 34495, *Buckingham Branch Railroad Company—Lease—CSX Transportation, Inc.*

Dear Secretary Williams:

Enclosed are the original and 10 copies of the Response of Buckingham Branch Railroad Company and CSX Transportation, Inc., a Motion to Strike, and three computer diskettes in containing the Response and Motion.

Please time and date stamp the additional copy of this letter, the Response and Motion and return them with our messenger. Thank you for your assistance.

If you have any questions please call or email me.

Sincerely yours

Louis E. Gitomer  
Attorney for: CSX Transportation, Inc.

Enclosures

2/2068

ORIGINAL

BBRR-8/CSXT-8

BEFORE THE  
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34495



BUCKINGHAM BRANCH RAILROAD COMPANY—LEASE—  
CSX TRANSPORTATION, INC.

RESPONSE OF BUCKINGHAM BRANCH RAILROAD COMPANY AND  
CSX TRANSPORTATION, INC. TO COMMENTS

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Counsel for Buckingham Branch Railroad  
Company

Dated: September 23, 2004

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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Finance Docket No. 34495

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BUCKINGHAM BRANCH RAILROAD COMPANY—LEASE—  
CSX TRANSPORTATION, INC.

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RESPONSE OF BUCKINGHAM BRANCH RAILROAD COMPANY AND  
CSX TRANSPORTATION, INC. TO COMMENTS

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Buckingham Branch Railroad, Inc. (“BB”) and CSX Transportation, Inc. (“CSXT”), jointly referred to as “Applicants,” respond to the Comments filed by the Brotherhood of Maintenance of Way Employees (“BMWE”), Norfolk Southern Corporation (“NS”), and the National Railroad Passenger Corporation (“Amtrak”). Applicants also respond to the Reply filed by the Commonwealth of Virginia (“Virginia”). The Comments do not demonstrate that there will be competitive harm as a result of the transaction, and therefore, in accordance with 49 U.S.C. § 11324(d), the Applicants respectfully request that the Surface Transportation Board (the “Board”) approve the application, subject only to conditions requested in the Application for the protection of employees. BMWE, NS, Amtrak, and Virginia have not justified the imposition of any conditions because they have failed to address, much less demonstrate competitive harm, the keystone to the imposition of conditions by the Board in proceedings under 49 U.S.C. § 11324(d).

In this Response, Applicants demonstrate that BB will be able to maintain the leased line and that the lease from CSXT to BB is not a sham, contrary to the erroneous contentions of BMWE. Applicants continue to work with Amtrak to ensure a smooth transition to service from

BB, and demonstrate that the leased line will be maintained to current standards under the plans of BB and pursuant to the lease agreement. Applicants continue to negotiate BB's sublease of the NS line with NS and believe that the issue will be resolved shortly.

### **BACKGROUND**

Two CSXT rail lines cross Virginia in a generally east-west direction between Clifton Forge, in the west, and Richmond, in the east. The more northerly of the two lines is referred to as the C&O Line (the line that runs via Staunton, Waynesboro, and Charlottesville). The more southerly of the two lines is referred to as the James River Line (the line that runs via Lynchburg).

CSXT is not revenue adequate. In order to achieve revenue adequacy CSXT has developed the goals of reducing its capital needs, rationalizing its rail system and restructuring its business. CSXT advances this goal in part by selling, leasing and abandoning rail lines. With the parallel C&O Line and James River Line, CSXT decided that it could rationalize the C&O Line, as long as it retained certain rights to optimize its operations between Clifton Forge and Richmond, VA.<sup>1</sup>

Abandonment of the Line was not practical at this time because of shipper demand, Amtrak's operations, and CSXT's need to use the Line to optimize operations. Once CSXT determined that at this time it would not abandon the Line, CSXT had to decide whether to grant trackage rights, sell or lease the Line. Trackage rights would not achieve CSXT's goals and

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<sup>1</sup> The only physical connection of the NS Line, described below, to the CSXT system is through the C&O Line. Once CSXT decided to rationalize the C&O Line, the NS Line became a necessary adjunct in order to avoid the existence of an island operation for CSXT or the discontinuance of service by CSXT under the lease from NS. The C&O Line and NS Line will be jointly referred to as the "Line." Were CSXT to discontinue service on the NS Line, NS would have to start maintaining the NS Line and serving customers on the NS Line under its residual common carrier obligation.

would create potential congestion between CSXT and a new operator both providing local service over the Line. In CSXT's judgment, sale of the Line would have been prohibitive for a short line operator seeking to acquire the property and earn its cost of capital. CSXT decided that the best approach to achieve its goals and to attract a short line operator would be to lease the Line. A lease of the Line would allow CSXT to negotiate a contractual commitment from the lessee concerning the level of maintenance of the Line, would leave CSXT with the residual common carrier obligation if the short line were unsuccessful, and would prevent abandonment by the short line because of CSXT's residual common carrier obligation.

CSXT next prepared and issued a package soliciting bids for the lease of the Line. After receiving and reviewing the bids for the Line, CSXT weighed all of the bids and selected BB as the successful bidder. Selection of BB as the successful bidder began a process of negotiating a Lease and ancillary agreements between CSXT and BB. As the Board knows, those negotiations are not yet complete, although CSXT and BB have agreed on many of the essential terms of the Lease Agreement that was attached as Exhibit 2 to the Application (the "Lease").

CSXT proposes to lease for a period of 20 years to BB (the "Transaction") approximately 199.7 miles of CSXT's C&O Line running between AM Junction (near Richmond) and Clifton Forge, VA, and for the duration of the Lease between Applicants, BB will sublease from CSXT, its lease of and operation over NS's 9.1 mile line between Gordonsville, VA and Orange, VA (the "NS Line") (the "Transaction"). The C&O Line consists of: (1) the 75.1-mile Piedmont Subdivision between AM Junction near Richmond (MP 85.5) and Gordonsville (MP CA 160.6); (2) the 28.5-mile Washington Subdivision between Gordonsville (MP CA 160.6) and Charlottesville (MP CA 180), which includes NS's 9.1-mile Orange Line between Gordonsville (MP CAA 9.1) and South Orange (MP CAA 0.0); and (3) the 96.1-mile North Mountain

Subdivision between Charlottesville (MP CA 180) and Clifton Forge (JD Cabin) (MP CA 276.1). The NS Line is included in the 28.5-mile length of the Washington Subdivision (i.e., the length of the Washington Subdivision without the NS Line is 19.4 miles).

BB will be the common carrier providing local and overhead service on the Line and will be responsible for fulfilling the common carrier obligation on the Line. Upon consummation of the Lease, CSXT will cease operating on the NS Line. After consummation, the only railroads operating on the NS Line will be BB and Amtrak. As is the case today, post-consummation, there will be one freight railroad and one passenger railroad operating on the NS Line.

CSXT is retaining limited overhead trackage rights and limited local trackage rights over the Line.

CSXT uses the C&O Line to return empty unit trains from east of Richmond to west of Clifton Forge because of the additional costs that would be involved in moving those trains on the James River Line on a regular basis. CSXT had a choice of retaining trackage rights for this traffic and paying BB a market based fee, or interchanging the trains to BB at Doswell and again interchanging the trains from BB at Clifton Forge. Adding two interchanges would decrease CSXT's efficiency of the empty return movement and increase the costs. BB's costs would increase through the need for additional crew and locomotives. In order to continue this efficient operation, CSXT has retained trackage rights over BB under Article 25 of the Lease. In addition, as the Board can see from confidential Article 5 to Exhibit F to the Lease, these overhead trackage rights will generate revenues to BB of in excess of \$2,000,000 per year for making its leased track available to CSXT.

CSXT also uses the C&O Line for east bound traffic when the James River Line is taken out of service for maintenance or because of flooding. CSXT determined that retaining this

flexibility was necessary and that detour arrangements such as agreed to by CSXT and BB in Article 25 were common practice in the rail industry. CSXT has detour arrangements in place with almost all of the railroads with which it connects. These agreements are to maintain the integrity and fluidity of CSXT's rail system and are a common practice. Because of the importance of the James River Line to CSXT's operations, CSXT decided that planning ahead in this transaction for potential disruptions to the James River Line would not only benefit CSXT, but also its customers.

CSXT also retained trackage rights to serve Martin Marietta at Verdon, VA, for selected traffic. It is about four 30 miles from Verdon to Doswell, the eastern interchange point between CSXT and BB. Again, efficiency and lower cost were the determining factors in CSXT's decision to retain trackage rights to serve Martin Marietta at Verdon. CSXT handles unit trains of non-revenue traffic for its own use and unit trains in revenue service. CSXT and BB have agreed that CSXT can handle these unit trains more efficiently and at lower cost to the customer in single-line service. However, BB is compensated by CSXT for use of this portion of the leased line. See Lease, Exhibit F, Confidential Section 5.

BB, a Class III railroad, was founded in 1989. BB owns and operates a 17-mile line of railroad between Dillwyn, VA, and BreMO, VA. BB connects with the CSXT James River Line at BreMO, but interchanges with CSXT at Strathmore, VA; a point on the James River Line located 2 miles west of BreMO. BB has increased freight traffic on its Dillwyn-BreMO Line from about 800 carloads per year in 1989 to 2,400 carloads per year during BB's best year. BB provides regular scheduled freight service three days per week and additional service as requested and needed by its customers. BB has upgraded track and bridges on the Dillwyn-

Bremo Line from Federal Railroad Administration (FRA) excepted classification to FRA Class 1 track standards.

On May 26, 2004, Applicants filed an Application with the Board pursuant to 49 C.F.R. Part 1180, seeking approval of the lease transaction under 49 U.S.C. § 11324(d). Concurrently, Applicants filed a Motion for Protective Order and a Petition Suggesting a Procedural Schedule. The Board granted a Protective Order.<sup>2</sup> At a public voting conference held on June 22, 2004, the Board determined that Applicants had proposed a minor transaction, accepted the Application, and established a procedural schedule.<sup>3</sup>

Applicants responded to two rounds of discovery from BMW, along with requests for clarification and additional information.<sup>4</sup> Late in the day on August 16, 2004, after the deadline for seeking discovery, Amtrak sought copies of the responses to discovery previously provided to BMW. Applicants provided the responses and documents requested by Amtrak.

The Application contemplates the extension of BB's operations to CSXT's C&O Line (to which BB's Dillwyn-Bremo Line does not connect) and to the NS Line (which branches off from the C&O Line at Gordonsville). Except for some traffic from Martin Marietta at Verdon, under the Application, BB would assume the common carrier obligation on the C&O Line and will replace CSXT as the railroad serving local customers on the C&O Line, including customers located at the following points in Virginia (listed in a generally west-to-east order): Goshen, Craigsville, Fordwick, Staunton, Waynesboro, Afton, Crozet, Ivy, Charlottesville, Keswick,

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<sup>2</sup> *Buckingham Branch Railroad Company—Lease—CSX Transportation, Inc.*, STB Finance Docket No. 34495 (STB served June 4, 2004) ("Decision No. 1").

<sup>3</sup> The Board served a decision of the Voting Conference results. *Buckingham Branch Railroad Company—Lease—CSX Transportation, Inc.*, STB Finance Docket No. 34495 (STB served June 22, 2004) ("Decision No. 2").

<sup>4</sup> BB and CSXT have not agreed to reclassify any of the Confidential or Highly Confidential documents filed with the Board or produced in discovery.

Lindsay, Gordonsville, Orange, South Orange, Louisa, Mineral, Pendleton, Frederick Hall, Beaver Dam, Hewlett, Verdon, Doswell, North Doswell, Bear Island, Hanover, Atlee, Ellerson, and Ruffin.

The Lease will have a 20-year term, with one mutual 5-year extension option. Article 3 of the Lease. Contrary to the contentions of BMW, this is not a 10-year lease. The ten year provision of Article 5F of Exhibit F to the Lease merely relates to a volume guarantee from CSXT to BB for overhead trackage rights. The fact that the parties made a provision to reexamine certain terms of the Lease after 10 years is not extraordinary and was a prudent business decision.

BB will assume responsibility for local service (except as respects certain Martin Marietta traffic) and will maintain the line in at least the FRA track class standards and train bulletins existing on the date of closing. See Article 10(a)(iii) of the Lease and Mr. Bryant's Verified Statement in Appendix B. According to the latest CSXT track charts, which are in Appendix A, the C&O Line is in FRA Class II, III, and even IV condition, except for three short segments that are in FRA Class I condition, which are located near mileposts 160, 180-184, and 9.

CSXT will retain the obligation to maintain the signal system and dispatch the Line for two years. After two years, BB will assume responsibility for the maintenance of the signal system and dispatching on the line. Interchange between CSXT and BB will occur at Clifton Forge in the west and at Doswell in the east. BB will maintain competitive routes and rates for traffic moving from/to points on the C&O Line. BB will pay CSXT annual rent of \$140,000 per year, and also additional rent under certain circumstances when interchange of traffic is with a carrier other than CSXT.

BB intends to operate a scheduled railroad based upon interchange times agreed on with CSXT. BB will operate four round-trip trains per day, five days per week, providing more frequent service than the Line's shippers receive today. BB will operate from Doswell in the east and Staunton in the west. At the eastern end of the line, a morning train would operate between Doswell and Ruffin and an evening train would operate between Doswell and Gordonsville. At the western end of the line, a morning train would operate between Staunton and Clifton Forge and an evening train would operate between Staunton and Orange. Each train will pick up and set out cars for BB's customers. BB will provide additional service as needed by its customers.

BB projects that it will handle about 11,700 carloads annually over the C&O Line, consisting of 6,200 carloads of local traffic, 1,000 carloads for interchange with NS and the Eastern Shore Railroad, Inc., and 4,500 CSXT non-revenue carloads. CSXT projects that it would annually move through its retained overhead trackage rights about 156,000 westbound empty cars and through its retained local trackage rights about 7,900 revenue carloads of rock from the Martin Marietta quarry at Verdon. Attached to Mr. Bryant's verified statement are letters of support from many shippers on the Line.

#### **STATUTORY CRITERIA**

Applicants filed the Application pursuant to 49 U.S.C. § 11323(a)(2) requiring approval of the Board before two railroads can carry out a lease. CSXT is a Class I railroad and BB is a Class III railroad. The Application does not involve the merger or control of two or more Class I railroads. As the Board has said:

this transaction is governed by 49 U.S.C. 11324(d), under which the Board must approve a control application unless the Board finds: (1) that, as a result of the transaction, there is likely to be substantial lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of

the United States; and (2) that the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

In assessing transactions subject to § 11324(d), the Board's primary focus is on the anticipated competitive effects. The Board must grant the application unless there will be adverse competitive impacts that are both "likely" and "substantial." And, even if there will be likely and substantial anticompetitive impacts, the Board may not disapprove the transaction unless the anticompetitive impacts outweigh the benefits and cannot be mitigated through conditions (which the Board has broad authority to impose under 49 U.S.C. 11324(c)). (Citation omitted).

*Canadian National Railway Company and Grand Trunk Corporation—Control—Duluth, Missabe and Iron Range Railway Company, Bessemer and Lake Erie Railroad Company, and The Pittsburgh & Conneaut Dock Company*, STB Finance Docket No. 34424, Dec. No. 7 (STB served April 9, 2004), at 13-14 (CN/DMIR). See also, *Dakota, Minnesota & Eastern Railroad Corporation and Cedar American Rail Holdings, Inc.—Control—Iowa, Chicago & Eastern Railroad Corporation*, STB Finance Docket No. 34178, Dec. No. 7 (STB served February 3, 2004); *Canadian National Railway Company, Grand Trunk Corporation, and WC Merger Sub, Inc.—Control—Wisconsin Central Transportation Corporation, Wisconsin Central Ltd., Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company, and Wisconsin Chicago Link Ltd.*, STB Finance Docket No. 34000, Dec. No. 10 (STB served September 7, 2001). The standards governing a lease transaction under Section 11324(d) are the same as those governing a control transaction.

Amtrak, NS, and Virginia do not question the appropriateness of the standard adopted by the Board in the proceedings cited above, as well as many other proceedings going back to the enactment of the Staggers Rail Act of 1980. However, BMWWE contends, without any supporting authority, that the Application must be denied based upon four of the 15 factors in the Rail Transportation Policy (the "RTP") of 49 U.S.C. § 10101.

To support its unprecedented position, BMWWE cites hypothetical situations, which do not exist in this proceeding. BB is an existing railroad with an outstanding safety record. Mr. Bryant, the President of BB, has over 50 years of experience in the railroad industry.

The Board has stated that in evaluating a proposed transaction under 49 U.S.C. § 11324(d) the “primary focus is on the anticipated competitive effects.” *CN/DMIR* at 13. Applicants contend that consideration of the RTP by the Board can inform the Board’s decision and be a secondary consideration in transactions evaluated under section 11324(d). However, Applicants disagree with BMWWE’s suggestions that the RTP takes primacy over section 11324(d), that the Board need only consider several of the RTP factors, and finally, that the selective RTP factors put forward by BMWWE, that are unsupported by evidence, require denial of an application when it must be approved under section 11324(d).

Section 11324(d) provides the specific criteria the Board must consider in ruling on a lease between rail carriers that is filed for approval under section 11323(a)(2). Accepting BMWWE’s theory of the primacy of the RTP would read out of existence all of the remaining sections of the ICC Termination Act. Instead of providing all of the detail in the statute, Congress could have enacted the RTP and section 10501 defining the Board’s jurisdiction. If that were the law, BMWWE would be right. But BMWWE is wrong. The ICC Termination Act contains numerous provisions dealing with the regulation of railroad entry, exit, consolidations, rate, service obligations, etc. Each of those provisions has very specific criteria, not merely compliance with the RTP. Applicants contend that once the Board concludes that there is no competitive harm from the proposed transaction, as is the case in the lease from CSXT to BB at issue here, then it would take an overwhelming factual showing under the RTP to deny a

proposed transaction. In this proceeding, BMWWE has made no showing, much less an overwhelming showing that the proposed transaction is contrary to the RTP.

It is also clear that Congress knew how to include the RTP as an explicit factor in Board decisions. Section 10502(a)(2)(B) and (d) specifically require the Board to make findings under the RTP. There is no parallel language in Section 11324(d). Accordingly, Applicants contend that without evidence of competitive harm, that the Board must approve the proposed transaction under Section 11324(d).

However, Applicants contend that if the Board considers the RTP, the proposed Transaction fosters the RTP.

BB will be the new operator of the Line and intends to grow the business on the Line. However, BB must compete with motor carriers for business. Hence the proposed Transaction will “allow, to the maximum extent possible, competition and the demand for services to establish reasonable rates for transportation by rail” (Section 10101(1)) and “maintain reasonable rates” (Section 10101(6)).

As explained in Mr. Bryant’s verified statement, BB has developed a plan to maintain and rehabilitate the Line using revenue from the Line and BB’s maintenance workers and contractors, if needed. Instead of concentrating on the past, as BMWWE urges the Board, Applicants assert that the Board should look to the future that BB has proposed for maintaining the Line. A lease of the Line to BB and BB’s maintenance plan for the Line will “minimize the need for Federal Regulatory control” (Section 10101(2)), “promote a safe and efficient rail transportation system” (Section 10101(3)), “ensure the development and continuation of a sound rail transportation system” (Section 10101(4)), and “operate transportation facilities and equipment without detriment to public health and safety” (Section 10101(8)).

BB is a Class III railroad. It is a family run business. Mr. Bryant is accepting a risk in leasing the Line. BB has developed a maintenance plan for the Line based on anticipated revenues, BB's inspection of the Line, and the needs of the customers on the Line. With the Line as BB's major asset and responsibility and the plans for the care of the Line that it has developed, BB epitomizes the "honest and efficient management of railroads" (Section 10101(9)).

Those portions of the RTP that BMWWE claims require denial of the proposed Transaction actually support the grant of the Application. In the Application and in Mr. Bryant's verified statement, BB has laid out a plan to reinvigorate and revitalize service over and the physical condition of the Line. Applicants contend that the Board should reject BMWWE's view to the past and its obvious desire to end plant rationalization by Class I railroads regardless of the lack of competitive harm or the existence of benefits to the public interest.

In the Application, the Applicants demonstrated that the Transaction would not lessen competition, create a monopoly, or restrain trade. None of the commenting parties have even questioned the Applicants analysis. Therefore, Applicants contend that the Board must grant the Application under Section 11324(d).

#### **BMWWE COMMENTS AND RESPONSE**

BMWWE requests that the Board deny the Application based on the RTP. BB and CSXT argue that BMWWE is wrong and that the Application should be granted based on section 11324(d) and the RTP.

BMWWE makes two erroneous arguments that lead BMWWE to wrongly conclude that the RTP requires the Board to deny the Application. First, BMWWE contends that the Line is in such poor physical condition that BB can never maintain the Line. Second, BMWWE argues that the

lease of the Line from CSXT to BB is a sham. Based on these two faulty premises, BMWWE then argues that the Board must deny the Application to foster the RTP. Applicants say that BMWWE is wrong.

I. BB will be able to maintain the Line.

A. The Line is in good condition.

BMWWE erroneously contends that the Line is “in abysmal condition,”<sup>5</sup> “in dire need of renewal and major repairs,”<sup>6</sup> “is in bad condition,”<sup>7</sup> and “in unacceptable condition.”<sup>8</sup> BMWWE received substantial discovery responses and documents from Applicants and selectively filed some of those documents with its Comments. However, many of those documents are two years old.

BMWWE was provided CSXT’s track chart for the Line in discovery, but did not file it with the Board. A track chart provides a great deal of information about the physical condition of a railroad line. It provides the alignment, a diagram, profile, signal control, speed, rail weight, date of cross tie replacement, and the date of surface work. Why didn’t BMWWE submit the track chart to the Board along with the other documents it filed? Certainly, if the Line were in the poor condition that BMWWE contends it is in, then the track chart would be prima facie evidence of BMWWE’s conclusion. Applicants are submitting the track chart in Appendix A to refute BMWWE’s claims concerning the present condition of the Line. The C&O Line is in FRA Class II, III, and even IV condition, except for three short segments that are in FRA Class I condition, which are located near mileposts 160, 180-184, and 9.

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<sup>5</sup> BMWWE Comments at 21.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*, at 23.

<sup>8</sup> *Id.*, at 24.

The first premise in BMW's argument is false. The Line is not in "abysmal" condition requiring "major repairs."

B. BB is capable of maintaining the Line.

Appendix B contains Mr. Bryant's verified statement and BB's Maintenance of Way Plan.

BB has divided the Line into three divisions and assigned manpower to each division. BB has developed an inspection schedule and plans to follow FRA rules in conducting inspections.

After inspecting the Line, BB has developed a Routine Maintenance Program to meet immediate needs. BB has also developed a Tie Replacement Program. BB will replace 10,000 to 15,000 ties in 2005, and then plans to replace 10,000 to 20,000 ties annually thereafter. Priority for tie replacement will be determined by the track supervisor/inspector for each subdivision. Mr. Bryant has allocated between \$1,800,000 and \$2,200,000 per year for maintenance and replacement. Clearly, BB has allocated sufficient funding to meet its maintenance needs. Since over 95% of the Line is operating at FRA Class II or III speeds, tie replacement is not as dire as BMW contends.

Finally, BMW argues that BB cannot lease and maintain the Line because BB is a small Class III railroad. This argument is patently false and merely reflects BMW's view that plant rationalization by Class I railroads should not be permitted. If small or non-existent railroads were not permitted to acquire rail lines that exceeded their existing size, the creation of short line railroads would cease or would become burdened with excess transaction costs because the size of the transactions would shrink, while the number of transactions to transfer the same line mileage would increase. Increased transaction costs do not benefit the railroads or their

customers and employees. The Board has seen many small railroads succeed as they grow. BB is a well run and maintained railroad. As demonstrated in Mr. Bryant's verified statement, BB is ready, able and prepared to grow and meet the obligations that come with that growth.

The BB Maintenance of Way Plan shows how BB will employ necessary manpower, equipment, and funding to exceed FRA track safety requirements for the Line. BMW's contention that BB is incapable of maintaining the Line is wrong.

II. The Lease Is Not a Sham

BMW argues that the transaction is a sham, because the lease is not a "legitimate lease" and the Transaction is "a device to use STB approval for other purposes." BMW at 25-27. According to BMW, the lease is not "legitimate," because CSXT has not really conveyed the line to BB. The alleged "non-lease purposes" for the Transaction supposedly are to avoid responsibility for maintaining the line and FRA fines for failing to correct maintenance deficiencies. There is no basis for BMW's contentions.

A. The Lease of Rail Lines by Short Line Carriers Is Commonplace And Consistent With National Transportation Policy

To put the Transaction in context, there is nothing unusual about the lease of rail lines by one carrier to another. Leases between rail carriers have been subject to the jurisdiction of the Board, and its predecessor the Interstate Commerce Commission (the "ICC") since at least 1940. The ICC Termination Act, and before it the Interstate Commerce Act, have long recognized that rail carriers may enter into leases of rail lines. Section 11323 provides that, before a rail carrier may "purchase, lease or contract to operate property of another rail carrier. . . ," approval of the Board must be obtained under Section 11324. 49 U.S.C. § 11323 (emphasis added). Since the

ICC Termination Act, a Class III carrier, such as BB, also has the option of obtaining approval of a lease pursuant to Section 10902, 49 U.S.C. § 10902.<sup>9</sup>

There is also nothing unusual about a class I carrier leasing rail lines to a short line carrier under these statutory provisions. Since the Staggers Rail Act of 1980, larger carriers have sold or leased thousands of miles of track in hundreds of transactions to short line carriers. The Board has remarked on more than one occasion that the acquisition of lines of railroad by short line carriers benefits the rail transportation policy. Large carriers are able to focus their limited capital and managerial resources on their mainline operations and larger shippers. Short line carriers are better positioned to try and grow traffic in lighter density local markets for rail service. For example, the Board explained the benefits of the acquisition of lines by short line carriers as follows in *Meridian Southern Railway, LLC—Acquisition and Operation—Line of Kansas City Southern Railway Co.*, STB Finance Docket No. 33854 (STB served August 29, 2000) at 2:

Larger railroads have shed many of their lighter density lines, either through abandonment or through line sales, and have focused more of their resources on their mainline service. For the larger railroads, this refocusing has helped improve their financial health. For many rural shippers, service has not been degraded because the slack has been taken by shortline railroads, many of which have been start-ups just like this one. . . . The ICC explained that a new shortline carrier often can operate a line more economically and effectively and will be able to tailor its services to the needs of the shipper. Indeed, because it is dependent on local traffic for its survival, a small carrier has greater incentive to provide good service than the larger railroad from which it bought the line. [citing Class Exemption, 1 ICC 2d at 812-13.]

