

Written Testimony of
Congressman Richard E. Neal (MA-01),
Chair of the U.S. House Committee on Ways and Means

before the

Surface Transportation Board on the CSX Merger Application to Acquire Pan Am Systems, Inc.,
Docket No. FD 36472

January 13, 2022

Thank you Chairman Oberman, Vice Chairman Primus, and distinguished members of the Board for the opportunity to submit testimony for today's proceedings regarding the proposed merger between CSX Transportation and Pan-Am Railways. This acquisition will have a significant impact on a number of regional interests not only in the First District of Massachusetts, but throughout the New England region. Therefore, it is of the utmost importance that the Surface Transportation Board take into consideration the testimony of every stakeholder partaking in today's hearings. I, for one, am opposed.

As CSX seeks to expand their operations in the northeast, STB must consider the implications of this merger and its potential to inhibit fair competition. Should CSX acquire Pan-Am Railways, they will not only be expanding their operations across Massachusetts, Connecticut, and New York, they will also begin operating in Maine, New Hampshire, and Vermont, adding three states to their existing 23-state network, and further expanding their influence in the New England region. As noted in the submissions made by the Department of Justice and the Department of Transportation, this merger has the potential to diminish competition amongst freight carriers in New England, calling into question its adherence to President Biden's Executive Order 14036, "Promoting Competition in the American Economy."

In addition to the concerns raised by DOT and DOJ regarding CSX's practices in the free market, I also have concerns regarding their company's safety practices. On July 1, 2021, the Occupational Safety and Health Administration with the Department of Labor announced the completion of an investigation into the firing of a former CSX employee. The former employee, who had been fired in 2019 after having reported safety concerns on a job site, was to be awarded \$222,000. OSHA concluded that CSX had violated the Federal Railroad Safety Act and stated that CSX has "demonstrated a pattern of retaliation" against workers who report safety concerns. Similar rulings were made against CSX in 2010, 2016, and 2020.

While I share many of the concerns raised by my colleagues in the federal government, I would be remiss if I did not attest to my personal experiences with CSX. As a main operator in western

and central Massachusetts, I have worked with CSX officials for a number of years, striving to meet the needs of my constituents. As a potential catalyst for economic growth and regional sustainability, I have always viewed CSX as having the ability to be a vital partner, eager to collaborate with regional officials, stakeholders, and residents to address their concerns and ensure frequent and reliable rail services throughout the area. Unfortunately, during my time in public office, I have found CSX to be unresponsive to countless personal requests for action on issues relative to rail operations in my district. This concern is one that is shared by local and state officials, and we all agree that CSX is hindering our regional growth.

Considering the repercussions that would result from CSX Transportation's purchase of Pan-Am Railways and its impact on my district, along with my previous experience in attempting to work with CSX, I believe it is in the best interest of the greater New England region to oppose this acquisition. Thank you.