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BEFORE THE SURFACE TRANSPORTATION BOARD

Docket No. FD 36873

Union Pacific Corporation and Union Pacific Railroad Company
- Control -
Norfolk Southern Corporation and Norfolk Southern Railway Company

COMMENTS OF LOUIS J. GRASMICK LUMBER COMPANY, INC.

Louis J. Grasmick Lumber Company, Inc. ("Grasmick Lumber") respectfully submits these comments in the above-captioned proceeding.

1. Who we are. Grasmick Lumber is a 75-year-old, third-generation family lumber and building-materials distributor at 6715 Quad Avenue, Baltimore, Maryland. We have received rail service on Quad Avenue for 46 years. We are served by only one railroad, Norfolk Southern. No other carrier reaches our facility. We are a captive shipper, and to the best of our knowledge, in our company's entire history we have never before brought a matter to this Board.

2. Why we are commenting. On July 3, 2026, Norfolk Southern notified us through its customer service case No. CS0009085572 that our service days were changing to Monday, effective July 13, 2026, reducing our facility from its scheduled twice-per-week service to one scheduled day per week. On July 16, 2026, Norfolk Southern wrote to us that it is "currently unable to consistently support twice-per-week service" at our location "given the challenges of Amtrak and its impact on crews." The same message added that Norfolk Southern would "completely understand if you need to convert to a truck." Applicants promote this transaction as shifting freight from trucks to rail; to its captive customer, Norfolk Southern suggests the opposite. Converting to truck is not in our business model. Since the reduced plan took effect, five scheduled Mondays have passed, July 13, 20, 27, August 3, and August 10, and Norfolk Southern has served on none of them. The Norfolk Southern customer-service case log confirmed our service window in writing on August 4, Mondays from 8 am to 8 pm; no service has occurred within that window since, and through the following week the log recorded only that there were no new updates and that the case remains open. In the thirty days since, service came on four days, a Sunday, a Sunday, a Wednesday, and a Saturday, never on the day Norfolk Southern itself scheduled. The backlog regenerates faster than it clears: six loaded cars sat unplaced at the serving yard on August 4, more than our entire siding holds, and were cleared only on August 5 and August 8; by August 11 three newly arrived cars were again waiting at the same yard. We entered our new fiscal year on August 1 with no rail service at all, and the harm does not stop at our gate: it reaches our employees, our customers, our suppliers, and the public and private construction projects our material supports.

3. The measured record. We maintain a daily log of every service and non-service day at our facility, kept since September 2020, and receiving records that run continuously since October 2007 and show more than 2,900 carloads. The log shows Norfolk Southern provided 89 service days in 2021 (1.71 per week), 71 in 2022 (1.36), 53 in 2023 (1.02), 57 in 2024 (1.09), 48 in 2025 (0.92), and 33 through August 11, 2026 (1.04). In 2005, Norfolk Southern's own correspondence described full service at our facility as Monday through Friday; measured against that benchmark, we have received between 18 and 28 percent of full service in every year since 2022, and a calendar our comptroller sent Norfolk Southern in March 2005, circling every 2004 service day, records about 2.6 service days per week that year, so in no year we have measured has Norfolk Southern met its own standard. Over the same period our inbound volume rose: 145 cars in 2022, 168 in 2023, 164 in 2024, 161 in 2025, and 105 through August 11, 2026, about 172 annualized, our fastest pace in more than a decade. That volume also understates our demand: in 2005, the year Norfolk Southern itself described full service at this facility as Monday through Friday, we shipped 363 cars, so service frequency, not demand, is the binding constraint, and each reduction suppresses the volume the carrier then cites. The arithmetic is measurable. Across 2026 Norfolk Southern has placed 86 cars at our siding over 30 placement days, an average of 2.87 cars per placement day, and has never placed more than five, the physical ceiling of the track. One placement day per week at that measured rate yields roughly 149 cars per year against the 172 our current pace requires; the arithmetic does not clear at present volume, before any growth. Twenty-four more of the carloads we received in 2026, more than one in five, reached us only through the third-party transload we pay for, because they were not delivered to our siding. The squeeze now dictates our routing: we have 24 additional carloads on order for delivery through the end of September, which alone represent roughly eight weeks of service at that measured rate inside a seven-week delivery window, and on August 12 we rerouted the first ten of them from our siding to the transload, in writing to four suppliers, at nearly $1,000 per car at current rates, with more to follow while the schedule stands. The demand ahead is already booked: 24 open cars are on order for delivery between now and September 30, our siding holds three open cars, and only seven scheduled service days remain before that date, twenty-one spots at perfect attendance against twenty-four cars due. The order book cannot clear even if every remaining scheduled day is served in full, and we are diverting cars to the paid transload today. The record, in sum, shows a model shipper punished in steps: record volume, a clean account, prompt unloading, a meticulous daily log, a self-funded workaround, and service reduced from five days per week to two, then to a promised one, and now, in practice, to zero. Applicants themselves propose switching relief where a sole-served customer's spot-and-pull performance falls below 85 percent (their filing at 23); on our siding, Norfolk Southern has completed zero of its scheduled service days since its own reduced plan took effect.

