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Before the Federal Surface Transportation Board

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

Docket No. 36873

COMMENTS OF THE WEST VIRGINIA COAL ASSOCIATION

The West Virginia Coal Association (WVCA) sends this letter regarding the Surface Transportation Board's (STB) review of the proposed merger between the Union Pacific Railroad Company (UP) and Norfolk Southern Railway (NS). NS and CSX Transportation (CSX) are the state's only two class one railroad systems. All the coal tonnage that is moved by railroad in West Virginia is dependent on the performance of these two class one carriers, as the state's eleven regional and short line railroads interchange only with NS or CSX.

As we detail in subsequent paragraphs, alternatives to railroad transportation are simply not practical or even possible in most situations, meaning reliable and consistent rail service is vital to the coal industry in West Virginia.

The proposed merger will be the most significant event for coal transportation in the eastern United States since the STB approved the split of Consolidated Rail Corporation (Conrail) by CSX and NS in 1998. **The Conrail split and the mergers of the early 1980's that shaped today's NS and CSX largely combined railroads the served similar eastern bituminous thermal and metallurgical coal mines and coal customers. For West Virginia's coal industry specifically, the proposed UP-NS merger it will be the most significant event in decades, reshaping the railroad coal transportation system first established by mergers approved in the late 1950s and early 1960s.**[1]

The characteristics of the coal industry in the state are diverse and unlike those in other areas of the country. The NS "coal franchise" in West Virginia is distinct and vastly different than the coal traffic moved by its potential partner, UP. NS also operates and maintains one of the most important coal exporting assets in the entire country, the Lamberts Point terminal in Norfolk, Virginia. **WVCA believes these differences are substantial and significant enough to warrant specific acknowledgement and consideration by the STB as it contemplates the merger proposal.**

[1] In 1959, the Interstate Commerce Commission (ICC) approved the Chesapeake & Ohio Railway's control of the Baltimore & Ohio Railroad (B&O) and, by extension, the Western Maryland Railway. All three roads had substantial West Virginia coal traffic in both the Central and Northern Appalachian coal fields of the state, and it created the largest coal hauling railroad in the country. In 1959, the ICC approved the acquisition of the Virginian Railway (VGN) by the Norfolk & Western Railway, consolidating two lines that dominated coal transportation in the Central Appalachian and "Pocahontas Region" of southern West Virginia. The 1980 creation of CSX through the merger of Seaboard Coast Line Industries and Chessie System combined two carriers that both served the Central Appalachian coal regions of West Virginia, Kentucky, and West Virginia. The 1982 merger of Norfolk & Western and Southern Railway joined two lines with a significant presence in Southern West Virginia and Southwestern Virginia. The Northern Appalachian coal lines of Conrail in West Virginia were split / shared between NS and CSX during the STB's proceedings on that merger.

WVCA is a non-profit state coal trade association representing the interests of the West Virginia coal industry on policy and regulation issues before various state and federal agencies that regulate coal extraction, processing, transportation, and consumption. WVCA's general members account for 80 percent of the Mountain State's underground and surface coal production of both thermal and metallurgical coal. WVCA also represents associate members that supply an array of services to the mining industry in West Virginia. WVCA is the largest state coal trade association in the nation.

West Virginia is the second largest coal producing state in the nation and the largest producer of high-quality bituminous coal.[2] West Virginia's coal reserves are unique in the nation and the world in terms of heating values, and overall resource quality: West Virginia bituminous coal burns hotter and cleaner than any other solid fuel resource in the country, making it highly valued as thermal or steam coal used for electric generation and various industrial processes. West Viginia is the second largest supplier of thermal coal to U.S. electric generating facilities and is the largest coal supplier to the nation's largest electric independent system operator, PJM. West Virginia leads the country in international exports of thermal coal.[3] Approximately 11% of the coal used in the U.S. to produce electricity was mined in West Virginia and the state accounted for 46% of all the thermal coal exported internationally from

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[2] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[3] *See generally* U.S. Energy Information Administration, Form 923, consolidated reporting of power plant level electric generation and fuel consumption https://www.eia.gov/electricity/data/eia923/ and U.S. Energy Information Administration, "Electric Power Monthly" reports https://www.eia.gov/electricity/monthly/

the United States.[4] West Virginia coal also has some of the highest coking and metallurgical qualities found anywhere in the world.[5] West Virginia is the nation's largest producer of metallurgical (met) coal.[6]

