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August 15, 2014

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings
August 15, 2014
Part of
Public Record

RE: Docket No. FD 35804 (Sub-No. 1), *CSX Transportation, Inc., The Baltimore & Ohio Chicago Terminal Railroad Company, and Norfolk Southern Railway Company—Joint Relocation Project Exemption—Gary-Chicago International Airport Authority*

Dear Ms. Brown:

CSX Transportation, Inc. (“CSXT”) notifies the Surface Transportation Board that as of August 15, 2014, CSXT has consummated the permanent relocation of CSXT’s common carrier obligation and rights from the 1.9-mile portion of its Fort Wayne Line between milepost QF 443.8 and milepost QF 445.7 (the “Fort Wayne Line”), to the 1.7-mile portion of the Norfolk Southern Railway Company (“NSR”) Gary Branch between milepost TC 244.90 and milepost TC 246.60 (the “Gary Branch”).

By relocating its common carrier obligation and rights from the Fort Wayne Line to the Gary Branch, under the trackage rights exempted in *CSX Transportation, Inc., The Baltimore & Ohio Chicago Terminal Railroad Company, and Norfolk Southern Railway Company—Joint Relocation Project Exemption—Gary-Chicago International Airport Authority*, Docket No. FD 35804 (Sub-No. 1) (served August __, 2014) CSXT has terminated all of its common carrier obligations and rights over the Fort Wayne Line. Once NSR transfers the Gary Branch to CSXT, as exempted in *CSX Transportation, Inc., The Baltimore & Ohio Chicago Terminal Railroad Company, and Norfolk Southern Railway Company—Joint Relocation Project Exemption—Gary-Chicago International Airport Authority*, Docket No. FD 35804 (served August __, 2014) the permanent relocation of CSXT’s common carrier obligation and rights from the Fort Wayne Line to the Gary Branch will continue.

Ms. Cynthia T. Brown
August 15, 2014

A copy of the executed Trackage Rights Agreement is attached.

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

Sincerely yours,

Louis E. Gitomer

Louis E. Gitomer
Attorney for CSX Transportation, Inc.

Cc: Ms. Bergman
Mr. Sippel
Mr. Mullins

**TRACKAGE RIGHTS AGREEMENT
CSXT OVER NSR GARY BRANCH**

This Trackage Rights Agreement (“Agreement”), entered into this 12th day of August, 2014, by and between Norfolk Southern Railway Company, a Virginia Corporation, including its subsidiaries and affiliates (hereinafter referred to as “NSR”) and CSX Transportation, Inc., a Virginia Corporation, including its subsidiaries and affiliates (hereinafter referred to as “CSXT”), hereby constitutes a grant of trackage rights for that portion of the NSR Gary Branch from milepost TC 244.9 to TC 246.6.

WHEREAS, Gary-Chicago International Airport Authority (“Gary Airport”) has asked CSXT, as a participating railroad in the Gary, Indiana Airport Runway Expansion Project (the “Runway Expansion Project”) (which project is described in more detail in the next paragraph), to amend the Joint Relocation Project and transfer the CSXT portion of the Ft. Wayne Line to the Gary Airport prior to transfer of the relevant portion of the Gary Branch to CSXT from NSR. In order for this CSXT property transfer to occur, CSXT must first permanently relocate its common carrier obligations and rights to that portion of the Gary Branch that the NSR will transfer to CSXT as part of the Joint Relocation Project (a copy of the STB Filing for the Joint Relocation Project attached hereto for reference).

WHEREAS, *inter alia*, NSR and CSXT have entered into an agreement dated May 1, 2014 (the “Transaction Agreement”) for the Runway Expansion Project which will result in the relocation and removal of tracks and installation of new connections between tracks including but not restricted to the NSR Gary Branch, as well as a Purchase and Sale Agreement dated May 1, 2014 (the “PSA”) for the conveyance of the noted Norfolk Southern Gary Branch segment to CSXT; and

WHEREAS, NSR and CSXT are parties to a June 1, 1999 Master Trackage Rights Agreement (the “Master Trackage Rights Agreement”) governing CSXT operation over various NSR routes related to the acquisition of substantially all of Consolidated Rail Corporation’s assets by NSR and CSXT.

NOW, THEREFORE, CSXT requests NSR to grant to CSXT overhead trackage rights over the 1.7-mile portion of the Gary Branch which is to be conveyed to CSXT pursuant to the terms of the Transaction Agreement and the PSA (defined above) between approximately milepost TC 244.9 and milepost TC 246.6 in order to amend the Joint Relocation Project and for CSXT to immediately (subject to any needed regulatory approvals, which will be sought by CSXT at its sole expense) relocate CSXT’s common carrier obligations and rights from the approximately 1.9-mile portion of CSXT’s Fort Wayne Line between milepost QF 443.8 and milepost QF 445.7 to the 1.7-mile portion of the Gary Branch without waiting for the transfer of the Gary Branch under the PSA.

SECTION 1 DESCRIPTION OF RIGHTS

CSXT shall have overhead and local trackage rights upon only the portion of the NSR Gary Branch which is to be transferred to CSXT by NSR pursuant to the terms of the Transaction Agreement and the PSA, which is between milepost TC 244.9 and milepost TC 246.6.

SECTION 2 NEW CONNECTIONS

CSXT shall bear all costs associated with the design and construction of any new connections requested by CSXT to fulfill the trackage rights obligation, and the design of the same must be acceptable to NSR.

SECTION 3 TERM AND TERMINATION

The effective date of this Agreement shall be the latter of (a) the date first above written, or (b) when regulatory approval is received, and shall continue in effect until the conveyance of the underlying property by NSR to CSXT, as spelled out in the Transaction Agreement and the PSA.

SECTION 4 MISCELLANEOUS PROVISIONS

Unless specifically addressed and modified by this Agreement, all terms and conditions of the Master Trackage Rights Agreement between CSXT and NSR are hereby incorporated by reference.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed, in duplicate, as of the date first above written.

WITNESS:



**NORFOLK SOUTHERN RAILWAY
COMPANY**

By: 
Vice President Network & Service Management

WITNESS:



CSX TRANSPORTATION, INC.

By: 
(Title) Director Network Planning