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<sup>9</sup> An argument by rail labor that Section 10902 was limited to line sales and could not apply to leases was rejected by the STB, whose decision was upheld by the D.C. Circuit. *See United Transportation Union-Illinois Legislative Board v. STB*, 169 F.3d 474 (D.C. Cir. 1999).

While this proceeding involved a sale, the Board has expressed similar reasoning where the short line acquisition was in the form of a lease. *See, e.g., South Carolina Central Railroad Co.—Purchase and Lease—CSX Transportation, Inc., Lines in Georgia and Alabama*, ICC Finance Docket No. 31360 (ICC served May 4, 1989) at 9 (“Similarly, a short line operator with a greater stake in its fairly narrow customer base has a major incentive to provide high quality service, closely tailored to its customers’ needs.”); *Class Exemption—Acq. & Oper. of R. Lines Under 49 U.S.C. 10901*, 1 I.C.C.2d 810 (1985).

The purposes of the lease to BB are similar. This Transaction is simply another of a number of line sales and leases to short line carriers, through which CSXT has been re-focusing its business. CSXT has leased or sold several thousand miles of rail lines in numerous transactions, stretching back nearly 20 years. By so doing, CSXT has been able to devote more of its resources to mainline operations and larger shippers. As the Board knows, most class I carriers, including CSXT, do not earn their cost of capital. *See, e.g., Railroad Revenue Adequacy -- 2002 Determination*, STB Ex Parte No. 552 (Sub-No. 7) (STB served July 2, 2003). In 2003, CSXT made approximately \$ 882 million of investments in its railroad infrastructure and equipment. In 2004, CSXT expects to invest about \$ 970 million. CSXT is also in the process of hiring about 1,445 new train crew employees this year. Given the need for capital investment and managerial resources, CSXT must make prudent choices where to invest its resources.<sup>10</sup>

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<sup>10</sup> BMWWE should understand the need of an organization periodically to evaluate its activities and allocate its scarce resources to those activities that contribute to its long-term survival. BMWWE is not viable as a stand-alone organization, is in financial difficulty, and has had to seek a merger with a larger labor organization to survive in any form. After an earlier attempted merger with a different union failed, BMWWE recently announced that it had voted to merge with the International Brotherhood of Teamsters.

The Line has the characteristics of a light density branch line with respect to local shippers. As explained in the Application, there is the possibility for future growth, including diversion of traffic from truck to rail. CSXT, however, simply cannot justify the investment of managerial or other resources or commitment of more crews and equipment to this Line, which would be necessary to sustain and grow local traffic.

In contrast, BB, a proven short line operator, is well suited to serve this kind of local market. BMW does not deny that, with respect to local shippers, this is a light density line and BB, as a locally based short line, is incentivized to provide more responsive service to current and prospective shippers.

B. This Transaction is a Legitimate Lease

BMW contends, without citing any authority, that the Lease is not a “legitimate” lease because it is not for a really, really long duration, say 99 years; the lease can be unilaterally terminated after the first 10 years of its 20-year term; and CSXT will continue to operate some trains over the Line. BMW at 25-27. As explained above, this Transaction is similar to other lease transactions that have come before the Board. BMW’s arguments that the lease is not legitimate are without merit. In fact, there is no set form, in the statute or decisions of the Board or ICC, that a line lease must take.

BMW’s assertion that this lease cannot be a real lease, because “CSXT retains ownership of the Lines. . . .” is bizarre. BMW at 27. A fundamental characteristic of a lease is that lessor retains ownership of the property. A lease is simply a contract in which a property owner conveys less than its entire ownership interest in the property. *See, e.g.*, Restatement (Second) of Contracts, § 125 (“A lease is both a conveyance and a contract.”); A. L. Arnold & J. O’Neill, *Real Estate Leasing Practice Manual*, Vol. 1 at v (2001) (“[A] real estate lease

involves a division of the rights to property between the parties. The lessor retains ownership but gives the lessee the right to possession for the period of the lease term.”). The Lease has the basic attributes of a lease. It is a conveyance by CSXT to BB of the right to possess and utilize the Line. See Lease ¶ 1 (Conveyance) and ¶ 2 (Right to Possession). BMWWE does not contend that the Lease to BB lacks these basic characteristics. Moreover, under the lease terms, BB has possession and control of the Line.

There is also nothing unusual about the retention of trackage rights by CSXT in this Transaction. As the Board knows, it is commonplace in the industry for rail carriers to operate under trackage rights over each other’s rail lines. For example, the Burlington Northern and Santa Fe Railway Company (“BNSF”) retained overhead trackage rights over a line that it recently leased to a short line in an exempt Section 10902 transaction. *Timber Rock Railroad, Inc.—Lease Exemption—The Burlington Northern and Santa Fe Railway Co.*, STB Finance Docket No. 34503 (STB served July 14, 2004).<sup>11</sup> That transaction had some similarities to the Transaction. BNSF has two main line routes from southeast Texas to Beaumont, Texas. One route went north, around Houston. The other route went south and through Houston. BNSF leased the line running to the north of Houston to an existing short line. BNSF retained overhead trackage rights over the leased line to move unit trains between southeastern Texas and Beaumont. Local traffic on the leased line is handled by the short line.

In another transaction involving BNSF, the lessee short line granted BNSF overhead trackage rights over a portion of the lines leased from BNSF in an exempt Section 10902

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<sup>11</sup> The UTU, but not the BMWWE, raised an objection to the transaction. BNSF explained in its response to the UTU pleading that it retained overhead trackage rights over the entirety of the leased lines. Reply To Revoke Of Timber Rock Railroad, Inc. at 7; Verified Statement of Christopher M. Randall. UTU did not argue that the lease was a sham or lacked the characteristics of a lease.

transaction. *Burlington Northern and Santa Fe Ry. Co.—Trackage Rights Exemption—The Portland & Western Railroad, Inc.*, STB Finance Docket No. 34304 (STB served February 3, 2003).

CSXT recently leased rail lines in Kentucky, its Old Road Sub, to an existing short line in an exempt Section 10902 transaction. CSXT retained overhead trackage rights to move unit trains over portions of the leased line. *R.J. Corman Co./Central Kentucky Lines—Lease and Operation Exemption—Lines of R.J. Corman Equipment Co., LLC*, STB Finance Docket No. 34387 (STB served September 12, 2003) and *R.J. Corman Equipment Co. LLC—Acquisition Exemption—Lines of CSX Transportation, Inc.*, STB Finance Docket No. 34386 (served September 12, 2003). *See also, e.g., Alabama Gulf Coast Ry. – Acquisition and Operation Exemption—The Burlington Northern and Santa Fe Railway Company*, STB Finance Docket No. 34323 (STB served June 17, 2003) (overhead trackage rights over purchased and leased lines).

In none of these line lease transactions did BMW, or anyone else, assert that the lease was not a “legitimate” lease or conveyance or a sham, because the lessor would continue to operate some trains over the leased track.

It is also not true that CSXT “will remain the dominant operator” on the Line. BMW at 26. BB will be responsible for serving all local shippers on the Line. The fact that CSXT will also continue to serve directly Martin Marietta at Verdon for selected traffic does not make the transaction lacking in the characteristics of a lease. This shipper is located only about four miles from BB’s interchange with CSXT at Doswell. CSXT will operate under these trackage rights for about 30 miles between Verdon and AM Junction, at which point CSXT will reenter its own

line. The majority of this movement, about 70 miles, is over CSXT track. It is simply more efficient for CSXT to use its equipment and crews to operate this train rather than to turn it over to the BB for such a short move on the BB. Other than this one shipper, CSXT will only have limited overhead trackage rights over the Line.

There is also no requirement that a lease be of any particular duration in order to be considered "legitimate". As with other terms of the lease to BB, its duration has been determined by negotiation between the parties. The term of this lease, 20 years, is typical of leases to short line railroads. *See, e.g., Wilmington Term. RR, Inc.—Pur. & Lease—CSX Transp., Inc.*, 6 I.C.C.2d 799, 801 (1990) (20 years); *R.J. Corman—Purchase and Lease*, 1989 ICC LEXIS 154 (20 years). Terms of line leases have also been of shorter duration. For example, the Port of Galveston leased all of the rail lines associated with its port operations to a short line for a term of ten years. While the unions representing the Port's railroad employees, including BMW, challenged the lease transaction on a number of grounds, they did not claim that the ten-year term made the lease a sham. *See Railway Labor Executives Ass'n v. City of Galveston Wharves*, 897 F.2d 164, 166 (5<sup>th</sup> Cir. 1990).

BMW's argument that, in effect, the lease is only for a 10-year term, because the parties have the option, at 10 years, to renegotiate CSXT's traffic guarantee, is clearly erroneous. The lease expressly states that it is for a term of 20 years. The fact that the parties made provision to re-examine the terms of the lease after 10 years is not extraordinary and was a prudent business decision. It is not unusual for parties to long term commercial arrangements to reduce risk from the uncertainty that the future may hold by making provision for reexamination of whether the arrangement should be adjusted to make sure it continues to be beneficial throughout its term.

The Board has recognized that short line operations have risks.<sup>12</sup> Moreover, the duration of a lease does not determine whether a lease is “legitimate”.

C. The Lease Is Not Designed For “Improper Purposes”

BMW’s contention that the lease is a sham device to use Board approval for “other” “improper” “non-lease” purposes” is erroneous and self-contradictory. BMW at 27.

The heart of BMW’s “sham” allegation is that the lease is for “improper purposes.” BMW at 25. BMW asserts that the non-lease purposes are to remove the leased track from CSXT’s inventory and enable CSXT to avoid responsibility for maintenance of the lines and FRA fines. BMW at 27. The BMW’s sham argument quickly falls apart, however, because BMW concedes that these alleged purposes “are not improper if they were to be accomplished by a sale or a real lease.” BMW at 28. So, the alleged purposes are not improper after all. If they are not improper, then how is the transaction a sham?

CSXT would also note that in virtually all leases of rail lines, the lessee incurs the common carrier obligation, becomes responsible for the maintenance of the leased rail lines and, as the operator of the lines, is subject to FRA oversight. Accordingly, under BMW’s tortured logic, every lease of a rail line is for “improper purposes.”

As previously explained, the purposes for the lease are to reduce the size of the rail system for which CSXT is responsible, so it can focus its resources on mainline traffic and larger

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<sup>12</sup> See, e.g., *Chicago, Missouri & Western Ry. Co. -- Exemption Acquisition & Operation -- Illinois Cent. Gulf R.R.*, ICC Finance Docket No. 30911 (ICC served May 5, 1987) (“CM&W was separately incorporated to insulate Venago and South Shore from the business risks inherent in the start-up operations of a new, short-line carrier.”); *Canadian American R.R. Co. -- Acquisition and Operation Exemption—Certain Lines of Canadian Pacific Limited in Maine*, ICC Finance Docket No. 32646 (ICC served April 11, 1995) (“These two shippers supported and organized the sale and created their respective noncarrier subsidiaries to provide continued service over the line while insulating their parents and affiliates from the financial risks of the new enterprises.”).

shippers, and to allow BB the opportunity to improve service to existing local shippers and grow the local traffic base. BMWWE does not contest that these are the purposes of the Transaction or that they are “proper” purposes. BMWWE’s real complaint is that it would have preferred that the transaction be structured differently than CSXT and BB chose.

For example, BMWWE suggests that CSXT could have sold the Line to BB. Neither the ICC Termination Act, Board precedent, nor the RTP require that the conveyance of the line be in any particular form. Conveyances of lines to short lines by Class I’s have taken a variety of forms. There have been sales of line segments.<sup>13</sup> There have been transactions where the short line purchased some lines and leased others.<sup>14</sup> There have been transactions where the selling or leasing carrier also granted the purchaser or lessee trackage rights.<sup>15</sup> As discussed above, there have been transactions where the selling or leasing carrier retained trackage rights. There have been transactions that took the form of leases.<sup>16</sup> There have been transactions where the short line purchased the track and other improvements, but leased the underlying right-of-way.<sup>17</sup>

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<sup>13</sup> See, e.g., *Lancaster and Chester Ry. Co.—Acquisition and Operation Exemption—Norfolk Southern Railway Company*, STB Finance Docket No. 34334 (STB served May 9, 2003).

<sup>14</sup> See, e.g., *Alabama Gulf Coast Ry. LLC—Acquisition and Operating Exemption—The Burlington Northern and Santa Fe Ry. Co.*, STB Finance Docket No. 34323 (STB served June 17, 2003).

<sup>15</sup> See, e.g., *M & B Railroad LLC—Acquisition and Operation Exemption—CSX Transportation, Inc.*, STB Finance Docket No. 34423 (STB served November 20, 2003).

<sup>16</sup> See, e.g., *Central Railroad Co. of Indianapolis—Lease and Operation Exemption—CSX Transportation, Inc.*, STB Finance Docket No. 34508 (STB served July 30, 2004); *Alleghany Valley Railroad Co.—Lease, Operation and Trackage Rights Exemption—Lines of CSX Transportation, Inc.*, STB Finance Docket No. 34431 (STB served November 26, 2003).

<sup>17</sup> See, e.g., *R.J. Corman Equipment Co. LLC—Acquisition Exemption—Lines of CSX Transportation, Inc.*, STB Finance Docket No. 34386 (STB served September 12, 2003).

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CSXT has employed all of these arrangements. The nature of the arrangement depends on a variety of variables, including net liquidation value of the line and the amount and types of traffic on the line.

The BMWWE's sham argument also is without merit, because BMWWE does not identify any legal obligation, within the Board's jurisdiction or otherwise, which would supposedly be evaded by the lease. The common carrier obligation will still be honored by BB. In the unlikely event BB defaulted in its operation of the Line, because this Transaction is a lease, CSXT would be obligated to resume operations over the Line to satisfy that obligation. The Line remains subject to federal rail safety laws. BB will be subject to FRA regulation and oversight.

BMWWE cites several court and Board precedents where it was found that the transaction was a sham. But, the BMWWE does not argue that the facts of those cases are even remotely like those presented by the Application. For example, in *Burlington Northern Railroad Co. v. United Transportation Union*, 862 F.2d 1266 (7<sup>th</sup> Cir. 1988), the court found that a trackage rights arrangement was a sham designed to avoid the Railway Labor Act's (the "RLA") status quo requirement. But, that case involved an arrangement between two affiliated companies after the BN was unable to secure more flexible work rules in collective bargaining. CSXT and BB are not related and there has been no claim that the negotiations between them were anything other than arms length. And, BMWWE has previously conceded in other fora, and the courts have

found, that the sale or lease of rail lines to an unaffiliated entity does not violate the RLA status quo requirement.<sup>18</sup>

The facts of the other cases cited by BMWWE for the proposition that a sham transaction can be the basis for a petition to revoke similarly have no bearing on this proceeding. BMWWE at 19-20.<sup>19</sup> The transactions cited by BMWWE involved the revocation of exemptions where the Board takes corrective action after the fact. In this proceeding, BMWWE has taken full advantage of discovery before the Transaction was approved. As a result of the voluminous discovery provided to BMWWE, BMWWE has not been able to prove that the Lease is a sham, which it is not. As noted above, this Transaction has occurred after a competitive bid process followed by an analysis and selection, which resulted in lengthy, difficult negotiations between the parties.

In sum, there is no basis for BMWWE's contention that the lease is a sham. Applicants urge the Board to conclude that the Lease is not a sham.

#### **NS COMMENTS AND RESPONSE**

NS does not oppose the proposed Transaction. Nor does NS claim that the proposed Transaction will reduce competition.

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<sup>18</sup> CSXT's unions, including BMWWE, have conceded in prior judicial proceedings that nothing in CSXT's labor agreements prohibit it from disposing of lines of railroad. *See Railway Labor Executives Ass'n v. CSX Transportation, Inc.*, 938 F.2d 224, 228 (D.C. Cir. 1991) ("RLEA concedes that in the absence of the section 6 notices, CSXT's ability to sell its lines is a managerial prerogative that is not limited by any existing agreement, express or implied."). In CSXT's prior 20-year history of selling or leasing rail lines, including to short lines, BMWWE has not asserted that the sale or lease violated its labor agreements.

<sup>19</sup> Unlike those cases, this proceeding does not involve a transaction between affiliates, does not involve a transaction subject to the Board's jurisdiction, and does not involve a company seeking to acquire a rail line only to sell it for salvage.

The first concern raised by NS is whether CSXT intends to sublease or assign it rights under the lease of the NS Line to BB. Despite some language that is subject to more than one interpretation in the Application, CSXT intends to sublease the NS Line to BB, as is stated in the Lease. BB will be responsible for maintaining the NS Line in the condition that exists on the date of closing pursuant to Article 10 of the Lease. BB has developed a detailed maintenance plan for the Line which is attached to Mr. Bryant's verified statement.

NS next seeks clarification as to whether both CSXT and BB will operate over the NS Line. CSXT will sublease the NS Line to BB. BB will be the only freight railroad operating on the NS Line after consummation of the proposed Transaction.

NS is concerned that BB assume CSXT's obligations under certain operational agreements concerning operations both on the NS Line and at points along the C&O Line where CSXT and NS interact. In the Lease Applicants' intend to assign all of those agreements from CSXT to BB under Exhibit E. If specific agreements have been overlooked, Applicants would appreciate notification of those specific agreements by NS so that they may be included in Exhibit E.

The main concern of NS seems to be the need for its consent to the sublease of the NS Line from CSXT to BB. NS goes so far as to say that consent has not been obtained. NS Comment at 11. A more accurate description of the situation would be that NS has not granted consent. CSXT has requested consent from NS, but for reasons irrelevant to this proceeding, NS has refused to grant consent.

Applicants believe that through continued negotiation, CSXT and NS will agree to the sublease of CSXT's authority to operate over the NS Line to BB. If negotiations fail, Applicants

will seek a ruling from this Board, in arbitration, or perhaps, as a last resort, even discontinue service under the lease allowing NS to assume its common carrier obligation over the NS Line.

Applicants contend that NS has not raised any issues concerning the competitive effects of the proposed Transaction, and have not provided a basis for the Board to deny or condition the Lease from CSXT to BB.

#### **AMTRAK COMMENTS AND RESPONSE**

Amtrak states that the proposed Transaction is important because the Cardinal operates over the NS Line and the C&O Line west of Gordonsville, VA (the "Amtrak Line") three days per week in each direction.

Amtrak is concerned about the physical condition of the Amtrak Line. Attached to this response is a verified statement by Mr. Robert E. Bryant, President of BB. Mr. Bryant provides detail concerning BB's plans to improve the physical condition of the Line and BB's Maintenance of Way Plan. According to Mr. Bryant, BB intends to spend between \$1.8 and \$2.2 million annually on the Line.

Amtrak is also concerned that BB will hire fewer maintenance of way employees than CSXT has assigned to the Line. Mr. Bryant also addresses this concern. Not only will BB hire the 12 new employees, but BB will make use of contractors to supplement BB's resources to assure the proper maintenance of the Line.

Amtrak is concerned about the reduction of CSXT overhead trains on the Line. However, regardless of the number of trains operating on the Line, CSXT has guaranteed a minimum volume to BB for the first 10 years of BB's operation that will provide substantial revenue to BB. See Lease, Exhibit F, Confidential Article 5.

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Finally, Amtrak is concerned that BB contemplates removing the signal system from the Amtrak Line. BB explained how it would operate the Amtrak Line without a signal system in the Application. In addition, the removal of the signal system is a matter that is for the FRA to decide. Before the signal system is removed, BB must obtain FRA approval.

Although Amtrak takes no position “as to how the Board should rule on the Application,” (Comment at 6), Amtrak requests CSXT and the Board ensure maintenance of the Amtrak Line to the levels required for continued passenger operations. Attached in Appendix C are portions of the Amtrak CSXT Agreement. Section 4.4 of the Agreement permits CSXT to operate the Amtrak Line below FRA Class III standards and provides for Amtrak to pay to maintain the Amtrak Line at Class III standards. Without any financial contribution, Amtrak is only entitled to have the Amtrak Line maintained as FRA Class II track. BB is obligated to maintain the Line in at least the same condition it is in on the date of consummation pursuant to Article 10 of the Lease, unless it negotiates a different level of maintenance with CSXT.

Amtrak has produced no evidence concerning the competitive aspects of the proposed Transaction. Applicants contend that competitive harm is the only basis for the Board to impose conditions on the proposed Transaction and that Amtrak has made no showing of competitive harm. Moreover, Amtrak has produced no evidence of a need to maintain the Amtrak Line at more than FRA Class II. Under Article 10 of the Lease between CSXT and BB and Section 4.4 of the Agreement between CSXT and Amtrak, Amtrak’s interests in the condition of the Amtrak Line are amply protected. Hence, Applicants contend that because there is no basis for the Board to impose a condition as discussed above and because Amtrak is protected under two separate agreements, the Board should not condition the proposed Transaction on BB maintaining the Amtrak Line to a specific FRA Classification.

## VIRGINIA COMMENTS AND RESPONSES

Virginia filed a Response on September 20, 2004, stating that the Line is important to Virginia for both freight and passenger service. Based on discussions with Amtrak and BMW, and despite admitting not having inspected the Line and FRA jurisdiction over the track safety of the Line, Virginia encourages the Board to impose a condition requiring that CSXT correct all deficiencies on the Line prior to consummating the proposed Transaction. Applicants contend that there are three problems with the condition proposed by Virginia.

First, Virginia has not justified the condition. Virginia has not demonstrated any competitive harm arising from the proposed Transaction. Nor has Virginia demonstrated any harm from the lease of the Line by BB from CSXT in its current condition. CSXT and Amtrak operate over the Line today. Upon consummation, BB and Amtrak will operate over the Line. As shown in Mr. Bryant's verified statement, BB has a plan to improve the condition of the Line over time. The condition proposed by Virginia (1) is not related to any impact from the proposed Transaction, (2) will not enable shippers to receive adequate service, and (3) will provide a windfall to Amtrak and Virginia. *See Burlington Northern, Inc.—Control & Merger—St. L.*, 360 I.C.C. 784, 951 (1980).

Secondly, the condition proposed by Virginia will alter the economics of the proposed transaction. CSXT is proposing to lease the Line to BB in its current physical condition. Virginia has not even studied or suggested the cost of making the "corrections" it seeks. It is CSXT's position that these "corrections" will cost millions of dollars and take months to complete. Indeed, BB has proposed an ongoing maintenance program that will years and cost about \$2 million per year. If CSXT were required to make the unspecified "corrections" sought by Virginia, CSXT would not lease the Line for only \$140,000 annually.

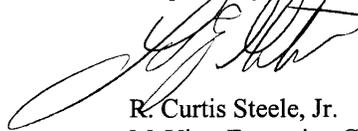
Finally, the imposition of the "correction" condition by Virginia is a deal breaker. If the Board imposes the condition sought by Virginia, CSXT will not consummate the proposed Transaction, and the Line will be left in the same condition it is today.

Applicants respectfully request the Board to deny the condition requested but not justified by Virginia.

### CONCLUSION

Buckingham Branch Railroad Company and CSX Transportation, Inc. pray that the Board grant this application subject only to conditions for the protection of employees and deny all other requests for conditions to the proposed Transaction and enter an appropriate order approving the transaction proposed in the Lease as required by 49 U.S.C. § 11323(a).

Respectfully submitted,



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Company

Dated: September 23, 2004

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing document to be served upon the following parties by first class mail pre-paid.

