

**SURFACE TRANSPORTATION BOARD**

[Docket No. FD 36472; Docket No. FD 36472 (Sub-No. 1); Docket No. FD 36472 (Sub-No. 2); Docket No. FD 36472 (Sub-No. 3); Docket No. FD 36472 (Sub-No. 4); Docket No. FD 36472 (Sub-No. 5); Docket No. AB 1312X]

**CSX Corporation and CSX**

**Transportation, Inc., et al.—Control and Merger—Pan Am Systems, Inc., Pan Am Railways, Inc., Boston and Maine Corporation, Maine Central Railroad Company, Northern Railroad, Pan Am Southern LLC, Portland Terminal Company, Springfield Terminal Railway Company, Stony Brook Railroad Company, and Vermont & Massachusetts Railroad Company; Norfolk Southern Railway—Trackage Rights Exemption—CSX Transportation, Inc.; Norfolk Southern Railway—Trackage Rights Exemption—Providence & Worcester Railroad; Norfolk Southern Railway—Trackage Rights Exemption—Boston & Maine Corp.; Norfolk Southern Railway—Trackage Rights Exemption—Pan Am Southern LLC; Pittsburg & Shawmut Railroad—Operation Exemption—Pan Am Southern LLC; SMS Rail Lines of New York, LLC—Discontinuance Exemption—in Albany County, NY**

**AGENCY:** Surface Transportation Board.

**ACTION:** Decision No. 2 in STB Finance Docket No. 36472; Notice of Proposed Procedural Schedule and Request for Comments.

**SUMMARY:** The Surface Transportation Board (Board) invites public comments on a proposed procedural schedule for this proceeding. On February 25, 2021, CSX Corporation (CSXC), CSX Transportation Inc. (CSXT), 747 Merger Sub 2, Inc. (747 Merger Sub 2), Pan Am Systems, Inc. (Systems), Pan Am Railways, Inc. (PAR), Boston and Maine Corporation (Boston & Maine), Maine Central Railroad Company (Maine Central), Northern Railroad (Northern), Portland Terminal Company (Portland Terminal), Springfield Terminal Railway Company (Springfield Terminal), Stony Brook Railroad Company (Stony Brook), and Vermont & Massachusetts Railroad Company (V&M) (collectively, Applicants) submitted a filing with the Board. The applicants are seeking approval for: (1) CSXC, CSXT, and 747 Merger Sub 2 to control the seven railroads controlled by Systems and PAR, and (2) CSXT to merge six of the seven railroads into CSXT. In Decision No. 1, served and published on March 25, 2021, the Board accepted the February 25 submission as a pre-filing notification, thus allowing

Applicants to supplement their submission with the requisite information for a “significant” transaction in accordance with the Board’s regulations, between April 25 and June 25, 2021 (*i.e.*, two to four months after the pre-filing notice was submitted).

**DATES:** Written comments on the Board’s proposed procedural schedule must be filed by May 6, 2021.

**ADDRESSES:** Any filing submitted in this proceeding should be filed with the Board via e-filing on the Board’s website. In addition, one copy of each filing must be sent (and may be sent by email only if service by email is acceptable to the recipient) to each of the following: (1) Secretary of Transportation, 1200 New Jersey Avenue SE, Washington, DC 20590; (2) Attorney General of the United States, c/o Assistant Attorney General, Antitrust Division, Room 3109, Department of Justice, Washington, DC 20530; (3) CSX’s<sup>1</sup> and 747 Merger Sub 2’s representative, Anthony J. LaRocca, Steptoe & Johnson LLP, 1330 Connecticut Ave. NW, Washington, DC 20036; (4) Systems’,<sup>2</sup> PAR’s, and PAR Railroads’ representative, Robert B. Culliford, Pan Am Systems, Inc., 1700 Iron Horse Park, North Billerica, MA 01862; and (5) any other person designated as a Party of Record on the service list.

**FOR FURTHER INFORMATION CONTACT:**

Amy Ziehm at (202) 245–0391. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877–8339.

**SUPPLEMENTARY INFORMATION:** On April 1, 2021, Applicants filed a petition to establish a revised procedural schedule as directed by the Board in Decision No. 1. The Board will propose modifications to the Applicants’ proposed schedule. Under 49 U.S.C. 11325(c), the Board must conclude the evidentiary proceedings for a significant transaction no later than 180 days after publication of notice in the **Federal Register** that the Board has accepted the application. Here, the Applicants have proposed a schedule in which the record would close 127 days after **Federal Register** publication. Although section 11325(c) allows the Board to set a shorter

<sup>1</sup> CSXT is a wholly owned subsidiary of CSXC. CSXC and CSXT are referred to collectively as CSX.