The state's 37.5 million tons of met coal production represents 52% of the nation's total met production, almost twice as much as any other state. West Virginia is the largest supplier of met coal to the U.S. domestic steel industry, supplying 67% of the essential feedstock for coke, iron, steel, and metals production. *Every coke oven, blast furnace, steel refining furnace, ferro alloy plant and foundry in North America receives shipments of West Virginia coal or coke manufactured from Mountain State met coal.*[7] West Virginia is also the largest met coal exporting state in the country, accounting for 47% of the nation's total international exports of met coal, more than double any other state in the country.[8]

Coal production in West Virginia is heavily dependent on rail transportation, with 56% of the state's total production or 47.6 million tons of coal moving by railroad to the end

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[4] *See generally* Reports "IM 545" and "IM 145", U.S. Commerce Department, 2025. "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[5] *Spectrum of West Virginia Coal.* West Virginia Geologic & Economic Survey, 1988; *New Perspectives on Central Appalachian Low-Sulfur Coal Supplies, Coal Decisions Forum,* 1992; Elements *of Practical Coal Mining, 2nd Edition,* Society of Mining Engineers and American Institute of Mining, Metallurgy and Petroleum Engineers, 1981; *Modern American Coal Mining - Methods and Applications,* Society for Mining, Metallurgy & Exploration, 2013

[6] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[7] . "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[8] *See generally* Reports "IM 545" and "IM 145", U.S. Commerce Department, 2025. "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

customer or export facility last year.[9] Certain portions of the state's coal production are even more dependent on railroad transportation. Sixty-nine % of the West Virginia coal delivered to domestic steel producers and coke plants (7.5 million tons) was moved by rail in 2024, 56% of the state's internationally exported thermal coal (8.5 million tons) was shipped by rail and another 6.7 million tons was moved by the state's two class one railroads to U.S. power plants located throughout the country (21% of the total state production of domestic thermal coal). Of the state's 26.5 million tons of export met coal, 93% (24.7 million tons) were shipped by rail to the transloading facility for international shipment.[10] The movement of coal dominates all freight rail traffic in West Virginia. The 460,100 carloads of coal loaded in West Virginia is nearly three times the amount of all other state railroad traffic combined, representing 77% of all the carloads originating or terminating in the state.[11]

Specific to the STB's consideration of the UP-merger proposal, 45% of the West Virginia coal that was moved by rail in 2024 was shipped on NS.[12] There are 58 mines and 38 coal preparation facilities in West Virginia that loaded 21 million tons of coal on the NS

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[9] *See generally* Reports "IM 545" and "IM 145", U.S. Commerce Department, 2025. "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, NNovember2025; U.S. Energy Information Administration, Form 923, consolidated reporting of power plant level electric generation and fuel consumption https://www.eia.gov/electricity/data/eia923/; U.S. Energy Information Administration, "Coal Transportation Rates to the Electric Power Sector.", JaJanuary025.

[10] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[11] "Freight Rail in West Virginia." Association of American Railroads, November 2025. https://www.aar.org/west-virginia/

[12] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

system.[13] NS is the only transportation avenue for the coal mined in six of the state's 22 coal producing counties.[14] The 21 million tons of NS origin coal accounts for 25% of the state's total production, with certain market segments and coal production even more reliant on NS.[15]

The coal industry's reliance on railroad shipping is not simply a matter of convivence or affordability; it is a geographic and topographical reality. Most of the coal mining operations in West Virginia are in isolated areas inaccessible to other suitable bulk commodity modes of transportation such as navigable rivers. Highway access in the steeply sloped terrain of West Virginia's coalfields is also limited and far removed from major four lane corridors and federal interstate systems. Where other forms of transportation are accessible and available for the final delivery of coal, they are used. For example, coal accounts for about 60% of all the inland waterways traffic that moves on West Virginia's navigable rivers.[16] While coal accounts for over 65% of originated truck freight tons in the state, most of that coal is moving a short distance from a mine to a preparation plant or transloading facility for final shipment by

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[13] The 21 million tons of coal includes coal loaded on regional railroads that is ultimately dependent on NS for delivery to the end consumer or coal export facility.