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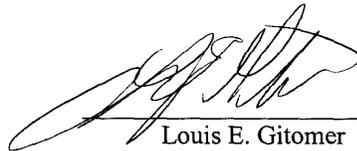
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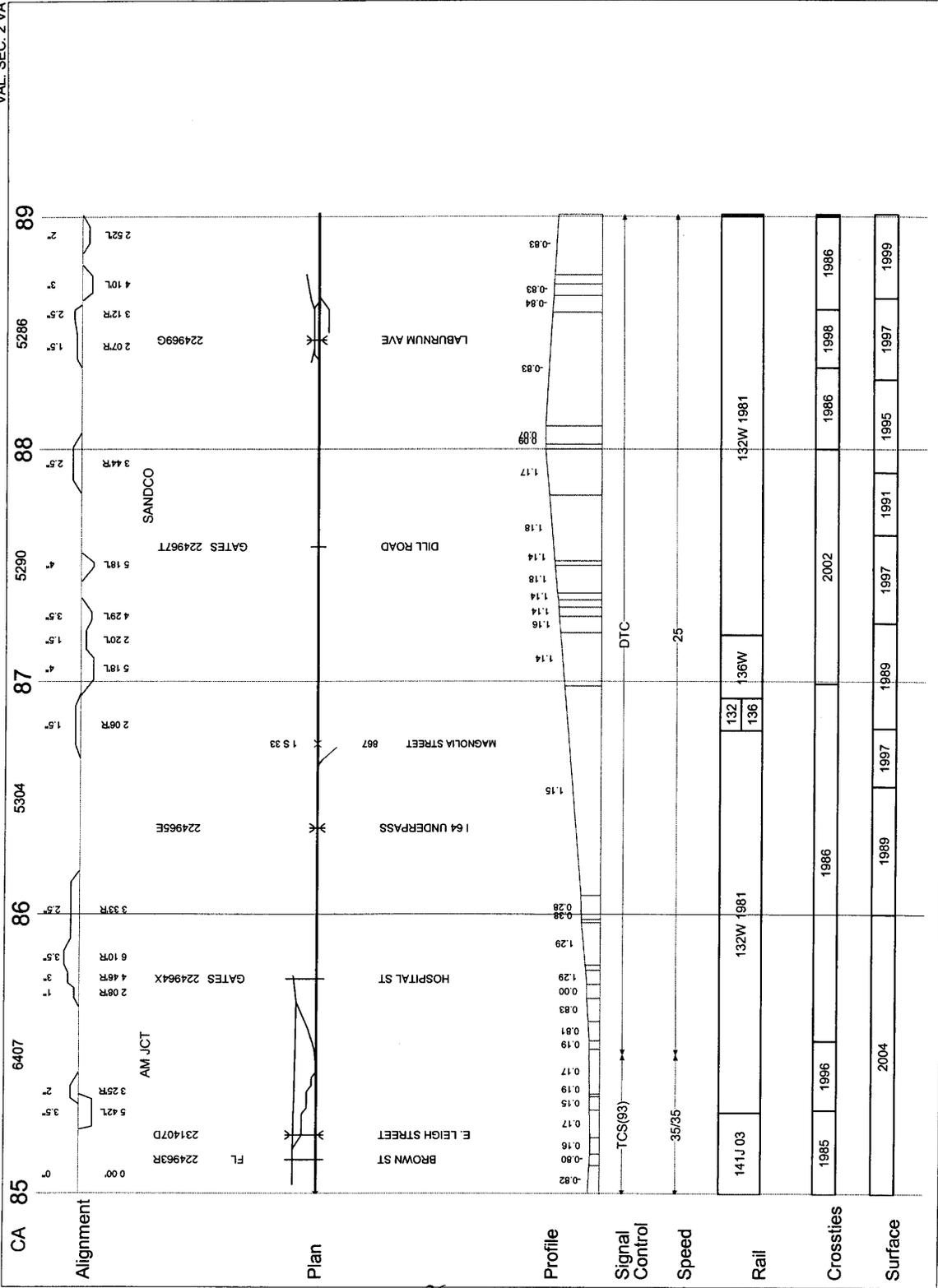
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Louis E. Gitomer  
September 23, 2004

# APPENDIX A

# C&O - PENINSULA /PIEDMONT

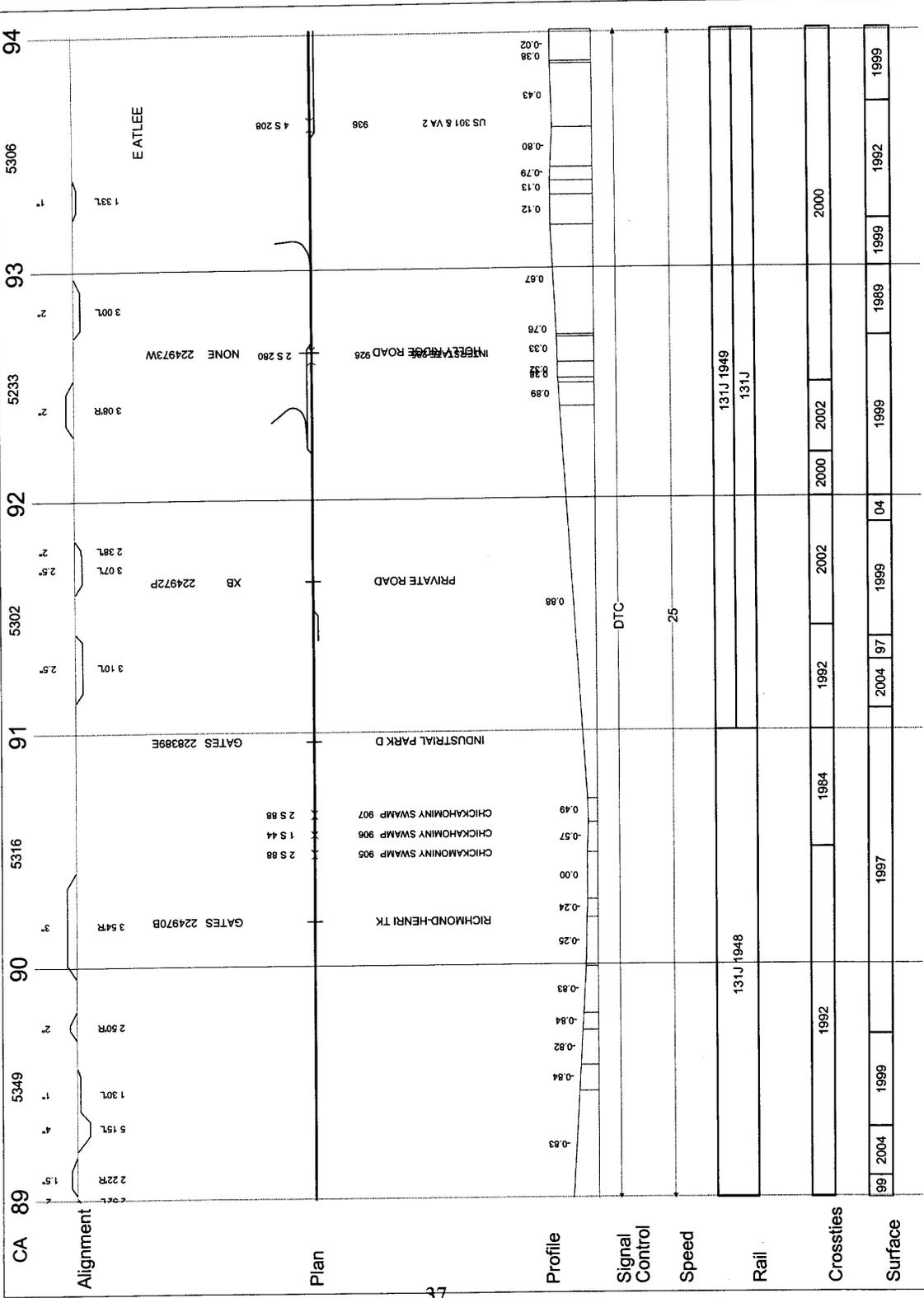
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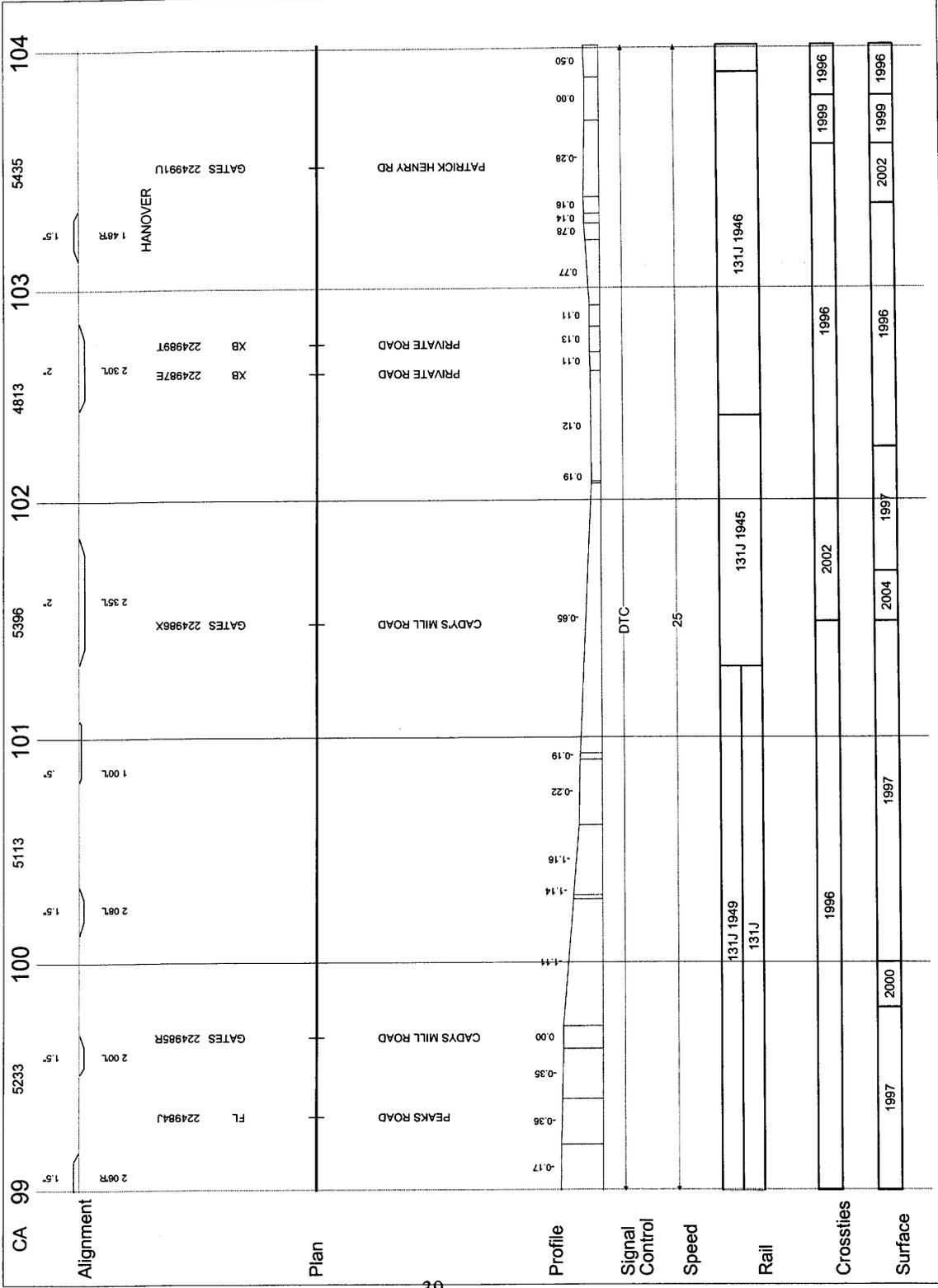
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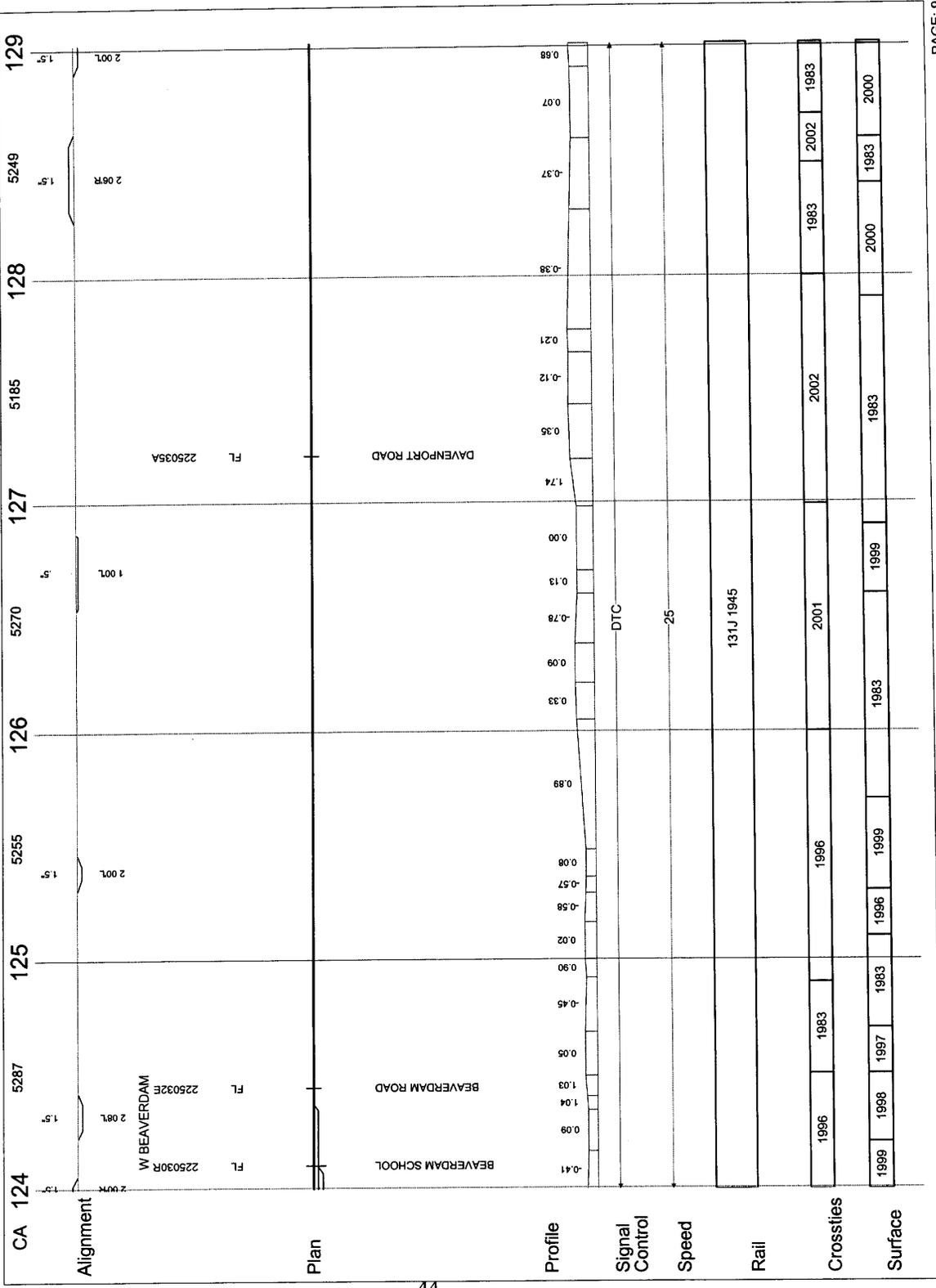






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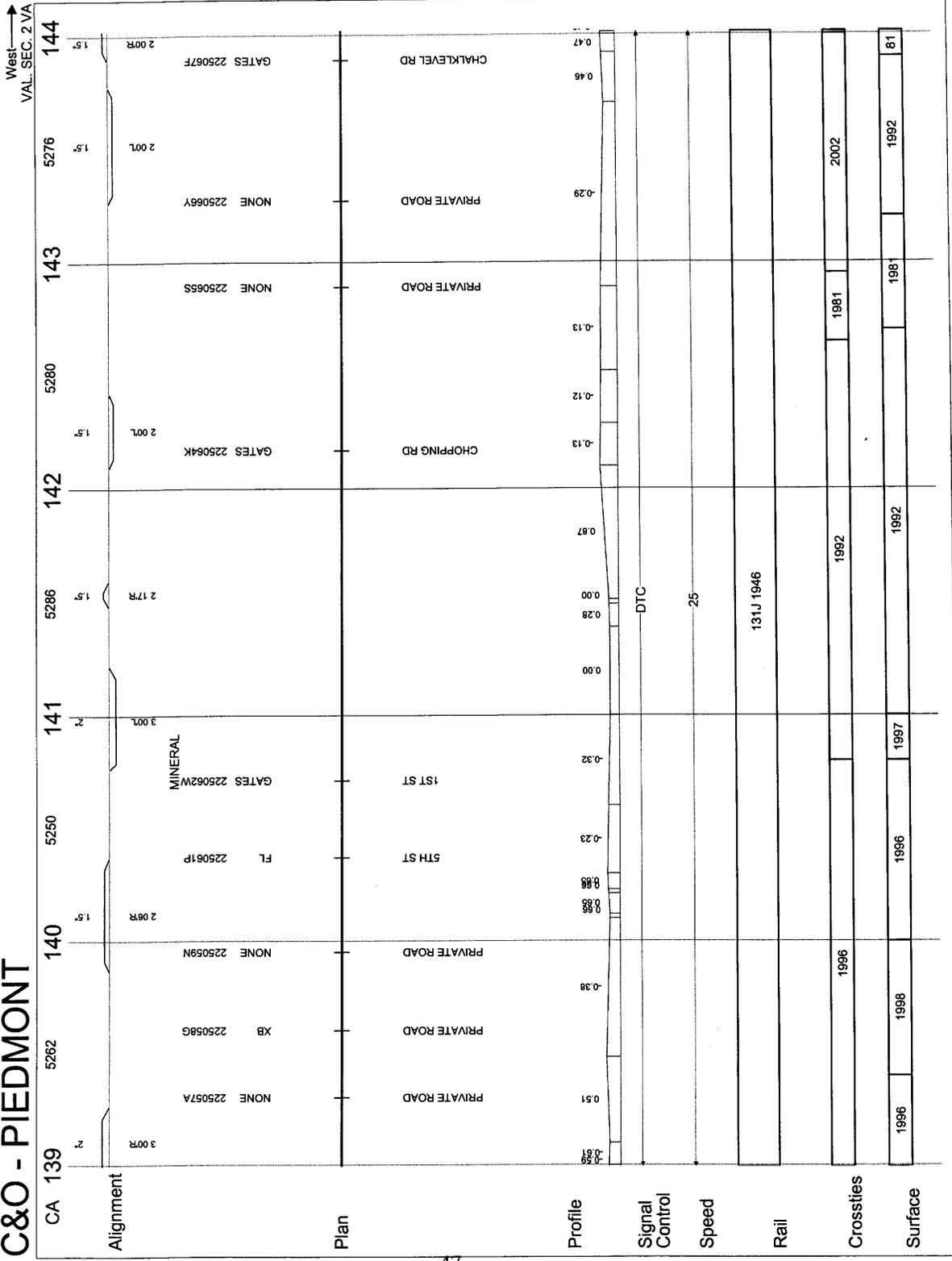
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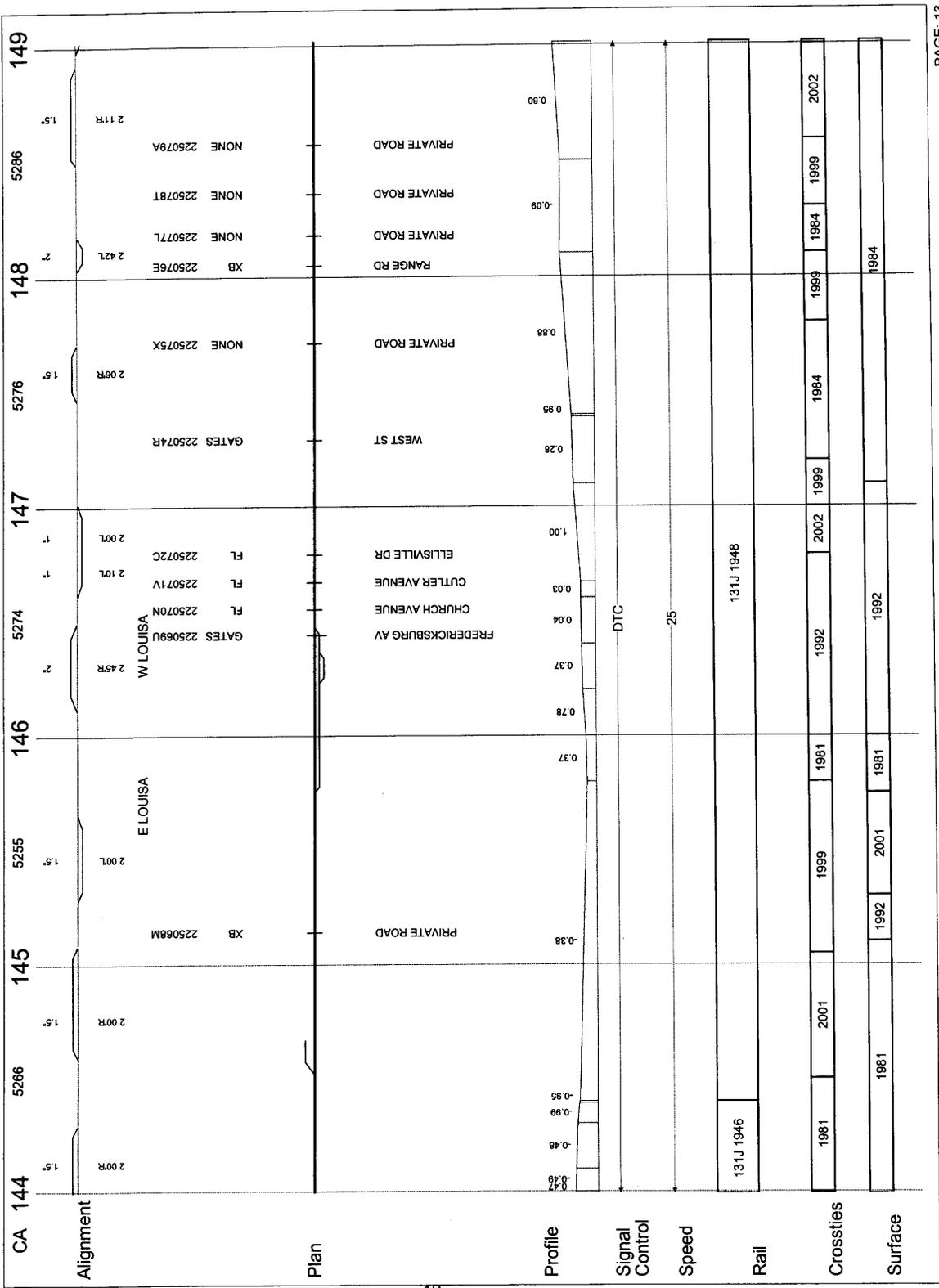


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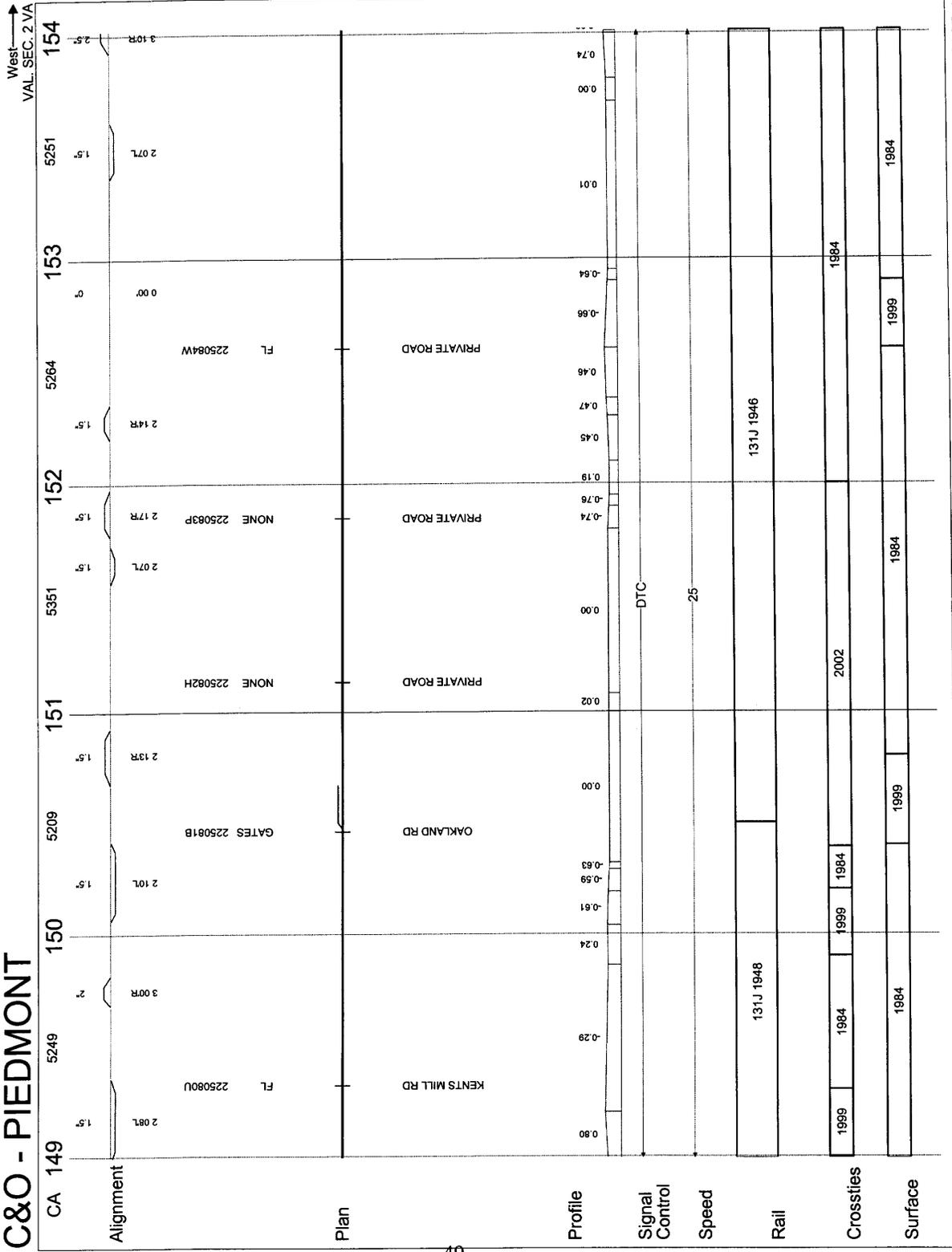


