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**BEFORE THE**
**SURFACE TRANSPORTATION BOARD**

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**STB FINANCE DOCKET NO. 36873 (SUB-NO. 11)**

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**SHENANDOAH VALLEY BATTLEFIELDS FOUNDATION AND MANASSAS GAP RAILROAD – ACQUISITION OF A LINE OF RAILROAD IN ROCKINGHAM, SHENANDOAH, AND WARREN COUNTIES, VA – NORFOLK SOUTHERN RAILWAY COMPANY**

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**RESPONSIVE APPLICATION OF SHENANDOAH VALLEY BATTLEFIELDS FOUNDATION AND MANASSAS GAP RAILROAD LLC**

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Pursuant to 49 U.S.C. §§ 11324(c) and 49 C.F.R. Part 1180, the Shenandoah Valley Battlefields Foundation ("SVBF"), and its wholly-owned subsidiary Manassas Gap Railroad LLC ("MGR"), (referred to hereinafter as "Applicants") submit this responsive application (the "Responsive Application") for approval by the Surface Transportation Board ("Board") of Applicants' acquisition of Norfolk Southern Railway Company's ("NS's") rail line consisting of the rail corridor 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 100 +/- at Broadway, VA, in Rockingham, Shenandoah, and Warren Counties, VA (the "Line"), including all real estate, rail assets, switches, rights under lease and fiber optic agreements, and connections to both NS and CSX pursuant to the Board's statutory authority to order the divestiture of tracks as a condition of the proposed merger of NS with Union Pacific ("UP") in STB Finance Docket No. 36873.

Applicants have separately filed their Comments and Request Grant of Responsive Application in Docket No. 36873, which they incorporate herein.[1]

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[1] Decision No 46 in this proceeding provides that "each responsive application may incorporate by reference information to the extent allowable under 49 C.F.R. § 1180.4," which

## EXECUTIVE SUMMARY

Applicants ask the Board to order NS to divest the parallel Line to Applicants as a condition of any approval of the proposed UP-NS merger to enhance rail-to-rail competition in the Shenandoah Valley. Today NS has a parallel rail line to the East of the Line. NS has refused to serve customers directly via the Line despite recent requests for rail service.

**The Line (in red) and NS's Line (in black) Are Parallel**

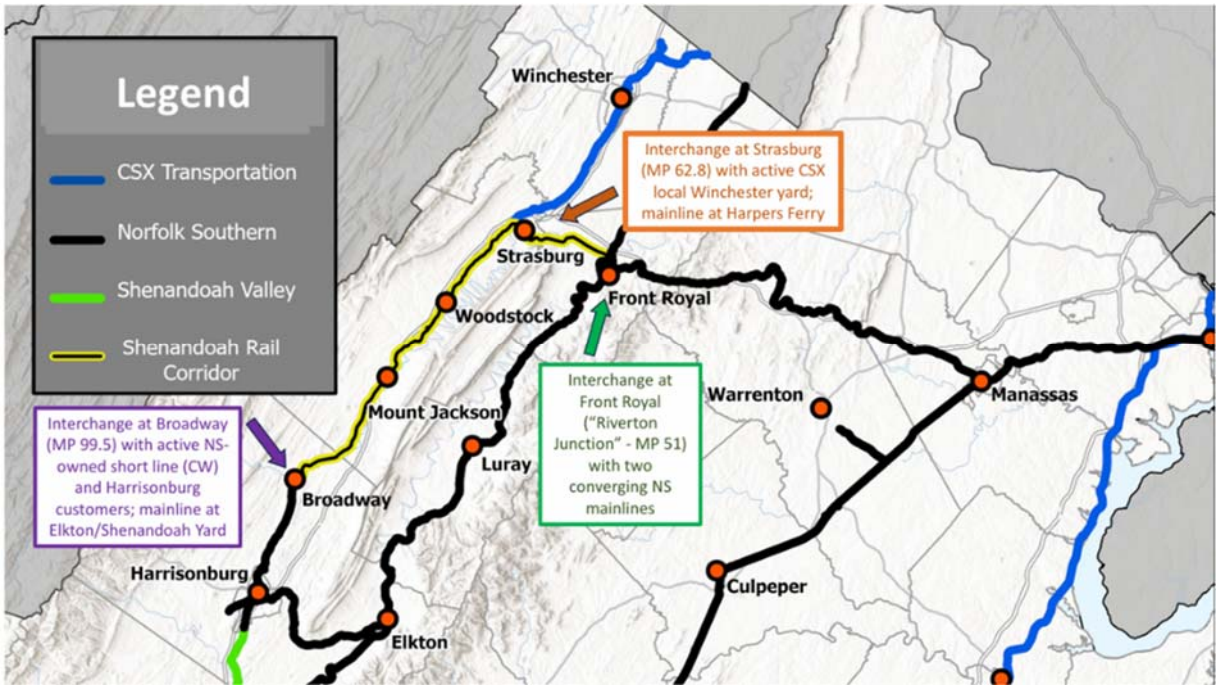



specifies that "[i]nformation from other documents may be incorporated by reference in the application" if they "have been filed with the Board within three years prior to filing of the application, the information must be up to date, and applicant must be prepared to supply copies of this information to interested persons on specific request."

NS has repeatedly ignored requests for rail service over the years. *See* Highly Confidential Exhibit 10.B (Confidential Materials Subject to Request for Protective Order) (highlighting added). Discovery obtained from NS in preparation for filing the Responsive Application demonstrates that NS has shrugged off requests for service on the Line, including as recently as 2025 and 2026 to be able to claim that there has been no traffic on the Line in recent years. *See* Highly Confidential Exhibit 10.B. Rather than provide rail service, in one case NSR recommended {[redacted], [redacted] Highly Confidential Exhibit 10.B.1 (NS_00931258). In another instance, NSR declined because engaging in shipping freight would sever the corridor and "{[redacted] [redacted] Highly Confidential Exhibit 10.B.2 (NS_00931280). In yet, another, NS did not provide service despite characterizing the traffic as "{[redacted]"} and "{[redacted]}." Highly Confidential Exhibit 10.B.3 (NS_00931299). NS received other recent inquiries for rail service showing that the demand for rail service is real as shown in Exhibit 10.A. Combined, they show that the demand for rail service is real and that there is no harm to UP-NS from granting this Responsive Application.

The Line is well positioned to serve the region. It parallels Interstate 81 and U.S. Route 11, creating easy-access transloading potential. There are three interchange locations with Class I carriers along the Line, in Strasburg, Front Royal, and Broadway as shown in Map 2.

**Map 2 - Interchange Locations Creates Competition Between NS and CSX**




Because the Line connects to both NS and CSX, freight service on the Line would create opportunities not currently present and will help drive competitive freight rates not seen since the 1982 Norfolk Southern merger. In addition, there are 11 "rail ready" sites along the route. Shipping freight by rail on the Line will also reduce carbon emissions while alleviating highway traffic.

Serving customers in the Shenandoah Valley by returning freight rail service via a short line railroad will have the same benefits provided to customers by other short line railroads. Short line railroads are the connective tissue of the American freight network. They bridge the gap between local businesses and the national rail system, drive regional economic development and job creation, expand market access for communities beyond Class I main lines, and help shift freight from highways to rail — delivering economic and environmental benefits that neither shippers nor Class I railroads could achieve alone.

The first step is to replace NS with an owner that wants to and intends to provide freight service.[2] Divestiture is the appropriate remedy. Structural remedies such as divestiture can be "'simple, relatively easy to administer, and sure' to preserve competition." Antitrust Div., U.S. Dep't of Justice, 2020 Merger Remedies Manual at 4 (Sept. 2020) (withdrawn April 2022). The Supreme Court has noted that divestiture is "simple, relatively easy to administer, and sure." *U.S. v. E.I. du Pont de Nemours & Co*., 366 U.S. 316, 331 (1961); *see also* Zarema A. Jaramillo, Equitable Relief in Civil Antitrust Actions ("The agencies traditionally have expressed a 'strong' preference for 'structural' remedies, such as, divestitures.")(available on Lexis). "In terms of assets to be divested in structural remedies, the requirements are fact specific." Merger Remedies Guide at 50 (2nd Ed. 2019) *available at* file:///C:/Users/scheibjo/AppData/Local/Temp/MicrosoftEdgeDownloads/640dd951-a27d-4be0-87fc-3b00c3bc4c0e/merger_remedies_guide_-_edition_2.pdf.

The effort to restore rail has been ongoing for some time and discussed in various forums, including Virginia's Commonwealth Transportation Board, and has garnered substantial support as shown in Exhibit 10.C. It has also garnered support in Board Docket AB 290 (Sub No. 425X). Exhibit 10.D. Applicants therefore ask the Board to order the divestiture of the Line at its constitutional minimum value, to direct the parties to negotiate the purchase price and other terms within 90 days, and to resolve any issues the parties cannot resolve.

Importantly, divestiture of the Line would not affect UP-NS's operations or merger benefits at all.

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[2] Applicants also intend to pursue compatible public uses that do not interfere with the much needed freight service, including excursion service and rail-with-trail use.

## PROCEDURAL HISTORY

Applicants filed on September 9, 2026, in STB Finance Docket No. 36873 a notice of intent to file a responsive application for divestiture of the rail line that has become at issue in this proceeding.[3] Having seen the notice of intent to seek divestiture of this rail line and in a continuing effort to thwart freight service on the line that would compete with its parallel rail line, NS filed a notice of exemption to abandon the Line on October 5, 2026. In its notice of exemption, NS asserts that "[d]uring the past two years, no local traffic has moved over the Line" even though it had turned away requests for rail freight service from customers on the Line. Respondents filed a notice of intent to file an offer of financial assistance on October 14, 2026, to seek to restore freight service to customers on the Line and in the Shenandoah Valley.

On October 14, Applicants filed a notice of intent to file an offer of financial assistance in that abandonment proceeding. They also filed a motion to hold in abeyance the abandonment proceeding pending consideration of this responsive application.

## SPECIFIC INFORMATION REQUIRED BY THE REGULATIONS

49 C.F.R. § 1180.6 specifies information that must be included in applications filed under 49 U.S.C. § 11324(c).[4] This transaction would be a "minor" transaction.

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[3] Both MGRR's notice of intent to file a responsive application for divestiture and this proceeding relate do the same NSR rail line that extends from Milepost B 51.0 +/- near Riverton Junction in Front Royal, Virginia, to Milepost B 99.5 +/- at Broadway, VA, in Rockingham, Shenandoah, and Warren Counties, Virginia (the "Line").

[4] Applicants believe all required and relevant information is included in this Responsive Application. If not, Applicants should be afforded the same opportunity to cure that was given to Applicants in the UP and NS transaction proceeding. See Decision No. 9, Finance Docket No. 36873 (STB Decided Jan. 16, 2026)(allowing Applicants to file an Amended Application after finding the original Application to be in complete).

1. General Information Supporting the Transaction

1180.6(a)(1)(i) ***A brief summary of the proposed transaction, the name of the applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.***

The proposed transaction in Docket No. FD 36873 (Sub-No. 11) is the acquisition of control by Applicants of NS's rail line consisting of the rail corridor 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 100 +/- at Broadway, VA, in Rockingham, Shenandoah, and Warren Counties, VA (the "Line"), including all real estate, rail assets, switches, rights under lease and fiber optic agreements, and connections to both NS and CSX. Relevant maps of the Line is provided as Exhibit 1.

The business address and telephone number for Applicants is P.O. Box 897, 9386 S. Congress St., New Market, VA 22844. Applicant's telephone number is (866) 792-8896.

Questions can be addressed to Applicants' counsel, John M. Scheib, Gentry Locke Attorneys, 101 W. Main Street, Suite 705 Norfolk, Virginia 23510; (757) 916-3511; scheib@gentrylocke.com.

***1180.6(a)(1)(ii)*** ***The proposed time schedule for consummation of the proposed transaction.***

Applicants expect to consummate the proposed divestiture as soon as possible, likely within 90 days, following a Board decision conditioning approval of the UP-NS merger in Finance Docket No. 36873 on the divestiture of the Line and completion of negotiations with NS regarding the terms of agreements governing the proposed transaction. Exhibit 2.A to this Responsive Application includes proposed form of asset purchase agreement.

***1180.6(a)(1)(iii)*** ***The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.***

The purpose of the proposed transaction is to redress competitive harm and to enhance competition by restoring freight rail service to the Shenandoah Valley. Applicants seek to acquire the entire Line to preserve, restore, and maintain freight rail service, including freight operations. The Line has been the subject of various petitions to discontinue service in the past and has been ignored by NS for years because it has a parallel line to the East and because of various historic operating issues, including different applicable labor agreements.

Applicants' goal is to restore freight rail to the Shenandoah Valley for shippers and to provide competitive alternatives to NS, which has ignored the needs of shippers in the Valley and not offered rail service. Applicants intend to rehabilitate the Line in a segmented fashion based on the most immediate freight rail needs and to contract with a qualified Class III operator to provide common-carrier service. A combined UP-NS system will have no greater incentive than NS has today to restore service on a line that parallels its own route.