4. A documented, decades-long pattern. Norfolk Southern has repeatedly acknowledged its service failures at our facility. In 2001 it removed all demurrage then billed to our account. In 2005 it wrote that "service issues have played a role" and recalculated our charges from $82,620 to $12,240 under its own assumption of perfect Monday-through-Friday service. In 2021 it approved our service dispute and offered a written credit agreement that it never delivered. In late July 2026, Norfolk Southern told us by telephone that it would put in writing that we cannot be charged demurrage on once-per-week service; that writing has not arrived either. The Amtrak explanation is likewise not new: our log records 58 days since 2021 on which Norfolk Southern attributed disruption at our facility to foreign road interference, 52 of them ending in no service at all, while in 2025, the worst measured year, it named no cause at all. Applicants' own enumerated affirmative defenses, natural disasters, severe weather, and extraordinary traffic surges (filing at 128 n.238), do not include another railroad's interference at all. Nor is the interference incidental: Norfolk Southern reaches Baltimore as a tenant, operating over Amtrak's Northeast Corridor under retained Conrail trackage rights, and the drift of our only remaining service to Sunday evenings is the signature of that architecture. We note for accuracy that we are not presently charged demurrage, and why: in each episode above, Norfolk Southern billed first, we disputed, and Norfolk Southern conceded, while service-related credits and the nearly $1,000 per car we pay a third-party transload provider, introduced to us by Norfolk Southern's own sales representative, absorbed the rest; that transload operates at Norfolk Southern's own Thoroughbred Bulk Terminal in Baltimore. That protection was built around a service level that no longer exists: at zero local service, with loaded cars accruing exposure at $365 per car per day and the promised written commitment undelivered, the reduction itself creates the exposure the credits once offset. Our injury is the loss of the service itself and those third-party and trucking costs. We also note two forward exposures: Norfolk Southern's demurrage tariff, revised effective July 1, 2026, charges $365 per car per day on centerbeam flatcars, our primary equipment, and $220 per car per day on box cars; separately, effective August 1, 2026, its accessorial charge for holding cars rises from $60 to $220 per car.

5. Relevance to this proceeding. Norfolk Southern seeks the Board's approval to become part of a far larger combined system. A carrier that, while under review, tells a 46-year captive shipper it cannot sustain two service days per week even as it reports record quarterly revenue and assures investors it is providing high-quality, consistent service, reduces the schedule while the shipper's volume is at its fastest pace in more than a decade, serves none of the first four scheduled days under the plan it set, and leaves loaded cars sitting at its own yard, gives the Board concrete reason for concern about how captive shippers will be served after this transaction. Approval should not leave captive single-carrier shippers with less service and higher charges than they have today.

6. Requested conditions. If the Board approves this transaction, Grasmick Lumber respectfully requests that approval be conditioned to protect captive shippers, including: (a) enforceable minimum local service standards, with the applicant required to maintain at least the service frequency historically scheduled; (b) access to reciprocal switching or an alternative carrier where a captive shipper's local service falls below a reasonable standard; and (c) protections that reach shippers of exempt commodities. Our inbound lumber is exempt from Board regulation under 49 CFR 1039.11 (STCC 24, lumber or wood products), and both dispute resolution programs Applicants propose exclude exempt commodities and contract traffic. A captive shipper of an exempt commodity therefore falls outside every remedy in Applicants' package while bearing the full weight of the service reduction those remedies are meant to address. We ask that any conditions imposed reach this class expressly; and (d) protections ensuring that reduced local service does not translate into increased charges, consistent with the reduced-service credit principle in Norfolk Southern's own tariff, NS 6004-D. We note that Applicants' July 27, 2026 supplemental filing itself proposes service-related remedies, including service-triggered switching and temporary fallback service; we ask the Board to ensure that any such protections are enforceable, durable, and applicable to captive carload shippers whose local service falls below a reasonable standard. Baltimore itself shows such access is practicable: a privately owned terminal railroad at Sparrows Point already gives shippers there both CSX and Norfolk Southern, minutes from our captive siding.

Grasmick Lumber appreciates the Board's consideration and is available to provide its full daily service log and supporting documents.

Respectfully submitted,

/s/ Joshua Grasmick
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Dated: August 12, 2026 cc: All parties of record