



**Brotherhood of Maintenance of Way Employees Division  
of the International Brotherhood of Teamsters**

**ALLIANCE & NORTHEASTERN SYSTEM FEDERATIONS**

April 15, 2021

From the Offices of:

*Jason Graham, General Chairman, Alliance System Federation  
Dale E. Bogart Jr., General Chairman, Northeastern System Federation*

Re: CSX Acquisition of PAR/ST Railway

Dear Brothers and Sisters,

Since the formal announcement on November 30, 2020 that the CSX Corporation would be acquiring the Springfield Terminal Railway Corporation (PAR) our offices have fielded a number of questions and concerns related to this transaction as well as what we currently know about it which at this point in the regulatory approval process, there has not been much to report, which remains the same presently.

As you may or may not know, on February 25, 2021, CSX filed its application to the Surface Transportation Board (*hereinafter referred to as STB*) for its intended acquisition of the PAR-ST which also included a 50% ownership stake in the Pan Am Southern (*hereinafter referred to as PAS which is PAR/ST's and NS's joint venture between Mechanicville, NY and Ayer, MA and other branch lines therefrom*). Included in that application was that the two (2) co-owners of the PAS after the transaction (CSX and NS) would have a neutral entity operate the PAS identified as the Berkshire and Eastern (*what will be a newly created Company to operate the territory under the Genesee and Wyoming Corp.*).

Below is a brief summary of what we know today and wanted to pass along with the hopes that maybe what is provided herein may answer some questions that you may have had come to mind.

You should be aware that all parties (*Carrier Applicants*) subject to this transaction recognize that the full scope of New York Dock Labor Protective Benefits will govern for any employees meeting the definition of "adversely affected" employees under the statute as a result of the transaction/sale.

After some comment participants raised concerns related to the classification of this transaction as the applicants had sought a "minor" transaction through their February 25, 2021 application, on March 25, 2021, the STB rejected the Applicant's February 25, 2021 submission as an application for a "minor" transaction and reclassified this transaction as a "significant" transaction based upon, and in part, the following:

*"...While Applicants have taken steps to attempt to address these potential competitive concerns, such as entering into the agreements with NSR and GWI and making various price, interchange, and other commitments (and requesting that the Board impose the terms of the NSR Settlement Agreement and various commitments as conditions of its approval of the Proposed Transaction), classifying this transaction as "significant" would provide the Board with the additional information and time needed to develop a more comprehensive record so that the Board may analyze the competitive*

**concerns identified here (and any others not apparent from the Notice) and consider whether Applicants' proposed remedies, including the conditions that Applicants have requested the Board impose, adequately address these concerns.**

Applicants' submission asserts that there are anticipated benefits associated with the transaction. Based on the information the Board has about the possible competitive impacts today, **the Board is unable to conclude at this stage that any anticompetitive impacts would clearly be outweighed by the potential contribution to the public interest in meeting significant transportation needs.** However, the classification of this transaction as "significant" should not be read as any indication of how the Board might ultimately assess and weigh the benefits and any impacts on competition after development of a more complete record.

**The Board finds the Proposed Transaction to be "significant" and is therefore unable to accept the February 25, 2021 submission as an application.** However, as noted, the Board will consider the February 25, 2021 submission a prefiling notification and publish notice of it in the Federal Register, **which will permit Applicants to perfect their application by supplementing their submission with the requisite information for a "significant" transaction, within two to four months of the February 25, 2021...**

(End excerpt)

While there really was not much to report initially even at the time that the February 25, 2021 application was filed to the STB that was later rejected on March 25, 2021, the STB's recent rejection of the Applicants' February 25, 2021 application has left us at status quo with no new information. There will however be a point through this process that the our Federations, with the assistance of BMWED National Division and counsel will be working with the Carriers/Applicants (CSX, NS {where applicable} and possibly G&W<sup>1</sup>) in developing Implementing Agreements for the transaction and establishing the governing Collective Bargaining Agreements for these territories once the transactions are approved, finalized and completed with the new owners/operators.

So while there is not a lot of information to share at this time, this is what we do know. As the transaction has now been deemed "significant", the applicants will be required to refile their application. This will require and allow more time given the additional information that will be required by the STB to thoroughly review what will be more information related to the Competitive Benefits vs. disadvantages that this transaction may pose and the weight of both. This will also require more detailed information on the applicants' operating plans for the property. Further, we could see clearer and perhaps better revised statement of the Labor Impact that this transaction poses to the current workforce(s) thereof<sup>2</sup>. With this transaction being now classified as significant, these are some of the items that we hope the required additional information being required of the applicants will provide some clarity on.

In closing, while we know that this letter has not provided a lot of information, this is what we know currently and wanted to share with the membership. Upon which time more information becomes available, you will all be advised either through additional letters such as this, or by attending Local Lodge meetings that may be scheduled as we all work through this transaction. Moving forward please know that we have you and your families' interests in mind and are committed to securing the best outcome under the circumstances and are committed to mitigate any negative impacts that we have within our control on your behalf through this process.

Should you have any questions, please feel free to contact either of our offices and/or your other Local and System Officers. Until then, please be safe and be well.

Fraternally yours,



Jason Graham  
General Chairman – ALLSF



Dale E. Bogart Jr.  
General Chairman - NESF

<sup>1</sup> If Genesee and Wyoming remain the operator of PAS as Berkshire and Eastern

<sup>2</sup> Specifically to the PAS territory where the initial Labor Impact Statement has shown cuts to a number of positions and must be asked how B&E (GWRR) expects to maintain the same level of service obligations with less forces as shown in its initial Labor Impact Statement