[14] *See generally* "Annual Report and Directory of Mines." West Virginia Office of Miners' Health, Safety & Training, 2025. "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[15] *See generally* "Annual Report and Directory of Mines." West Virginia Office of Miners' Health, Safety & Training, 2025. "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[16] "Economic Impact of West Virginia's Inland Waterways," National Waterways Foundation, March 2024. https://nationalwaterwaysfoundation.org/file/66/HO_Waterways_WV_231108.pdf and *see generally* "Monthly Indicators Reports", U.S. Army Corps of Engineers, Institute of Water Resources. https://www.iwr.usace.army.mil/About/Technical-Centers/WCSC-Waterborne-Commerce-Statistics-Center/WCSC-Waterborne-Commerce/

railroad or barge.[17] Only 1% of the state's total coal production is shipped to its final destination by truck.[18] The inaccessibility of other forms of transportation is especially true for coal operations located on NS.

Of the 96 mining and coal processing facilities situated on the NS system in West Virginia, only a few can practically load coal on CSX or have access to river loadouts. Even for the small number of coal facilities that have alternatives to NS movement, the end customer or export facility is served only by NS and rail cars are the only option to receive coal deliveries.[19] To gain access to other outlets as a substitute for loading coal on NS would add an "intermediate" transportation step involving trucking the coal to another rail loading location, since most coal customers can receive coal only by rail. Redirecting the coal volume in a typical unit train shipment from NS to another rail or river loading facility would require moving the coal over 100 miles in over 250 trucks.

Coal mining is the "Broad Shouldered Atlas" of West Virginia's overall economy, providing thousands of jobs and millions of dollars of state and local tax revenue. According to a study by West Virginia University, the coal industry provides over $13 billion in economic activity, accounting for over 33,000 jobs which are responsible for almost $3 billion in wages

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[17] "Freight Flows by State", U.S. Department of Transportation, Bureau of Transportation Statistics, January 2023 and "Annual Report and Directory of Mines." West Virginia Office of Miners' Health, Safety & Training, 2025.

[18] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025; "Annual Report and Directory of Mines." West Virginia Office of Miners' Health, Safety & Training, 2025.

[19] *See generally* "Annual Report and Directory of Mines." West Virginia Office of Miners' Health, Safety & Training, 2025. "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

annually. Tax collections from coal mining activities provide over $611 billion in revenue to state and local governments which in turn fund vital social services to communities around the state. In certain areas and counties, coal mining and processing is the only economic activity of any permanence or significance and coal tax collections are the only meaningful source of funding for social and emergency service programs.[20] If coal mining is reduced because of railroad service problems, coal miners, their families, communities, and the state suffer the most. The 21 million tons of coal moved by NS in 2024 generated approximately $109 million in coal severance tax collections, of which over $12 million was returned to the county and local governments where the coal was mined, processed, and loaded. The 96 mining facilities located on NS accounted for over 14,000 direct coal mining jobs and $1.2 billion in direct coal wages.[21] These direct mining jobs are estimated to create another 28,000 jobs in the local economy, generating another $1 billion in additional wage income.[22]

An appropriate consideration of the potential impacts of UP-NS merger requires a review of the general coal qualities and market segments for West Virginia coal. For example, 53% of the total West Virginia coal shipments to domestic coke makers and iron and steel producers moves on NS. This tonnage accounts for 36% of the total met coal used by the United States steel industry.[23] The met coal production from West Virginia that moves on NS is

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[20] *See generally* "The Economic Impact of Coal and Coal-Fired Power Generation in West Virginia." Bureau of Business and Economic Research, West Virginia University, 2021. https://researchrepository.wvu.edu/cgi/viewcontent.cgi?article=1326&context=bureau_be

[21] Coal Facts 2024. West Virginia Coal Association.

[22] *See generally* "The Economic Impact of Coal and Coal-Fired Power Generation in West Virginia." Bureau of Business and Economic Research, West Virginia University, 2021. https://researchrepository.wvu.edu/cgi/viewcontent.cgi?article=1326&context=bureau_be

[23] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025

vitally important to the domestic iron and steel industry as it represents an *irreplaceable* raw material.

The lack of coke or met coal at a steelmaking plant will disrupt the highly integrated nature of these operations and could result in the "cold" shutdown of a coke oven or furnace, potentially damaging the components of the facility. Taking a furnace or coke oven offline to perform repairs necessary after a cold shutdown could potentially idle the entire steelmaking facility, disrupting production and employment at these operations, just as domestic iron and steel demand is increasing.[24] **Beyond simple logistical frustrations, the lack of NS-sourced West Virginia met coal endangers the entire steelmaking supply chain.**

The typical characteristics of met coal are further classified and sourced for steel production based on more precise specific physical and chemical qualities found in certain coal seams and is generally classified by its volatile matter as high, mid, or low volatile ("vol") coal. Domestic and international steel makers use a blend of all three types of met coal to produce coke for their iron and steel furnaces. These blends of met coal are facility specific, based on coke oven design, blast, and steel furnace operations, and the ultimate quality of the finished steel being produced. **While exact blends may vary, all three types of met coal are required to produce the coke that is needed by steelmakers.**[25] West Virginia's coal resources and

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[24] Freytag, Dean, *The History, Making and Modeling of Steel,* Wm. K. Walthers, 1996.