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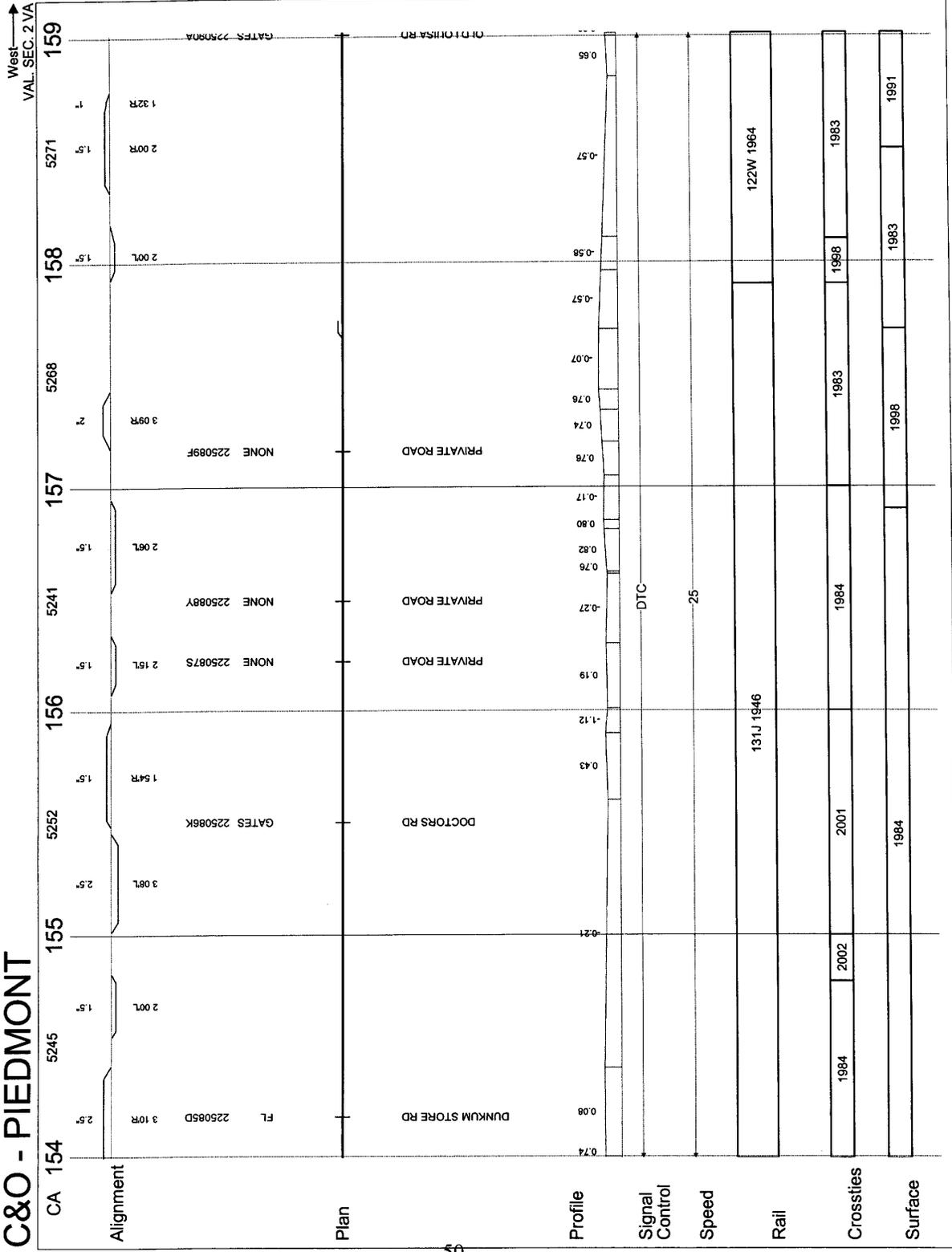
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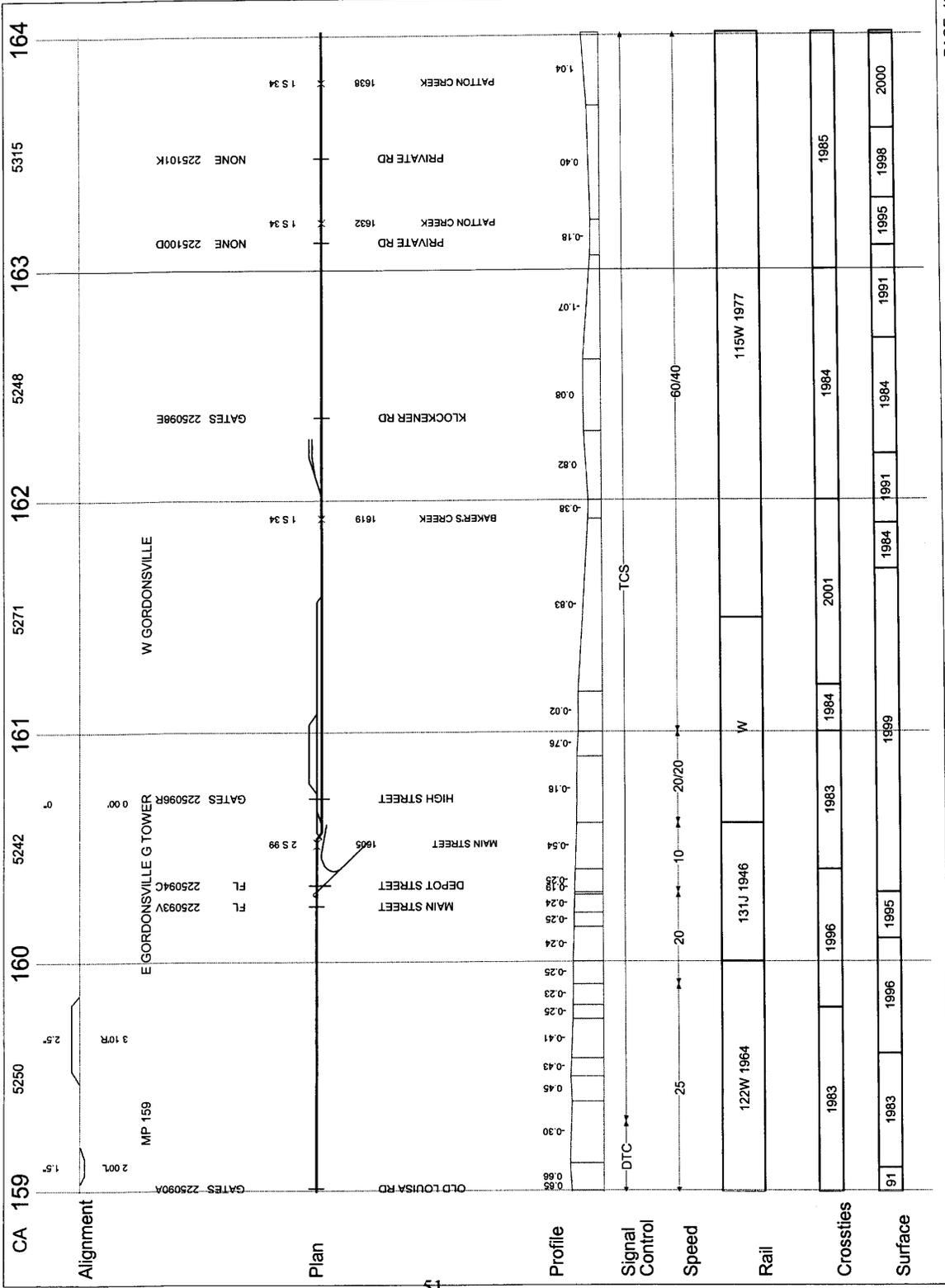


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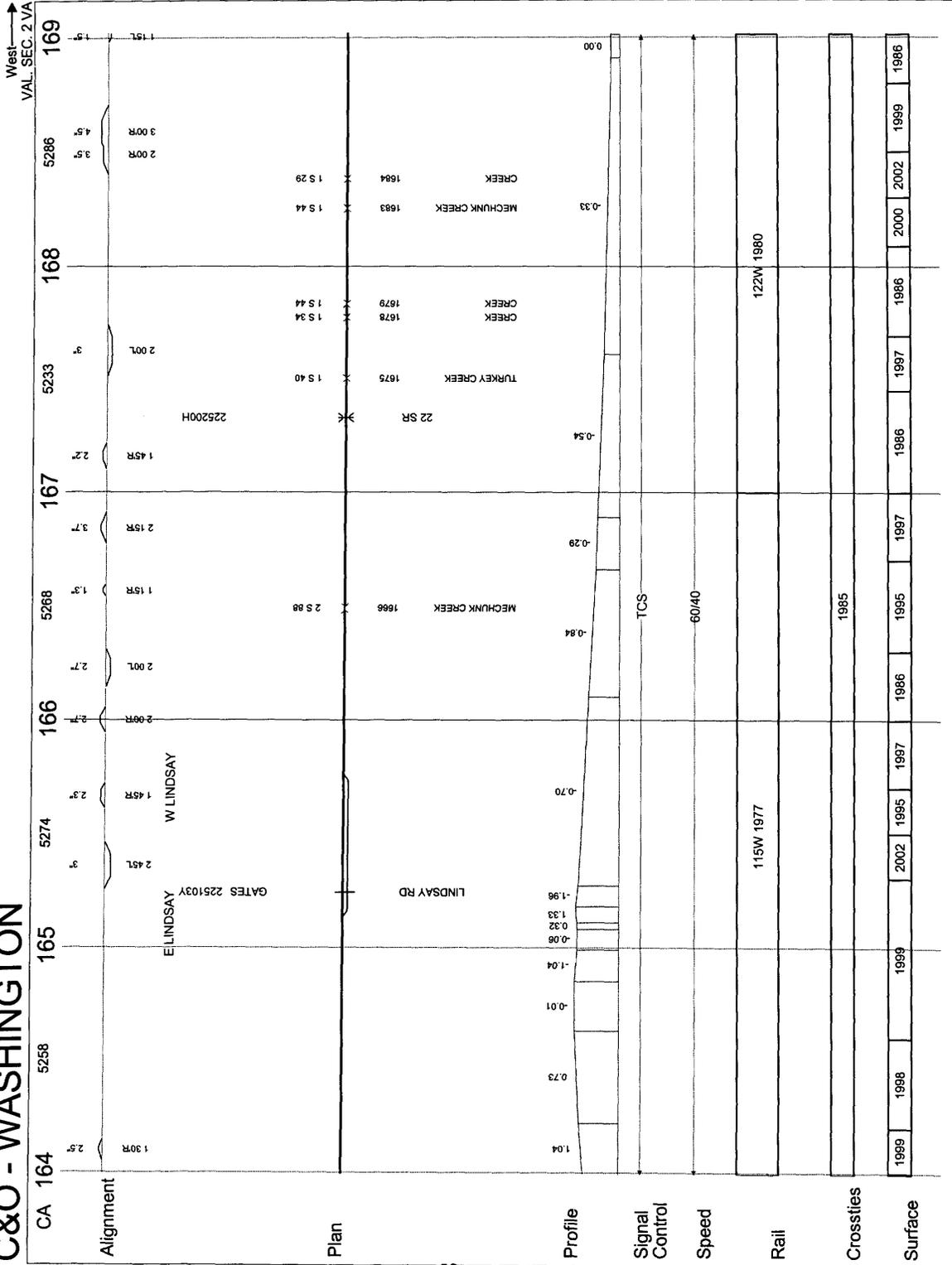


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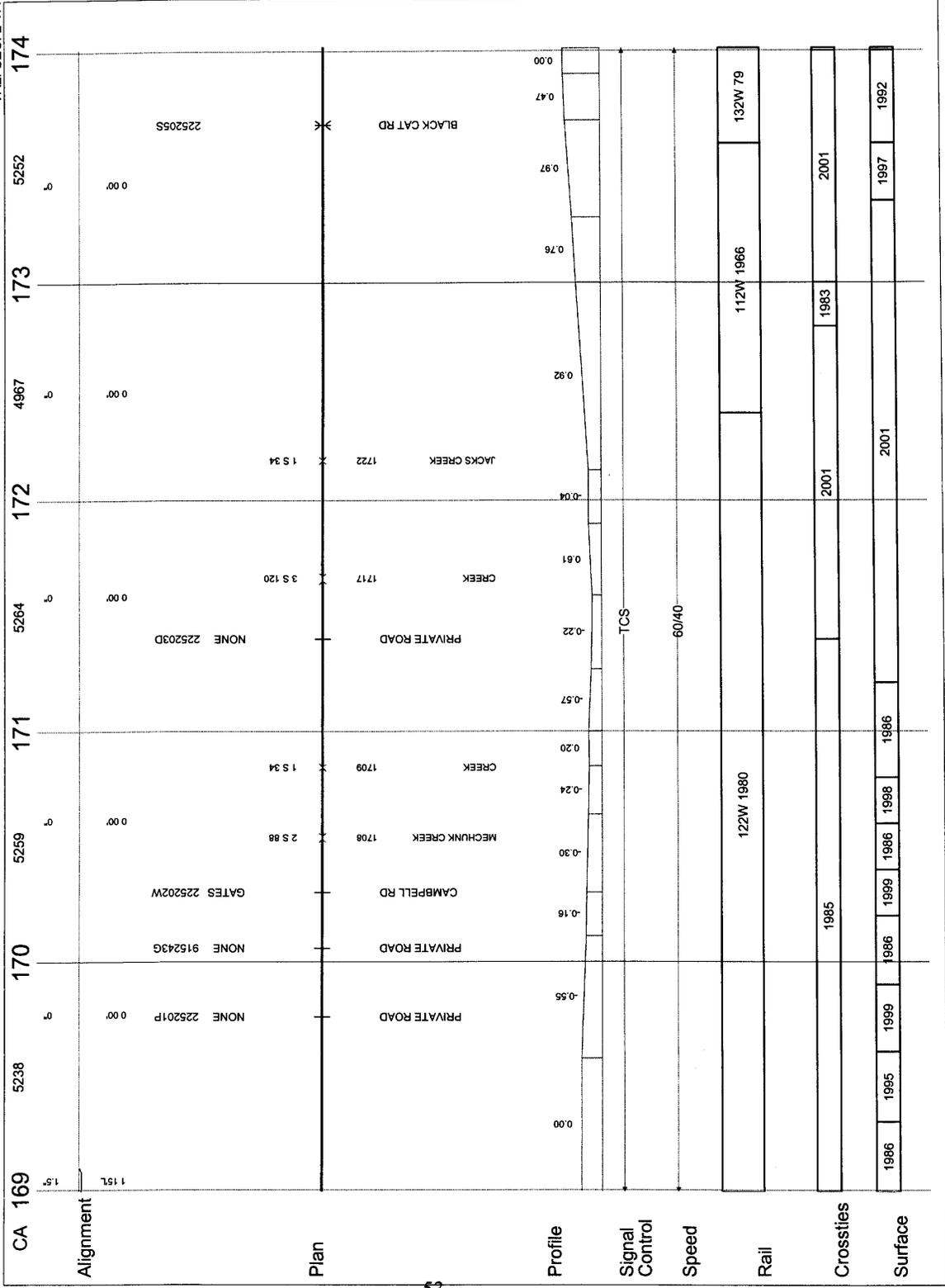
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# C&O - WASHINGTON

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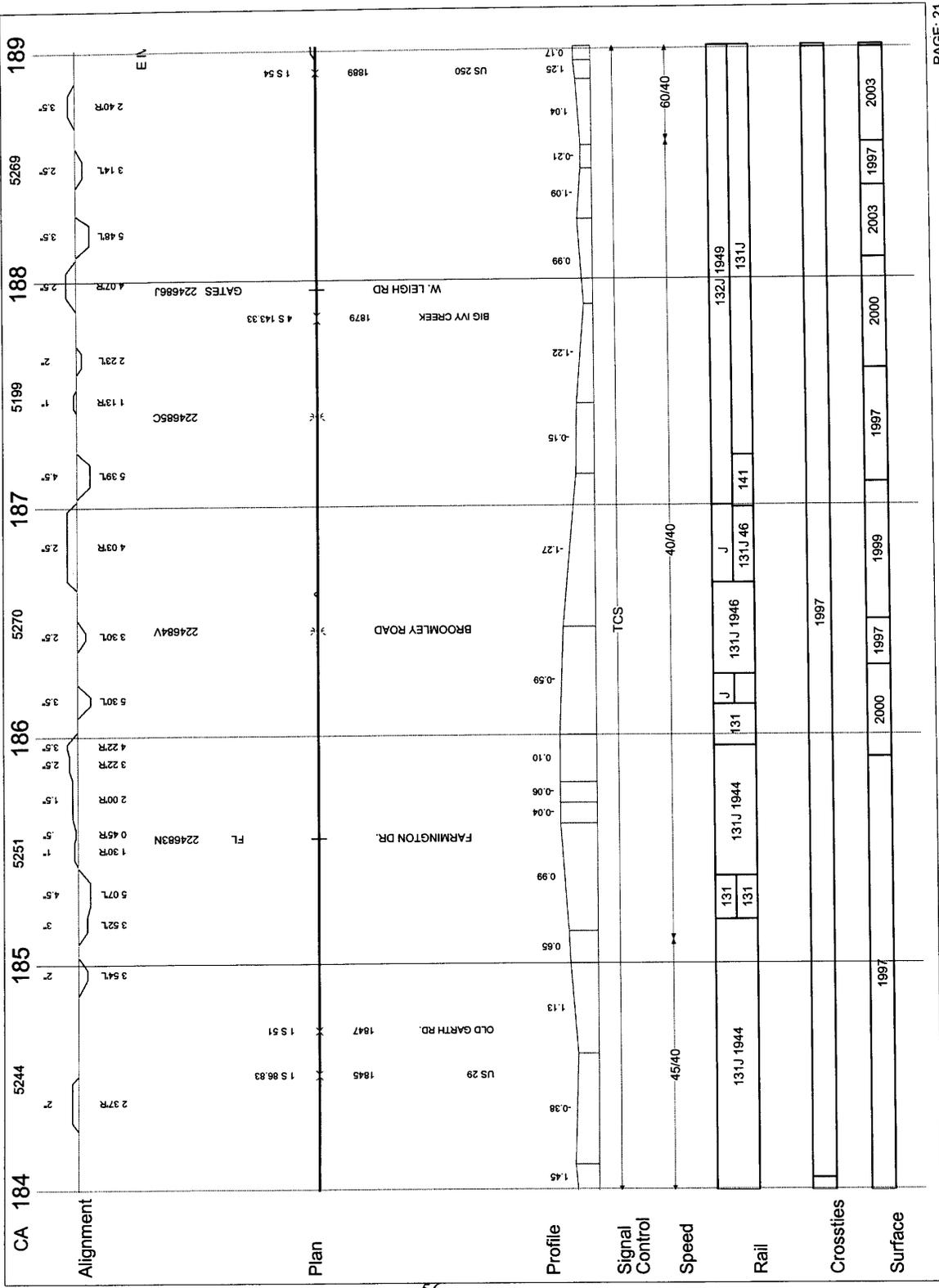






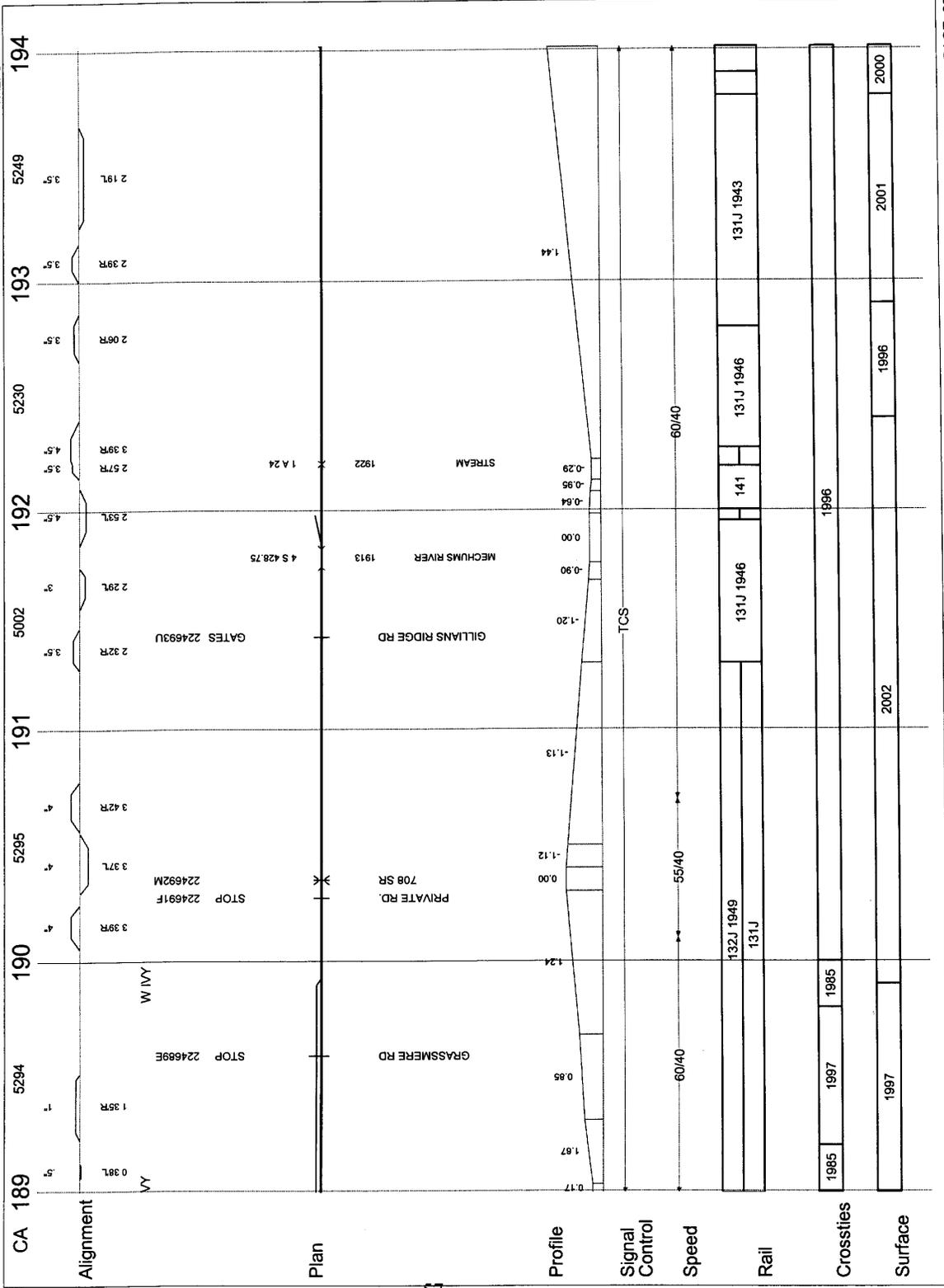
# C&O - NORTH MOUNTAIN

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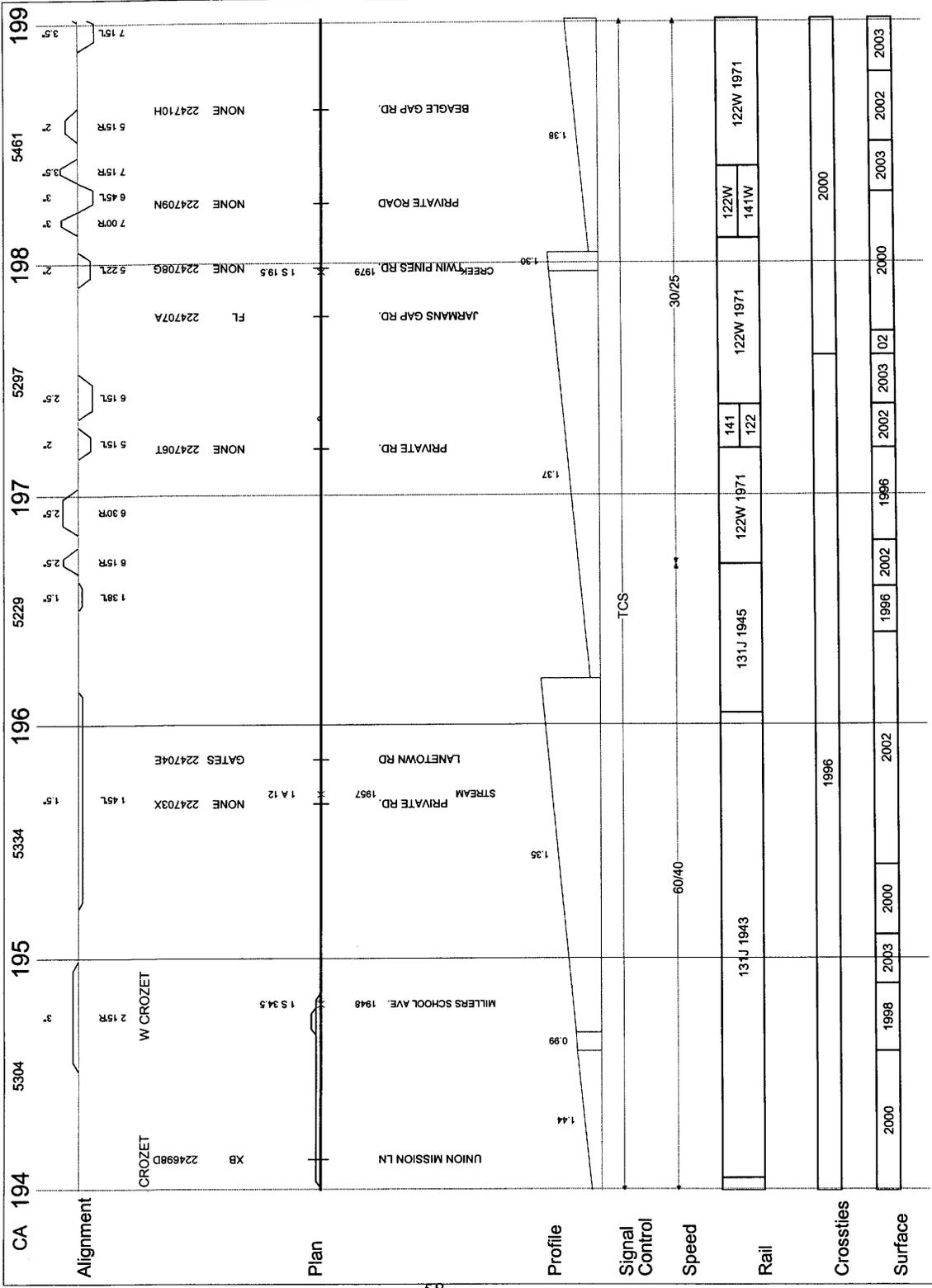
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VAL. SEC. 2 VA



