

July 12, 2017

Judith S. Kaleta
Designated Agency Ethics Official
U.S. Department of Transportation
1200 New Jersey Ave. SE
Washington, DC 20590

Dear Ms. Kaleta:

I am committed to the highest standards of ethical conduct for government officials. The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Administrator of the Federal Railroad Administration at the U.S. Department of Transportation.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my positions with the J.W. Barriger III National Railroad Library, Adrian College and the University of Denver Transportation Institute. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I resigned as President and Chief Operating Officer of Consolidated Rail Corporation (Conrail) as of March 31, 2017. For a period of one year after my resignation from Conrail, I will not participate personally and substantially in any particular matter involving specific parties in which I know Conrail is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I am a participant in the Conrail Long-Term Incentive Plan (LTIP) and 2017 Conrail Incentive Plan (CIP), and am eligible to receive payments pursuant to certain Awards made to me under the LTIP and CIP. Pursuant to an Agreement with Conrail dated June 26, 2017, upon my confirmation, these Awards will be cancelled and Conrail will instead pay me amounts for the LTIP and CIP Awards that have been fixed based on past and estimated company

performance. That Agreement provides that if I am not confirmed by December 31, 2017, my LTIP Award for the 2015-2017 Performance Period and my CIP Award for the 2017 Performance Period will instead be paid out in accordance with the applicable provisions of the LTIP and CIP, and my fixed payment under the Agreement will be reduced accordingly. I also have deferred compensation owed to me by Conrail, which will be paid to me in January 2018, as I elected prior to my departure from the company. Until I receive the payments from Conrail pursuant to the Agreement and the deferred compensation amounts owed to me, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of Conrail to pay these amounts to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

I will divest my interests in the following entities within 90 days of my confirmation: Norfolk Southern Corporation and Union Pacific Corporation. With regard to each of these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

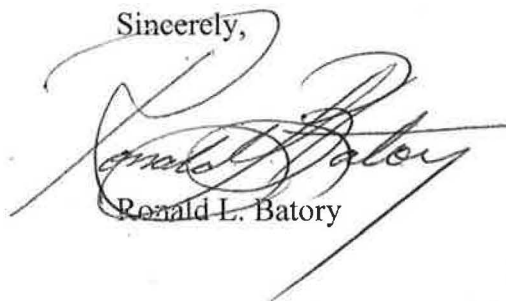
If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), or obligations of the United States.

I will meet in person with you on the first day of my service in the position of Administrator of the Federal Railroad Administration in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. If circumstances do not permit a first-day meeting, I will meet with you during the first week of my service. Within 90 days of my confirmation, I will also document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order no. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,



Ronald L. Batory