There is a strong and continuing need for rail service over the Line. The Shenandoah Valley contains significant agricultural, industrial, and logistics activity that would greatly benefit from rail freight service. The revitalization of the Line will also remove an estimated 4,000 trucks from local highways, namely State Route 11 and Interstate 81. Preservation of the Line is further consistent with federal and state objectives favoring the retention of rail corridors for current and future transportation use.[5]

[5] *See* Opportunities Map at https://www.google.com/maps/d/u/0/viewer?mid=1OgslTy1j16mhbbvrzRvVHSojmVSf7Ds&ll=38.482082488133338%2C-78.79700625000002&z=7.

Customers have demonstrated a need, as shown in requests for rail service made to NS, NS's own documents, public support for freight rail in the Line in other non-STB proceedings, and in STB Docket No. AB 290 (Sub No. 425X). *See* Exhibits 8.A (Highly Confidential), 8.B, 8.C, and 8.D. NS, however, discontinued service over the Line for its own reasons. The harm to the Shenandoah Valley from approving the Amended Application without approving the Responsive Application is clear. NS is seeking separately to abandon the Line in STB Docket AB-290 (Sub No. 425X) as it house cleans as part of preparation for the transaction. The opportunity for freight rail and rail-to-rail competition against NS will likely be lost.

Moreover, granting the Responsive Application will enhance competition. The Line connects to both NS and CSX. So whereas NS may not have wanted the [redacted] traffic offered by freight rail customers on the Line, CSX may be a better option. *See* Highly Confidential Exhibit 10.B. Thus, independent ownership of and short line operations on this Line would create opportunities not currently present.

Given NS's history of not supporting traffic on the Line, new ownership bringing in a short line operator will enhance competition through a lower costs structure and the ability and willingness to interchange traffic with NS and CSX, both of which connect to the Line. Customers in the area will go from no choice to two choices as the Line is restored from the condition in which NS has left it.

Serving customers in the Shenandoah Valley by returning freight rail service via a short line railroad will have the same benefits provided to customers by other short line railroads. Short line railroads are the connective tissue of the American freight network. They bridge the gap between local businesses and the national rail system, drive regional economic development and job creation, expand market access for communities beyond Class I main lines, and help

shift freight from highways to rail — delivering economic and environmental benefits that neither shippers nor Class I railroads could achieve alone.

Like other short lines, the Line historically was a light density line[6] and its potential remains as demonstrated by the request for rail service in 2025 and 2026. Although NS touts that "[s]hort Line railroads are a key component in Norfolk Southern's overall growth strategy by playing a pivotal role in the first and final mile on our network," it has steadfastly avoided providing rail service in response to those requests.[7] {[redacted]}.

***1180.6(a)(1)(iv)*** ***The nature and amount of any new securities or other financial arrangements.***

There will be no new securities or other financial arrangements (other than possible loan from bank) as a result of the proposed transaction.

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6 *Id.*

7 https://www.norfolksouthern.com/en/ship-by-rail/our-rail-network/short-line-connections

| | |
|---|---|
| ***1180.6(a)(2)*** | ***A detailed discussion of the public interest justifications in support of the application, indicating how the proposed transaction is consistent with the public interest, with particular regard to the relevant statutory criteria, including:*** |
| ***1180.6(a)(2)(i)*** | ***The effect of the transaction on inter- and intramodal competition, including a description of the relevant market (see § 1180.7). Include a discussion of whether, as a result of the transaction, there is likely to be any lessening of competition, creation of a monopoly, or restraint of trade in freight surface transportation in any region of the United States.*** |

As set forth in the comments filed by Applicants in Finance Docket 36873, and hereby incorporated, Applicants request for divestiture will enhance competition. The Line connects with both NS and CSX and Applicants intend to interchange with both railroads – substantially increasing rail-to-rail competition in the Shenandoah Valley and injecting opportunities not currently present. There are three interchange locations with Class I carriers along the Line in Strasburg, Front Royal, and Broadway that will help drive competitive freight rates not seen since the 1982 Norfolk Southern merger.

In addition, there are 11 "rail ready" sites along the route. Shipping freight by rail on the Line will reduce carbon emissions while alleviating highway traffic. The Line parallels Interstate 81 and US Route 11, creating easy-access transloading potential. The revitalization of the Line will also remove an estimated 4,000 trucks from local highways, namely State Route 11 and Interstate 81. Because NS does not provide service over the Line today, the divestiture will not eliminate any shipper's existing rail option, lessen competition, create a monopoly, or restrain trade in any region.

Granting the Responsive Application will also support growth in the Shenandoah Valley and generate significant environmental benefits. Rather than seeking to derive these

environmental benefits, {[redacted]}

There is a strong and continuing need for rail service over the Line. The Shenandoah Valley contains significant agricultural, industrial, and logistics activity that would greatly benefit from rail freight service.

Enclosed as Exhibit 10.A are recent request for service made to NS. Exhibit 10.B is a Highly Confidential exhibit that show other request for service in 2025 and 2026 and NS's response to them. Also enclosed as Exhibit 10.C is a series of statements in support of returning rail service to the Line. The Line has been the subject of hearings at the Virginia Commonwealth Transportation Board, and these letters have been provided in those and other proceedings related to the Line

***1180.6(a)(2)(ii)*** ***The financial consideration involved in the proposed transaction, and any economies, to be effected in operations, and any increase in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.***

As to the financial consideration involved in the proposed transaction, Applicants request that if the Board approves the Amended Application it also approve the Responsive Application and ordered the divestiture of the Line at  a price of $1. The Federal Trade Commission guidance specifically notes that in the context of divestitures that it orders, those orders "require divestiture 'at no minimum price.'" *See* Statement of the Federal Trade Commission's Bureau of Competition on Negotiating Merger Remedies, available at https://www.ftc.gov/advice-guidance/competition-guidance/negotiating-merger-remedies#The%20Proposed%20Divestiture. Merging companies are not forced by the government to combine. The consideration for the divestiture is merger approval subject to that condition. Takings law and constitutional minimum

value are not applicable in the context of conditions on merger approval. If the companies find the divestiture condition unacceptable, they remain free to walk away from the merger and keep all their existing assets intact. So, merger approval subject to a condition to divest is all the consideration that is required.

If the Board requires any payment, Applicants ask the Board to impose the regulatory minimum as calculated in 49 C.F.R. § 1152.27(c)(1)(ii). Pursuant to that provision, the amount "shall be 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." Here that amounts to:

| Steel price | | Miles | | Calculation |
|---|---|---|---|---|
| $ 345.00 | 132 | 48.5 | | $ 2,208,690.00 |
| | $ 4,000.00 | 48.5 | 2 | $ 388,000.00 |
| | | | Total | $ 2,596,690.00 |

Establishing the price as $1 or $2,596,690 upfront will expedite the divestiture. Applicants will no doubt have plenty of other things to deal with if the Amended Application is approved (along with conditions and responsive applications). It will also permit more money to be spent sooner on rehabilitation of the Line to restore freight service to customer that NS has long-ignored.

If the Board disagrees, it can impose a 90-day period of time for negotiation of price and, if the parties fail to agree, the right of each party to present argument to the Board for the Board to set the price. Applicants anticipate a substantial dispute over the value of the real estate for example given the laws of Virginia that applied when the railroad acquired most of its real estate. If the parties cannot complete such negotiations prior to the expiration of that 90-day period,

Applicants ask the Board to require the parties to submit any remaining disputed issues to the Board for determination.[4]

Applicants also have entered into term sheets with two finalists from a request for proposal process to select a short line operator to provide common carrier freight service and contemplate entering into a final lease and operation agreement with one of them upon the completion of the divestiture of the Line from NS to Applicants. Appendix B, Verified Statement of Keven Walker at ¶7 ("Walker VS"). The form of that lease and operating agreement are provided as Exhibit 2.B.

As to economies and increases in traffic and revenue, the benefits of preserving the Line for freight service – where there are known customers who have requested service from NS as recently as 2025 and 2026 – are the same as other short lines that have been created to create and preserve freight rail service to customers. "The economic freedoms and the regulatory flexibility embodied in the [Staggers Act] allowed the railroads to save light-density branch lines rather than abandon them." Testimony of Linda Darr, President of the American Short Line and Regional Railroad Association, 35th Anniversary of Staggers Rail Act: Deregulation Past, Present, and Future (May 13, 2015), available at https://www.govinfo.gov/content/pkg/CHRG-114hhrg94575/pdf/CHRG-114hhrg94575.pdf.

It is expected that the divestiture of the Line to Applicants who will focus on restoring freight service to the Shenandoah Valley will generate freight rail traffic. Applicants anticipate beginning restoration of the Line on either end and working toward the middle.

Applicants submit that given the deterioration of the Line under NS's ownership, a framework for thinking about divestiture of the Line is somewhat akin to the Board's thinking about an Offer of Financial Assistance ("OFA") in an abandonment proceeding. For sure, OFA

requirement do not apply here, but it to grant an OFA the Board does not find that the rail line has a guarantee of success. In fact, Board precedent is clear that a party filing an OFA does not need to prove in advance that its efforts to revive a failing line will without question succeed. *1411 Corp. -- Abandonment Exemption -- in Lancaster County, PA*, STB Docket No. AB-581X at *3 n.9 (served Sept. 6, 2001) (available at 2001 STB LEXIS 712, 2001 WL 1016782). Board precedent also does not require a demonstration of rail plans, a time table to reactivate service, means to finance restoration of crossings and rehabilitation of the embargoed track, economic forecasts, guarantees of service, contracts with shippers, showing of railroad management experience or skills, rail equipment, personnel to operate the equipment, and projections of rail traffic that are deemed reasonable. *Borough of Columbia v. STB*, 342 F.3d 222 (3rd Cir. 2003) (quoting *Illinois Cent. R.R. Co. -- Abandonment Exemption -- in Perry County, IL*, STB Docket No. AB-43 (Sub-No. 164X) (served Nov. 8, 1994) (available at 1994 WL 613355)). Contracts with potential shippers are not required. *Borough of Columbia v. STB*, 342 F.3d 222, 231 (3rd Cir. 2003). "*The issue is not whether service is currently being provided, but whether the circumstances in their entirety indicate that the financial assistance is being offered for rail service*." RIRPA, 223 F.3d at 1063-64 (emphasis added by RIRPA court).

The need for rail service is plainly present as demonstrated in Exhibits 10.A, 10.B, 10.C, and 10.D. Applicants have a desire and plan to develop freight rail on the Line, including in competition with NS to enhance intramodal and intermodal competition herein. Accordingly divestiture is appropriate.

***1180.6(a)(2)(iii)*** ***The effect of the increase, if any, of total fixed charges resulting from the proposed transaction.***

Not applicable.

***1180.6(a)(2)(iv)*** ***The effect of the proposed transaction upon the adequacy of transportation service to the public, as measured by the continuation of essential transportation services by applicants and other carriers.***

Because there is currently no freight service on the Line, there is no adequate service for the customers that have requested service from NS, including as recently as 2025 and 2026. Therefore, the proposed transaction would greatly increase the adequacy of transportation service to the public. NS has discontinued service over the Line, and transportation over the Line is inadequate for the majority of shippers or prospective shippers because the Line is out of service or functionally unavailable for common-carrier freight use, foreclosing rail options for corridor businesses and communities. NS has not provided service to shippers in the area of the Line since the discontinuances despite inquiries from customers nor has it invested in the Line. *See* Exhibit 10.A. The sale of the Line is likely to result in improved railroad transportation for shippers who seek transportation services over the Line because Applicants' acquisition would restore rail availability to a corridor presently lacking active service and would preserve the corridor for continued transportation use. Preservation of the Line is further consistent with federal and state objectives favoring the retention of rail corridors for current and future transportation use.

Divesting the Line to Applicants therefore is definitionally an improvement – even if it takes some time to restore the entire Line from NS allowing it to deteriorate. Applicants intend to restore service in a segmented fashion over time, which is far superior to what NS has done over the years to leave the Shenandoah Valley without rail service and forcing freight onto roads and congested Interstate 81.

Because the Line connects with both NS and CSX, having Applicants own the Line and provide service via a short line means that customers will have enhanced rail competition and competitive options between CSX and UP-NS.

In short, the Application is decidedly pro-competitive: shippers would gain rail transportation options that do not exist today. No local customer on the Line would lose a rail option because NS is forcing them to truck when they request rail service. So, customers would enjoy new options.

In addition to freight rail, and not as the primary purpose, the Line is also poised to support excursion trains related to Civil War history. Such activity is estimated to have a $21 million annual economic impact to the region and to provide supplemental revenue to the railroad. Paralleling I-81/US Rt. 11, in the longer term the Line could connect unserved universities to Amtrak, VRE, and MARC routes: Blue Ridge Community College, Bridgewater College, Eastern Mennonite University, James Madison University, Laurel Ridge Community College, and Shenandoah University. Because NS provides no service over the Line, no shipper will lose an existing rail option as a result of the divestiture.

***1180.6(a)(2)(v)*** ***The effect of the proposed transaction upon applicant carriers' employees (by class or craft), the geographic points where the impact will occur, the time frame of the impact (for at least 3 years after consolidation), and whether any employee protection agreements have been reached.***

None. NS has no employees on the Line today. Applicants have contracted with short line railroad SMS to lease and operate the Line. SMS Rail will hire employees to provide service consistent with the Operating Plan submitted as Exhibit 13.

