

STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION



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December 23, 2008

224354

Surface Transportation Board
Case Control Unit
395 E Street, SW
Washington, DC 20423

Attention: Mr. Kenneth Blodgett

Re: Environmental Assessment Comments
STB Finance Docket No. 36147
Norfolk Southern Railway Company, Pan Am Railways, Inc.
et al - Joint Control and Operating/Pooling Agreements - Pan Am
Southern, LLC in NY, NH, VT, MA, and CT.

ENTERED
Office of Proceedings
JAN 15 2009
Part of
Public Record

The Connecticut Department of Transportation (Department) has reviewed the Environmental Assessment prepared in response to the petition filed by Norfolk Southern Railway Company, Pan Am Railways, Inc., Boston and Maine Corporation, and Springfield Terminal Railway Company. The petition seeks approval, under 49 U.S.C. 11322 and 11323, of the acquisition by Norfolk Southern and Boston and Maine of joint control and ownership of Pan Am Southern, LLC, a new rail carrier to be formed; and the agreements by which Springfield Terminal would operate the lines of Pan Am Southern, LLC and establish rail rates.

The primary objective of the proposed Transaction is to upgrade the existing rail infrastructure on the main line between Mechanicville, NY and Ayer, MA in order to provide more efficient movement of freight throughout the New England region. Unfortunately, the proposed Transaction anticipates virtually no change in the limited freight rail operations currently conducted by Springfield Terminal Railway Company (a unit of Pan Am Railways, Inc.) in Connecticut.

Mr. Kenneth Blodgett

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December 23, 2008

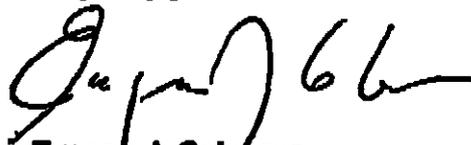
The Department believes that there are significant rail freight opportunities in the region served by Pan Am Railways, Inc. and its connecting carriers, as previously stated in the August 20, 2008 Certificate of Service, which referenced the Department's August 11, 2008 comment letter to the Surface Transportation Board.

Pan Am Railways, Inc. stands to benefit by establishing Interchange Agreements with connecting railroads in our state, specifically the Connecticut Southern Railroad, the Central New England Railroad, the Naugatuck Railroad, the Housatonic Railroad, and the Providence & Worcester Railroad.

The Department supports efforts by Pan Am Railways, Inc. to establish a dialogue with these connecting carriers to take advantage of existing opportunities to move commodities such as lumber, aggregates, and construction and demolition debris (C&D) by rail.

The Department supports the creation of Pan Am Southern, LLC for the efficiencies that it will bring to the movement of rail freight in the New England and New York region. Pan Am Southern, LLC can contribute to the preservation and expansion of industry in our state, as well as the creation of jobs, the reduction of non-essential truck traffic, and the conservation of fuel.

Very truly yours,



Eugene J. Colonese
Rail Administrator
Bureau of Public Transportation

Enclosure

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

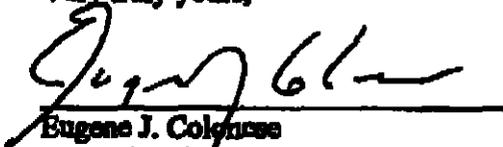
FINANCE DOCKET NO. 35147

**NORFOLK SOUTHERN RAILWAY COMPANY, PAN AM RAILWAYS, INC.,
ET AL - JOINT CONTROL AND OPERATING/POOL AGREEMENTS -
PAN AM SOUTHERN, LLC**

**CONNECTICUT DEPARTMENT OF TRANSPORTATION
CERTIFICATE OF SERVICE**

In accordance with the Surface Transportation Board's decision served on July 24, 2008 in the above-captioned matter, the Connecticut Department of Transportation (CDOT) hereby certifies that it has this day served copies of its "Environmental Assessment Comments" document, dated December 23, 2008 upon all Parties of Record on the Board's Service List (see Exhibit A, attached hereto and incorporated herein by Reference), by first class mail, postage prepaid.

Very truly yours,



**Eugene J. Colgrasse
Rail Administrator
Bureau of Public Transportation
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Dated: December 23, 2008