# C&O - NORTH MOUNTAIN

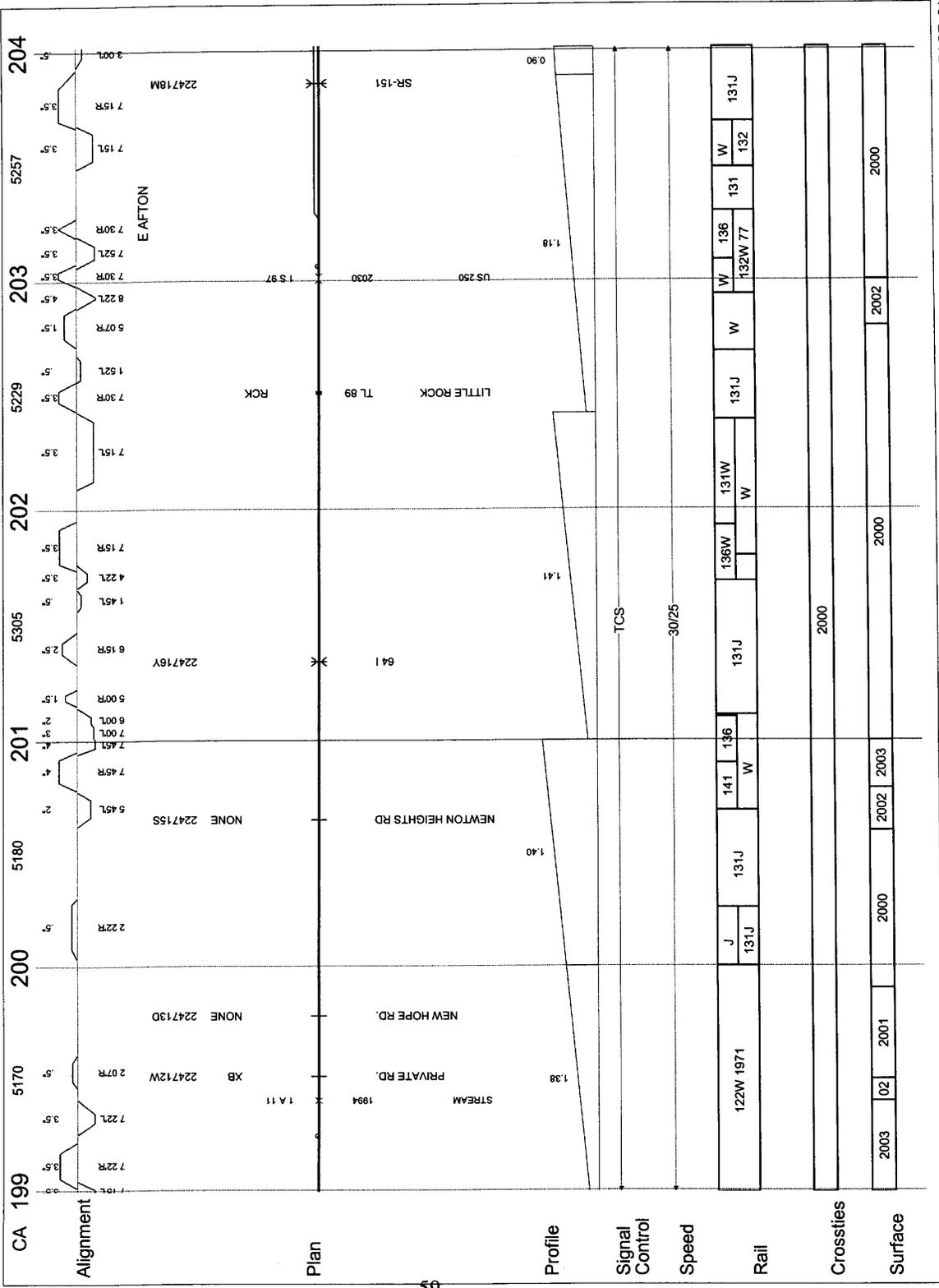
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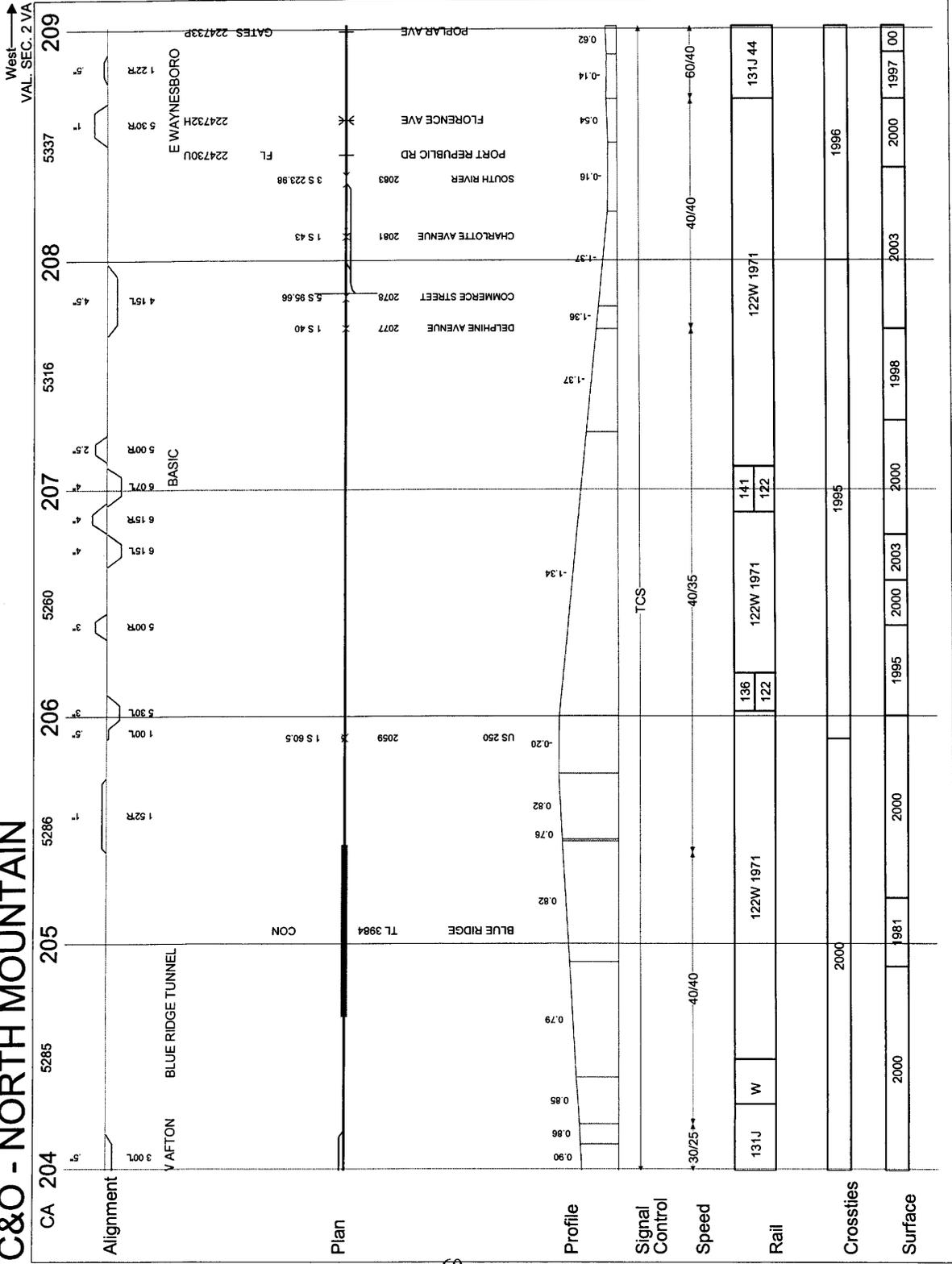
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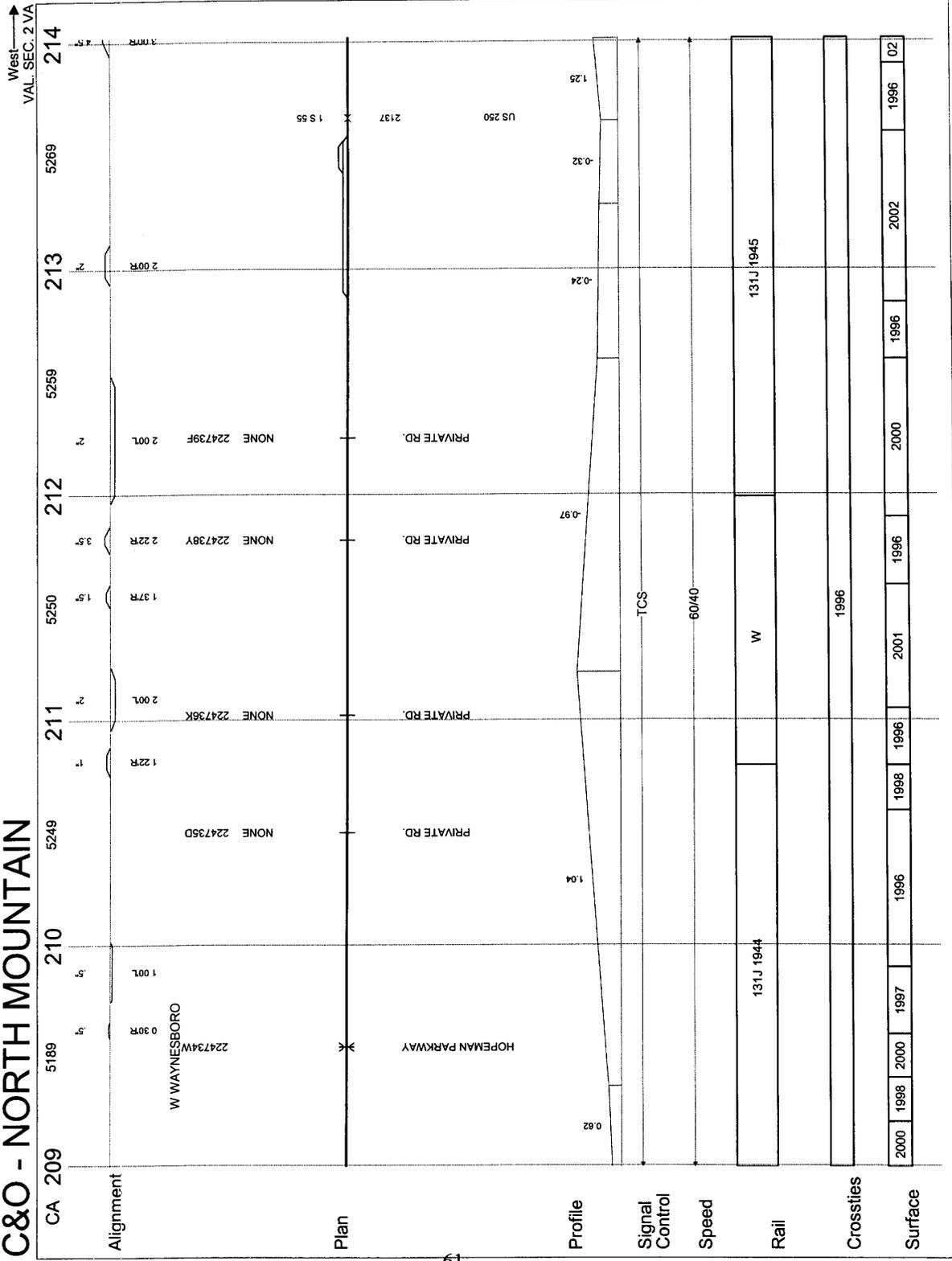
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# C&O - NORTH MOUNTAIN



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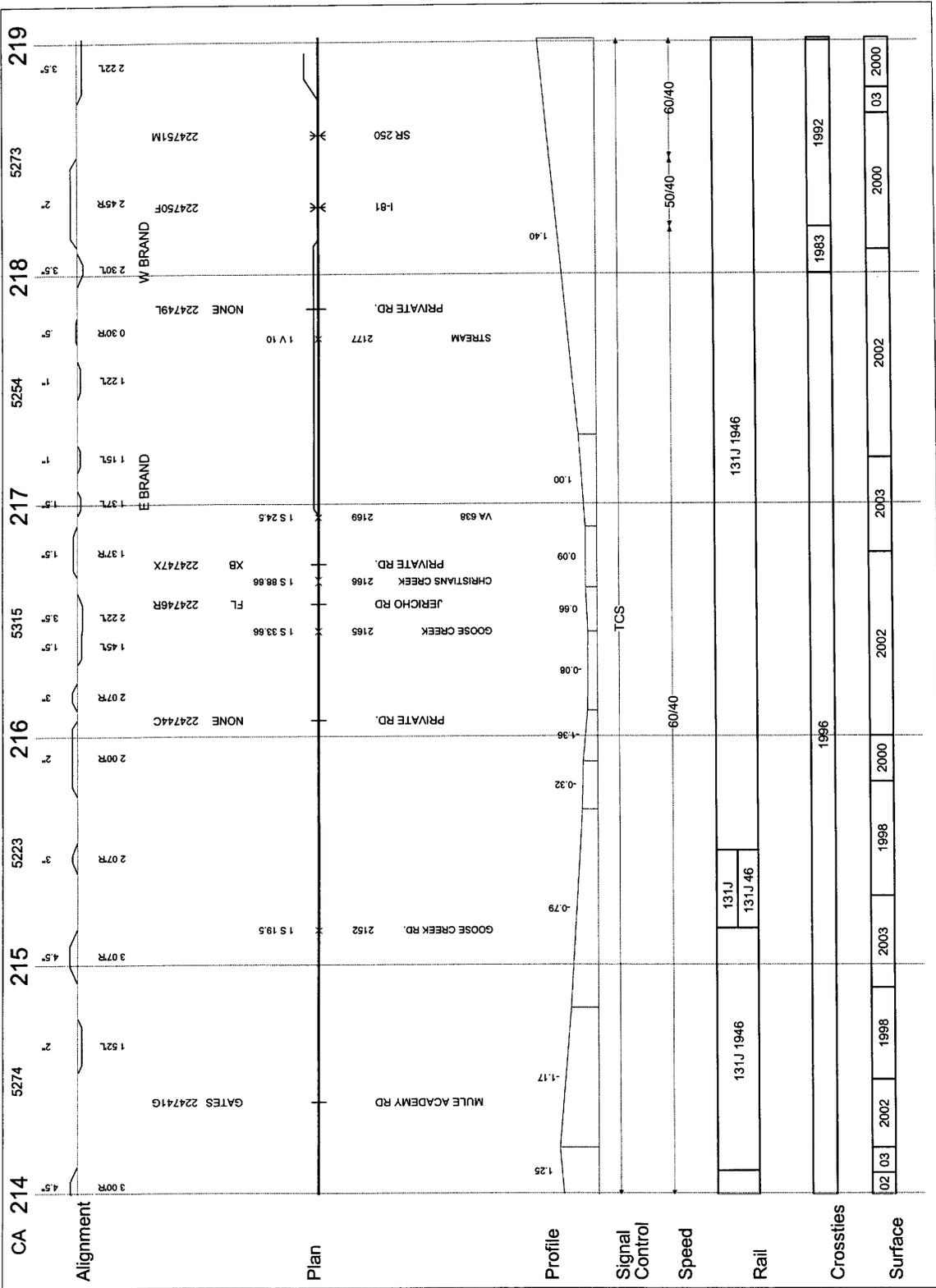
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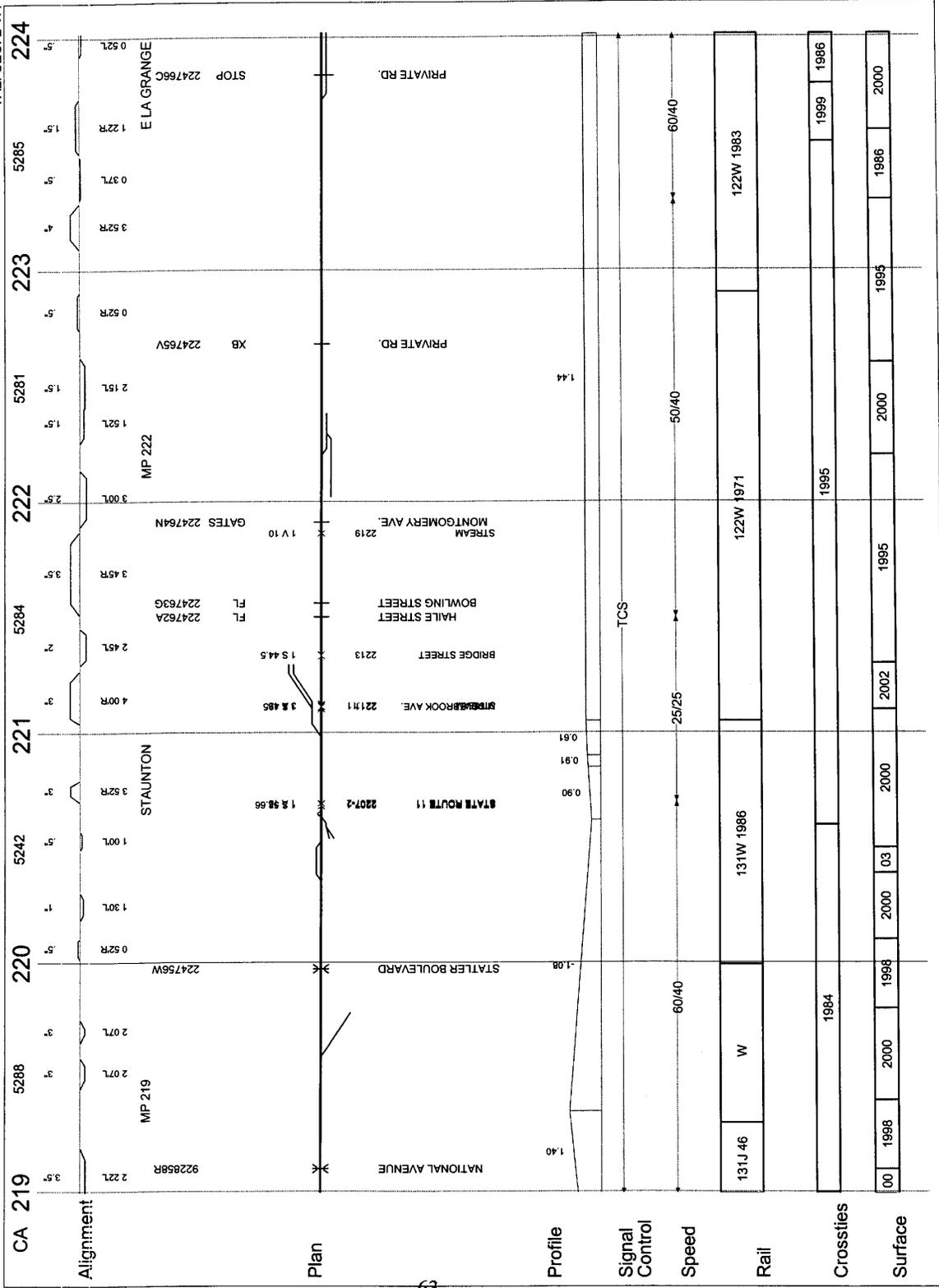
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VAL. SEC. 2 VA



# C&O - NORTH MOUNTAIN

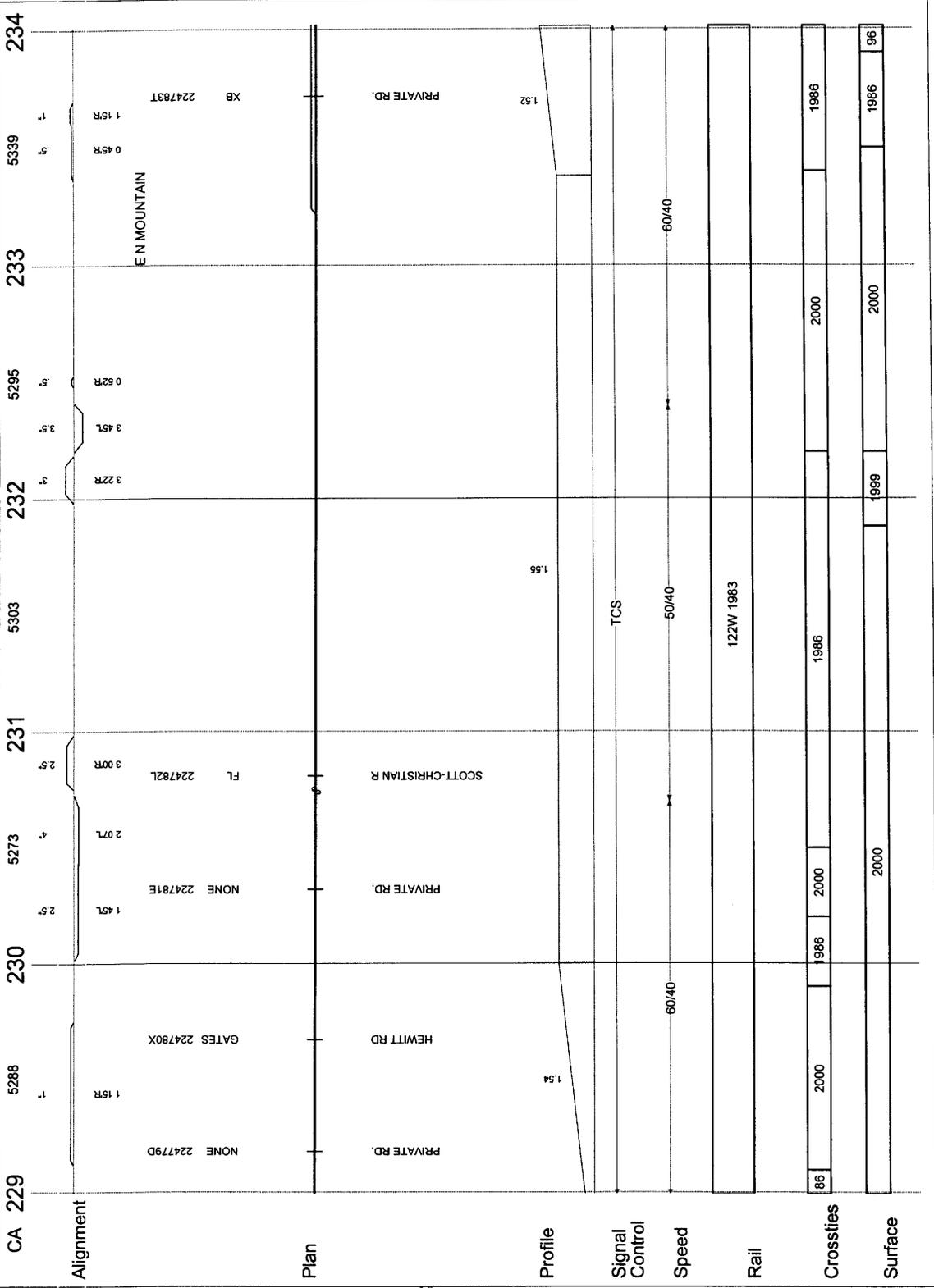
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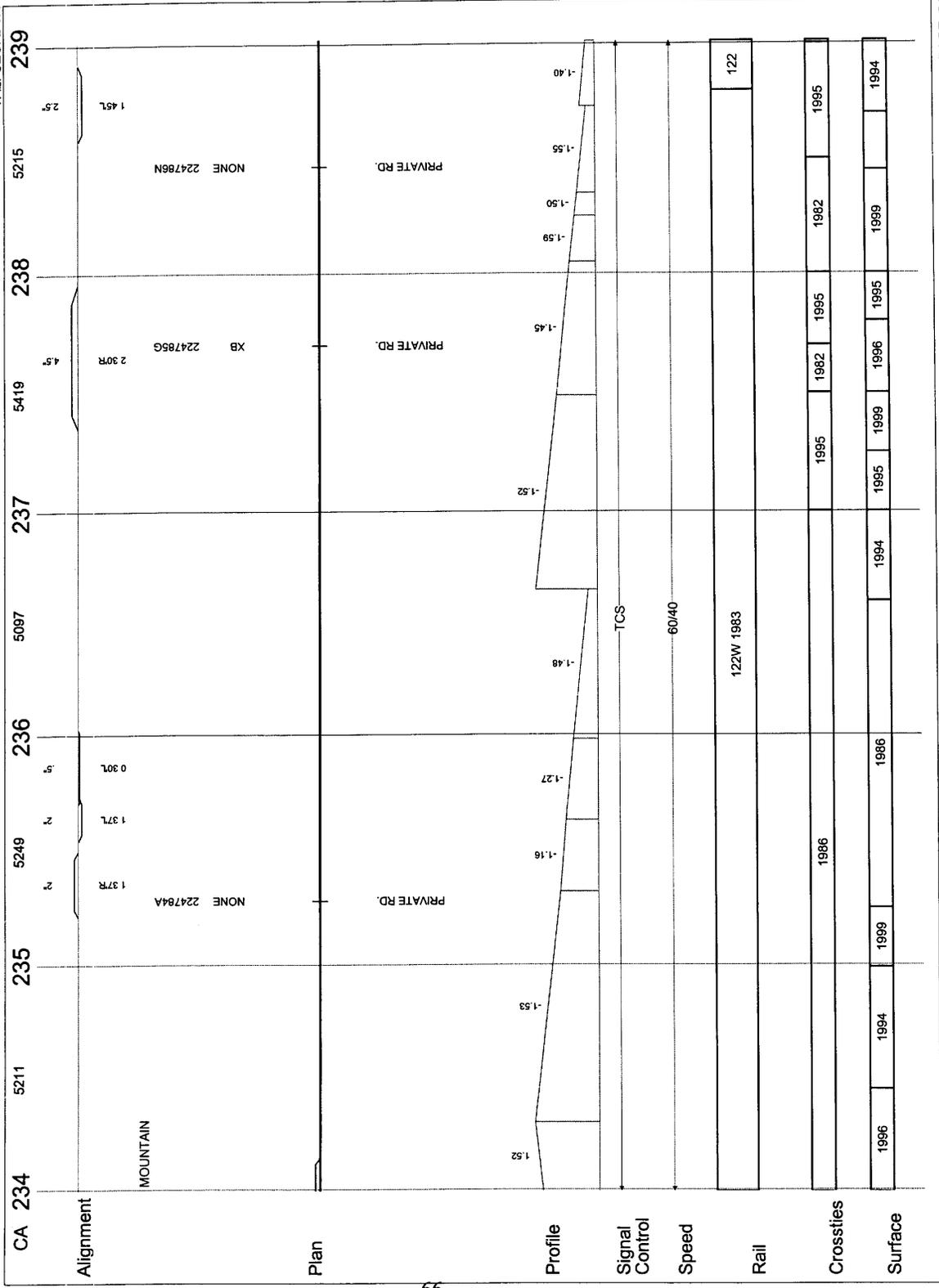
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59