***1180.6(a)(2)(vi)*** ***The effect of inclusion (or lack of inclusion) in the proposed transaction of other railroads in the territory, under 49 U.S.C. 11324.***

Not applicable.

***1180.6(a)(3)*** ***Any other supporting or descriptive statements applicants deem material.***

The Line has had service discontinued on it, but NS has not abandoned the Line. More specifics regarding the segments encompassed by the Line, based on information and belief include:

- B51 – B62 is currently out of service. It has not been discontinued at the Board.
- B62.0-B78.9 was discontinued by NS in STB Docket AB 290 383X.
- B78.9 – B84.0 was discontinued by NS in STB Docket AB 290 51 X.
- B84.0 – B99.5 was discontinued by NS in STB Docket AB 290 391 X.
- The Chesapeake and Western Railway discontinued its lease from B/CW 84.0 B/CW99.5 in STB Docket AB 290 387X.
- The Chesapeake and Western Railway leased a portion of the B-Line from NS (B84.0-B112.0) in 1989. The B prefix for this section was changed to CW.
- No portions of the Line have been abandoned.

Applicants have been pursuing the reactivation of freight service on the Line for several years and have obtained public support letter throughout that process that are provided as Exhibit 10.C. Previously, NS entered into a Letter of Intent ("LOI") with SVBF in 2024, but the LOI expired before the parties were able to finalize the terms of an agreement that were being negotiated in the open market. Appendix B, Walker VS at ¶¶ 4. Subsequently, the administration of Governor Youngkin and SVBF reached agreement for SVBF to purchase the Line for freight purposes in partnership with the Commonwealth of Virginia. And as recently December 2025,

the Commonwealth, Norfolk Southern, and SVBF were negotiating terms to purchase the Line that included no interchange commitment. *Id.*

The need for rail service in the Shenandoah Valley is demonstrated by NS's documents that show repeated requests for rail service in 2025 and 2026 that went unmet. *See* Highly Confidential Exhibit 10.B.

***1180.6(a)(4)*** ***An opinion of applicants' counsel that the transaction meets the requirements of the law and will be legally authorized and valid, if approved by the Board. This should include specific references to any pertinent provisions of applicants' bylaws or charter or articles of incorporation.***

The opinion of counsel is set forth in Appendix A.

***1180.6(a)(5)*** ***A list of the State(s) in which any part of the property of each applicant carrier is situated.***

Not applicable. Applicant will enter into a lease and operating agreement with a short line railroad to provide common carrier service on the Line upon completion of the divestiture.

***1180.6(a)(6)*** ***Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.***

The Line is shown below in red as the Shenandoah "B Line" Project in Exhibit 1. NS's parallel line to the East is shown in black. Interchange locations are shown on the second map in Exhibit 1. NS's parallel routes are also shown on the third map in Exhibit 1.

***1180.6(a)(7)(i)*** ***Describe the nature of the transaction (e.g., merger, control, purchase, trackage rights), the significant terms and conditions, and the consideration to be paid (monetary or otherwise).***

The transaction proposed herein involves the purchase by Applicant of NS's rail line consisting of the rail corridor 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 100 +/- at Broadway, VA, in Rockingham, Shenandoah, and Warren Counties, VA"), including all real estate, rail assets, switches, rights under lease and fiber optic agreements, and connections to both NS and CSX.

The significant terms and conditions of the proposed transactions are described in the draft Asset Purchase Agreement included as Exhibit 2.A. Applicants have also entered into a lease and operating agreement with SMS Rail to operate the Line and provide common carrier service on the Line as it is restored. *See* Exhibit 2.B.

As discussed with respect to 49 C.F.R. 1180.6(a)(2)(ii) above, Applicants suggest that the Board award the divestiture at the price of $1 or alternatively pursuant to the formula in 49 C.F.R. § 1152.27(c)(1)(ii).

***1180.6(a)(7)(ii)*** ***Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at § 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.***

Exhibit 2.A is Applicants' proposed form of Asset Purchase Agreement between Applicants and NS relating to the sale by NS to Applicants of the Line. Exhibit 2.B contains the

term sheets entered into with two short line railroad finalists and for of lease and operating agreement.

***1180.6(a)(7)(iii)*** ***If a consolidation or merger is proposed indicate: (A) The name of the company resulting from the consolidation or merger; (B) the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment; (C) the capitalization proposed for the resulting company; and (D) the amount and character of the capital stock and other securities to be issued.***

Not applicable.

***1180.6(a)(7)(iv)*** ***Court Order (exhibit 3). If a trustee, receiver, assignee, or personal representative of the real party in interest is an applicant, submit a certified copy of the order, if any, of the court having jurisdiction, authorizing the contemplated action.***

Not applicable.

***1180.6(a)(7)(v)*** ***State whether the property involved in the proposed transaction includes all the property of the applicant carriers and, if not, describe what property is included in the proposed transaction.***

The proposed transaction does not include all the property of NS. The Line would constitute all the rail property of Applicants.

***1180.6(a)(7)(vi)*** ***Briefly describe the principal routes and termini of the lines involved, the principal points of interchange on the routes, and the amount of main-line mileage and branch line mileage involved.***

The Line consists 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 100 +/- at Broadway, VA, in Rockingham, Shenandoah, and Warren Counties, VA. The Line connects to NS at Broadway, Virginia, which would be the principal point of interchange with NS to the South, and at Riverton Junction, which would be the principal point of interchange with NS to the North. The

Line also connects to CSX at Strasburg Junction, which would be the principal point of interchange with CSX. The Line is a single line of railroad, and the entire Line constitutes branch-line mileage. No main-line mileage is involved.

Consistent with Paragraph 13 of the proposed Asset Purchase Agreement (Exhibit 2.A), Applicants request that the Board, as part of the divestiture condition, require NS to grant Applicants or their designated operator such trackage rights as may be necessary for efficient interchange of freight traffic (i) between the Line and NS, (ii) between the Line and CSX, and (iii) between the Line and Pleasant Valley, Virginia, to interchange with the Shenandoah Valley Railroad.

***1180.6(a)(7)(vii)*** ***State whether any governmental financial assistance is involved in the proposed transaction and, if so, the form, amount, source, and application of such financial assistance.***

There is no government financial assistance involved in the proposed transaction. Given the deterioration that NS has allowed on the Line, Applicants intend to seek government funding through various grant programs to restore the Line on a segmented basis. Appendix B, Walker VS at ¶¶ 11-17.

***1180.6(a)(8)*** ***Environmental data (exhibit 4). Submit information and data with respect to environmental matters prepared in accordance with 49 CFR part 1105. In major and significant transactions, applicants shall, as soon as possible, and no later than the filing of a notice of intent, consult with the Board's Office of Environmental Analysis for the proper format of the environmental report.***

Applicants have consulted with the Board's Office of Environmental Analysis ("OEA") and provided the information requested. That information is set forth in Exhibit 4.

***1180.6(b)(3)*** ***Change in control (exhibit 8). If an applicant carrier submits an annual report Form R-1, indicate any change in ownership or control of that applicant carrier not indicated in its most recent Form R-1, and provide a list of the principal six officers of that applicant carrier and of any related applicant, and also of their majority-owned rail carrier subsidiaries. If any applicant carrier does not submit an annual report Form R-1, list all officers of that applicant carrier, and identify the person(s) or entity/entities in control of that applicant carrier and all owners of 10% or more of the equity of that applicant carrier.***

49 C.F.R. 1180.4(f)(4) provides that "[a] waiver or clarification granted to any applicant in a proceeding shall apply to any other party to the proceeding unless otherwise indicated." Pursuant to Decision No. 46 in Finance Docket 36873, the Board found that this information is not necessary and did not indicate that its application was otherwise inapplicable to other parties. Without waiving the right to rely on that waiver, Applicants are not rail carriers and do not submit an annual report Form R-1. The Applicants have entered into terms sheets for Applicants to lease the Line to a rail operator to provide common carrier freight service as the Line is restored. *See* Exhibit 2.B.

***1180.6(b)(5)*** ***Issues (exhibit 10). Submit a discussion of any other issues relevant to the transaction.***

49 C.F.R. 1180.4(f)(4) provides that "[a] waiver or clarification granted to any applicant in a proceeding shall apply to any other party to the proceeding unless otherwise indicated." Pursuant to Decision No. 46 in Finance Docket 36873, the Board found that this information is not necessary and did not indicate that its application was otherwise inapplicable to other parties.

Without waiving the right to rely on that waiver, Applicants incorporate their comments filed in Finance Docket No. 36873. Further, attached as Exhibit 10.A are some very recent requests for rail service that Applicants were made aware of. Attached as Exhibit 10.B are

Highly Confidential internal NS documents regarding its consideration of requests for service on the Line in 2025 and 2026. Exhibit 10.C includes letters of support from interested stakeholders, who are excited by the prospect of a revitalized Line. Exhibit 10.D are letters of support filed in the abandonment proceeding.

Applicant anticipates a phased rehabilitation program guided by engineering review and commercial demand. Applicants have performed substantial preliminary work.[8] Initial work is expected to include inspection and repair of rail, ties, surfacing, crossings, drainage, brush clearing, bridge review, signal or crossing equipment as needed, and such other safety-related work as conditions require. Longer-term maintenance and capital work will be undertaken as traffic develops and funding is deployed.

Reactivation of the Line will preserve rail options in the Shenandoah Valley, reduce truck traffic on regional highways, expand shipping alternatives, and support future industrial, agricultural, logistics, and related economic activity. To the extent lawful and commercially feasible, the restored corridor may also support excursion or other compatible non-freight uses that do not impair common-carrier obligations.

***1180.6(b)(6) Corporate chart (exhibit 11). Submit a corporate chart indicating all relationships between applicant carriers and all affiliates and subsidiaries and also companies controlling applicant carriers directly, indirectly or through another entity (with each chart indicating the percentage ownership of every company on the chart by any other company on the chart). For each company: include a statement indicating whether that company is a noncarrier or a carrier; and identify every officer and/or director of that company who is also an officer and/or director of any other company that is part of a different corporate family that includes a rail carrier. Such information may be referenced through notes to the chart.***

49 C.F.R. 1180.4(f)(4) provides that "[a] waiver or clarification granted to any applicant in a proceeding shall apply to any other party to the proceeding unless otherwise indicated."

[8] https://www.shenandoahrailcorridor.org/resources.

Pursuant to Decision No. 46 in Finance Docket 36873, the Board found that this information is not necessary and did not indicate that its application was otherwise inapplicable to other parties.

***1180.6(b)(7)*** ***If applicant is not a carrier, indicate (i) the type of business in which it is engaged, (ii) the length of time so engaged, and (iii) its present and prospective activities which have or may have a relation to transportation subject to 49 U.S.C. Subtitle IV.***

49 C.F.R. 1180.4(f)(4) provides that "[a] waiver or clarification granted to any applicant in a proceeding shall apply to any other party to the proceeding unless otherwise indicated." Pursuant to Decision No. 46 in Finance Docket 36873, the Board found that this information is not necessary and did not indicate that its application was otherwise inapplicable to other parties.

Without waiving the right to rely on that ruling, Applicants state as follows. SVBF was established to manage the Shenandoah Valley Battlefields National Historic District, designated by Congress in 1996. SVBF's Management Plan, which was approved by the United States Secretary of Interior in 2000, specifically calls for railroad lines to be included in interpretation of historic routes that link battlefields within the Shenandoah Valley. SVBF, which is a Virginia non-stock corporation, has been leading the charge for several years to preserve this historic railroad, which would include the restoration of freight service. MGR is a limited liability corporation that is wholly-owned subsidiary of the SVBF and was established to advance rail transportation in the region by holding transportation assets.

***1180.6(b)(8)*** ***Intercorporate or financial relationships. Indicate whether there are any direct or indirect intercorporate or financial relationships at the time the application is filed, not disclosed elsewhere in the application, through holding companies, ownership of securities, or otherwise, in which applicants or their affiliates own or control more than 5% of the stock of a non-affiliated carrier, including those relationships in which a group affiliated with applicants owns more than 5% of the stock of such a carrier. Indicate the nature and extent of any such***

***relationships, and, if an applicant owns securities of a carrier subject to 49 U.S.C. Subtitle IV, provide the carrier's name, a description of securities, the par value of each class of securities held, and the applicant's percentage of total ownership. For purposes of this paragraph, "affiliates" has the same meaning as "affiliated companies" in Definition 5 of the Uniform System of Accounts (49 CFR part 1201, subpart A).***

49 C.F.R. 1180.4(f)(4) provides that "[a] waiver or clarification granted to any applicant in a proceeding shall apply to any other party to the proceeding unless otherwise indicated." Pursuant to Decision No. 46 in Finance Docket 36873, the Board found that this information is not necessary and did not indicate that its application was otherwise inapplicable to other parties.

