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December 30, 2015

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

Re: Docket No. FD-35522, *CSX Transportation, Inc. –Acquisition of Operating Easement—Grand Trunk Western Railroad Company – Quarterly Report No. 10*

Dear Mrs. Rutson:

Pursuant to voluntary mitigation measure (“VM”) 45 imposed by the Surface Transportation Board (the “Board”) in *CSX Transportation, Inc. –Acquisition of Operating Easement—Grand Trunk Western Railroad Company*, Docket No. FD 35522 (served February 8, 2013), CSX Transportation, Inc. (“CSXT”) is submitting its tenth quarterly report on the progress of, implementation of, and compliance with the mitigation measures for the period of September 1, 2015 through November 30, 2015 (the “Quarter”).

Enclosed is a chart describing the mitigation measures, the implementation deadlines, the process, and the status of implementation. Changes in the status of any mitigation measure that has occurred since the ninth quarter chart was filed on September 30, 2015, is in red.

In compliance with VM 45, CSXT will close the eleventh quarter on February 29, 2016, and send you the eleventh quarterly report by March 31, 2016.

CSXT made additional track improvements during the Quarter. To address issues in Evergreen Park, CSXT installed two 80-foot 136# panels and new timber and asphalt crossings at 115th Street. CSXT also double bonded track joints for three miles on both tracks near Evergreen Park. Additionally, CSXT installed Radio Key Down and remote monitoring capabilities at the highway grade crossings at 111th, 115th, 123rd, and 127th Streets.

During the Quarter, CSXT ran approximately 35-49 trains per week on the Line. According to CSXT’s records, there were seven days when crossings were blocked by trains during the Quarter. On September 19, 103rd Street was blocked. On September 21, 87th, 91st, 94th and 95th Streets were blocked by the same train. On November 9, a train broke down and

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111th Street was blocked. On November 16, 87th Street was blocked. On November 20th, 91st Street was blocked. On November 21, 87th Street was blocked. On November 27, 91st, 94th, and 95th Streets were blocked by the same train.

There were false gate activations on three days during the Quarter that caused blocked crossings. On October 16, gate failure at 95th, 94th, and 91st Streets occurred because of a broken wire. The wire was replaced. To address the false gate activations, CSXT installed double bond wire on 1,800 joints (as opposed to the standard single bond wire) at 87th, 94th, and 95 Streets and Kedzie Avenue. CSXT is also in the process of tightening joints on the Elsdon Line to reduce movement which could cause signal disruption.

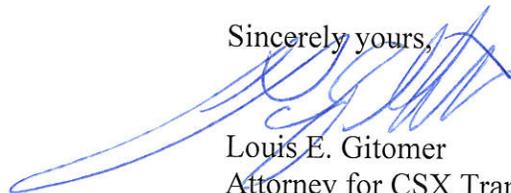
During the Quarter, CSXT had 20 idling trains on the Elsdon Line. These idling trains were caused by congestion on various lines in the Chicago Area. CSXT has done further analysis of the length of trains and yard protocols in order to take steps to reduce idling and the blocking of crossings in the Evergreen Park area.

On September 20, 2015, at 3:48 am, Train L02520 collided with an occupied vehicle at MP DG 22.64 (150th Street crossing in Harvey, IL). CSXT notified the Harvey Police Department and remained in contact with the Harvey Police Department. The Harvey Police Department confirmed the individual in the vehicle was fatally injured.

CSXT is aware of the concerns of Evergreen Park and is continuing to work to resolve those concerns. On October 20, 2015, CSXT representatives participated in a conference call with U.S. Representative Dan Lipinski, Chicago 19th Ward Alderman Matt O'Shea, Illinois State Representative Fran Hurley, Illinois State Representative Kelly Burke, and Illinois State Senator Bill Cunningham at their request in reaction to reported blockages and signal malfunctions in their communities on the Elsdon Subdivision and Blue Island Subdivision. On November 18, 2015, CSXT representatives participated in a follow-up meeting with Representative Lipinski in Washington D.C. concerning signal repairs, road crossing repairs at 115th Street on the Elsdon Subdivision and 87th and 95th Streets on the Blue Island Subdivision. The follow-op letter is also enclosed. CSXT continues to make bi-weekly reports on idling and blocking issues in writing and through conference calls with STB staff. On September 29, 2015, CSXT provided a Chicago terminal tour to STB staff of the Elsdon and Blue Island Subdivision, Blue Island Junction and CREATE projects.

If you have any questions, please contact me.