[25] *Elements of Practical Coal Mining, 2nd Edition,* Society of Mining Engineers and American Institute of Mining, Metallurgy and Petroleum Engineers, 1981; Modern *American Coal Mining - Methods and Applications,* Society for Mining, Metallurgy & Exploration, 2013; "Coking Coal of the United States: Modern and Historical Coal Mining Locations and Chemical, Rheological, Petrographic, and Other Data." United States Department of the Interior, U.S. Geological Survey, January 2021. https://pubs.usgs.gov/of/2020/1113/ofr20201113.pdf

reserves are unique to the country and can produce all three general types of met coal.[26] While met coal may be available from other areas of West Virginia and other states that may not be tied to movement by NS, they have limited utility to domestic or international coke producers and steelmakers unless they are blended with the specific grades of met coal from NS' West Virginia served mines.

Similar transportation concerns and a lack of suitable alternative coal or fuel supplies exist for domestic thermal coal shipments from West Virginia that originate on NS. In 2024, 3.6 million tons of West Virginia thermal coal was moved by NS to electric generating plants located in the eastern United States. In almost every instance, these plants can only receive coal shipments by railroad, and they are served exclusively by NS.[27] Collectively, these power plants represent 24,000 megawatts of electric generating capacity and about 6 million tons of annual coal consumption.[28] In addition to be generally dependent on rail transportation to receive their fuel, the boiler and pollution control equipment at these plants requires ***specific*** thermal coal qualities that are only available from West Virginia mines that are also served only by NS. Because of the physical and mechanical characteristics of the plants, coal from one region and state cannot be substituted for coal from another. First, the power plants require

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[26] *Spectrum of West Virginia Coal.* West Virginia Geologic & Economic Survey, 1988; New *Perspectives on Central Appalachian Low-Sulfur Coal Supplies, Coal Decisions Forum*, 1992; "Coking Coal of the United States: Modern and Historical Coal Mining Locations and Chemical, Rheological, Petrographic, and Other Data." United States Department of the Interior, U.S. Geological Survey, January 2021. https://pubs.usgs.gov/of/2020/1113/ofr20201113.pdf

[27] *See generally* U.S. Energy Information Administration, Form 923, consolidated reporting of power plant level electric generation and fuel consumption https://www.eia.gov/electricity/data/eia923/ and U.S. Energy Information Administration, "Electric Power Monthly" reports https://www.eia.gov/electricity/monthly/

[28] *See generally* U.S. Energy Information Administration, Form 923, consolidated reporting of power plant level electric generation and fuel consumption https://www.eia.gov/electricity/data/eia923/ and U.S. Energy Information Administration, "Electric Power Monthly" reports https://www.eia.gov/electricity/monthly/

bituminous coal with its higher heating and lower moisture values than Western region or Powder River Basin coal.[29] Second, the bituminous coal must have certain emission properties and sulfur levels that are unique to the Northern and Central Appalachian coal regions, which excludes the use of bituminous coal from the Interior region and Illinois Basin. Some of these power plants require a certain percentage of Central Appalachian coal that can only be found and sourced in the NS-served regions of Southern West Virginia.[30]

The impacts of delayed coal shipments to power plants are straightforward and, much like coal shipments to steelmakers, go beyond simple logistical frustrations: The plants run out of fuel and cannot produce electricity, straining local and regional electric generation and transmission systems and driving up the retail price of electricity. Unfortunately, these impacts are well documented and known to the STB. As the nation's railroads struggled to recover from the pandemic and to implement the operating plans hatched from "precision scheduled railroading", coal deliveries to utilities were delayed, coal stockpiles dwindled to the lowest levels ever recorded and electric grid managers ordered coal power plants to conserve fuel for the critical winter heating season.[31] As one industry expert observed at the time: ***"The situation is entirely attributable to a meltdown in rail service capability...."***[32] Absent the stabilizing price control afforded by coal power plants with their on-site, stockpiled fuel supply

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[29] West Virginia thermal coal ranges from 12,000 to 13,500 btu/lb. and has a sulfur content from 1.5 to 3.0. For comparison, sub bituminous thermal coal from the Powder River Basin, which accounts for the majority of Union Pacific's coal traffic, has a btu/lb rating of 8,000 to 8,500.