<sup>2</sup> Systems directly and wholly owns PAR, which in turn directly and wholly owns four rail carriers: Boston & Maine, Maine Central, Portland Terminal, and Springfield Terminal. Boston & Maine directly and wholly owns Northern and Stony Brook, as well as a 98% interest in V&M. These seven rail carriers will be referred to collectively as the PAR Railroads.

schedule, the Board finds that a schedule based on the full 180 days allowed by the statute is more appropriate. As the Board noted in Decision No. 1, slip op. at 8, in a “significant” transaction proceeding, applicants are required to submit more detailed information regarding competitive effects, operating plans, and other issues than in a “minor” transaction proceeding. Also, unlike in a “minor” transaction proceeding, parties in a “significant” transaction proceeding are permitted to file responsive applications, including inconsistent applications. *Id.* Given these procedural features of “significant” transactions, the Board finds that the schedule proposed by Applicants would be too compressed. Indeed, the Applicants’ proposed 127-day schedule here is only 22 days longer than the 105-day schedule<sup>3</sup> the Applicants proposed when they sought to classify this transaction as “minor.”<sup>4</sup> (See Notice 14.) Moreover, the Applicants provide no explanation why such an expedited schedule is needed. Therefore, the Board will propose the following procedural schedule.<sup>5</sup>

April 26, 2021.	Application due.
May 26, 2021	Board notice of acceptance of application to be published in the <b>Federal Register</b> .
June 16, 2021	Notices of intent to participate in this proceeding due.

<sup>3</sup> A 105-day schedule is the maximum time permitted for the evidentiary proceeding in a “minor” transaction under 49 U.S.C. 11325(d).

<sup>4</sup> Applicants’ submission was filed as an application for approval as a “minor” transaction pursuant to 49 CFR 1180.2(c). However, in Decision No. 1, the Board found that the proposed transaction should be classified as a “significant” transaction, which must meet different procedural and informational requirements, and that Applicants’ submission therefore could not be treated as an application. The Board determined that it would consider the February 25, 2021 submission a pre-filing notification, as required in significant transactions. See 49 CFR 1180.4(b)(1).

<sup>5</sup> The schedule proposed here is similar in duration to the schedule adopted for a “significant” transaction in *Canadian Pacific Railway—Control—Dakota, Minnesota & Eastern Railroad*, FD 35081 (STB served Dec. 27, 2007).

- June 25, 2021 Descriptions of anticipated responsive, including inconsistent, applications due. Petitions for waiver or clarification with respect to such applications due. Comments, protests, requests for conditions, and any other evidence and argument in opposition to the Application or Related Transactions due. This includes any comments from the U.S. Department of Justice (DOJ) and U.S. Department of Transportation (USDOT).<sup>6</sup>
- July 26, 2021 Responsive, including inconsistent, applications due.
- September 8, 2021. Responses to comments, protests, requests for conditions, and other opposition due, including to DOJ and USDOT filings. Responses to responsive, including inconsistent, applications due. Rebuttal in support of the Application and Related Transactions due.
- October 8, 2021. Rebuttal in support of responsive, including inconsistent, applications due.
- TBD ..... Public hearing (if necessary).<sup>7</sup>
- November 22, 2021. Final briefs due.<sup>8</sup> (Close of the record.)
- February 18, 2022. Service date of final decision.
- March 20, 2022. Effective date of final decision.

The Board invites all interested persons to submit written comments on the proposed procedural schedule. Comments must be filed by May 6, 2021. The proposed dates in this decision are subject to change depending on the comments received or other circumstances.

The Board notes that Applicants' proposed procedural schedule included a due date for the filing of their Safety Integration Plan (SIP), as required by 49 CFR 1180.1(f)(3). The Board considers the SIP as part of its environmental review process or, if an environmental

review is not required, the Board will establish case-specific procedures. 49 CFR 1106.4(b), (c). Applicants claim that an environmental review would not be required for this transaction. (Notice 34–38; CSXC and CSXT Letter to Danielle Gosselin, Acting Director, OEA, Apr. 7, 2021 (Environmental Comment EI–30550).) The Board's Office of Environmental Analysis is reviewing information submitted by Applicants on the transaction's anticipated environmental impacts and the Board will address environmental review issues in a subsequent decision.