# C&O - NORTH MOUNTAIN

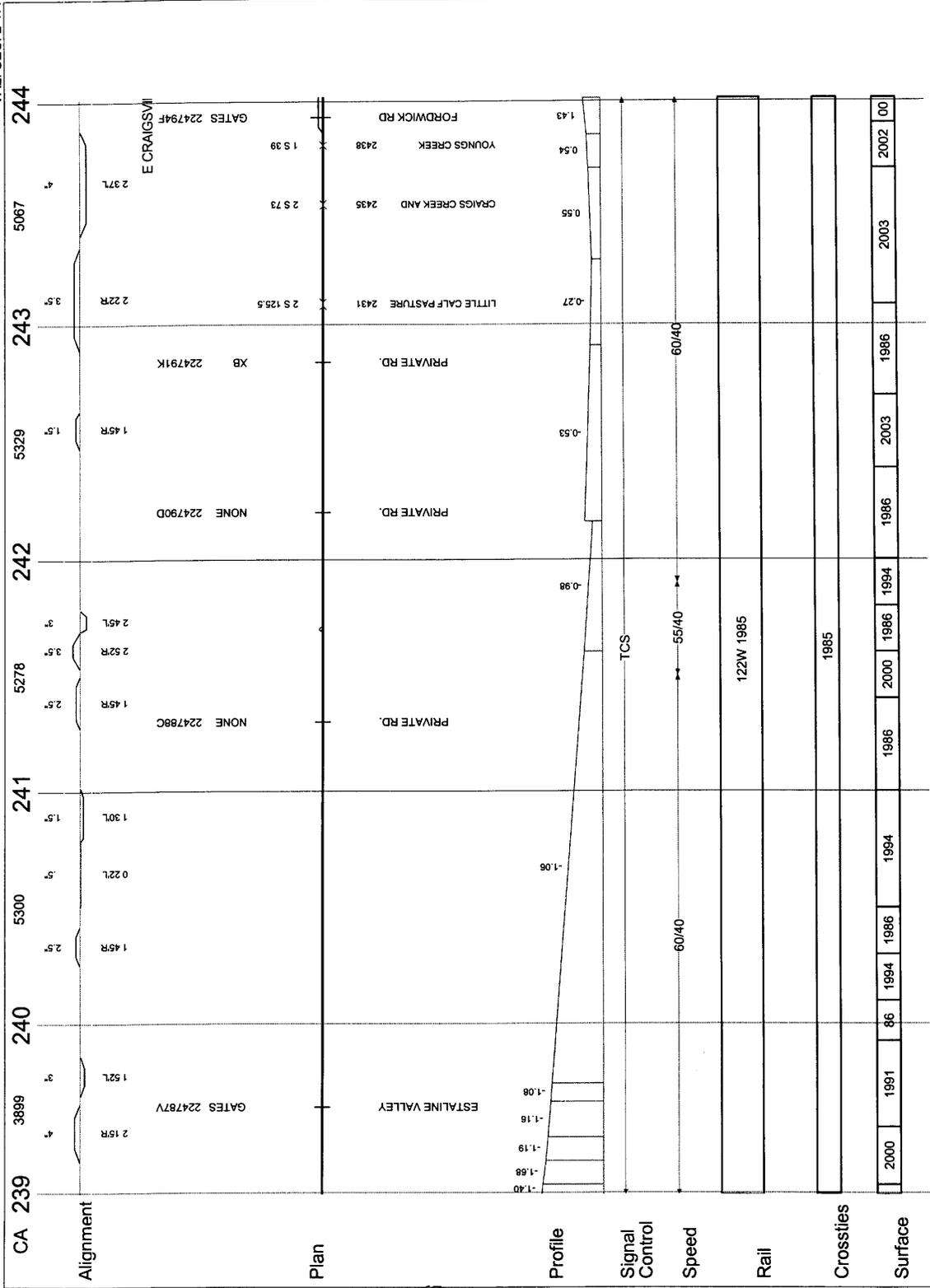
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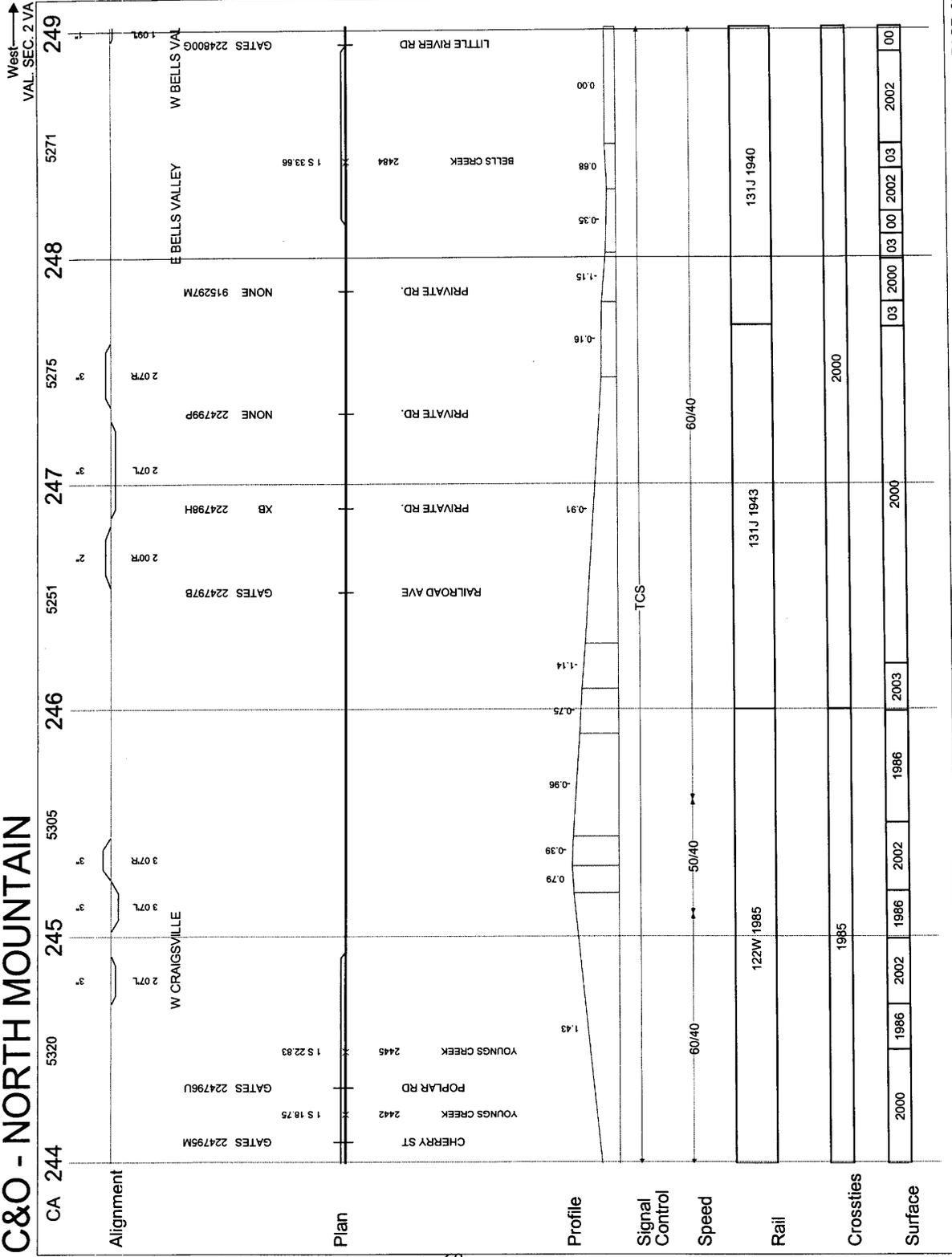
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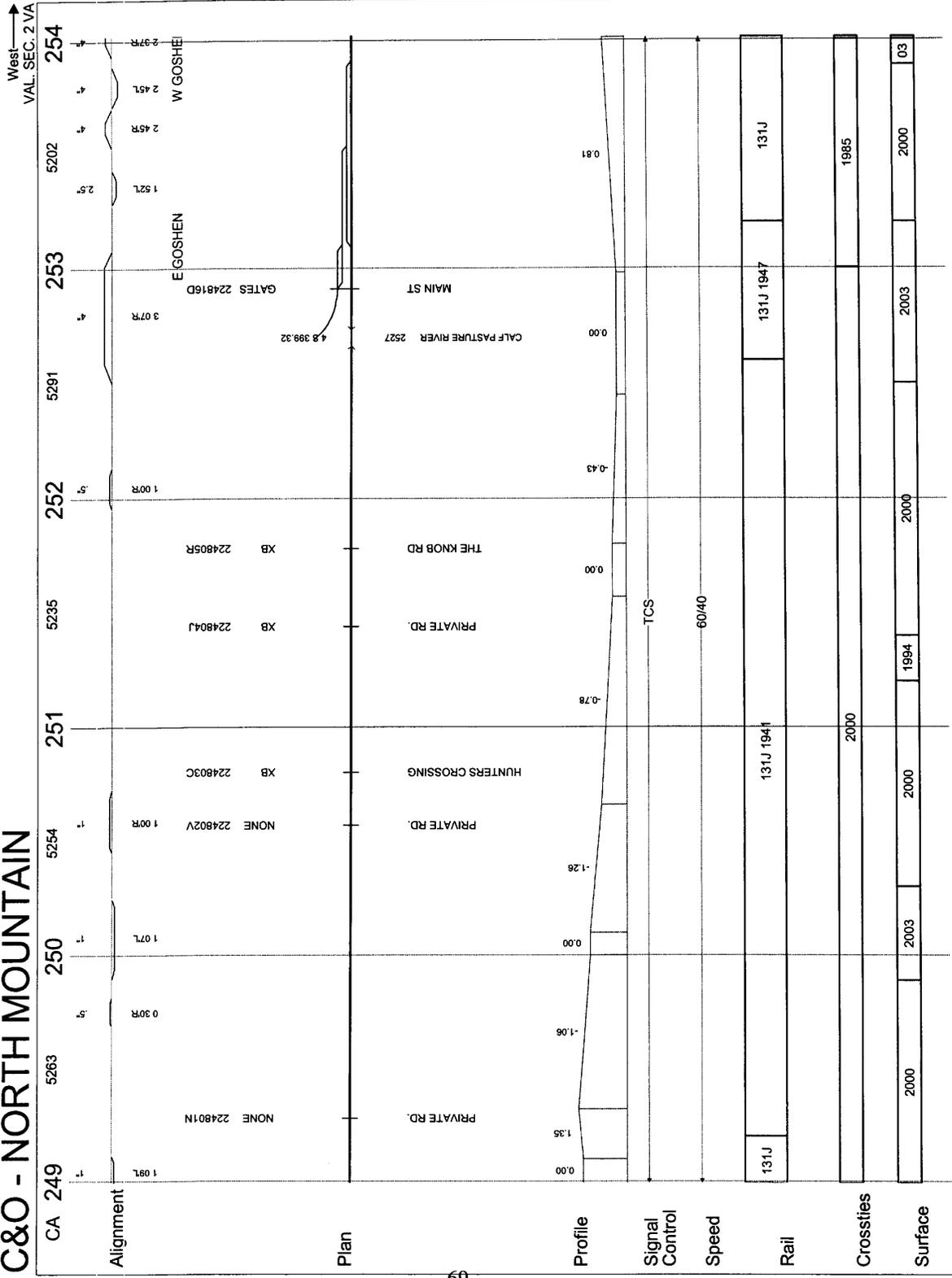
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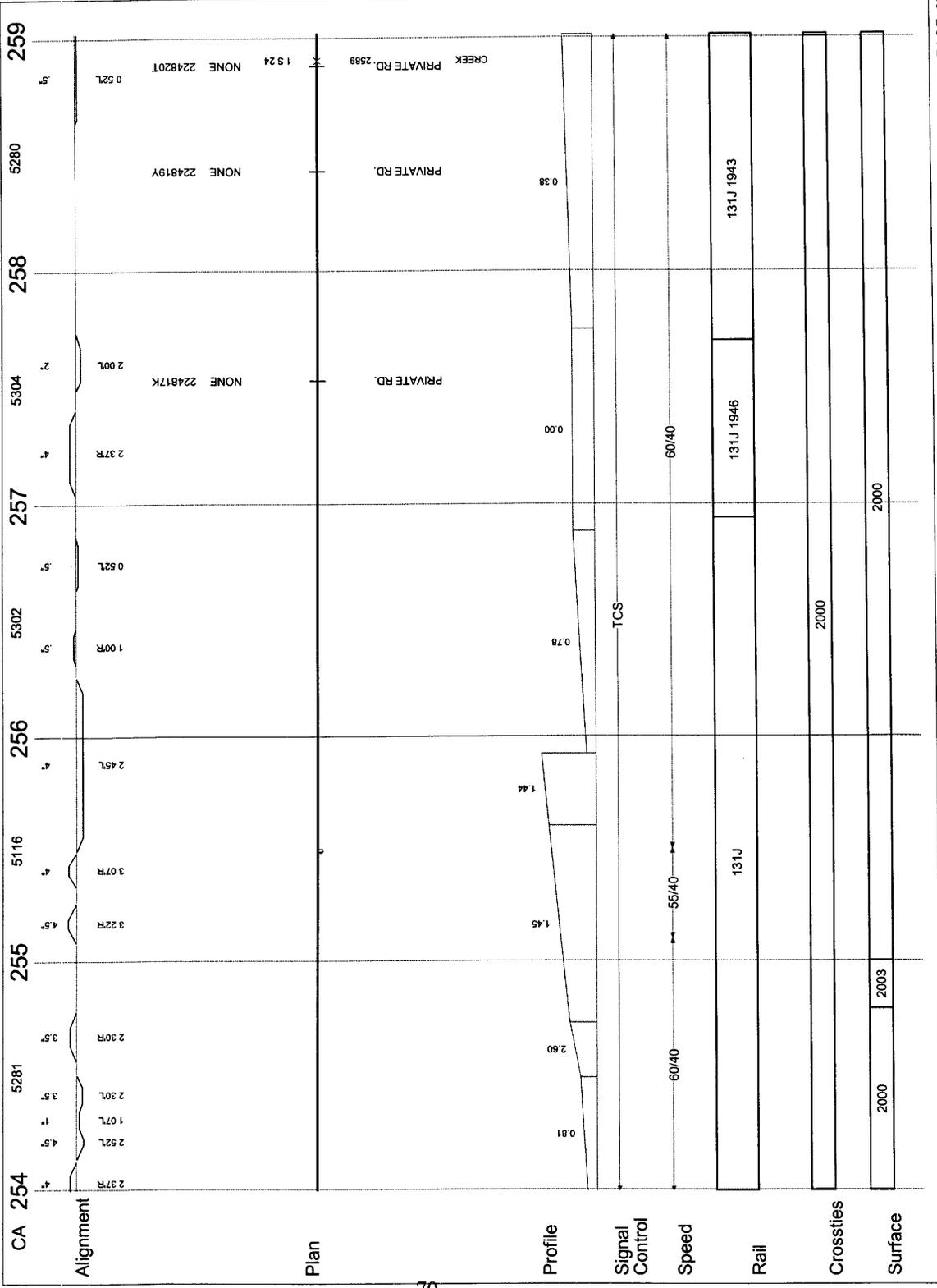


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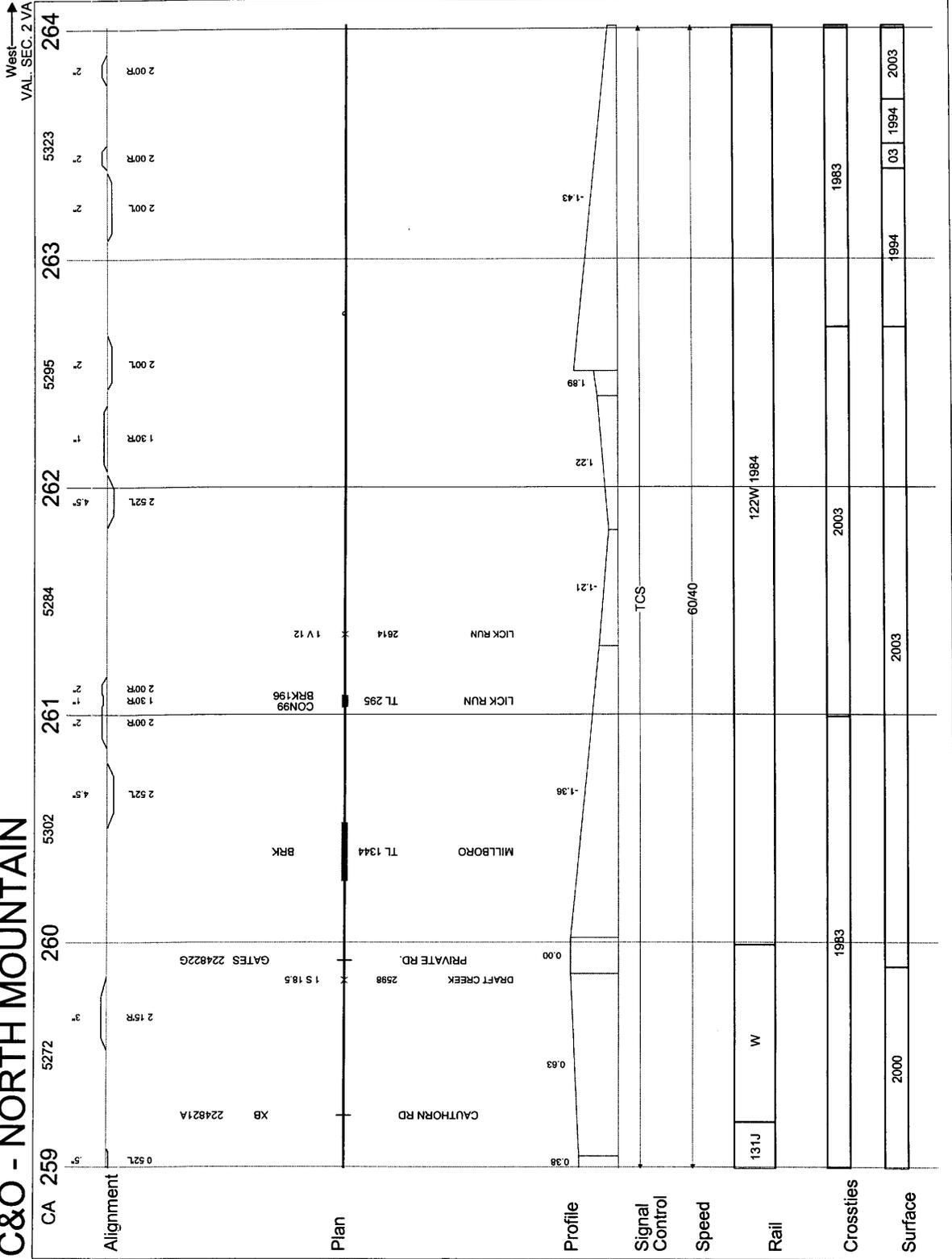


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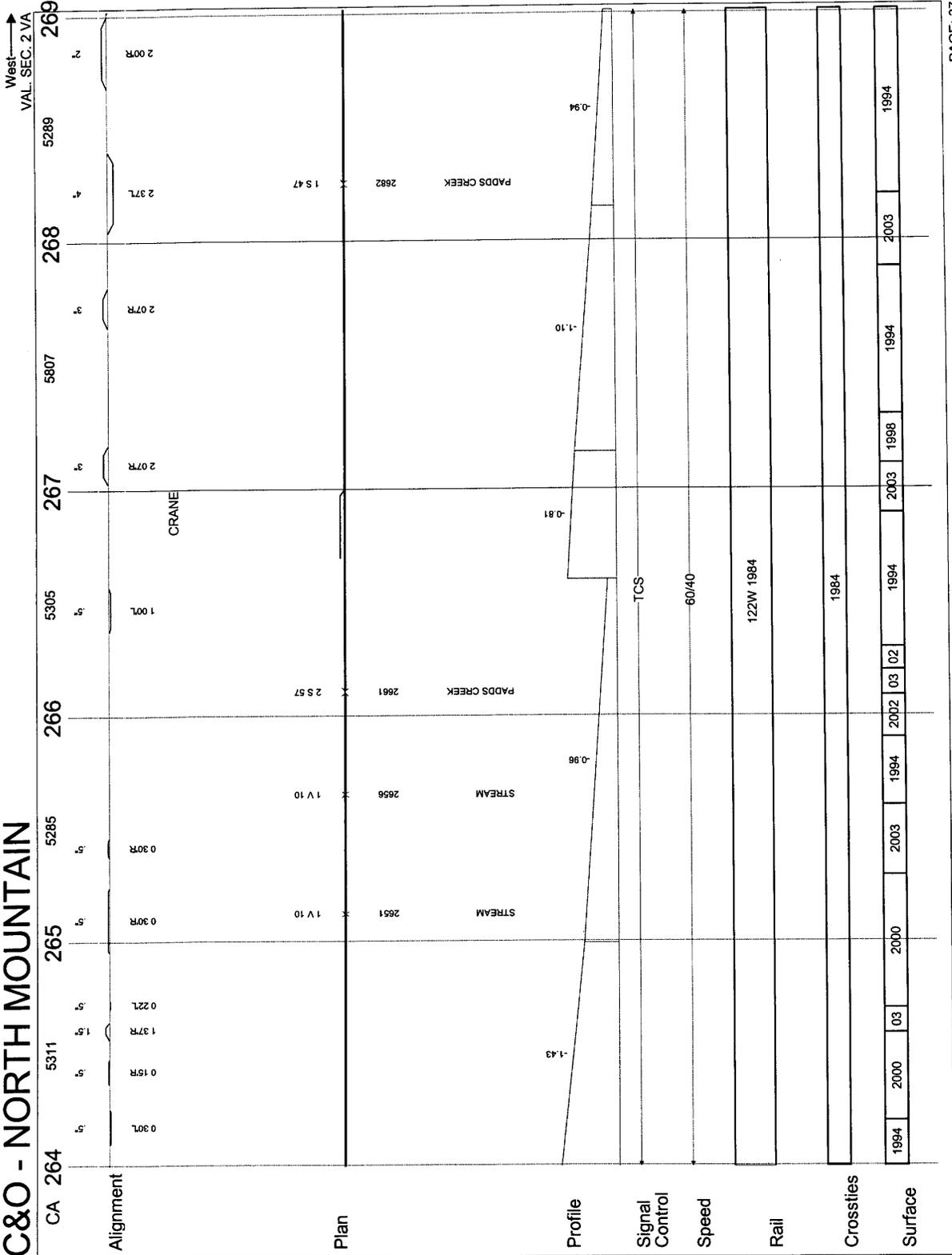


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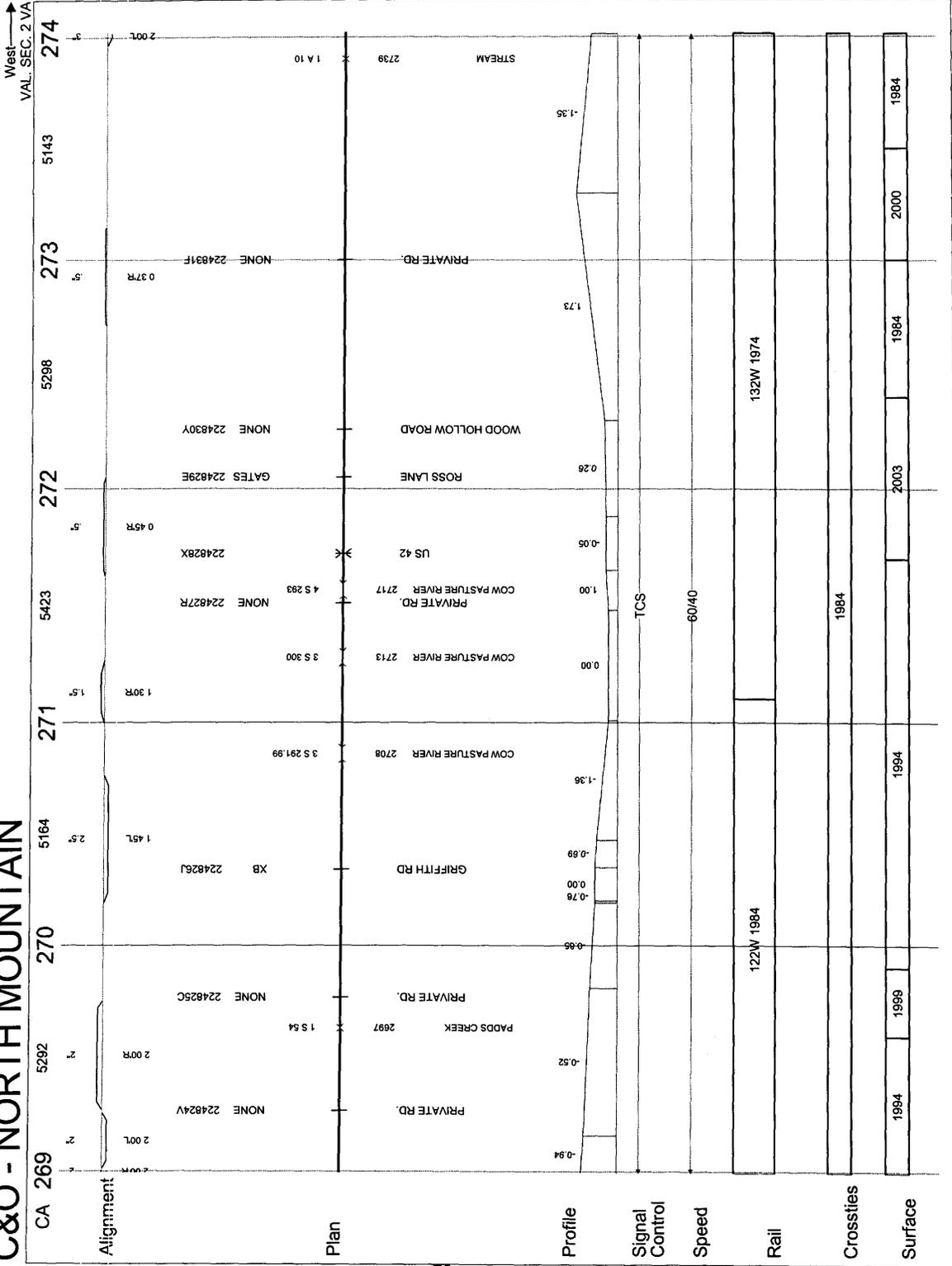