Sincerely yours,



Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Enclosure

November 24, 2015

Representative Burke, Senator Cunningham, Representative Hurley, Alderman O'Shea, and Mayor Sexton;

CSX is following up with an update on its operational improvement efforts since last month's conference call between yourselves, CSX Chief Operating Officer Cindy Sanborn, and Representative Dan Lipinski. CSX continues in good faith to work towards improved operations in your community and appreciates your patience with us. Per our mutual plan, our COO has provided specific follow-up information with Representative Lipinski in Washington last week. He remains very focused on progress on this matter. We will continue to update you and him on our progress on the projects we discussed.

The CSX Elsdon line remains important to the Chicago region to balance the safe delivery of commerce. As you know, the Elsdon line runs between Munster, IN, and almost to the Stevenson Expressway in Chicago. We have been operating on the line for about two years and three months with an average of about five to seven trains per day or about 35-49 trains per week. As a comparison, CSX's other line in your community near Rockwell Street called the Blue Island Subdivision operates about 140 trains per week or about 20 trains per day. The Indiana Harbor Belt (which CSX's use of the Elsdon line is designed to provide some regional freight transportation efficiency gains), has about 50 trains per day on it.

All of the bullet points below are new since our conference call (approximately 30 days ago):

- CSX will be installing cameras on the Elsdon subdivision between Blue Island and Evergreen Park for better visibility and response by CSX on train placement and conditions.
- CSX has increased inspections on the track by 100% effective November 2015. This substantially exceeds the required federal inspection regimen. Our team will be walking the track at a greatly increased level to identify and correct issues.
- CSX commenced and completed in October 2015 double bond wiring at 95th Street and 94th Street and Kedzie of the Elsdon line to significantly reduce false gate activations.
- CSX is in the process of tightening joints (the connections of the rails) on the Elsdon line in your community to reduce movement which could cause signal disruption. Eventually, the jointed rails will be replaced with welded rail which will further assist signal performance.
- CSX significantly elevated protocols in October 2015 with the engagement of our Chief Operating Officer in terms of the eastbound traffic which caused idling and blocking issues in the Evergreen Park area. We have already begun to see a statistical reduction in both idling and blocking since the new protocols have taken place.
- CSX moved a particular train in September 2015 to another location off the Elsdon line within the Chicago area to reduce the occurrence of idling and blocking crossings.
- CSX has done further analysis of lengths of trains and yard protocols to reduce idling and blocking in the Evergreen Park Area.

In good faith, in the previous 24 months; CSX has replaced approximately 42,000 ties; installed new mobile-based signal technology; and rebuilt Elsdon line road crossings with new premium surfaces at 127th Street, 119th Street, 115th Street, 111th Street, 103rd Street, 99th Street, 95th Street, 94th and Kedzie, 91st Street, and 87th Street. We also installed camera monitoring technology at the Evergreen Park Municipal Center to view track operating conditions. CREATE Projects which CSX invests in in Thornton and Blue Island, IL will add to Chicago's overall rail capacity and fluidity.

The U.S. Surface Transportation Board Members and senior leadership have issued significant new rules in reporting for Chicago and national operations. The STB also requires regular updates about the CSX Elsdon line in both written and verbal reports. CSX is fully committed to sharing and engaging with the STB on improving Elsdon operations.

We further improved 87th Street and 95th Street on the Blue Island subdivision with the expectation of good signal performance.

We respectfully disagree with description of our focus on safety in recent communications.

- CSX was the first railroad in the nation to initiate and formalize an agreement called CSX Rail Respond with Illinois Emergency Management Agency (IEMA) to share operating and cargo information. This includes training for all EMA leadership in 'CSX states' being trained at our REDI Center in Atlanta and includes covering transportation and training costs.
- CSX was the first railroad in the nation to initiate and formalize agreements with first responders on a mobile app to share information on cargo. This is now deployed by many in the industry.
- CSX has achieved the best in the nation safety ratio as determined by the Federal Railroad Administration (FRA) for the previous three years.
- CSX actively participated in the Feb 27, 2015 Table Top Exercise hosted by the City of Chicago and Cook County and pre-meetings leading up to the training.
- CSX conducted a crisis management exercise in Dolton, IL, for approximately 70 first responders this year, as well as in Michigan City, IN which Illinois safety personnel attended. We also conducted Emergency Response to Railroad Incidents to about 50 fireman and had a 'safety train' in Riverdale, IL, in 2014 where approximately 125 first responders were trained.
- Our 24-hour emergency line is 1800-232-0144.

We truly apologize for the operational challenges we have had at this location on the Elsdon line which have caused anger and frustration to many in the community. It is not for lack of investment and review of our operations to constantly strive for improvement. Whereas, delays have and will continue to happen throughout the Chicago region; we will continue to pursue a sense of normalcy by the community that existed while CSX operated in the community for several decades. In a little over two years, we have made significant good faith investments to serve the public, our customers, and the

Chicago region in safely moving goods to the benefit of many. We remain committed to the communities and the leading community organizations we support that make your area vibrant.

Tom Livingston