[30] *See generally* U.S. Energy Information Administration, Form 923, consolidated reporting of power plant level electric generation and fuel consumption https://www.eia.gov/electricity/data/eia923/ and U.S. Energy Information Administration, "Electric Power Monthly" reports https://www.eia.gov/electricity/monthly/

[31] Biggest U.S. Grid Changes Rules to Shore Up Coal Supply as Winter Approaches." Reuters, October 21, 2021; "2021-2022 Winter Reliability Assessment." North American Electric Reliability Corporation, November 2021; "PJM and Members Prepare to Serve Winter Electricity Demand." PJM, November 4, 2021; "Utilities: Will We Have Coal When It's Cold?" Freight Waves. December 22, 2021; See *also* U.S. Surface Transportation Board weekly rail service reports, form EP-724, 2020-2022 https://www.stb.gov/reports-data/rail-service-data/#railroads-tab-content-1-4.

[32] "Rail Service 'Meltdown' Constraining U.S. Coal Sector in Hot Market" S&P Platts Global, May 9, 2022.

and long-term pricing contracts, U.S. electric prices skyrocketed. Electric rates increased at their fastest rate since 2008, with certain weather events pushing prices 200% higher than average.[33]

Ensuring a reliable, predictable fuel supply for these power plants is important as ever. Several of the plants served only by NS and dependent on West Virginia-sourced fuel supplies have announced plans to continue operating beyond their announced retirement dates as the country faces unprecedented increases in electric demand.[34] These coal plants will continue to play a crucial role as the baseload generation that secures the electric grid and moderates the price swings of other fuels. When recent severe weather pushed electric demand to new highs and natural gas generation fell short, coal plants produced the power that stabilized regional electric grids and prevented widespread blackouts.[35] With rising natural gas prices and the continued "derating" of the capacity of other generating sources, these coal plants are essential to the country's energy security.[36]

West Virginia leads the nation in exports of both thermal and met coal, with 48% (41.9m tons) of the state's total production being shipped around the world. Thermal coal accounts for 37% (15.4 m tons) of the state's total exports with met coal accounting for the remaining

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[33] Short-Term Energy Outlook", U.S. Energy Information Administration https://www.eia.gov/outlooks/steo/; "Today in Energy", U.S. Energy Information Administration https://www.eia.gov/todayinenergy/detail.php?id=51438

[34] "Duke Energy to Keep Three North Carolina Coal Plants Open Past Retirement." Greenwire, October 1, 2025; "Power Plant Owners Continue to Delay Closure of Coal-Fired Generation." Industrial Info Resources, July 15, 2024.

[35] "Operation of the U.S. Power Grid During the January 2025 Polar Vortex." February 2025. Energy Ventures Analysis. https://americaspower.org/wp-content/uploads/2025/02/EVA-2025-Polar-Vortex-Report.pdf?utm_source=substack&utm_medium=email

[36] *See generally* "Short Term Energy Outlook", October 2, 2025 U.S. Energy Information Administration, https://www.eia.gov/outlooks/steo/ ; "Energy Transition in PJM Flexibility for the Future', PJM, June 24, 2024 https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2024/20240624-energy-transition-in-pjm-flexibility-for-the-future.ashx

63% (26.5 m tons).[37] **West Virginia's coal exports are highly dependent on rail for movement, more so than any other coal market segment.** Just under 80% (33.3 m tons) of the state's total coal exports are transported by the state's two class one rail systems.[38] Almost 10 million tons of export met coal moves exclusively on NS to deepwater vessel transloading facilities, representing 36% of West Virginia's total met coal exports. Just under 2 million tons of export thermal coal begins its international journey on NS, accounting for 13% of the state's total thermal coal export production.[39] As with domestic coal destinations, there are few, if any alternatives to moving export coal for international shipment other than by rail. The deepwater vessel loading facilities are designed and operated only to receive shipments by rail car and most of the originating mines can only practicably load coal by rail. The export coal tonnage that moves by barge is sourced from mines that are much closer to navigable waterways than most of coal mining operations located on NS.[40]

An appropriate consideration of the potential impact of the UP-NS merger requires a comparison of the two railroads' coal traffic and coal mine origins. UP's coal business is

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[37] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025

[38] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025.