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# C&O - NORTH MOUNTAIN

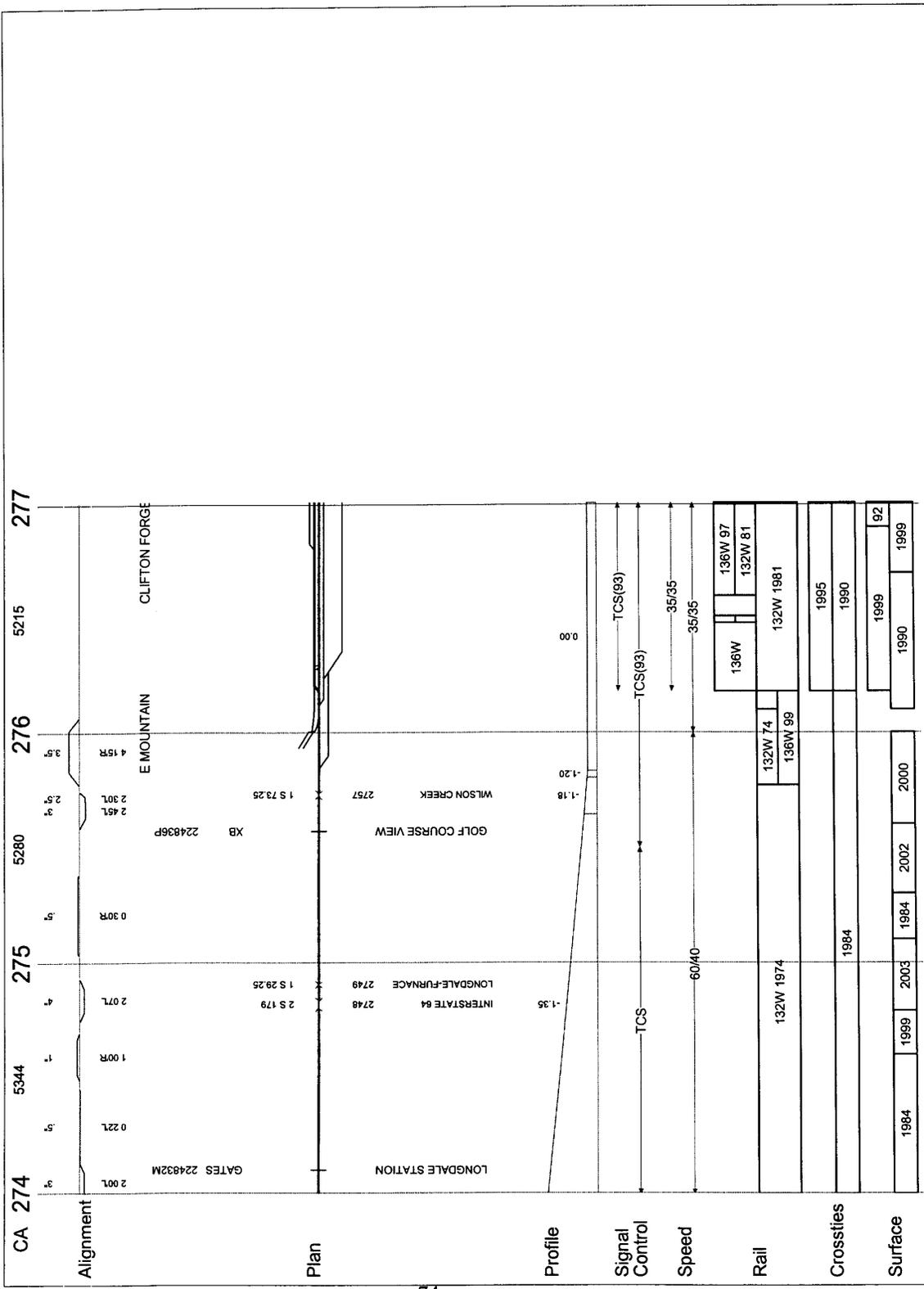


# C&O - NORTH MOUNTAIN



# C&O - NORTH MOUNTAIN / ALLEGHANY

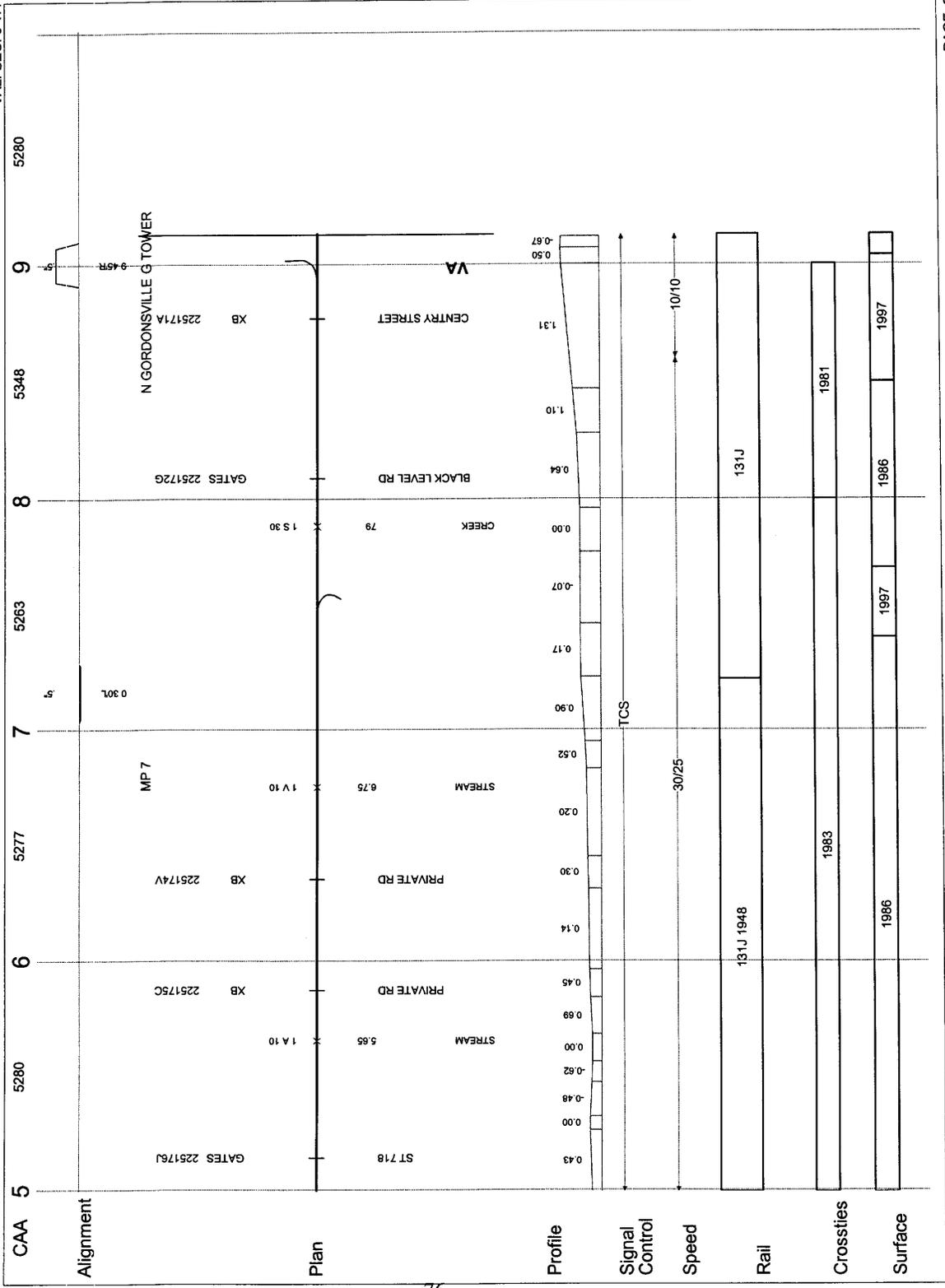
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# C&O - WASHINGTON

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VAL. SEC. 6 VA



# APPENDIX B

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**STB FINANCE DOCKET NO. 34495**

**BUCKINGHAM BRANCH RAILROAD COMPANY –  
LEASE – CSX TRANSPORTATION, INC.,**

**VERIFIED RESPONSE STATEMENT  
OF ROBERT E. BRYANT**

My name is Robert E. Bryant and I am President of the Buckingham Branch Railroad Company (“BB”). We are the applicant seeking to lease from CSXT and to operate the 199.7 mile line extending between Richmond and Clifton Forge, VA.

I have read the comments submitted by the National Railroad Passenger Corporation (“Amtrak”), Norfolk Southern Railway Company (“NS”) and the Brotherhood of Maintenance of Way Employees (“BMWE”) and hereby offer my comments in response to those submissions.

After graduation from high school in 1953 I went directly to Richmond to start my railroad career the next day as a messenger delivering telegrams and teletype messages to C&O offices throughout Richmond. I applied for every job opening while at C&O Railway General Offices seeking to grow and learn during which time I worked as office boy and clerk in engineering, IBM sorter operator in accounting, typist in freight

claim, steno-clerk in freight traffic for a total of about 22 positions during a two-year period.

While working for the railroad I continued my education by taking advantage of C&O's Tuition Refund Grant Program, reaching the level of Senior, one course short of earning a BA in Business Administration-Marketing from Towson State University, Towson, MD. In addition to this education program, I earned a number of certificates from various programs including Certificate of Commerce in Transportation including ICC Law, University of Richmond, VA and Certified Member of the American Society of Transportation Logistics, as well as American University's Eleventh Rail Transportation Institute.

During 1955 I was "bumped" back three positions in one day due to returning leave of absence employees and the only position readily available was steno-clerk in the Columbia, SC, sales office. I was awarded the sales office position and after about one year I was promoted to Traveling Freight Agent covering most of the State of South Carolina. In 1960 I was promoted back to Richmond, VA, as Freight Service Representative and then to Memphis, TN, in 1965 as District Sales Manager. From 1968 through 1971 I was District Sales Manager in Atlanta, GA. During these assignments I developed and increased market share for the C&O and participated actively in transportation sales/marketing organizations.

Through the 1972-1976 period I was promoted to Assistant Regional Sales Manager, Baltimore, MD, when C&O and B&O Sales & Marketing Departments were consolidated. My assignment was to manage personnel, evaluate and develop sales

personnel, organize and implement a telemarketing program as well as analyze and execute cost effective sales coverage.

My assignments (five positions) during the 1977-1987 period included responsibilities in market planning and management in the minerals and chemicals markets. While in these positions our market share grew 23.3%. My duties included evaluation of low traffic density rail lines. I also had responsibilities in the management program to train new employees and "co-op" students.

I have always been interested in self-directed small business ventures with railroad customers as part of increasing market share. Together with my family I have participated in the acquisition and operation of a convenience store, an agricultural lime distribution business, single family residential properties, railroad rolling stock (private tank car). We currently own and operate a farm with growing timber and about 200 cattle.

CSXT's 1987 aggressive downsizing provided me with the opportunity to participate by accepting an attractive retirement package at age 53 and subsequently to purchase a very low density branch line in my home of Buckingham County where my father had worked as brakeman and conductor on the C&O's Buckingham Branch. My father participated on opening day of the new Buckingham Branch Railroad and made the run with us on Monday, March 6, 1989.

My wife agreed to give up her teaching career to manage the office and together we hired two former CSXT employees, one a "buy-out" engineer and another, a "cut-off" trackman. The engineer trained me to be a brakeman, conductor and locomotive engineer and I was our relief and back-up engineer and trainman until 2002. I learned track

inspection and repair work from the "cut-off" trackman and actively participated in deferred maintenance track work until funds became available to hire others. Since 1989, traffic has increased, employment has grown and a great safety record has been developed as reliable rail service has been provided. Our rail service includes participating with the Old Dominion Chapter of the National Railway Historical Society to provide spring, fall and Santa Claus excursions. We were recognized for our success in preserving rail service and were awarded the W. Thomas Rice Rail Renaissance Award in 2003. My wife, Annie, and I have also been recognized nationally for our railroading experience and the important future role rail service needs to play in moving freight and people efficiently, quietly, and safely. Our success was also documented in an article that appeared in the July 1980 issue of the Smithsonian Magazine.

I am confident that our demonstrated success in acquiring, upgrading and operating the Buckingham Branch over 15 years attests to good judgment concerning our capabilities and our responsibility to all those who depend upon us.

I am well aware of the responsibility that the Buckingham Branch organization is about to undertake upon consummation of the lease of the 199.7- mile line between AM Junction (near Richmond) and Clifton Forge, VA (the lease line). As noted in my background I have an extensive background in the operations of a Class I railroad and well know the commitment and effort needed to maintain an active line in adequate operating condition. It has been my experience that it is much more efficient to maintain track conditions to avoid derailments than to clean up a derailment and repair the derailment damaged track. When we were selected by CSXT to acquire and operate our existing 17.3 mile short line I made sure that the Buckingham Branch had capable and

resourceful employees in every capacity. The result has been that the line has been upgraded during the 15 years of our stewardship and our customers have been well served throughout that tenure. I firmly believe that success is one of the key reasons CSXT selected Buckingham Branch to lease and operate the 200 mile AM Junction – Clifton Forge line.

Upon being selected, the entire Buckingham Branch organization set about preparations to assume full responsibility for the line by the end of this year. We have interviewed all of the shippers on the line concerning their needs and their service expectations. Our service plan calls for five-day-per-week local train service, which will consist of four round-trip trains a day, a direct result of those interviews. Arrangements have been made to acquire three (3) locomotives well suited to the plan and we are interviewing qualified operating personnel that have the background and experience to ensure that our operating plan will be successful. Our current plan is to hire six (6) engineers and four (4) conductors in addition to our current staff. That plan is subject to revision as necessary to ensure that we will be able to accommodate service needs.

The response from shippers and communities we will serve has been enthusiastic and encouraging. Copies of our eighteen (18) responses from shippers, communities and responsible public servants are appended to this statement in Appendix I.

We note that Amtrak has “no doubt as to our commitment to successful operation of the (lease) line, to retaining existing Amtrak and freight services on the line (and improving local freight service); and to maintaining track conditions to at least the current level.” Amtrak believes achieving these objectives will be a formidable task. We

would not have undertaken this commitment if we had any reservations about our ability to meet the expectations of all concerned, including our own.

We have set about establishing the foundations for a good working relationship with Amtrak that will serve us both well throughout our tenure on the lease line. Thus far we have held several productive discussions with Amtrak and we will continue to reach out to Amtrak in the interest of a safe and productive utilization of the lease line over the long term future.

As acknowledged by Amtrak (comments p. 3) BB is fully committed to maintaining the lease line at operating conditions at least to the FRA track standards existing as of the date BB undertakes obligation for operation and maintenance of the line. There is no hesitation or reservation in that commitment. Nevertheless, the lease agreement will provide that CSX has the right to terminate the lease should BB fail to meet its maintenance commitments. All of us at BB are firmly resolved that our performance on the line will prove that the contingency was wholly unnecessary.

Since acquiring our existing line in 1989 we have worked diligently at maintaining and upgrading the line in the interest of safety and good service for all who depend upon BB to meet their rail service needs. We maintain a good relationship with FRA inspectors and have always been responsive to their findings and recommendations. We are proud that we have never been cited for a violation by the FRA and we are thoroughly committed to maintain that record when we commence responsibility for maintenance and operation of the lease line.

We are aware of the matters raised by NS in its comments and we fully expect that those concerns will be resolved to the satisfaction of all concerned before we

undertake responsibility for the lease line. We look forward to working with NS in the interests of the shippers we will serve.

I note that the BMWWE included a statement of opinion concerning conditions on our existing line from an individual that entered upon our property unannounced and without our permission. Like all railroads, we are very much concerned with the well documented hazards associated with trespassers, both to themselves and to everyone involved, in active rail operations. Upon discovery of his presence, the person was immediately escorted off the property by proper authority. In this instance, as in all others, it is the policy of BB to do everything possible to dissuade trespassers in the interest of safety for all concerned.

While our current line exceeds Class I track conditions, we inspect it weekly and immediately attend to any defect or problems that may be found. As a result we have been able to maintain responsive service to all of our customers without interruptions. Contrary to representations made on behalf of the BMWWE that we do not handle hazardous material on our existing line, BB does handle shipments of Ammonium Nitrate, and while operating the Shenandoah Valley Division handled LPGas and Ammonia, as well as Petroleum Naphtha. This service has been accomplished without incident or complaint and to the full satisfaction of the involved shippers.

Since filing the application, we have advanced well beyond our initial assessments as to the personnel and equipment resources we will need to make a success of the undertaking. We are currently interviewing highly qualified and experienced candidates to fill key management, supervisory and all other positions, especially track inspectors, as needed to meet our commitments from the day we undertake responsibility

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for the line. That includes hiring a qualified individual to supervise three (3) maintenance-of-way divisions we now envision. Based on the quality of individuals we have seen, we are confident that we will have a thoroughly capable organization ready to perform effectively from day one. Decisions will be made by the track inspectors as to when and how defects will be corrected promptly.

We are well aware of the critical importance of maintaining the line, at least to the condition in which we will receive it. From my background with a Class I railroad, I do know what is required to keep an active line at Class II and Class III track conditions.

We have developed a comprehensive Maintenance-of-Way Plan which calls for 12 full-time maintenance-of-way employees dedicated solely to the lease line. Under our plan, the lease line will be divided into three subdivisions with four-member maintenance teams stationed at headquarter facilities to be located at Doswell, Charlottesville and Staunton, VA, in order to optimize their effectiveness on assigned segments of the line. The maintenance teams will each consist of a track inspector/supervisor and three maintenance-of-way employees. Twice weekly inspections will be conducted on all of the lease line except for the segment between AM Junction and Gordonsville which will be inspected at least once each week.

We will commence an active replacement program by installing 10,000 to 15,000 ties during the summer of 2005 and thereafter BB will replace 10,000 – 20,000 ties on the lease line annually. To fund the maintenance program, BB will spend between \$1,800,000 and \$2,200,000 of revenues derived from the line on an annual basis.

BB has developed good working relationships with capable contractors over the years and will be able to call upon these contractors and contract for equipment to

supplement its own resources when and as needed to handle unexpected situations in order to assure that the line remains in, or is promptly restored to, viable operating condition in the event of unexpected problems such as recent hurricanes. A copy of our Maintenance-of-Way Plan is appended to this statement in Appendix II.

BB maintains all its equipment in top operating conditions, regardless of age, and it treats all employees as valued members of its team. We expect to do no less in undertaking responsibility for the lease line.

Our maintenance program plan will continue to be updated and refined as we complete preparations to assume responsibility of the line and throughout our operation of the lease line as experience teaches. We will have personnel and adequate equipment resources to assure that we will be able to maintain a safe and productive line in the interest of all concerned, including the shippers we will serve, Amtrak, CSXT and the surrounding communities.

We are pleased that we were selected by CSXT for a long-term lease of the Richmond - Clifton Forge line. In undertaking this responsibility for service and maintenance of the lease line we are confident that we are up to the challenge and that we will continue to deserve the reputation we have earned over the years in serving and upgrading our existing line. We will continue to pay heed to the FRA and public officials that share our commitment to a responsive rail system that meets the needs of existing shippers and encourages new shippers to utilize efficient rail service that we will provide.



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# APPENDIX I

VIRGIL H. GOODE, JR.  
5TH DISTRICT, VIRGINIA

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-4605

**PLEASE USE THE  
ROCKY MOUNT ADDRESS**

September 13, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

Dear Mr. Williams:

I am writing this letter concerning Finance Docket No. 34495 involving the lease by the Buckingham Branch Railroad Company from CSX Transportation, Inc. I represent Albemarle County and the City of Charlottesville. This line passes through that area. I am also familiar with the Buckingham Branch Railroad Company, which is located in the Fifth District of Virginia. They are a fine company and have provided jobs and employment in Buckingham County. I also want to share with you letters of support from several entities that would be utilizing that section of track.

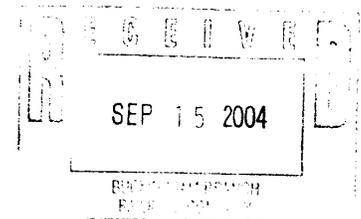
I know that you have many factors to consider, and I would be grateful if you would show every consideration to this application.

Sincerely yours,

Virgil Goode, Jr.

VGr/mm

~~cc:~~ Mr. Robert E. (Bob) Bryant, President  
Buckingham Branch Railroad Company  
P. O. Box 336  
Dillwyn, VA 23936



70 East Court Street \* Suite 215 \* Rocky Mount, VA 24151  
Fax: 540-484-1459 89 Phone: 540-484-1254

PRINTED ON RECYCLED PAPER



COMMONWEALTH OF VIRGINIA  
HOUSE OF DELEGATES  
RICHMOND

WATKINS M. ABBITT, JR.  
POST OFFICE BOX 583  
APPOMATTOX, VIRGINIA 24522  
FIFTY-NINTH DISTRICT

COMMITTEE ASSIGNMENTS:  
GENERAL LAWS  
TRANSPORTATION  
COMMERCE AND LABOR

September 15, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No. 34495, Buckingham Branch - Lease - CSX  
Transportation, Inc.

Dear Secretary Williams:

I am in favor of the BB-CSXT Application and urge STB approval. A number of Virginia industries are served by this line and they need reliable rail service and competitive rates to maintain and develop their position in the marketplace. The Buckingham Branch Railroad has an excellent safety record and they have established a fine reputation as a short line operator.

Thank you for your favorable consideration of this application.

With kindest regards, I am

Sincerely yours,

Watkins M. Abbitt, Jr.

WMAjr/td

FITGERALD A. BARNES, Chairman  
Patrick Henry District

WILLIE L. GENTRY, Vice Chairman  
Cuckoo District

WILLIE L. HARPER  
Mineral District

ALLEN B. JENNINGS  
Jackson District



# County of Louisa

Post Office Box 160  
Louisa, VA 23093  
540-967-0401 • FAX 540-967-3411  
www.louisacounty.com

DAVID B. MORGAN  
Green Springs District

ERIC F. PURCELL  
Louisa District

JACK T. WRIGHT  
Mountain Road District

C. LEE LINTECUM  
County Administrator

September 8, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No. 34495, Buckingham Branch - Lease - CSX Transportation, Inc.

Dear Secretary Williams:

The Leadership of Louisa County, both elected and appointed, strongly favor the BB-CSXT application. A number of Virginia industries, including those in Louisa, are served by this line and need reliable rail service and competitive rates to maintain and expand their position in the marketplace. We believe the Buckingham Branch Railroad, with its excellent safety record and strong reputation as a shortline operator, can provide this service.

The Louisa County Department of Economic Development has targeted companies with rail requirements and is actively recruiting them to Louisa. To date we have located a wood products company with an anticipated use of 1000 rail cars per year. I have met with the Buckingham Branch Railroad and they are committed to providing the service required for Louisa County to successfully recruit industry. I urge your support for STB approval of the BB-CSXT Application.

Thank you for your favorable consideration of this application.

Sincerely,

C. Lee Lintecum  
County Administrator

cc: C. Robert Gibson  
Economic Development

LOUISA  
540-967-0401

GOOCHLAND  
804-556-3732

RICHMOND  
804-648-4115

CHARLOTTSVILLE  
434-979-0479

GORDONSVILLE  
540-832-3112

PALMYRA  
434-589-3090



**Town of Gordonsville**  
**Jeff Poole, town manager**

112 South Main Street, P.O. Box 276  
Gordonsville, VA 22942  
Phone: (540) 832-2233 Fax: (540) 832-2449  
Email - manager@ns.gclink.com

September 9, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

Re: Finance Docket No. 34495, Buckingham Branch—Lease—CSX Transportation, Inc.

Dear Secretary Williams,

The Town of Gordonsville supports the Buckingham Branch-CSX application and encourages STB approval. As a small town with a rich railroading history, Gordonsville is home to several major industries that continue to rely on competitively priced rail service to transport both raw and finished materials. The Buckingham Branch Railroad has an excellent reputation as a short-line operator, and we look forward to welcoming them into Gordonsville's rich railroad heritage.

Thank you for your favorable consideration of this application.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Poole", written over a horizontal line.

Jeff Poole,  
Town manager



# Augusta Cooperative Farm Bureau *Incorporated*

*Main Office and Warehouse*  
1205 B Richmond Road  
Staunton, VA 24401

*Branches*  
Waynesboro  
Weyers Cave  
Fairfield  
Scottsville  
Bedford

Copy

June 14, 2004

Hon. Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K ST. NW-Rm 700  
Washington, DC 20423

Finance Docket No. 34495

Dear Secretary Williams;

I am writing to support the proposed application for Buckingham Branch Railroad to lease from CSX and operate the rail line between Clifton Forge and Richmond. After speaking with officials from both companies, I believe our service level would improve greatly when this transaction occurs.

Again, I would urge your support of this application.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Phillips".

Daniel Phillips  
General Manager



# Bakery Feeds

A Division Of Griffin Industries

DATE

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K. Street - Room 700  
Washington, DC 20423

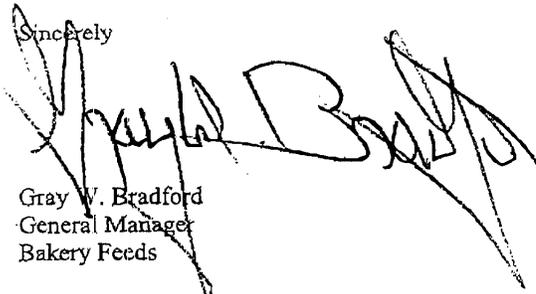
Subject: Finance Docket No. 34495, Buckingham Branch - Lease - CSX Transportation, Inc.

Dear Secretary Williams,

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We ship/receive approximately 2 carloads of bakery commodity and 104 annually and it is our plan to increase rail usage based on reliable five-days-per-week service.

Thank you for your favorable consideration of this application.

Sincerely



Gray W. Bradford  
General Manager  
Bakery Feeds

16375 Doswell Park Road, Doswell, VA 23047

(804) 876-3415 • Fax (804) 876-3005 • [www.bakeryfeeds.com](http://www.bakeryfeeds.com)



BEAR ISLAND PAPER COMPANY, LLC.

10026 OLD RIDGE ROAD  
ASHLAND, VIRGINIA 23005  
(804) 227-3394

June 22, 2004

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street NW-Room 700  
Washington, DC 20423

Subject: Finance Docket No. 34495, Buckingham Branch  
Lease-CSX Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need **reliable** rail service and competitive rates to maintain our competitive position in the paper marketplace.

We ship approximately 600 carloads of Newsprint annually and it is our plan to increase the rail usage based on the **expected** reliable five days per week service.

Thank you for your favorable consideration of this application.