Decided: April 19, 2021.

By the Board, Board Members Begeman, Fuchs, Oberman, Primus, and Schultz.

**Jeffrey Herzig,**

*Clearance Clerk.*

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**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

**Notice of Technical Amendment to Product Exclusions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice.

**SUMMARY:** In September 2018, the U.S. Trade Representative imposed additional duties on goods of China with an annual trade value of approximately \$200 billion as part of the action in the Section 301 investigation of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. In June 2019, the U.S. Trade Representative initiated a product exclusion process and then published several notices of exclusions. This notice makes a technical amendment to the exclusions that apply to certain products of China covered by the September 2018 action that were exported from China before May 10, 2019, and entered the United States after May 10, 2019, and before June 15, 2019.

**DATES:** This technical amendment covers goods exported from China before May 10, 2019, that entered the United States after May 10, 2019, and before June 15, 2019.

**FOR FURTHER INFORMATION CONTACT:** For general questions about this notice, contact Associate General Counsel Philip Butler at (202) 395–5725. For specific questions on customs

classification or implementation of product exclusions, contact [traderemedy@cbp.dhs.gov](mailto:traderemedy@cbp.dhs.gov).

**SUPPLEMENTARY INFORMATION:** For background on the proceedings in this investigation, please see prior notices including 82 FR 40213 (August 24, 2017), 83 FR 14906 (April 6, 2018), 83 FR 28710 (June 20, 2018), 83 FR 33608 (July 17, 2018), 83 FR 38760 (August 7, 2018), 83 FR 47974 (September 21, 2018), 83 FR 49153 (September 28, 2018), 83 FR 65198 (December 19, 2018), 84 FR 7966 (March 5, 2019), 84 FR 20459 (May 9, 2019), 84 FR 29576 (June 24, 2019), 84 FR 38717 (August 7, 2019), 84 FR 46212 (September 3, 2019), 84 FR 49591 (September 20, 2019), 84 FR 57803 (October 28, 2019), 84 FR 61674 (November 13, 2019), 84 FR 65882 (November 29, 2019), 84 FR 69012 (December 17, 2019), 85 FR 549 (January 6, 2020), 85 FR 6674 (February 5, 2020), 85 FR 9921 (February 20, 2020), 85 FR 15015 (March 16, 2020), 85 FR 17158 (March 26, 2020), 85 FR 23122 (April 24, 2020), 85 FR 27489 (May 8, 2020), and 85 FR 32094 (May 28, 2020).

Effective September 24, 2018, the U.S. Trade Representative imposed additional 10 percent *ad valorem* duties on goods of China classified in 5,757 full and partial subheadings of the Harmonized Tariff Schedule of the United States (HTSUS), with an approximate annual trade value of \$200 billion. See 83 FR 47974, as modified by 83 FR 49153. In May 2019, the U.S. Trade Representative increased the additional duty to 25 percent, with an effective date of May 10, 2019. See 84 FR 20459.

To account for customs enforcement factors and the average transit time between China and the United States by sea, an implementing notice published on May 15, 2019, provided that products of China covered by the September 2018 action that were exported before May 10, 2019, were not subject to the additional duty of 25 percent, as long as the products entered into the United States prior to June 1, 2019. See 84 FR 21892. This subsequently was amended to extend the June 1, 2019 date to June 15, 2019. See 84 FR 26930. To distinguish the covered products of China subject to the 10 percent rate of additional duty from those subject to the 25 percent rate, a new heading in Chapter 99 of the HTSUS (9903.88.09) was created to cover products from China exported before May 10, 2019, and entered into the United States on or after May 10, 2019, and before June 15, 2019. See 84 FR 21892, as modified by 84 FR 26930.

<sup>6</sup> Although Applicants propose that such filings be due on July 9, 2021, which would be 44 days after the **Federal Register** notice accepting the application, section 11325(c)(1) calls for such filings to be submitted 30 days after the **Federal Register** notice.

<sup>7</sup> The Board will decide whether to conduct a public hearing, which would be held between the filing of rebuttals and final briefs, in a later decision after the record has been more fully developed. See 49 U.S.C. 11324(a) (“The Board shall hold a public hearing unless the Board determines that a public hearing is not necessary in the public interest.”).

<sup>8</sup> The Board will also determine the page limits for final briefs in a later decision after the record has been more fully developed.