**2. <u>Competitive & Market Information</u>**

***1180.7*** ***For … significant transactions, applicants shall submit impact analyses (exhibit 12) describing the impacts of the proposed transaction – both adverse and beneficial – on inter- and intramodal competition with respect to freight surface transportation in the regions affected and on the provision of essential services by applicants and other carriers. …***

The requested divestiture is not a significant transaction. Applicant has been working for some time on restoring freight rail service on the Line. It has conducted a request for proposal process and had multiple freight rail operators study the opportunity. Appendix B, Walker VS at ¶¶ 6-9. The verified statement of Mr. Walker outlines freight opportunities identified to date by the carriers through this process. It also includes Applicants current pro forma for rail operations. *Id.* at ¶ 10.

**3. <u>Operational Information</u>**

***1180.8(b)*** ***For major and significant transactions: Operating plan (exhibit 13). Submit a summary of the proposed operating plan changes, based on the impact analyses, that will result from the transaction, and their anticipated timing,***

> ***allowing for any time required to complete rehabilitation, upgrading, yard construction, or other major operational changes following consummation of the proposed transaction. The plan should make clear the gains in service, operating efficiencies, and other benefits anticipated from the merger. ...***

The proposed transaction is not major or significant. This Responsive Application involves the sale of a railroad line that NS has chosen not to invest in but also not to abandon. Given NS's disinvestment in the Line, it will need rehabilitation to implement the Operating Plan provided as Exhibit 13.

Applicant's operating plan is designed to restore common-carrier freight service over the Line and preserve the corridor as an active transportation asset serving the Shenandoah Valley.

(a) Proposed operator. Applicants have identified two finalist short line operators, and will enter into a lease and operating agreement with one of them assuming Applicants take ownership of the Line. The attached operating plan is the current plan subject to revision during negotiations with the selected operator.

(b) Service profile. Applicant understands that the current condition of the Line may not allow service immediately and will require restoration of track, bridge, signal, and crossing components sufficient to permit safe and efficient service. Applicant proposes to provide freight rail service to existing, former, and prospective shippers located on or reasonably accessible to the Line as it makes those repairs over time. The service plan contemplates on demand service to start, car storage as appropriate, and service adapted to customer needs

(c) Interline connections. Applicant understands that successful reactivation of the Line will require coordinated interchange arrangements, dispatching or operating protocols where necessary, and restoration of track, bridge, signal, and crossing components sufficient to permit

safe and efficient service. Applicant also anticipates coordinated interchange with Norfolk Southern and with CSX at Strasburg, Front Royal, and Broadway, as discussed herein.

## CONCLUSION

In summary, the proposed divestiture transaction will increase the competitive rail options available to shippers on the Line and will enhance competition by providing rail access to both NS and CSX. For the reasons set forth above, Applicants respectfully request that the Board grant this Responsive Application in its entirety and on the terms set forth and impose the transaction contemplated herein as a condition of any approval of the proposed UP-NS merger in Docket No. FD 36873.

Respectfully submitted,

/s/ *John M. Scheib*

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*Attorney for Shenandoah Valley Battlefields Foundation and Manassas Gap Railroad LLC*

Dated: November 18, 2026

**CERTIFICATE OF SERVICE**

I hereby certify that on this 18th day of November 2026, a copy of the foregoing Responsive Application was served by first-class mail on all persons designated in § 1180.4(c)(5) and by first-class mail or more expeditious means on all parties of record in Docket No. FD 36873.

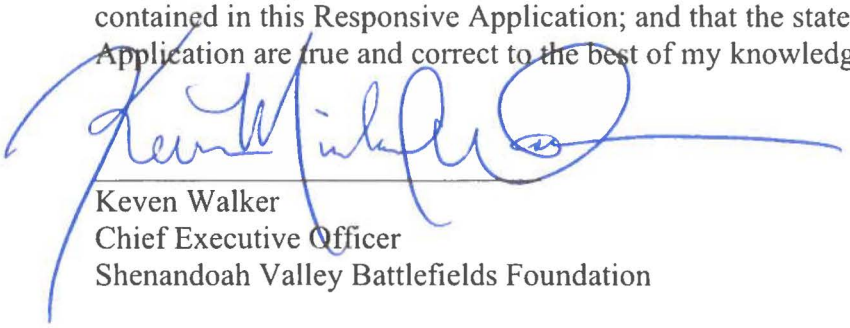
*/s/ Paul Hawkins*

Paul Hawkins, Esq.

Dated: November 18, 2026

**Section 1180.4(c)(2)(i): Signatures, Oaths, and Certifications**

I, Keven Walker, declare under penalty of perjury that I am Chief Executive Officer of Shenandoah Valley Battlefields Foundation, the parent entity of Manassas Gap Railroad LLC; that I am one of the executive officers duly authorized to sign, to verify, and to file this Responsive Application on behalf of SVBF and MGR; that I have knowledge of the matters contained in this Responsive Application; and that the statements made in this Responsive Application are true and correct to the best of my knowledge and belief.



Keven Walker
Chief Executive Officer
Shenandoah Valley Battlefields Foundation

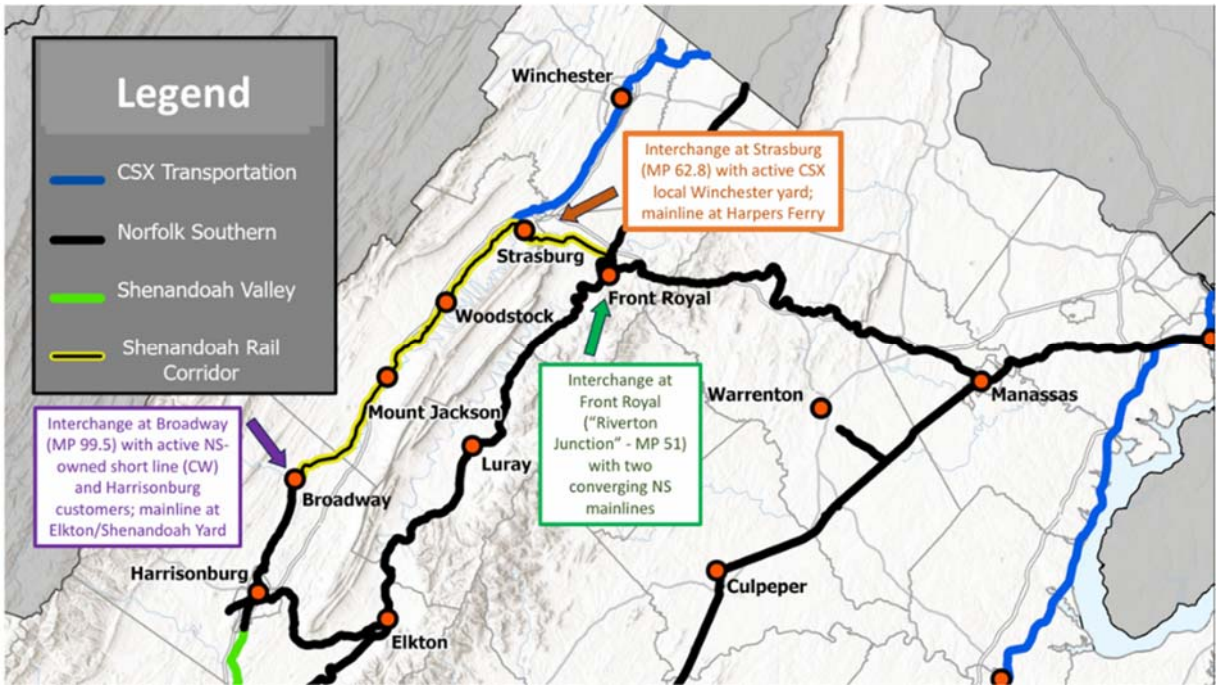
Executed on this 17th day of November 2026.

**Exhibit 1-**

**Overview Map**



**Interchange Locations Creates Competition Between NS and CSX**



**NS Parallel Lines**

## 2023

- Norfolk Southern has three north-south lines, line redundancy
- Three connections to Harrisonburg
- Modern change in business model (PSR)

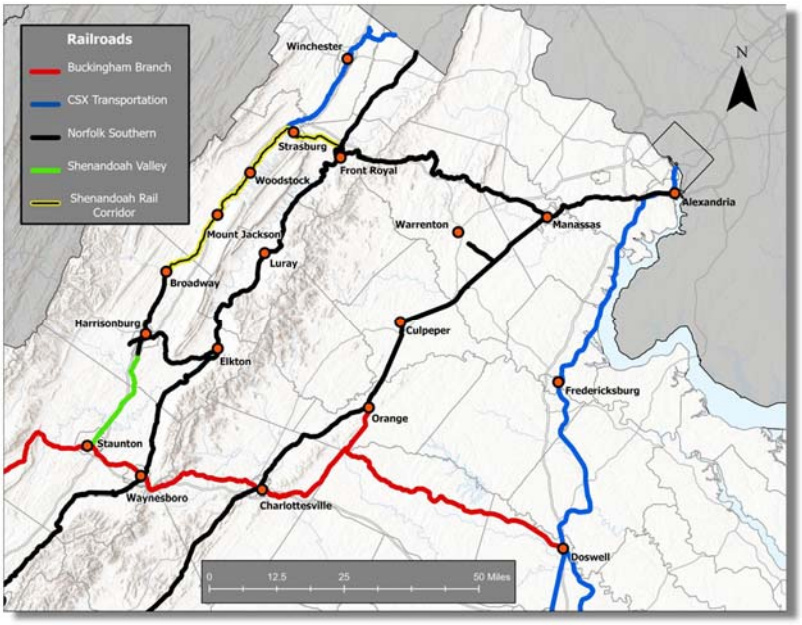


**Exhibit 2.A – "Form of" Asset Purchase Agreement**

*FORM OF AGREEMENT SUBJECT TO FINALIZATION*

**CONTRACT OF PURCHASE AND SALE**

This Contract of Purchase and Sale (this "**Agreement**"), the effective date of which shall be the date last executed, below, by the Parties hereto (the "**Effective Date**"), is made by and between **NORFOLK SOUTHERN RAILWAY COMPANY**, a Virginia corporation ("**Seller**"); and MANASSAS GAP RAILROAD LLC, A Virginia limited liability corporation. ("**Purchaser**").

**1. Premises.** Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller, subject to the terms and conditions hereinafter set forth, all of Seller's right, title, and interest in real property and a continuous railroad line owned by Seller known as the Shenandoah Line (being referenced otherwise herein as the "**Line**") from approximately MP B-51.0 (Front Royal, Warren County) to MP CW 100 (Broadway, Rockbridge County), VIRGINIA, inclusive of all rail lines and assets (whether discontinued, abandoned, or active), including switches, between those two points consisting of 476.84 acres, more or less, and 48 linear miles and including connections to Seller and connections to other railroads, together with (i) all servitudes, easements, appurtenances and hereditaments appertaining thereto ("**Real Property**"), and (ii) all personal property, fixtures, improvements, structures, landscaping, and appurtenances situated thereon, including, but not limited to, all rail, roadbed, ballast, tracks, ties, bridges, sidings, industrial tracks, depots, yards, storage, and parking areas, culverts, buildings, communications equipment, signals and signal facilities, ("**Personal Property**"), with the Line, Real Property, Personal Property, all other associated rights, interests, privileges, leases, licenses, and appurtenances otherwise associated therewith (collectively, referred to as "**Premises**"), including rights for fiber optic facilities and other facilities, and easements. The Premises being generally depicted substantially as shown on **Exhibit "A"** with cut points as generally indicated at the milepost described herein, but subject to any Survey for more specifically defined cut point locations.

**2. Purchase Price.** The purchase price for the Premises (the "**Purchase Price**") is $1.00.

**3. Type of Conveyance.** At closing, Seller shall convey all of its right, title and interest to the Premises to Purchaser, for the Real Property, by Quitclaim Deed (the "**Deed**") and for the Personal Property, by a bill of sale (the "**Bill of Sale**"), subject to the following:

**(a)** General real estate taxes pro-rated for the year of closing; and

**(b)** Applicable zoning laws and regulations; and

**(c)** All tenancies, encumbrances, easements, rights, conditions, reservations, restrictions, leases, licenses, permits, privileges, agreements, third party agreements, covenants, rights of re-entry and possibilities of reverter whether or not of record; and

**(d)** Rights of the public, or other third parties, as applicable, to use any roads, alleys, bridges or streets on or crossing the Premises; and

**(e)** Rights of any party to any lakes, rivers, streams, or riparian rights affecting the Premises; and

**4. Title.** Purchaser shall have thirty (30) days after the Effective Date to examine title to the Premises and to furnish Seller with a written statement of objections affecting the marketability of said title. Seller shall have thirty (30) days after receipt of such objections to satisfy them. If Seller does not satisfy such objections within the prescribed time, then, at Purchaser's option evidenced by written notice to Seller, Purchaser may either (i) terminate this Agreement or (ii) waive any or all objections not cured by Seller and proceed to close hereunder without diminution in price. In the event this Agreement is terminated pursuant to this paragraph, Purchaser shall be entitled to a refund of the Earnest Money, without interest, and neither party shall be liable to the other for damages on account of the termination. Marketable title as used herein shall mean title that a title insurance company licensed to do business in the State of VIRGINIA will insure at its regular rates subject only to standard exceptions and those stated in the paragraph entitled, "Type of Conveyance" ("Marketable Title").