Sincerely,

Nancy J. Hall  
Manager, Finished Products Services  
Bear Island Paper Co., LLC

CC: BBR file

JUN 23 2004

**Brett****Brett Aggregates, Inc.**

4794 Finlay Street, Suite 2

Richmond VA 23231

Telephone: 804-222-5788

Fax: 804-222-8330

June 28, 2004

The Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

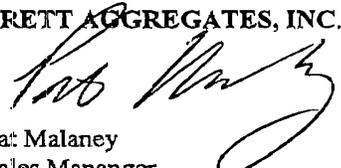
SUBJECT: Finance Docket No. 34495  
Buckingham Branch Railroad Company-Lease-CSX Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are a potential customer of this line and need reliable rail service and competitive rates to develop our position in the marketplace. We will ship approximately 1,500 carloads of sand and gravel annually and it is our plan to increase rail usage based on reliable five-days-per-week service.

Thank you for your favorable consideration of this application.

Sincerely,

**BRETT AGGREGATES, INC.**

Pat Malaney  
Sales Manager



PRESSURE TREATED  
WOOD PRODUCTS

# The BURKE-PARSONS-BOWLBY Corporation

P. O. BOX 86 • GOSHEN, VIRGINIA 24439 • PHONE: (540) 997-9251  
FAX: (540) 997-0047

VIA: FAX: 202-565-9004 and  
U. S. Mail

June 21, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

Re: Finance Docket No. 34495, Buckingham Branch – Lease – CSX Transportation, Inc.

Dear Secretary Williams:

The Burke-Parsons-Bowlby Corporation (BPB) is in favor of the BB – CSXT Application and respectfully urges the Surface Transportation Board to grant the approval. BPB is served by this line and our company needs reliable rail service and competitive rates to maintain and develop our position in the market place. BPB ships and receives approximately 1500 carloads of rail load ties annually and it is our goal to increase rail usage based on reliable five-days-per-week service.

Sincerely,

Phil Stanley  
Corporate Business Counselor

**FAXED**  
6-21-04  
12:55 P.M.

Bcc: Bob Bryant



PLANT LOCATIONS: SPENCER, WV • GOSHEN, VA • STANTON, KY • DuBOIS, PA

An Equal Opportunity Employer

**ChipCo Inc**  
1376 Fredericks Hall Road  
Buckner, VA 23024

June 17, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No. 34495, Buckingham Branch Railroad Company  
- Lease - CSX Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We plan to ship approximately two hundred fifty (250) carloads of hardwood chips annually. It is our plan to increase rail usage to include inbound traffic based on reliable five-days-per-week service.

Thank you for your favorable consideration of this application.

Very truly yours,



Donald R. Prescott  
General Manager



June 21, 2004

Honorable Vernon A Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

Subject: Finance Docket No. 34495, Buckingham Branch Railroad Company - Lease - CSX  
Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We ship/receive approximately 880 car loads of various resins annually and it is our plan to increase rail usage based on reliable five-day-per-week service.

Klöckner Pentaplast urgently needs more and better rail service to maintain our current business as well as grow our film business. We are very dependant on good rail service which has deteriorated over the past few years.

Thank you for your favorable consideration of this application.

Sincerely,

A handwritten signature in cursive script that reads 'C. William Evers'.

C. William Evers, C.P.M.  
Director of Purchasing

/src:Surface Transportation Board

Conrad C. Dugan  
Regional Sales Manager

**KOPPERS**

June 18, 2004

Honorable Vernon A. Williams  
Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, , DC 20423

Koppers Inc.  
Railroad Products & Service  
PO Box 1534  
Cary, NC 27512-1534  
Tel 919 303 9660  
Fax 919 303 9661  
DuganCC@koppers.com  
www.koppers.com

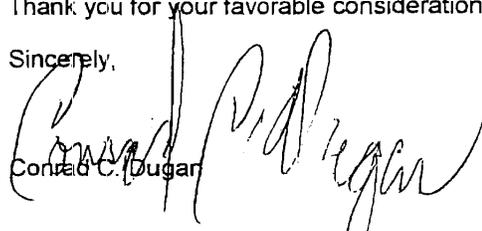
**Subject: Finance Docket No. 34495, Buckingham Branch Railroad Company - Lease - CSX Transportation, Inc.**

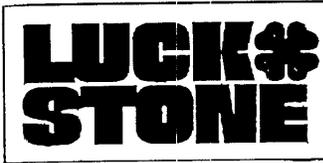
Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable service and competitive rates to maintain and develop our position in the marketplace. We ship approximately 100 carloads of wood crossties and switchties annually and it is our plan to increase rail usage based on reliable five-days-per-week-service.

Thank you for your favorable consideration of this application.

Sincerely,

  
Conrad C. Dugan



July 12, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No.34495, Buckingham Branch  
Railroad Company – Lease – CSX Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We ship approximately 200 carloads annually of crushed stone, and it is our plan to increase rail usage based on reliable five-days-per week service. With the Service Plan outlined by the Buckingham Branch, it is our hope to expand our market area and increase rail shipments to the 800 carload per year level.

Thank you for your favorable consideration of this application.

Sincerely,

A handwritten signature in cursive script that reads "Rich Wright".

Rich Wright  
Western Region – Vice President

---

Western Region  
7975 Ivy Road  
Charlottesville, VA 22903

434-295-3611  
Fax: 434-295-5238  
www.luckstone.com

## Martin Marietta Aggregates



Mideast Division  
9513 Hull Street Road, Suite A  
Richmond, Virginia 23236-1475  
Telephone (804) 674-9517

**Mark J. Norden, P.E.**  
Vice President / General Manager

June 17, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No. 34495, *Buckingham Branch Railroad Company – Lease – CSX Transportation, Inc.*

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and further develop our position in the marketplace.

Thank you for your favorable consideration of this application.

Sincerely yours,

Mark J. Norden  
VP/GM

FAX: 202 565 9004  
Hard Copy: US Mail

## MeadWestvaco

June 24, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No. 34495, *Buckingham Branch Railroad Company – Lease – CSX Transportation, Inc.*

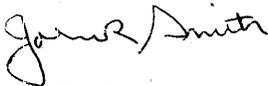
Dear Secretary Williams:

MeadWestvaco is in support of the Buckingham Branch-CSX Transportation Lease Application and urge the Surface Transportation Board approval. We have a facility located on the Buckingham Branch and a major customer located on the line subject to the application. We need reliable rail service and competitive rates to maintain and develop our position in the marketplace. Our Virginia facilities ship and/or receive approximately 13,000 carloads of woodchips, chemicals, and paper annually and it is our plan to increase rail usage based on reliable daily service.

MeadWestvaco is a leading global producer of packaging, coated and specialty papers, consumer and office products, and specialty chemicals. Among the principal markets it serves are the automotive, beverage, consumer products, healthcare, media, publishing, and entertainment industries. The company operates in 29 countries and serves customers in nearly 100 nations. MeadWestvaco manages strategically located forestlands according to stringent environmental standards and in conformity with the Sustainable Forestry Initiative. In 2003, MeadWestvaco's sales were \$7.6 billion.

Thank you for your favorable consideration of this application.

Best regards,



John R Smith  
Director of Logistics  
Packaging Resources Group

JR

**Ruffin & Payne Inc.**1922  
CUP 110TH  
YEAR

LUMBER

MILLWORK

BUILDERS SUPPLIERS

PHONE 321-2591

4000 YAWTER AVE.

P.O. BOX 27286

RICHMOND, VA 23281

FAX 321-4940

June 17, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

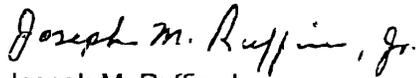
SUBJECT: Finance Docket No. 34495, Buckingham Branch Railroad Company  
- Lease- CSX Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We ship/receive approximately eighty (80) carloads of lumber and plywood annually, and it is our plan to increase rail usage based on reliable five-days-per-week service.

Thank you for your favorable consideration of this application.

Sincerely,



Joseph M. Ruffin, Jr.  
Chairman of The Board

VIRGINIA'S PREMIER LUMBER YARD SINCE 1892





June 17, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW - Room 700  
Washington, DC 20423

SUBJECT: Finance Docket No. 34495, Buckingham Branch Railroad Company -  
Lease - CSX Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We are served by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We ship/receive approximately 2,000 carloads of aplite, an industrial mineral, annually and it is our plan to increase rail usage based on reliable five-days-per-week service.

Thank you for your favorable consideration of this application.

Sincerely,

  
Ronnie D. Conway  
Plant Manager  
Montpelier Mine & Mill



14093 Louisa Road P.O. Box 70 Louisa, Virginia 23093 (540) 967-2266 Fax (540) 967-2803

June 18, 2004

Honorable Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, NW – Room 700  
Washington, DC 20423

Subject: Finance Docket NO. 34495, Buckingham Branch – Lease – CSX  
Transportation, Inc.

Dear Secretary Williams:

We are in favor of the BB-CSXT Application and urge STB approval. We have been served for over 25 years by this line and need reliable rail service and competitive rates to maintain and develop our position in the marketplace. We ship approximately 35 carloads of vermiculite annually. This volume could certainly increase with improved service reliability.

Thanks you for you favorable consideration of this application.

Sincerely,

Ned K. Gumble  
General Manager

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## APPENDIX II

# **Buckingham Branch Railroad Richmond & Alleghany Division Maintenance-of-Way Plan**

Revised 9/20/04

One of the most important aspects of operating a railroad is maintaining the infrastructure. This is accomplished by using the combined resources of people, equipment, and funding. The Buckingham Branch Railroad plans to optimize the use of all three of these resources to maintain the 200 miles of territory on the Richmond & Alleghany Division. An outline of the initial startup plan is presented below. It should be noted that this plan would be changed and or expanded as needs arise.

Buckingham Branch Railroad is currently reviewing the recent track inspection reports, geometry car inspection reports, GRMS reports, rail flaw detection reports, tunnel inspections, and inspection reports from CSX to develop an initial maintenance plan.

## **SUBDIVISIONS**

For the purpose of Maintenance-of-Way, the Richmond & Alleghany Division will be divided into three territories as outlined below.

### **Piedmont Subdivision:**

The Piedmont Subdivision will cover approximately 75 miles from AM Junction (CA 85.5) near Richmond to Gordonsville (CA 160.6). The maintenance-of-way headquarters for the Piedmont Subdivision will be in Doswell (CA 112). This is FRA Class 2 track.

### **Washington Subdivision:**

The Washington Subdivision will cover approximately 57.5 miles consisting of 9.1 miles of track from Orange (CAA0.0) to Gordonsville (CAA 9.1) and 48.4 miles of track from Gordonsville (CA160.6) to Waynesboro (CA 209). The maintenance-of-way headquarters for the Washington Subdivision will be in Charlottesville (CA 181). This is FRA Class 3 track.

### **North Mountain Subdivision:**

The North Mountain Subdivision will cover approximately 67 miles from Waynesboro (CA 209) to JD Cabin (CA 276) near Clifton Forge. The maintenance-of-way headquarters for the North Mountain Subdivision will be in Staunton (CA 221). This is FRA Class 3 track.

## **ORGANIZATION**

### **Manpower:**

Each subdivision will have a maintenance team that consists of a track supervisor/inspector and three maintenance-of-way workers. This will give a total of 12 full-time maintenance-of-way employees dedicated to the Richmond & Alleghany Division. Some (three or four) of these employees will be cross-trained as conductor to work in train service if needed. Additional maintenance-of-way support will come from other people as described later in this document.

### **Line of Authority:**

The track supervisor/inspector will report to the operations manager responsible for that subdivision (note: initially, there will be one operations manager that covers the Washington and North Mountain subdivisions and one operations manager for the Piedmont). The three maintenance-of-way employees in each subdivision will report to the respective track supervisor/inspector.

## **INSPECTIONS**

### **Weekly Inspections:**

Weekly (twice per week on the Washington and North Mountain Subdivisions) track and yard inspections will be done in accordance with FRA standards. Track inspections will primarily be done by the track supervisor/inspector on his respective subdivision. The track supervisor/inspector can also designate another qualified individual to do the inspection for him. Periodically, track supervisors/inspectors will inspect other subdivisions to make sure supervisors/inspectors are familiar with all subdivisions.

### **Special Inspections:**

Emergency or special inspections due to fire, flood, severe storm or other occurrence, which might have damaged track structure, will be done at the discretion of the subdivisions track supervisor/inspector. The track supervisor/inspector will determine the time, location, and person to do the inspection.

### **Rail Flaw Detection Inspection:**

An inspection for internal rail defects will be done on the Washington and North Mountain Subdivisions in accordance with 49 CFR part 213.237. Additionally, an annual inspection will be done on the Piedmont Subdivision, which is beyond the requirements of the CFR. A qualified outside party will do these inspections.

### **Geometry Car Inspections:**

BB does not plan to utilize geometry car inspections. If such inspection is needed at a later date, a qualified outside party will do the inspection.

---

**GRMS inspection:**

Currently, a Gage Restraint Measuring System (GRMS) is utilized in conjunction with a Portable Track Loading Fixture (PTLF) to determine crosstie and fastener compliance. BB does not plan to continue the use of this system. Instead, BB plans to determine compliance to track safety standards by performing the inspections outlined in 49 CFR part 213 subpart F.

**Bridge Inspection:**

BB plans to perform an annual inspection of all bridges by a qualified outside party and/or a qualified BB employee. A bridge maintenance list will be developed from these inspections. The most recent CSX bridge inspection reports are currently being reviewed to determine the initial bridge maintenance needs.

## **ACCOMPLISHMENT OF TASKS**

**Maintenance Priority:**

The track supervisor/inspector will determine the priority of work to be done on his respective subdivision. The track supervisor/inspector will determine equipment, materials, and people needed for each job. The BB management team will develop an appropriate plan, if additional resources are needed beyond what is normally available to the track supervisor/inspector.

**Routine Maintenance:**

Routine maintenance (spot tamping, spot tie replacement, drainage, gauging, bolt replacement, spot rail replacement, joint bar replacement, right of way clean up, minor highway crossing repairs, etc.) will be done by the three maintenance-of-way employees on each subdivision as directed by the track supervisor/inspector.

**Tie/Rail Replacement Programs:**

Tie replacement and/or rail replacement programs will be determined by the track supervisor/inspector. The first tie replacement program will consist of installing 10,000 to 15,000 ties during the summer of 2005. In the next several years, BB plans to replace between 10,000 and 20,000 ties annually. The tie replacement locations will be determined based on consultation between all track supervisor/inspectors. Depending on the economic needs analysis; either an outside contractor or a BB production gang will do this work. The BB production gang, if used, will consist of 8 to 10 additional full-time BB maintenance people and use BB owned equipment. At this time, a major rail replacement program is not planned during the first few years of operation.

**Rail Lubrication:**

The BB plans to either purchase one hy-rail vehicle with rail lubrication equipment or equip all of its track inspection vehicles with rail lubrication equipment. The initial rail lubrication schedule will be developed based on tonnage.

**Bridge Maintenance:**

The subdivision maintenance crew and/or a qualified BB mechanical maintenance person will perform minor bridge maintenance. More extensive repairs will be done by BB's existing three-person bridge crew or by an outside party. Outside bridge consultants or engineers will be utilized if any unusual questions or issues arise during bridge maintenance work.

**Disaster Recovery:**

In case of large-scale damage to the infrastructure (washout, loss of a bridge, rock slide, etc.), BB plans to utilize a combination of its existing equipment, existing workforce, outside contractors, rental equipment, internal expertise, and outside consultants to recover. A contingency plan will be developed and initiated for emergency and disaster situations. Additionally, BB plans to cover critical structure damage or loss with a comprehensive insurance policy to assist with replacement cost.

**Surfacing:**

BB plans to utilize its own production tamper (to be purchased) and ballast regulator to maintain surface and alignment. Either the existing maintenance crews or an additional group of 2 to 3 BB employees will operate this equipment. In the interest of time, a contractor may do the initial surfacing of the line.

**Vegetation Control:**

BB owns and operates an on-track brush cutter and vegetation spray unit that will be utilized on the Richmond & Alleghany Division.

**Equipment:**

BB owns the following maintenance-of-way equipment that will be available for use on the Richmond & Alleghany Division:

- Hy-rail pick-up trucks (2)
- Hy-rail Suburban
- Hy-rail Section Gang truck with crane (2)
- Hy-rail 2-ton flat bed truck with crane
- Hy-rail knuckle boom truck with 20' dump bed
- Hy-rail rotary dump truck
- 50-ton locomotive crane
- Burro Crane
- Tie handler (2)
- Tie inserter
- Ballast regulator
- Bridge unit
- Brush Cutter (on-rail)
- Switch tamper
- Backhoe (2)
- Rubber Tire Loader

BB plans to purchase the following additional maintenance-of-way equipment for use on the Richmond & Alleghany Division.

- Hy-rail inspection truck (3)
- Hy-rail pick-up truck with rail lubrication system (or use inspection trucks)
- Production tamper
- Hy-rail Section Gang Truck with crane

**Additional Support:**

As mentioned above, the 12-member maintenance-of-way team will be responsible for the inspection and routine maintenance at the start-up of the Richmond & Alleghany Division. Additional crews (either BB employees or outside contractors) will be utilized for larger scale projects such as major surfacing efforts, rail replacement, and tie programs. Additional help is also available from our existing 7-member maintenance-of-way force.

**Funding:**

Initially, BB plans to spend between \$1,800,000 and \$2,200,000 of freight revenues annually to maintain the Richmond & Alleghany Division. This includes the cost of labor, equipment, and materials. This amount will be adjusted depending on needs. Additional funding from Government sources will be sought, as programs are made available.

## **ROADWAY WORKER PROTECTION**

BB plans to adopt CSXT's Roadway Worker Protection and On Track Safety procedures for use on the Richmond & Alleghany Division.

## **CONTINUOUS WELDED RAIL PROCEDURES**

BB plans to adopt CSXT's Continuous Welded Rail (CWR) procedures. BB will acquire all applicable CWR records from CSXT prior to leasing the line.

## **CONCLUSION**

BB is committed to maintaining the Richmond & Alleghany Division to a level that meets or exceeds the track safety standards required by 49 CFR Part 213 for the existing class of track. This document shows how we plan to employ the necessary manpower, equipment, and funding needed to accomplish this task. BB has a history of continuous improvement of the infrastructure of all the properties owned or operated. This tradition will continue as BB starts the operation of the Richmond & Alleghany Division.

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# APPENDIX C

AGREEMENT  
BETWEEN  
NATIONAL RAILROAD PASSENGER CORPORATION  
AND  
CSX TRANSPORTATION, INCORPORATED

June 1, 1999

Contains Amendment Changes through April 29, 2002

THIS AGREEMENT is by and between the National Railroad Passenger Corporation, a corporation organized under the Rail Passenger Service Act (the "Act"), and the laws of the District of Columbia, having offices at 60 Massachusetts Avenue, N.E., Washington, DC 20002 ("Amtrak"), and CSX Transportation, Inc., a corporation formed pursuant to the laws of the Commonwealth of Virginia, having principal offices at 500 Water Street, Jacksonville, Florida 32202 ("CSXT").

WHEREAS, as of April 16, 1971, CSXT's predecessors entered into Agreements with Amtrak (the "Basic Agreement") respecting the provision of services and facilities for intercity rail passenger operations, which Basic Agreement was subsequently amended and consolidated;

WHEREAS, as of April 1, 1997, CSXT and Amtrak entered into an agreement (The "1997 Agreement") which completely restated the Basic Agreement to provide for continuing Amtrak operations on CSXT's Rail Lines at least through March 31, 2002, which agreement also terminated all other agreements between Amtrak and CSXT and its predecessors, in effect as of April 1, 1997, except for such other agreements specified therein;

WHEREAS, the Surface Transportation Board ("STB") under STB Finance Docket No. 33388 approved, with certain conditions, the acquisition of control of Conrail by CSX Corporation ("CSX"), of which CSXT is a wholly owned subsidiary, and

Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively "NSR") and the division of assets of Conrail by and between CSX and NSR;

WHEREAS, the Transaction Agreement among CSX, NSR and Conrail provides that certain of Conrail's lines will be allocated to New York Central Lines, LLC, which is a wholly owned subsidiary of Conrail, and will be operated exclusively by CSXT under the terms of an Operating Agreement between New York Central Lines, LLC, as owner and CSXT as operator. These lines to be allocated to New York Central Lines, LLC (hereinafter, the "Conrail Lines") include, in part, certain railroad facilities over which Amtrak now operates pursuant to an Amended and Restated Off-Corridor Operating Agreement between Conrail and Amtrak, dated as of April 14, 1996.

WHEREAS, Amtrak and CSXT have agreed to restate the 1997 Agreement by incorporating the specific service and cost items governing services and operations on the Conrail Lines into the 1997 Agreement, by providing for continuing Amtrak operations, at least through May 31, 2004, on CSXT's Rail Lines and the Conrail Lines over which Amtrak will continue to operate in accordance with this Agreement, and by terminating all other agreements between Amtrak and CSXT and its predecessors in effect as of June 1, 1999, except for the other agreements specified in Appendix VI, and have further agreed that all Amtrak operations after May 31, 1999 over the CSXT Lines and the Conrail Lines shall be governed solely by this Agreement and any applicable agreements specified in Appendix VI.

NOW THEREFORE, effective as of June 1, 1999, the parties agree, except for the other agreements identified in Appendix VI that shall remain in effect, to terminate and supersede all agreements between Amtrak and CSXT and its predecessors, replace them with this Agreement as follows, and include under this Agreement all operations over the Conrail Lines to be operated by CSXT:

#### ARTICLE I

#### DEFINITIONS

Intercity Rail Passenger Service is defined as all passenger service (except commuter rail passenger service) operated by Amtrak over the Rail Lines.

Intercity Rail Passenger Trains is defined as all trains operated in Intercity Rail Passenger Service (hereafter sometimes referred to as "Amtrak trains").

Rail Lines is defined as CSXT's Rail Lines and the Conrail Lines that will be operated by CSXT (as set forth in the recitals), which are the rights of way and real properties appurtenant thereto that are necessary to operate Amtrak's Intercity Rail Passenger Service on Rail Lines together with the roadway structures, signal systems, and other facilities thereof or appurtenant thereto used in connection with the actual operation of Amtrak trains and all of CSXT's rights to use such properties of others, subject to the terms of any applicable agreements for the use of such property of others.

Section 4.3 Additional Maintenance and Improvements.

Upon the request of Amtrak, CSXT shall as promptly as feasible modify its Rail Lines maintenance, at the sole expense of Amtrak for any additional cost to the extent such additional cost is not reimbursed under Article V, so as to increase the level of utility of any part of its Rail Lines to the level specified in such request.

Amtrak shall have the right (i) at its sole expense, to the extent that the cost thereof is not reimbursed under Appendix IV, to require CSXT to improve its Rail Lines in such request, or (ii) subject to mutually satisfactory arrangements, to improve the Rail Lines of CSXT; provided that any such improvement shall not unduly interfere with or unduly limit CSXT's other rail operations, that any such requested improvement shall be made by CSXT as promptly as feasible, and that any increase in maintenance cost occasioned by such improvement shall be paid by Amtrak to the extent that such increased cost is not reimbursed under Appendix IV.

Section 4.4 Maintenance of Light Density Lines

Notwithstanding Section 4.2, the parties agree that on or after the effective date of this Agreement, CSXT may modify the level of utility on the Rail Lines between Raleigh and Columbia; Maynard and Ames; and Clifton Forge and Orange (collectively the "Light Density Lines") by changing the FRA track classification on those lines from Class 4 to Class 3. Amtrak and CSXT may jointly inspect the Light Density Lines to determine if segments will or will not continue to meet FRA Class 3. On those segments where the track will not continue to meet Class 3, Amtrak may decide to

operate at such lower speeds as may be required, or Amtrak and CSXT will agree upon  
the additional cost (if any) that Amtrak will be required to pay CSXT if Amtrak elects to  
have such segments maintained at FRA Class 3. Also, Amtrak and CSXT may inspect  
the signal systems on the Light Density Lines to determine the feasibility of Amtrak's  
continued operation over such lines.

CSXT  
APPENDIX I  
MAXIMUM PASSENGER TRAIN SPEEDS  
NORTH MOUNTAIN SUBDIVISION

APPENDIX III

273.0 SPEEDS

273.1 MAXIMUM AUTHORIZED SPEED

Table 138. Maximum Authorized Speed		
Between Location/Mile Post	Pagr. MPH	Other MPH
CA179.6 and CA183.0	20	20
CA183.0 and CA275.8	55	40

273.15 MEDIUM SPEED

Table 139. Medium Speed	
Between Location/Mile Post	MPH
CA219.4 and CA227.1	15
CA197.6 and CA189.0 eastward trains	25

273.2 SPEED RESTRICTIONS

Bold MPH denotes city ordinance

Table 190. Speed Restrictions		
Between Location/Mile Post	Pagr. MPH	Other MPH
CA183.0 and CA275.8 - Trains in excess of 10,000 tons	---	<b>25</b>
CA180.1 and CA183.9	15	<b>10</b>
CA183.9 and CA185.1	45	---
CA185.1 and CA188.6	40	---
CA188.6 and CA190.1	60	---
CA190.1 and CA190.7	55	---
CA190.7 and CA196.7	60	---
CA196.7 and CA204.2	35	<b>20</b>
CA204.2 and CA205.4	40	---
CA205.4 and CA207.7	40	<b>35</b>
CA207.7 and CA208.7	40	---
CA208.7 and CA218.2	60	---
CA218.2 and CA218.5	50	---
CA218.5 and CA220.7	60	---
CA220.7 and CA221.5	25	<b>25</b>
CA221.5 and CA223.3	50	---
CA221.5 and CA224.2 eastward	---	<b>30</b>
CA225.2 and CA226.7	55	---
CA226.7 and CA227.6	60	---
CA230.7 and CA232.4	50	---
CA228.8 and CA234.3 eastward	---	<b>30</b>
CA234.3 and CA237.2 westward	---	<b>30</b>
CA241.5 and CA241.9	55	---
CA241.9 and CA245.1	60	---
CA245.1 and CA245.6	50	---
CA245.6 and CA247.6	60	---
CA252.6 and CA255.1	60	---
CA255.1 and CA255.5	55	---
CA255.5 and CA269.8	60	---