



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF TRANSPORTATION
HARRISBURG, PENNSYLVANIA

OFFICE OF
SECRETARY OF TRANSPORTATION

November 25, 2014

237410

Chairman Dan Elliott
Vice Chairman Deb Miller
Commissioner Ann Begeman
Surface Transportation Board
395 E Street, SW
Suite 1220
Washington, DC 20423-0001

ENTERED
Office of Proceedings
November 25, 2014
Part of
Public Record

RE: Finance Docket No. 35783
Norfolk Southern Railway Company – Acquisition and Operation – Certain Rail Lines of
The Delaware and Hudson Railway

Dear Board Members:

The Pennsylvania Department of Transportation (PennDOT) submits this letter in strong support of the application filed on November 17, 2014 by Norfolk Southern Railway Company (“NS”) to acquire and operate certain rail lines of The Delaware and Hudson Railway (“D&H”).

PennDOT takes a serious and active interest in transportation matters that affect not only the Commonwealth, but the Northeast region as well. Being home to more than 60 railroads, many Pennsylvania industries depend on rail service as the primary means to transport goods and commodities to their customers throughout the United States.

With a little more than 127 miles in the Commonwealth, the D&H line is a critical piece of Pennsylvania’s rail network. It is essential that this line is owned and operated by a railroad who will work as a partner with PennDOT to develop economic opportunities and provide a high level of service to existing and future industries. Through various projects over the years, NS has proven time and again to be as committed to the future of Pennsylvania freight rail as PennDOT and would be ideal as the owner of the D&H.

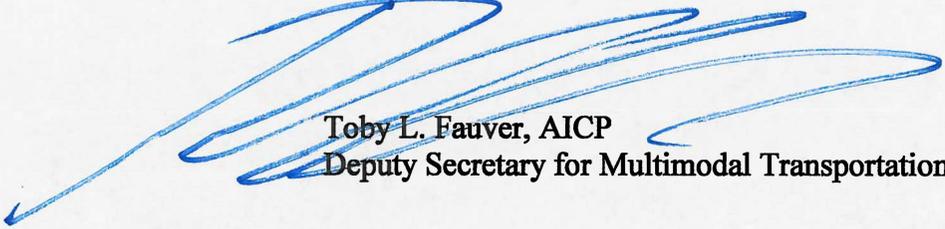
PennDOT supports the proposed acquisition for the following reasons:

- Substitutes a stronger NS for a disinterested D&H, which should ensure the continued viability of the D&H South Lines for Pennsylvania industries
- Preserves, and may even increase, jobs for our citizens currently working on these lines
- Aligns ownership with usage, which creates operating efficiencies that should improve the reliability and sustainability of service on the lines for our Pennsylvania industries
- Should be a seamless transition resulting in minimal disruption of service for our industries, since NS already operates daily over the lines

- Produces no competitive harms for any of our industries, as it is essentially an end-to-end transaction
- Enhances overall competition in the Northeast surface transportation market for the benefit of Pennsylvania industries

For the above reasons, PennDOT strongly supports the application of NS before the STB to acquire and operate certain rail lines of D&H. We respectfully request your expedited review and approval of this minor transaction.

Sincerely,



Toby L. Fauver, AICP
Deputy Secretary for Multimodal Transportation

cc: Rudy Husband, Resident VP, Norfolk Southern (via e-mail)