[39] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025; Reports "IM 545" and "IM 145", U.S. Commerce Department, 2025.

[40] *See generally* "Coal Facts 2023", West Virginia Coal Association, 2024; "2024 West Virginia Coal Production, Distribution and Transportation Data." West Virginia Coal Association, August 2025. "Coal Industry Employment & Production Preliminary 4Q 2024 Data" (data collected by the federal Mine Safety & Health Administration); "Annual Coal Report." U.S. Energy Information Administration, October 2024. "Annual Coal Distribution Report." U.S. Energy Information Administration, October 2024; "Quarterly Coal Report.", U.S. Energy Information Administration, November 2025

dominated by the movement of thermal coal to domestic power plants and industrial facilities, with most of that traffic originating in the Powder River Basin, Western Bituminous and Illinois coal regions.[41] Most of this traffic represents a single coal blend moving to single customer on a routine schedule. UP's movement of export coal from these regions follows a similar pattern. The mines served by UP are some of the largest coal mining operations in the country, and trains move almost seamlessly through coal loadouts on loop tracks then to the power plant or export facility. Entire trainsets of power and cars make repetitive runs between two points.

NS' rail service to the coal industry is much different, especially in West Virginia. While NS does serve single customers in dedicated units trains, it serves mining operations and moves coal to final customers in a much different manner than UP. For example, the latest NS mine directory lists 28 "single car" loadouts.[42] At these operations, cars are typically delivered by local switching crews and are loaded by the mine operator, usually in a 24-hour cycle. NS local crews then return to swap empties for loads in "mine shifter" fashion. Even where "rapid loading" of cars is used in NS coal territory, it rarely occurs seamlessly with trains pulling entire sets of cars through loop tracks. Because of topographical and physical constraints, most coal loadouts in West Virginia require trainsets to be separated and placed on several tracks

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[41] "Coal Mines Served by Union Pacific." https://www.up.com/shipping/energy/coal/mines

[42] Norfolk Southern, "NS Coal, Active Loadouts." https://www.google.com/goto?url=CAEShgEBxCJF11ar02PDTwJVMGqjw5Y8730wpPon7A7MDPbmXBMz7k8ovhf3M10StjMuJBHj729ydshvYOVDFN02ctF1S-KyOd3eu1h3zKSgrh15S_isF21h-1SbCU4s9MRKCWafxYSJw2ZfQ73WcciTBOArRaut_vn2JYZsHB7X36x9tIy3yE5GBg&gsessionid=vZ-7Ofi1qiijgjZ9tnSBvPK8KfHt2BaYM1MxLDHO7zZ8aktoAhsD1w

adjacent to the loadout. Crews then pull cuts of cars through the coal loading facilities and reassemble the complete train.

While UP coal traffic is dominated by continuous cycle loading and delivery of entire trainsets between single mines and customers, the movement of metallurgical coal by NS is much different. As noted earlier, there are different ranks and classifications of met coal which are blended to exact customer specifications. As it regards railroad service and coal traffic patterns, this may involve several cars loaded at different mines that are combined and delivered to a single customer. The same is true with export coal. Different grades of thermal and metallurgical are coal moved in separate trains that are then split, sequenced to obtain the correct blend, and then transloaded to deepwater vessels. Export coal movement is further complicated by the need to "inventory" loaded cars at the transloading facility until all the necessary coal blends are available to load a vessel according to customer specifications.

WVCA asks the STB to carefully consider the unique rail service requirements related to the efficient movement of West Virginia coal as it reviews the current merger proceeding.

Respectfully Submitted,

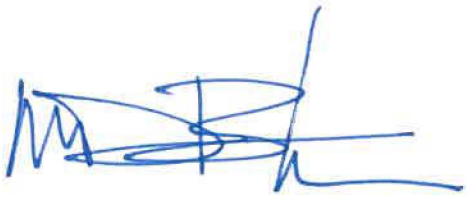


Jason D. Bostic
Executive Vice-President
West Virginia Coal Association

November 17, 2026

Certificate of Service

This is to certify that a copy of the West Virginia Coal Association's comments has been electronically filed with the Surface Transportation Board and served on all parties of record in this proceeding by electronic mail this 18th day of November 2026.



Jason D. Bostic

Executive Vice President

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