**5. Closing.**

**(a)** The closing shall be held at a mutually agreed upon location, date and time, or by overnight mail, on or prior to {**DATE** ("Closing Date"). At closing:

**(i)** Seller shall deliver to Purchaser the duly executed and acknowledged Deed conveying the Premises to Purchaser as provided in the paragraph entitled, "Type of Conveyance" and one or more deeds of release to release the lien of any mortgage or trust that may apply to the Premises.

**(ii)** Seller shall deliver to Purchaser the duly executed and acknowledged Bill of Sale, as provided in the paragraph entitled, "Type of Conveyance" without representation or warranty of any type, quitclaiming and conveying all of Seller's right, title and interest in and to Seller's Personal Property, as defined herein.

**(iii)** Purchaser shall pay to Seller the Purchase Price(less Earnest Money previously paid) for the purchase of the Premises such payment to be made by wire transfer or, with Seller's authorization, by certified or cashier's check.

**(iv)** General real estate taxes for the then-current year relating to the Premises and rents for applicable leases or other third-party

**(v)** Agreements that may be assigned, if any, shall be prorated as of the Closing Date and shall be so adjusted at Closing.

**(vi)** If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding year applied to the latest assessed valuations. All special taxes or assessments due subsequent to the closing date shall be paid by Purchaser.

**(vii)** Possession of the Premises shall be delivered to Purchaser.

**(viii)** Seller shall pay for the Deed preparation, Grantor's Tax and Seller's attorney's fees. Purchaser shall pay for all other closing costs, taxes, filing fees, recording fees and Purchaser's attorney's fees.

**(ix)** Seller will make good faith, commercially reasonable efforts to provide to Purchaser with all original (or copies of) valuation maps, track charts, bridge and other drawings, bridge inspection reports, agreements, leases, and licenses directly affecting the applicable portion of the Line that are in the possession or under the control of Seller. However, Seller's failure to provide certain documentation (or provide additional documents Seller may find at a later time) shall not be considered a Default under this Agreement.

**6. <u>Due Diligence Inspections.</u>**

**(a)** For a period of sixty (60) days after the Effective Date, Purchaser and its employees and agents shall have the right and permission to enter upon the Premises or on any part thereof at all reasonable times for the purpose of inspecting, examining, surveying, making soil tests, borings, percolation tests and other necessary tests for engineering and planning for development and determination of surface, sub-surface and topographic conditions ("Geotechnical Conditions") and for testing for existence of toxic/hazardous substances or wastes. Purchaser shall not have the right to perform any invasive environmental testing unless Seller shall have first consented in writing to any such testing proposed in writing by Purchaser, which consent Seller may withhold in its sole discretion. Purchaser shall undertake all entry onto the Premises under this paragraph entitled, "Due Diligence Inspections" in accordance with all applicable safety and insurance requirements of Seller and shall perform all activities with such care, diligence and cooperation with Seller as will avoid accident, damage or harm to persons or property and delays to or interference with operations of Seller. Purchaser will remove from the Premises all soil, fill, debris or other materials (whether solid or liquid) it displaces during Purchaser's investigation activities covered by this paragraph entitled, "Due Diligence Inspections", including any such material that is contaminated and/or potentially contaminated. Seller assumes no responsibility for any such material and shall not be a signatory on any waste manifests, bills of lading or other documentation concerning this material. Notwithstanding any other provision of this Agreement, Purchaser agrees to indemnify and hold Seller (which word, for the purposes of this paragraph entitled, "Due Diligence Inspections", shall be deemed to include any corporation controlling, controlled by or under common control with Seller, together with the officers, employees, agents and servants of any of them) harmless from and against any claims or liability for injuries to (including death of) persons or damage to or loss of property, real or personal, or expense in any manner connected with the undertakings under this paragraph entitled, "Due Diligence Inspections", and at Seller's option to defend any lawsuit brought against Seller on account of any such claims and to pay any judgment against Seller resulting from any suit, whether or not any such claim, demand or suit purports to arise from the negligence of Seller or otherwise, including without limitation any mechanic's liens or claims that may be filed or asserted against the Premises by contractors, sub-contractors or materialmen performing such work for the Purchaser, provided, however, that if, under the law applicable to enforcement of this Agreement, an agreement to indemnify against the indemnified party's own negligence is invalid, then in that event Purchaser's obligation to indemnify Seller under this paragraph shall be reduced in proportion to the negligence of Seller, if any, that proximately contributed to such claim, demand or suit. Purchaser agrees to provide Seller with complete copies of the results of the analyses of any samples taken from the Premises, along with maps depicting locations of such samples, and any reports generated using such data, at no cost to Seller. The foregoing sentence includes copies of any waste manifests, profiles, or characterization, as

applicable, of impacted soil and/or groundwater removed from the Premises during the due diligence activities under this paragraph entitled, “Due Diligence Inspections.”

**(b)** If Purchaser's inspection as provided above reveals either any Geotechnical Conditions concerning the Premises that render it unsuitable for Purchaser’s use of the Premises or the existence of toxic/hazardous substances or wastes, Purchaser shall have thirty (30) days after the Effective Date to furnish Seller with a written statement of such Geotechnical Conditions or toxic/hazardous substances or wastes. Seller shall have thirty (30) days after receipt of such notice to remedy such conditions, but shall be under no obligation so to do, and if Seller declines to or fails to remedy such conditions within the prescribed time, or if Seller declines to give Purchaser permission to perform any environmental testing as provided in paragraph entitled, “Due Diligence Inspections”, then, at Purchaser’s option evidenced by written notice to Seller, Purchaser may either (i) terminate this Agreement or (ii) waive any or all objections not cured by Seller and proceed to close hereunder without diminution in price. In the event this Agreement is terminated, Purchaser shall be entitled to a refund of the Earnest Money, without interest, and neither party shall be liable to the other for damages on account of the termination.

**(c)** Seller shall provide within ten (10) days after the Effective Date all keys for all signal boxes and other facilities or equipment located on the Property.

**7. Real Estate Commissions.** Purchaser and Seller each represent that no real estate commissions are due and owing to any party with respect to the transaction contemplated by this Agreement. Both parties hereby agree to indemnify and save harmless the other from and against any and all claims or liability for real estate commissions arising out of this transaction attributable to the indemnifying party.

**8. Assignment.** This Agreement may not be assigned by Purchaser to any other party without the written consent of Seller, which consent may be withheld for any reason, except that, in the case of an assignment to an entity of which Purchaser has a controlling interest or is the general partner, such consent shall not be unreasonably withheld. Seller expressly reserves the right to assign or delegate all or any part of Seller’s rights and duties hereunder with respect to all or any portion of the Premises to one or more third parties, including a qualified intermediary as defined by Treasury Regulation Section 1.1031 (K)-1(g) (4).

**9. Disclaimer/Environmental Considerations.**

**(a)** Purchaser agrees to purchase the Premises "as is, where is" and acknowledges that Seller has not made any express or implied representation or warranty with respect to the condition or suitability of the Premises, including, but not limited to, the condition of the soil, the presence of hazardous materials, substances, wastes or other environmentally regulated substances, or other contaminants in the soil, groundwater, or improvements, whether known or unknown, (referred to herein as "contamination of the Premises") and other physical characteristics. Purchaser shall perform at its own expense and rely solely upon its own independent investigation concerning the physical condition of the Premises (including, but not limited to, an environmental assessment) and compliance of the Premises with any applicable law and regulations.

**(b)** Seller has not and does not hereby make any express or implied representation or warranty or give any indemnification of any kind to Purchaser concerning the Premises, its condition or suitability or its compliance with any statute, ordinance or regulation, including, but not limited to, those relating to the environment. Purchaser acknowledges that neither Seller nor any of its agents or representatives have made, and Seller is not liable for, or bound in any manner by, any express or implied warranties, guarantees, promises, statements, inducements, representations or information pertaining to the Premises or any part thereof, the physical condition, size, zoning, income potential, expenses or operation thereof, the uses that can be made of the same or in any manner or thing with respect thereof, including, without limitation, any existing or prospective leasing or occupancy of all or any part thereof.

**(c)** Within thirty (30) days after the Effective Date, Seller shall provide Purchaser with copies of environmental reports relating to the condition of the Premises that are in the knowledge and possession of Seller's Real Estate or Environmental Protection Departments, except that Seller will not be obligated to provide information that is subject to any privilege, including without limitation attorney-client or work product privilege. Seller provides such documentation solely for informational purposes and makes no representations or warranties relating thereto. Provision of this information does not waive or otherwise affect any release, indemnity, or warranty provisions in this Agreement.

**(d)** Purchaser hereby agrees that, following its purchase of the Premises, Purchaser will protect, indemnify, defend, and hold harmless Seller (which word, for the purposes of this paragraph entitled, "Disclaimer/Environmental Considerations", shall be deemed to include any corporation controlling, controlled by or under common control with Seller, together with the officers, employees, agents and servants of any of them) from and against any and all damages, penalties, fines, claims, demands, causes of action, liens, suits, liabilities, costs (including, without limitation, consultant's fees, experts' fees, attorney's fees, investigation and cleanup costs, and court costs), judgments, and expenses (including, without limitation, attorney's and experts' fees and expenses) of every kind and nature suffered by, incurred by (whether voluntarily or by court or administrative order or direction) or asserted against Seller or Purchaser as a direct or indirect result of any condition of the Premises, including without limitation any hazardous materials, substances, or wastes, or other environmentally regulated substances located on, in or under the Premises, whether occurring or existing before or after the Effective Date.

**(e)** Following Purchaser's purchase of the Premises, Purchaser hereby expressly agrees to assume any and all responsibility and liability for all environmental obligations imposed under applicable environmental laws, regulations, or other requirements relating to or arising from any contamination of the Premises, whether occurring or existing before or after the Effective Date, and expressly releases Seller from such liability. Purchaser further expressly renounces and waives any claim or cause of action it may have against Seller under any existing or future theory of law (federal, state or local, or by common law) for any cleanup, response or remedial action costs incurred (whether voluntarily or otherwise) by Purchaser that arises directly or indirectly out of any contamination of the Premises, whether occurring or existing before or after the Effective Date, including, but not limited to, costs incurred under Sections 107 and 113 of the Comprehensive Environmental Response, Compensation, and Liability Act. Purchaser agrees to waive any and all statutes of limitations applicable to any controversy or

dispute arising out of the preceding obligation, and Purchaser further agrees that it will not raise or plead a statute of limitations defense against Seller in any action arising out of Purchaser's failure to comply with the preceding obligation.

**10. Eminent Domain.** If, at any time prior to the closing hereunder, any action or proceeding is filed under which the Premises, or a substantial portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, then either Seller or Purchaser may terminate this Agreement by delivering to the other party written notice of termination on or before the 30th day following the day on which the terminating party receives notice that such suit has been filed, in which case the Earnest Money, without interest, shall be returned to Purchaser. If neither party elects to terminate this Agreement pursuant to the preceding sentence, then Seller, at the time of closing hereunder, shall transfer and assign to Purchaser all of Seller's right, title and interest in any proceeds received or which may be received by the taking, or a sale in lieu thereof.

**11. Signs and Advertising.** Before closing, Purchaser will not place any advertising or promotional signs on the Premises or on any of Seller's other property without the written consent of Seller.

**12. Commercial Requirements**. In the event that Purchaser's designated common carrier ("Designated Carrier") begins moving freight, the Designated Carrier will be required to adhere to any and all applicable laws, regulations as well as all relevant industry agreements, including but not limited to car hire, electronic data exchange, AEI tags, car supply, and accounting standards issued by the Association of American Railroads.

**13. Interchange of Traffic.** In the event that the Designated Carrier or any designee of Purchaser moves rail freight traffic over the line, all such traffic may be interchanged to Seller and Seller agrees to accept such rail traffic. To the extent necessary the Parties agree to work in good faith to grant trackage rights to Purchaser or its designated rail carrier as may be necessary for efficient interchange of freight traffic between the Line to Seller, between the Line and CSX, and between the Line and Pleasant Valley to interchange with the Shenandoah Valley Railroad. Such interchange to be governed by an Interchange Agreement executed by Purchaser and Seller at the time Purchaser or the Designated Carrier begins freight traffic service, and shall include industry standard terms and conditions at the time of the execution of the Interchange Agreement.

**14. Notice.** Any notice required or permitted to be delivered under this Agreement shall be deemed to be delivered, whether or not actually received, when deposited in the United States Postal Service, postage prepaid, registered or certified mail, return receipt requested, addressed to Seller

or Purchaser, as the case may be, at the address set forth below.

| Seller: | Purchaser: |
|---|---|
| Name:<br>Title: | Name:<br>Title: |
| Norfolk Southern Railway Corporation<br>650 W Peachtree St NW,<br>Atlanta, GA 30308 | MANASSAS GAP RAILROAD LLC<br><br>PO Box 897<br>9386 S Congress St<br>New Market, VA 22844 |

**15. Rail Operations Over Premises**. Purchaser, or an affiliate or designee of Purchaser, or any successor to Purchaser's interest in the Premises, shall, after Closing, have the exclusive right to conduct rail freight, passenger, excursion, or any other lawful railway operations on the Line in addition to all other lawful uses.

