



SURFACE TRANSPORTATION BOARD

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SURFACE TRANSPORTATION BOARD APPROVES CSX'S REVISED MERGER APPLICATION TO ACQUIRE PAN AM

The Surface Transportation Board today announced a decision approving the revised merger application filed by CSX Transportation, Inc. (CSX) to acquire control of Pan Am Systems, Inc., and its short line railroad subsidiaries (Pan Am). Pan Am owns rail lines and provides rail service on a freight rail network in New England, from Maine in the north to the Boston, MA region in the south, and west to near Albany, NY.

After considering the full record in the proceeding, the Board found that CSX's control of Pan Am and subsequent merger of six of Pan Am's subsidiary railroads into CSX, subject to the voluntary commitments and settlement agreements to which the applicants have agreed, would not likely cause a substantial lessening of competition or create a monopoly or restraint of trade. Additionally, the Board found that any anticompetitive effects that might be caused by the transaction, in the unlikely event they were to occur, would be outweighed by the public interest in meeting significant transportation needs. Accordingly, the Board approved the transaction, subject to the conditions that CSX requested to be imposed as part of the agency's approval.

With respect to the public interest, the Board found several key benefits flowing from the merger. It would result in much-needed capital investments in the Pan Am network, as well as more consistent maintenance. Also, the Board found that shippers would have additional marketing opportunities and more efficient single-line service, and CSX would have the opportunity to better compete for traffic moving via long-haul trucking. The Board also noted environmental benefits in the form of fuel efficiency and lower emissions resulting from CSX's use of newer line-haul and switching locomotives, compared to Pan Am's locomotives.

“After a searching review of the well-developed record in this proceeding, which included a two-day public hearing before the full Board, the Board concluded that this transaction satisfies the statutory criteria based on CSX's representations to the Board. I look forward to improvements in the rail network with respect to reliable service and competitive transportation options in New England and beyond,” said STB Chairman Martin J. Oberman.

Today's decision in 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, FD 36472 et al., may be viewed and downloaded [here](#).

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