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May 20, 2011

Ms. Victoria Rutson
Director
Office of Environmental Assessment
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE: Finance Docket No. 35522, *CSX Transportation, Inc.—Acquisition and
Operation—Grand Trunk Western Railroad Company*

Dear Ms. Rutson:

CSX Transportation, Inc. (“CSXT”) seeks your approval to prepare a Preliminary Draft Environmental Assessment (“PDEA”) in connection with the environmental review of the Proposed Transaction, as defined below.

CSXT proposes to file a minor application under 49 U.S.C. §11323 with the Surface Transportation Board (the “Board”) on or about July 1, 2011 seeking authority to acquire from the Grand Trunk Western Railroad Company (“GTW”) an exclusive, perpetual, non-assignable railroad operating easement (the “Elsdon Easement”) over approximately 22.3 miles of GTW’s Elsdon Subdivision extending from milepost 31.0± located at or near the CSXT connection at Munster, IN to milepost 8.7±, located at or near Elsdon, IL, which connects to the southern end of the BNSF Railway Company’s Corwith Yard as shown on Exhibit A hereto (the “Acquisition”). CSXT also proposes to acquire trackage rights over GTW between CN’s connection to CSXT at Wellsboro, IN at or near Milepost 71.1 and Griffith, IN at or near Milepost 36.1 on GTW’s South Bend Subdivision, a distance of approximately 35 miles on Exhibit A hereto (the “Trackage Rights”). Together, the Acquisition and the Trackage Rights are referred to as the Proposed Transaction.

CSXT conferred with the Office of Environmental Assessment (“OEA”) on February 17, 2011. As a result of that consultation, CSXT proposes that, with OEA’s guidance, CSXT prepare a PDEA for the Proposed Transaction. The PDEA will be prepared by CSXT’s environmental consultants, HDR Engineering, Inc. (“HDR”), under guidance provided by OEA. The PDEA will serve as the basis for the environmental documentation to be prepared by OEA. Preparation of such a PDEA would be consistent with the regulations of the Council on Environmental Quality at 40 C.F.R. §1506.5(b), which specifically contemplate preparation of an environmental assessment (“EA”) by an applicant.

Ms. Victoria Rutson

May 20, 2011

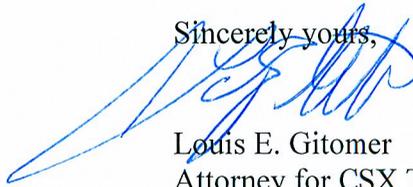
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CSXT's objective in preparing the PDEA is to submit a document of such quality and accuracy as to conform fully with OEA's requirements for such documents. CSXT anticipates that OEA would verify the information submitted in the PDEA and independently evaluate the environmental impacts of the Proposed Transaction. In this manner, CSXT expects that OEA's independent verification and evaluation would confirm that the PDEA could be adopted, with a minimum of revision, as OEA's own EA. OEA would then issue its EA for public review and comment within a 30-day period and subsequently make final recommendations to the Board.

Please let me know if (i) the PDEA approach set forth in this letter conforms with your understanding, and (ii) CSXT may proceed to work, consistent with that approach and in consultation with your office and HDR, on a PDEA regarding the Proposed Transaction. We look forward to working together with OEA on this environmental review process.

Thank you for your assistance. If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosures



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