**16. Compliance With Laws/Permit Compliance**. Purchaser shall comply with all applicable Federal, State and local laws, ordinances and regulations in its use and operation of the Premises, and Purchaser shall indemnify and hold Seller harmless from and against any and all liability, claims, costs (including attorneys' fees), damages and expenses arising in any manner out of its failure to comply with such laws, ordinances, and regulations.

**17. Closing Contingencies**. The obligations of either Party to consummate this transaction upon the Closing Date shall be contingent upon the following occurrences (and failure to close this transaction based on the non-occurrence of such contingency not being deemed a default under this Agreement, but shall only constitute grounds of termination of this Agreement): (i) Parties shall have executed and delivered the documents and instruments applicable to Closing as otherwise set forth in this Agreement, and (ii) the STB shall have authorized Purchaser's acquisition and operation of the Premises, if required, which authorization should be final, including all appeals.

**18. Interchange Agreement Conflict**. Notwithstanding any other provision of this Agreement to the contrary, in the circumstance where any matter is addressed as part of any current or future interchange agreement negotiated between the Parties. such separate interchange agreement shall control with respect to any matters addressed by such interchange agreement.

**19. Miscellaneous Provisions.**

**(a)** This Agreement embodies the entire agreement between the parties with respect to the subject matter hereof and cannot be varied except by the written agreement of the parties. No

representation, promise, or inducement not included in this Agreement shall be binding upon the parties hereto.

**(b)** Time is of the essence of this Agreement.

**(c)** All the terms and conditions of this Agreement are hereby made binding on the successors and permitted assigns of both parties hereto.

**(d)** This Agreement shall be governed by and construed in accordance with the laws of the State of VIRGINIA without regard to principles of conflict of laws.

**(e)** This Agreement shall not be effective or binding until fully executed by the parties hereto. This Agreement may be executed in any number of counterparts, each of which when executed and delivered, shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument binding upon all of the parties notwithstanding the fact that all parties are not signatory to the original or the same counterpart. For purposes of this Agreement, facsimile signatures shall be deemed originals, and the parties agree to exchange original signatures as promptly as possible.

**(f)** Any provision of this Agreement that imposes an obligation after termination or expiration of the Agreement, including without limitation all indemnifications and releases, will survive closing.

**(g)** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**(h)** Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

**(i)** Seller shall retain all mineral rights pertaining to the Premises.

*[Remainder of page intentionally blank]*

EXECUTED in duplicate, each part being an original, as of the day and year set forth above.

| **SELLER:**<br>**NORFOLK SOUTHERN RAILWAY COMPANY** | **PURCHASER:**<br>**MANASSAS GAP RAILROAD** |
|---|---|
| Signature: | Signature: |
| Name: | Name: |
| Title: | Title: |
| Date: | Date: |

**EXHIBIT A to Asset Purchase Agreement**

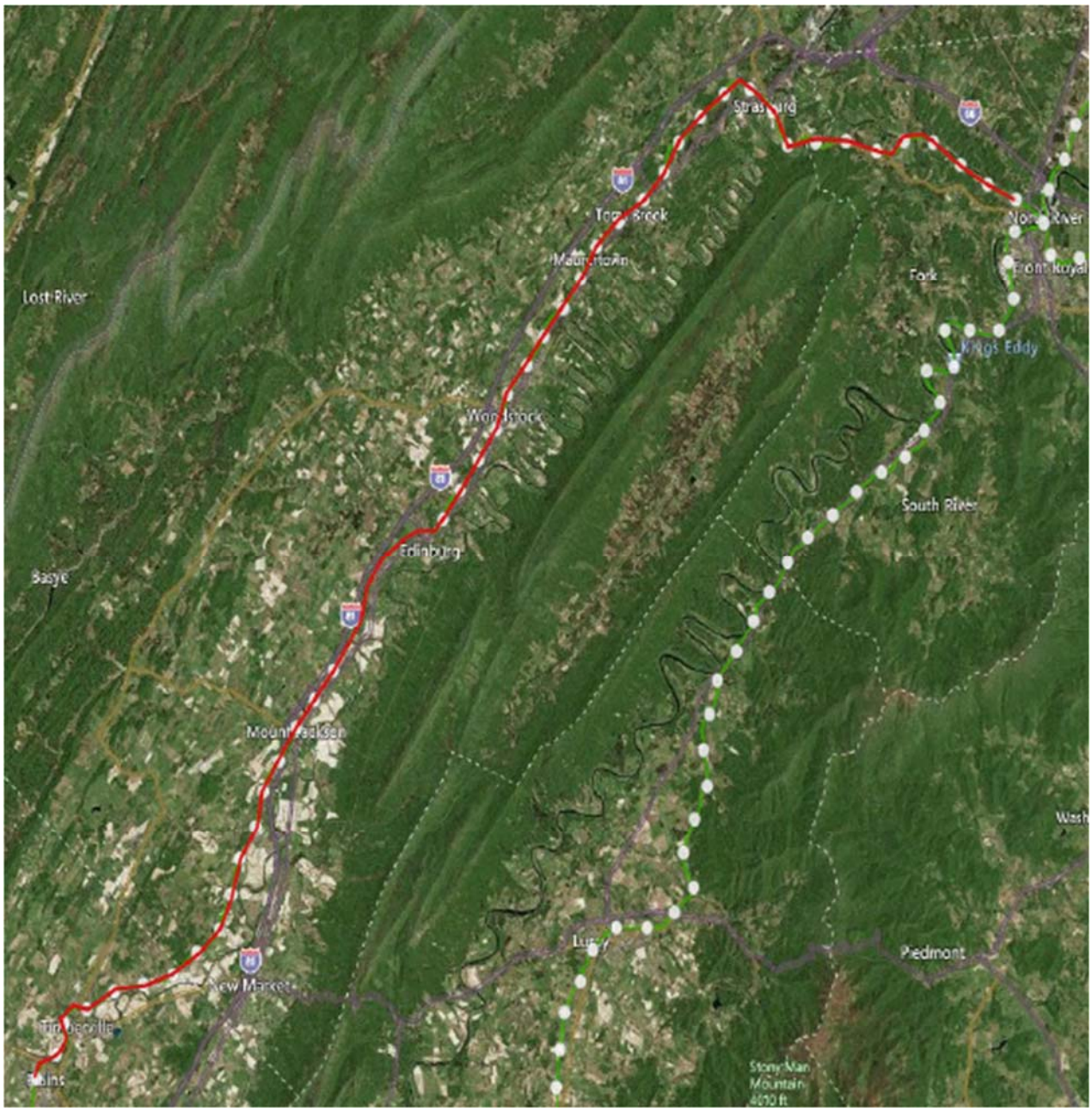


**Exhibit 2.B – Railway Lease and Operating Agreement**

FORM OF AGREEMENT AND SUBJECT TO FINALIZATION

# Railway Lease Agreement

By and Between

Manassas Gap Railroad LLC

*and*

{**RAIL PROVIDER**}

# *LEASE AGREEMENT*

This Lease agreement ("Lease") made on January 4, 2023, between Manassas Gap Railroad LLC, a limited liability corporation organized and existing under the laws of Virginia, with its principal office located at P.O. Box 897, New Market, Virginia 22844, ("MGR" or "Lessor") and {**Rail Provider**}, a corporation organized and existing under the laws of {**STATE**}, with its principal office located at {**ADDRESS**}, ("Lessee").

## *RECITALS*

A. Lessor anticipates the acquisition of about 49 miles of rail line consisting of the Norfolk Southern "B Line" rail corridor extending from Milepost B51.0 near Riverton Junction (Front Royal, Virginia) to approximately Milepost B99.5–B100 near Broadway, Virginia in STB proceedings. This rail line shall be known herein as the "Railway."

B. Lessor does not operate as a carrier on the Railway.

C. Lessee desires to lease the Railway from Lessor for operation of a railroad, and to provide common carrier service.

D. Lessor desires to lease the Railway, to the Lessee.

E. It is understood and acknowledged that portions of the Railway are currently inoperable and must be rehabilitated before railroad common carrier service can be provided.

*NOW THEREFORE,* In consideration of the matters described above, and of the mutual benefits and obligations set forth in this Lease, the parties agree as follows:

### *SECTION ONE. Description of Leased Premises*

1.1 All of the above paragraphs are incorporated into this Lease as if fully re-written.

1.2 Lessor leases to Lessee, its successors and assigns, the Railway as described in Exhibit "A", together with all rights of way, station and terminal facilities, easements, crossings, switches, tracks, bridges, structures, fixtures or personal property that are appurtenant to the premises in which Lessor may have a present interest.

1.3 Lessee accepts the Railway in its current condition "AS IS, WHERE IS" with all faults, and without any representation or warranty of Lessor as to the condition or quality of the Railway, or its fitness for use for rail operations.

1.4 Lessor shall, during the initial term of this Lease, at Lessor's sole cost and expense, rehabilitate the Railway to FRA excepted track condition, subject to the availability of public funding and appropriations. Lessor may elect, subject to the availability

of public funding and appropriations, to make additional improvements to the Railway to bring the Railway to FRA Class 1 condition. The Lessee shall maintain the Railway to whatever class standards have been achieved by Lessor. If Lessor fails to rehabilitate the Railway to FRA excepted track condition, then Lessee may, at its option but without any obligation to do so, after giving Lessor 30 days advance notice, rebuild and rehabilitate the Railway. Such costs for rebuilding and rehabilitating the Railway shall be deemed "Capitalized Maintenance Costs." All such Capitalized Maintenance costs incurred by Lessee shall be deducted on a monthly basis from sums that are due Lessor pursuant to the provisions of Section Three below. Should Lessor terminate the Lease prior to full recovery of such costs. Lessor shall pay the balance due Lessee within thirty (30) days of termination. Should Lessee terminate the Lease prior to full recovery of such costs. Lessee shall forfeit its right to repayment of any balance then due.

1.5 Lessor shall have the right to inspect the Railway, together with Lessee, to determine whether the Railway has been maintained in accordance with the Lease. Should the parties disagree as to whether the Railway has been maintained in accordance with the Lease, the dispute shall be resolved by a Federal Railroad Administration track inspector. If the track inspector determines that the Railway has not been maintained in accordance with the Lease, Lessee shall be given sixty (60) days to cure defects.

*SECTION TWO. Term and Termination*

2.1 The initial term of this Lease shall be for a {**YEARS (__)** year period, beginning on the Effective Date of the Surface Transportation Board's ("STB") decision authorizing Lessee to lease and operate the Railway ("Commencement Date"), and ending {**YEARS (__)** years later. If Lessor does not acquire the Railway through STB proceedings, or otherwise, this Lease shall be void or Lessee des not obtain STB authority to lease and operate the Railway.

2.2 The term of this Lease and the Termination Date shall be automatically extended for up to three additional {**YEARS (__)** year periods under the same terms and conditions as contained herein unless terminated as set forth in Section 2.3.

2.3 Either party may terminate this Lease at the end of a term by providing written notice thereof to the other party at least three hundred and sixty five (365) days prior to the end of the then current Term.

2.4 All accrued obligations, including all indemnification obligations in this Lease, shall survive the termination of the Lease.

*SECTION THREE. Rent-Percentage of Revenue as Lease Payment*

3.1 Lessee shall pay to Lessor during the Term of this Agreement the sum of the following amounts:

a. {**Compensation Terms**.

b. 'Freight revenue" is defined herein to mean payment received by Lessee for the transportation and storage of railcars, but excludes switching and weighing charges, demurrage and energy surcharge payments.

3.2 Payment of rent shall be due monthly on the last Thursday of every month for the prior month's revenue car movements. Lessee shall file with Lessor a monthly inventory of prior month's revenue car movement with Lessee' s monthly rental payment. Rent shall be considered delinquent if not paid within thirty (30) days of the date payment is due to Lessor. If Lessee fails to pay any installment of rent and .such payment shall become delinquent, simple interest at the rate of ten percent (10%) per year shall be added to any such overdue installment from the due date to the date of payment.

3.3 Lessor shall be permitted to audit the books and records of Lessee on reasonable notice during regular business hours.

*SECTION FOUR. Lessee's Rights and Duties*

4.1 Subject to Lessor's Reserved Rights as set forth in SECTION TWELVE below, Lessee shall have management and control of the operation and maintenance of the Railway. Lessee shall have the right to use the Railway as frequently and in any manner that Lessee shall deem proper, provided that Lessee shall operate freight rail service in such a manner to meet its common carrier obligations. Lessee shall operate all rail freight service with its own employees and with its own or leased locomotives and other equipment, Lessee may erect, construct or install any structures, guards or devices at Lessee's expense, to facilitate the operation or safety of Lessee's equipment on the Railway. Improvements made by Lessee to the right-of-way, track and related permanent structures as part of any rehabilitation project or through normal maintenance, whether treated as capital expenditures or operating, expenses under STB accounting rules, shall become the property of Lessor following payment of any amount due Lessee pursuant to Section 1.4 above. Disposition of other structures upon termination shall be as set forth in SECTION ELEVEN below.

4.2 Lessee shall keep all rails, facilities and equipment leased to Lessee by Lessor and all equipment installed by Lessee in a clean and operational condition and shall be responsible for the maintenance and repair of all such rails, facilities and equipment Tracks and rail facilities shall be maintained in the FRA condition as set forth in SECTION ONE above. Lessee shall promptly give the FRA notice under 49 CFR 213 and 49 CFR 237, that Lessee will be responsible for the maintenance of the track and bridges which are part of the Railway.

