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BEFORE THE
SURFACE TRANSPORTATION BOARD

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STB FD No. 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
—CONTROL—
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN
RAILWAY COMPANY

**UNION PACIFIC’S REPLY TO CXRG’S PETITION
FOR ORDER DIRECTING UNION PACIFIC
TO SUPPLEMENT ITS RESPONSE TO DECISION NO. 3**

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December 10, 2025

Union Pacific Corporation (“UPC”) and Union Pacific Railroad Company (“UP,” and together with UPC, “Union Pacific”) oppose the November 19, 2025, petition filed by Colorado Pacific Rio Grande Railroad LLC (“CXRG”). CXRG wants the Board to direct Union Pacific to supplement a list of interchange commitments submitted in this docket to indicate that CXRG cannot interchange with BNSF Railway Company (“BNSF”) in Walsenburg, Colorado, because CXRG is subject to an interchange commitment. But CXRG is not subject to an interchange commitment. As CXRG acknowledges in its petition, it cannot interchange with BNSF in Walsenburg because five miles of UP track separate its line from a connection with BNSF. In any event, CXRG’s petition is moot because the requested relief would not affect CXRG’s interest or any other party’s interests in this proceeding.

I. FACTUAL BACKGROUND

When UP conveyed portions of its Alamosa Subdivision line to San Luis & Rio Grande Railroad, Inc. (“SLRG”) in 2003, UP retained ownership over five miles of the line that connect the portion SLRG acquired to UP’s Walsenburg yard. Union Pacific also granted SLRG trackage rights so SLRG could access UP’s Walsenburg yard for the sole purpose of interchanging traffic with UP.¹ This arrangement eliminated the need for SLRG to build an interchange facility on its portion of the line or, alternatively, grant UP rights to interchange at another location on SLRG’s line. BNSF operates a separate rail yard in Walsenburg that can be accessed from UP’s yard, but not from the line owned by SLRG. CXRG later acquired SLRG’s assets and associated rights—including the limited trackage rights—through a bankruptcy proceeding.²

¹ *San Luis & Rio Grande Railroad Company—Acquisition and Operation Exemption—Union Pacific Railroad Company*, Docket No. FD 34350 (STB served July 18, 2003).

² *Colorado Pacific Rio Grande Railroad LLC – Acquisition and Operation Exemption – San Luis & Rio Grande Railroad*, Docket No. FD 36656 (STB served January 5, 2023).

II. ARGUMENT

The Board should not require UP to attribute CXRG's inability to interchange with BNSF in Walsenburg to an interchange commitment. CXRG does not have an interchange commitment with UP, and CXRG's arguments to the contrary are rooted in a fundamental misunderstanding of the term "interchange commitment," as it has been defined by the Board.

CXRG's inability to connect directly with BNSF at Walsenburg is, by definition, not an interchange commitment. An interchange commitment exists where the sale or lease of a rail line includes "a provision or agreement that may limit future interchange with a third-party connecting carrier, whether by outright prohibition, per-car penalty, adjustment in the purchase price or rental, positive economic inducement, or other means." 49 C.F.R. § 1180.4(g)(3)(i). The Board's definition presumes that, absent the contractual provision at issue, physical interchange with a third-party connecting carrier is possible using the line being sold or leased. *See* 49 C.F.R. § 1180.4(g)(3)(i)(F) (requiring that where an interchange commitment exists, railroads identify the third-party railroads that could "physically interchange with the line sought to be acquired or leased"). Accordingly, interchange commitments are sometimes referred to as "paper barriers" to interchange. *See Review of Rail Access & Competition Issues — Renewed Petition of the Western Coal Traffic League*, Docket No. EP 575, at 1 (STB served Oct. 29, 2007) (noting the Board's preference for the neutral term "interchange commitment" rather than "paper barrier"). An interchange commitment is different in kind from a situation in which two railroads cannot interchange because their tracks do not directly connect. UP was correct not to claim that CXRG has an interchange commitment with UP, because CXRG's inability to interchange with BNSF is not attributable to an agreement between CXRG and UP. As CXRG acknowledges, its line does not connect to the BNSF tracks at Walsenburg. This lack of physical connection is not an interchange commitment.

Further, to qualify as an interchange commitment, a contractual provision must restrict interchange on a line that is being leased or sold. CXRG therefore errs in suggesting that the limited trackage rights UP granted to allow CXRG to access UP's Walsenburg yard are an interchange commitment. The trackage rights agreement governs track that is owned and operated solely by UP, not track that has been leased or purchased by CXRG. This agreement does not impose any conditions that prohibit, limit, or disincentivize interchange on the portion of the line that was conveyed to SLRG in 2003 (which is now owned by CXRG) and is therefore not an interchange commitment as defined by the Board.

Finally, as a practical matter, it is unnecessary for the Board to resolve this issue. UP opposes CXRG's attempt to expand the definition of an interchange commitment, but the dispute does not impact CXRG's rights in this proceeding.

III. CONCLUSION

For the foregoing reasons, Union Pacific respectfully requests that the Board deny CXRG's petition.

Respectfully submitted,

/s/ Michael L. Rosenthal
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CERTIFICATE OF SERVICE

I hereby certify that, on this 10th day of December 2025, the foregoing document was served by first-class mail or email on all parties of record in this proceeding, the Secretary of Transportation, the Attorney General of the United States, and Administrative Law Judge Jenifer Soulikias.

/s/ Caroline Harrison