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VIA E-FILING
Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Re: Docket No. AB-290 (Sub-No. 425X) Norfolk Southern Railway Company – Abandonment Exemption – in Rockingham, Shenandoah, and Warren Counties, Virginia

Dear Chief of Case Administration:

Norfolk Southern Railway Company ("NS") opposes the Shenandoah Valley Battlefields Foundation's ("SVBF") Notice of Intent to File an Offer of Financial Assistance ("Notice") and requests that the Board reject the nonconforming filing. NS does not oppose SVBF's Motion for Protective Order and requests that the Board grant that motion.[1] SVBF submitted the Notice on October 14, 2026, in support of its purchase of rail line consisting of approximately 48.5 miles of connecting rail lines extending from Milepost B 51.0 +/- near Riverton Junction in Front Royal, VA, to Milepost B 99.5 +/- at Broadway, VA, in Rockingham, Shenandoah, and Warren Counties, VA (the "Line"). The Notice does not comply with 49 C.F.R. § 1152.27(c) and should therefore be rejected.

The OFA process is a structured regulatory framework that depends on strict compliance with the Board's filing requirements. Under 49 C.F.R. § 1152.27(c)(1)(ii), to show that a potential offeror is preliminarily financially responsible to purchase a rail line under the Offer of Financial Assistance ("OFA") process, it must calculate the "sum of the rail steel scrap price per ton (dated within 30 days of the submission of the expression of intent), times 132 short tons per track mile or 117.857 long tons per track mile, times the length of the line in miles, plus $4,000 times the number of miles of track times two." (emphasis supplied). The party must provide evidence demonstrating compliance with this requirement.

[1] NS will file a separate opposition to SVBF's Motion to Hold in Abeyance within the applicable period.

Consistent with that framework, the Board has stated that the prescribed purchase calculation must be used in a preliminary-financial-responsibility filing, and failure to provide the required calculation and supporting documentation warrants rejection of the notice. see CSX Transportation, Inc.—Abandonment Exemption—In Trumbull County, Ohio, Docket No. AB 55 (Sub-No. 420X (STB served June 21, 2018) (rejecting the notice due to it failing to provide the preliminary-financial-responsibility calculation and supporting documents required); See also Norfolk Southern Railway Company—Abandonment Exemption—In the City of Baltimore, MD., Docket No. AB 290 (Sub-No.420X) (STB served January 12, 2026) (finding that the notice did not satisfy 49 C.F.R. § 1152.27(c)(1)(ii) because the purchase calculation did not use the prescribed input and was not supported by temporally compliant documentation).

SVBF's Notice fails to satisfy the preliminary-financial-responsibility requirements of 49 C.F.R. § 1152.27(c)(1)(ii) in several respects. First, although SVBF includes a $4,000-per-mile component, it omits the additional "times two" multiplier, materially understating that component.[2] Second, its mileage inputs are inconsistent: the steel calculation applies 132 "short tons per mile" to 18 miles and 117.857 "short tons per mile" to 30.5 miles, totaling 48.5 miles, while the $4,000 component uses only 48 miles.[3] Third, the Notice labels the 117.857-ton alternative as "short tons per track mile," although the regulation specifies long tons. It does not explain whether this is merely a labeling error or whether the calculation uses inconsistent tonnage units.[4] Fourth, SVBF acknowledges that sidings make the Line's total track mileage greater than its route mileage, but the calculation appears to use only 48.5 route miles and does not explain how the additional track is accounted for. The Board and NS therefore cannot determine whether the calculation accounts for all track proposed to be acquired.[5] Finally, the supporting scrap-valuation letter identifies 33.27 miles of lighter rail, whereas Exhibit A uses only 30.5 miles for that category.[6] Taken together, the omitted multiplier and unexplained discrepancies prevent SVBF from demonstrating compliance with the prescribed calculation and supporting-documentation requirements.

The impacts are not just minor errors to typos. For example, even using the Notice's 48.5-mile figure, the $4,000 component alone equals $388,000 ($4,000 × 48.5 × 2), before adding the prescribed rail-steel component. By contrast, $4,000 multiplied by the 48 miles used

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[2] *See* Exhibit A to the Notice.

[3] Id.

[4] SVBF's expert misreads 49 C.F.R. § 1152.27(c)(1)(ii). The regulation's references to 132 short tons and 117.857 long tons per track mile are mathematically equivalent expressions of the same quantity of steel and establish a uniform regulatory proxy. Nothing in the rule permits adjusting that factor based on the weight of rail installed on particular segments. In any event, SVBF provides no calculation or support for disregarding the prescribed formula.

[5] If SVBF intends to acquire the sidings, which would be typical for an Offeror intending to operate freight rail service, its calculation, by necessity, should include the sidings. The fact that it does not further justifies rejecting the Notice.

[6] Id.

in SVBF's calculation yields $194,000—a difference of $192,000. That difference reflects both the omitted multiplier and the inconsistent mileage input; it does not resolve the additional questions concerning sidings, tonnage units, or the mileage assigned to lighter rail.

The calculation errors also undermine the financing assurance submitted in support of the Notice. Bank of Clarke's October 13, 2026 letter identifies financing of "at least" $2,251,870.00, subject to customary loan agreement terms and adequate collateral. Correcting only the omitted multiplier and the inconsistent mileage in the $4,000 component increases SVBF's stated calculation by $196,000, before resolving the remaining discrepancies. Although the bank expresses a general commitment to provide the financing necessary to complete the acquisition, its letter does not expressly confirm financing at the corrected amount. The Board should not assume that an assurance tied to SVBF's understated calculation establishes financing sufficient to satisfy the properly calculated requirement.

SVBF has not demonstrated preliminary financial responsibility under 49 C.F.R. § 1152.27(c)(1)(ii). Its calculation omits the required multiplier, uses inconsistent and unsupported mileage and regulatory conversion inputs, and does not establish that it accounts for the total track mileage proposed to be acquired. The Board should therefore reject SVBF's Notice of Intent to File an OFA for failure to demonstrate preliminary financial responsibility.

Respectfully submitted,

/s/ William A. Mullins

William A. Mullins
Counsel for Norfolk Southern Railway Company

cc: Parties of Record

EXHIBIT A – SVBF's Calculation for Preliminary Financial Responsibility

[See Attached]

EXHIBIT A- Calculation for Preliminary Financial Responsibility.

Steel price		Miles		Calculation
$ 345.00	132	18		$ 819,720.00
$ 345.00	117.857	30.5		$ 1,240,150.28
	$ 4,000.00	48		$ 192,000.00
			Total	$ 2,251,870.28

Pursuant to 49 C.F.R. 1152.27(c)(1)(ii), MGR's rail steel scrap price per ton (dated within 30 days) is $345 resulting in the calculation above and allocating per the formula between 132 short tons per track mile and 117.857 short tons per track mile. Based on the letter of Mr. Gustafson in Exhibit B, this is the more accurate calculation given the rail on the Line.

Alternatively, the calculation would be as follows if all mileage were calculated at 132 short tons per track mile.

Steel price		Miles		Calculation
$ 345.00	132	48.5		$ 2,208,690.00
	$ 4,000.00	48.5		$ 194,000.00
			Total	$ 2,402,690.00

Due to some sidings, track miles is greater than route miles.