4.3 Subject to the provisions in Sections 1.5 above and 4.5 below, if Lessee fails to maintain and repair the tracks and rail facilities as set forth in Section 4.2, then Lessor may terminate this Lease, or Lessor may, in its sole discretion, arrange for a qualified contractor to perform such maintenance and repair under the supervision of Lessee. In such event, Lessee shall reimburse Lessor for any expenses incurred by Lessor in maintenance and repair of the Railway within thirty (30) days.

4.4 In conjunction with its maintenance and repair activities, Lessee hereby acquires the right, subject to Lessor's concurrence, to remove, replace or relay elements of the track or structure in the interest of cost and/or operating efficiency, provided that a continuous and useful transportation facility is maintained. Proceeds from any salvaged material shall be paid to Lessor together with the next monthly rental payment paid under Section 3.2, or such later date as the Lessor may agree to in writing, if such proceeds are not used by Lessee for purchase of material in support of maintenance or repair of the Railway.

4.5 The parties shall, at least once annually, jointly inspect the Railway to determine whether it has been maintained in accordance with this Agreement. Resolution of any disagreement shall be made in accordance with Section 1.5 above.

4.6 Lessee in its use of the Railway and its operations will comply with all Federal laws and regulations applicable to it and to the Railway, including without limitation regulations promulgated by the FRA, and with State and local law and ordinances that are not preempted by Federal law.

4.7 Lessee will, within thirty (30) days of the execution of this Lease, file with the STB for authority to lease and operate the Railway. Lessee shall not be required to conduct for-hire railroad common carrier operations until Lessee determines that it is reasonably safe to operate over the Railway.

## *SECTION FIVE. Quiet Enjoyment*

Lessor shall not interfere with Lessee's quiet enjoyment of the Railway, nor shall Lessor interfere with Lessee's business operations so long as Lessee is in compliance with the terms of this Lease.

## *SECTION SIX. Taxes*

6.1 Lessee shall pay on or before the last day on which payment may be made without penalty or interest, all personal property taxes, assessments (including special assessments) or other governmental charges that shall or may during the Lease term be imposed on, or arise in connection with the ownership or use of the Railway or any part thereof, the revenues earned by Lessee in connection with its use of the Railway, or any motive power, rolling, stock or other equipment or personal property of Lessee.

6.2 Lessor shall be responsible for taxes on all Railway real property and any structures affixed thereto. For the purposes of this Lease, the tracks and other track materials and rail facilities shall be considered as "affixed" to the real property.

*SECTION SEVEN. Utilities*

Lessee shall arrange for and bear the cost of all utility services furnished to the Railway during the term of the Lease.

*SECTION EIGHT. Insurance*

8.1 Lessee shall insure and keep insured the property of Lessor covered by this Lease, with Railroad Liability insurance in the amount of ten million dollars ($10,000,000) for any single accident or occurrence, or in the aggregate. All insurance shall be carried with good, solvent and reputable companies authorized to do business in the Commonwealth of Virginia.

8.2 MGR shall be named as additional insured on all such policies. Such insurance shall include contractual liability insurance covering Lessee's liability under the Lease, including under SECTION NINE. Certificate(s) of insurance shall be delivered to Lessor as proof of compliance with this Section. The certificate(s) shall provide that the insurance will not be terminated, cancelled or materially modified without 30 days' written notice to Lessor.

8.3 Lessee agrees, and shall require all persons entering upon or performing work on the Railway ("contractors") under any agreement with Lessee to agree to hold harmless and indemnify Lessor, its officers, agents, servants and employees from and against any liability, loss, claim or expense for bodily injury or death to any persons or damage to any property (including property of or under the control of Lessor) arising out of any act of omission of such contractor on or in connection with the Railway, irrespective of the fault, failure or negligence (other than sole negligence) of Lessor. Lessee shall also require any such person to secure and maintain in effect at all times during the performance of such work on the Railway a contractual liability insurance policy insuring such person against liability under this Section 8.2. Lessee shall provide to Lessor a copy of all such policies or certificates of such insurance upon request.

8.4 If Lessee fails to maintain and provide the required insurance as set forth herein, the Lessor may terminate this Lease.

*SECTION NINE. Indemnity*

9.1 Lessee shall indemnify, defend and hold harmless MGR and its parent company, and their officers, agents, servants and employees, against all liability, loss,

claim or expense for personal injury or property damage (including to the Railway), including without limitation any environmental harm or damage, arising from any act or omission of Lessee in its performance of its rights, responsibilities and duties under the Lease, including without the limitation the operation of a railroad on, and all other uses of the Railway, irrespective of the fault, failure or negligence (other than the sole gross negligence) of MGR.

9.2 Lessor shall indemnify, defend and hold harmless Lessee, its officers, agents, servants and employees against all liability, loss, claim or expense for personal injury or property damage (including to the Railway), including without limitation any environmental harm or damage, arising from the sole gross negligence of Lessor.

*SECTION TEN. Default*

If Lessee shall file for bankruptcy or be placed in bankruptcy by its creditors, shall fail to pay the rent required by this Lease when due, or shall fail to perform the conditions of this Lease and that failure shall continue for a period of ninety (90) days after written notification by Lessor, then Lessor may either bring a legal action for damages, or provide Lessee with written notice of termination of lease.

*SECTION ELEVEN. Return of Property on Termination*

11.1 If this Lease is terminated (either by default, mutual agreement or upon expiration of the Term), Lessee shall return the Railway to Lessor in the same condition as required under the Lease at the time of termination, normal wear and tear excepted. Lessee may remove any structures or equipment (other than the items described below that are integral to the Railway) that Lessee placed on the Railway, at Lessee's expense, providing Lessee returns the Railway to Lessor undamaged and in proper operating condition, including all tracks, ties, other track materials, signals and any other materials required for the Railway to be operable. If Lessee does not remove any structure or equipment placed on the Railway by Lessee, Lessor shall have the option to either treat the property as being part of the Railway and belonging to Lessor, or to remove the property at Lessee's expense.

11.2 In the event of any termination of this Agreement, at its sole cost and expense, Lessee will promptly seek any necessary authority to discontinue rail service from the Surface Transportation Board or any successor in interest to the Board. If Lessee fails to do so, Lessor may seek such authority on behalf of Lessee, and Lessee shall reimburse Lessor for all reasonable costs (including filing fees and attorneys' fees) incurred by Lessor. If the Lease is terminated in full compliance with the provisions set forth herein, Lessee shall not oppose the efforts of any rail carrier designated by Lessor to operate the Railway to obtain authority from the STB or its successor to provide service over the Railway.

11.3 All accrued obligations shall survive the termination of this Agreement. Further, the indemnifications set forth in Section Nine shall survive termination of this Agreement.

*SECTION TWELVE. Lessor's Retained Rights*

12.1 Except for agreements relating to the handling of freight traffic, all revenues arising from existing or newly entered into easements, licenses or agreements for use of the Railway, including but not limited to rents, license fees, and other revenues paid by utilities or other parties occupying a portion of the Railway with poles and wires, and rental and fees for sign boards, platform locations, driveways, storage facilities, pipe line crossings, water rights, land rents, building rents, and water tank rents, shall be property of Lessor. Lessor shall have the obligation to enforce and administer such agreements, and to collect any and all amounts as they become due.

12.2 Subject to Lessee's veto for cause stated, Lessor reserves the exclusive right to create new agreements for crossings or occupancies, under or otherwise on the Railway, whether by license, permit, easement or lease; provided however, no such agreements shall be entered into by Lessor if it is reasonably determined by the parties that such use would materially interfere with Lessee's ability to perform rail service. Lessee may veto any proposed agreement only if the crossing or occupancy does not meet Lessee's engineering standards. Any agreement involving occupancy of the Railway shall be substantially on terms and in a form substantially similar to existing agreements, including protection of Lessee as the rail operator. No cost or expense, including any maintenance or rehabilitation expense of the occupancies, shall be allocated to or borne by Lessee as a result of any such occupancy. All income from such new agreements shall be the property of Lessor.

12.3 Lessor agrees to require the occupier or transferee under any new agreement to indemnify and hold harmless, Lessee, from and against any and all loss of life or injury to any persons and any loss of or damage to the property of any person arising out of the use of the Railway, unless such loss of life or injury to persons or loss of damage to property is caused by the negligence or misconduct of Lessee.

12.4 Lessor reserves the right to amend this Agreement at any time, in its sole discretion, to exclude from the Railway any real property for the purpose of conveying such property to a third party•, provided that the conveyance of such property will not materially interfere with Lessee's continuing freight rail service. Lessor shall notify Lessee in writing of any intent to convey property to a third party. Should Lessee determine that any conveyance will materially interfere with Lessee's continuing freight rail service, it shall notify Lessor of its determination in writing within 10 business days of receipt of Lessor's notification. Should the parties be unable to resolve any issue regarding

material interference, the parties, individually or jointly, may seek a declaratory judgment from a court with the requisite jurisdiction to resolve the issue.

*SECTION THIRTEEN. Notices*

All notices, demands or other writings in this Lease provided to be given or made or sent, or that may be given or made or sent, by either party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

If to Lessee:
[INSERT NAME]
P.O. Box 897
New Market, VA 22844

If to Lessor:
[INSERT NAME]
513 Sharptown Rd.
Logan Township, New Jersey 08085

Either party may change its address by giving notice to the other party as provided herein.

*SECTION FOURTEEN Governing Law - Jurisdiction*

This Lease shall be governed by, construed and enforced in accordance with the laws of Virginia, and jurisdiction over any matter related to this Lease shall be in Harrisonburg, Virginia.

*SECTION FIFTEEN. Time is of the Essence*

Time is of the essence of this Lease agreement.

*SECTION SIXTEEN. Confidentiality*

16.1 This Agreement is strictly confidential between the parties. No party shall disclose the terms and conditions of this Agreement other than as required by law or legal requirements, or as otherwise agreed in writing between the parties. The party making disclosure will notify the other parties in advance of such disclosure.

16.2 If requested by either party, and as permitted by law, a memorandum of lease may be recorded in the public records of East Carroll Parrish.

*SECTION SEVENTEEN. Assignment and Subleasing*

Lessee may not assign this Agreement or any interest therein, or sublease the Railway, or any right or privilege pertinent thereto, without the prior written consent of the Lessor, which consent may be withheld by Lessor for cause. Any attempted assignment or sublease without the prior written consent of the Lessor shall be null and void.

*SECTION EIGHTEEN. Force Majure*

Lessee shall have no obligation to operate over any portion of the Leased Premises as to which it is prevented from operating by Acts of God, including pandemic, public authority, strikes, riots, labor disputes, or any cause beyond its control; provided, however, Lessee shall use its best efforts to take whatever action is necessary or appropriate to be able to resume its operations. In the event of damage or destruction caused by an Act of God, Lessee shall commence repairs within ten (10) days of the occurrence causing same and shall pursue such repairs with reasonable diligence.

*SECTION NINETEEN. Entire Agreement*

This Lease constitutes the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding on either party except to the extent incorporated in
this Lease.

*SECTION TWENTY. Modification of Agreement*

Any modification of this Lease or additional obligation assumed by either party in connection with this agreement shall be binding only if reduced to writing and signed by each party or an authorized representative of each party .

(INTENTIONALLY LEFT BLANK)

The parties have executed this Lease before witnesses on the day and year first written above.

Lessor:

Manassas Gap Railroad LLC Witnesses:

By:_____ _____

_____ _____

Its [ROLE]

Lessee:

{Rail Provider} Witnesses:

By: _____ _____

_____ _____

Its [ROLE]

*Acknowledgment*

Commonwealth of Virginia )
)
County / City of _____ )

The foregoing instrument was acknowledged before me, _____ (notary name), a notary public, this ___ day of _____, 2026 by _____ (name) , _____ (title) of Manassas Gap Railroad, LLC ("MGR"), a Virginia limited liability corporation, on behalf of the MGR.

_____
Notary Public

My Commission expires _____.

(SEAL)

*Acknowledgment*

State of _____ )
)
County of _____ )

The foregoing instrument was acknowledged before me, _____ (notary name), a notary public, this ___ day of _____, 2026 by _____ (name), _____ (title) of {Rail Provider}, a {State} Corporation, on behalf of the corporation.

_____
Notary Public

My Commission expires _____.

(SEAL)

# EXHIBIT A

## LEASED PROPERTY

All rights, title and interest which the Manassas Gap Railroad LLC ("MGR") has or may have in and to all immovable property associated with the Railway extending from Milepost B51.0 near Riverton Junction, Virginia, to approximately Milepost B99.5–B100 near Broadway, Virginia all as situated in Rockingham County, Shenandoah County, and Warren County, Virginia, including but not being limited to, the real property and further including all rail, ties, ballast, switches, signals, track fixtures and other track material, crossings, crossing protection devices, trestles, bridges, culverts, tunnels, buildings, structures, improvements and appurtenances of every kind and description attached to said rail line, together with all rights of way, easements, servitudes and rights of ingress.

**Exhibit 3 – Court Order - Not Applicable**

**Exhibit 4 – Letter to Office of Environmental Analysis.**

GENTRY LOCKE
Attorneys

**John M. Scheib**
scheib@gentrylocke.com
P: 757.916.3511
F: 540.983.9400

October 1, 2026

Ms. Elizabeth Webster
Surface Transportation Board
Office of Environmental Analysis
395 E Street SW
Washington, DC 20423

Re: Finance Docket No. 36873 (Sub No. 11), *Shenandoah Valley Battlefields Foundation --- Acquisition of a Line of Railroad in Rockingham, Shenandoah, and Warren Counties, VA – Norfolk S. Corp. and Norfolk S. Ry. Co.*

Ms. Webster:

I write on behalf of Shenandoah Valley Battlefields Foundation and its wholly-owned subsidiary, Manassas Gap Railroad LLC regarding its anticipated responsive application seeking the divestiture 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 Line has been the subject of various discontinuance proceedings and has been out of service, but not abandoned, for years. The anticipated traffic from divestiture of the Line to an owner and operator focused on freight in the Shenandoah Valley is expected to generate new rail traffic, but fewer than three trains per day. In addition, pursuant to 49 C.F.R. § 1105.7(e)(5)(i)(C) "for a proposal … to construct a new line or re-institute service over a previously abandoned line, only the eight train a day provision … will apply." *See Lee's Summit v. STB*, 231 F.3d 39 (D.C. Cir. 2000); *see also Morristown & Erie Ry, Inc. – Modified Certificate*, 2004 STB LEXIS 380 (STB served June 22, 2004).

If you have any questions, please feel free to contact us.

Very truly yours,

GENTRY LOCKE

*/s/John M. Scheib*

John M. Scheib

JMS/dlj

**Exhibit 8 – Not Applicable**

# Exhibit 10.A – Customer Request for Service

WHOLESOME
COMPANIES
FOODS · ENERGY · TRANSPORTATION · LOGISTICS
Est. 1964

August 28, 2026

Norfolk Southern Corporation
650 West Peachtree Street NW
Atlanta, GA 30308

Re: Wholesome Energy - Request for Rail Service

Dear Norfolk Southern Corporation:

Wholesome Energy a subsidiary of Wholesome Companies, Inc. ("Wholesome Energy") requests that the Norfolk Southern Corporation ("Norfolk Southern") provide rail service to meet our current needs. Our main manufacturing facility is at 986 South Ox Road in Edinburg, Va. We also have a facility at 400 Piccadilly Street in Edinburg, Va directly adjacent to Norfolk Southern's line at milepost B 78.9.

Wholesome Energy collects and processes both clean and unfiltered Used Cooking Oil ("UCO") regionally from restaurants and from food production facilities all over the country. Wholesome Energy sells fats, oil and grease to biodiesel producers nationwide as well as animal feed products to feed mills throughout the U.S. We project Wholesome Energy's rail service needs to be 47,000 tons per year of UCO, averaging 30 cars per month.

Access to rail services on the Line would help Wholesome Energy reduce freight costs it currently expends on trucking. Furthermore, Wholesome Energy's expansion is limited by the expense to truck UCO to our facility from suppliers over 400 miles away who are served by rail.

We look forward to your prompt response with rates and terms of service and to working with you to address our expanding freight needs.

Respectfully,

WHOLESOME ENERGY

NATHAN PENCE, VICE PRESIDENT

NATHAN@WHOLESOMECOMPANIES.NET

AD Engineering

October 30, 2026

Norfolk Southern Corporation
650 W. Peachtree Street NW
Atlanta, GA 30308

Re: AD Engineering LLC - Request for Rail Service

Dear Norfolk Southern Corporation:

AD Engineering submits this correspondence to express its interest in freight rail service from Norfolk Southern to and from its facility at approximately MP B 87.5 on NS's line in Shenandoah County, Virginia.

AD Engineering is a growing manufacturing company specializing in the fabrication of HVAC components primarily from metal tubing. Direct rail service along this corridor would materially enhance our ability to efficiently move product in support of its customer base. We recently acquired a 60,000+ square-foot facility adjacent to Norfolk Southern's B Line that has its own siding and rail-ready dock which was previously served by your trains.

AD Engineering seeks to ship approximately 3,000 tons of tubing annually, with an estimated volume of 8 boxcars per month. AD Engineering is ready for freight service at its facility located at 377 Industrial Park Rd, Mt Jackson, VA 22842. We look forward to your prompt response with rates and terms of service to move freight to and from AD Engineering. We look forward to working with you. I can be reached by phone on my cell at 540 383-3104 or by email at ashley.driver@ad.engineering.

Respectfully,



Ashley Driver
President
AD Engineering

Copy Furnished:
Kathleen Smith, VP, Industrial Products and Coal Marketing, Norfolk Southern Corporation, Kathleen.smith@nscorp.com

# Exhibit 10.B – Customer Requests for Service and NS Internal Consideration Thereof

# EXHIBIT 10.B.1- Documents Produced by NS Showing Request of Valley Fertilizer And Internal Consideration Thereof

## “Confidential Materials Subject to Request for Protective Order”

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# EXHIBIT 10.B.2- Documents Produced by NS Showing Request of Bowman Andros (Through VEDP) And Internal Consideration Thereof

## "Confidential Materials Subject to Request for Protective Order"

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# Exhibit 10.C – Support Letters For Freight Rail

# EXHIBIT 10.B.3 - Documents Produced by NS Showing Request of Wholesome Foods And Internal Consideration Thereof

## “Confidential Materials Subject to Request for Protective Order

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# Exhibit 10.C – Support Letters For Freight Rail

Joesph A. Bosco
3121 Newark Street NW
Washington, DC 20008

January 1, 2026

To: Members of the VA Commonwealth Transportation Board

I served as special assistant to U.S. Transportation Secretary John A. Volpe in the first Nixon administration when America's rail passenger service was overhauled and consolidated, resulting in the curtailment of many lines. When Congress and the administration created Amtrak (originally called Railpax), it was stipulated that the right of way for any passenger rail line temporarily deactivated was to be preserved as a "transportation corridor" for possible future movement of people and goods. The concept of multi-modalism was a by-word of Secretary Volpe, the Nixon administration and Congress. Preserving the Shenandoah Valley's rail right-of-way for both rail transportation and compatible trail use would serve that purpose.

The volume of heavy truck traffic along Interstate 81 illustrates both the problem in Virginia and much of the nation, as well as the likely solution. Trucks, which have grown far larger in recent decades, now dominate many of America's highways even though, as is true with I-81, there is a viable rail alternative available. Transferring any quantity of the freight now carried on Interstate 81 to the still-extant rail line would save fuel and minimize environmental pollution, reduce costs to shippers, expand industry and agriculture logistics options, and reduce the highway safety dangers associated with the high volume of big truck traffic.

The revival of rail freight service and the inauguration of rail tourism will preserve this irreplaceable transportation asset in the Shenandoah Valley. Additionally, your vision to preserve access of the corridor for future passenger use would enable a Virginia renaissance of commuter and rail passenger service which could serve as a national model.

I strongly urge the Commonwealth Transportation Board to vote in favor of moving the Shenandoah Valley Rail Trail Project to the VA Passenger Rail Authority. This transfer should be made without delay so this visionary project can proceed.

Sincerely,

Joeseph Bosco

December 31, 2025

Sub: Letter of support

To Whom it May Concern,

On behalf of Georges Inc., I would like to support the effort to preserve the railroad line running from Broadway, VA to Riverton Junction, VA. This line served our feed mill located in Mount Jackson, VA until 2013 when Norfolk Southern discontinued service. Rail infrastructure is vital to the economic viability of the poultry industry; especially in the Shenandoah Valley where the majority of the feedstuffs utilized are shipped from other parts of the country. George's Inc. enjoys the competitive advantage of rail service at all of its feed mills. The Mount Jackson location is the only mill within our network that does not have rail service presently.

It is my understanding that the Commonwealth Transportation Board will be voting to transfer control of the Shenandoah Rail Corridor to the VA Passenger Rail Authority. We would like to state our support for this vote to transfer control and reaffirm our support of potentially restoring freight service to the region.

It is my understanding that there are several short line railroads interested in leasing the line and resuming service. This would be of great interest to George's because we could ship via CSX at Strasburg or Norfolk Southern in Broadway. In addition, we could reduce the dependence on trucking for feed mill operations. We appreciate your consideration of our industry needs.

Sincerely,

Boone Hardy

Boone Hardy
Director of Grain
George's Inc
P.O. Drawer G
Springdale, AR 72765-2030

ALLEGHENY FEED & MILLING LLC.
548 SHAWNA ROAD
NORTHERN CAMBRIA PA 15714
814 650 4694

GARMANTOWN Milling & Supply

HOLLSOPPLE FEED MILL

Webb's SuperMelt!

12/21/2021

To whom it may concern,

I am writing this letter today to express on behalf of my companies, Allegheny Feed & Milling and the Lane Sawmill & Lumber Company that we have a direct interest in the railroad line extending from Front Royal to Broadway Virginia.

As we look to expand and grow our feed business it is very apparent that the poultry growing region of western Virginia is something we should consider in our portfolio. There are several mill sites along the railroad corridor that could be utilized as a part of our expansion plans. Understandably trucking has not been a favorable way for us to ship and we are held captive at our Pennsylvania locations. Only recently have we discovered a potential dairy feed location that is close enough to be able to transload from rail to truck. If there is a way to utilize rail service and continually receive the bulk discounts of large grain shipments, this would be of MAJOR interest to us. That said we feel there is a lot of opportunity in this regard in the northern Shenandoah Valley should the railroad remain intact.

Additionally, as a lumbering interest we recognize that there are some wood preservative plants in the area, and we are actively working to expand our railroad tie production. Although there is not quite as much interest in locating a lumber yard in this area (not as much as a feed mill), we would be willing to consider "piggy-backing" a sawmilling site at a feed mill location further creating value in moving there.

To cut up the railroad would mean to cut out any development for us in the Shenandoah Valley and as long as there is potential to work with a shortline partner on this section of railroad; we will continue to investigate the potential sites and determine whether this is an acceptable expansion opportunity. We will be following very closely the developments of this corridor and we hope that a reasonable compromise between a private shortline enterprise and a rail trail group can be had. One where both parties can work together to have the trail constructed adjacent to and not on top of the railroad bed.

If there are any questions, please do not hesitate to reach out to me at the number listed on the letterhead.

Sincerely,

*Stephen D. Lane*

Owner and General Manager
Allegheny Feed & Milling LLC.
Lane Sawmill & Lumber Company.

# THE DURBIN & GREENBRIER VALLEY RAILROAD INCORPORATED

**PO BOX 44, DURBIN, WV 26264**
**304-456-3442, X-200; PH**
**john@mountainrail.com**


January 29, 2022

Expression of Interest to Revitalize Rail Service:

RE: Broadway, VA to Riverton Junction, VA

To Whom It May Concern,

Durbin & Greenbrier Valley RR, Inc. (DGVR) is a West Virginia-based shortline operator that specializes in revitalizing moribund and underserved rail corridors. An example is the Shenandoah Valley RR (SVRR) which serves the area between Staunton and Harrisonburg. When DGVR was named operator in 2006, this railroad handled 500 railcars annually and was not profitable. Today, SVRR moves upwards of 2,000 railcars and has become a revenue source to its corporate owners and an economic generator for the area it serves. Two other instances of resurrected rail properties are found in West Virginia where DGVR has successfully combined freight and tourist services to create an enterprise that benefits area local communities and businesses.

DGVR is very familiar with the section of line extending between Broadway, VA north to Riverton Jct., VA. We are confident that a similar business strategy can be applied here. This line contains the possibility to become much the same as the DGVR-operated West Virginia Central RR in and around the Elkins, WV area. When purchased by the West Virginia Rail Authority in 1996, there was no activity on the entire 90-mile line. Portions of the track had been flooded and become inaccessible. For comparison, during the last pre-pandemic year of 2019, the WVC has grown to handle 60,000 tourist passengers along with 900 railcar loads of freight and has become an important part of the economic health of central West Virginia.

At one time, railroads were sought after by communities searching for economic growth. As other more flexible transportation modes became available, the influence and importance of railroads waned. However, in terms of moving bulk freight in large quantities over long distances at reasonable rates, railroads are still important transportation arteries in the manufacturing and warehouse sectors. The section being discussed in this letter features several large shippers located along the current tracks whose business plans would benefit greatly if rail service was available. Likely, the quantity of loaded railcars that these businesses generate may not meet the criteria to sustain a stand-alone freight railroad. However, as noted above, this section of track

has similar qualities to our successful operation in West Virginia. Freight activity that sustains the local online business customers can be augmented by a tourist passenger train operation. Together, the two operations on the same line operated by the same business will add revenue and growth to this area of Virginia. Now is the time, before the tracks are removed, to fully consider the economic impacts of rail/trail versus railroad. The state of Virginia may realize a much larger benefit by retaining the tracks or possibly building a rail-with-trail. Removal of the railroad brings along with it a reduction in future business opportunities. Rail/trails are a good way to maintain the original corridor, but they normally don't result in new business siting or job opportunities for the nearby communities.

Warmest Regards,

_____

John W. Smith, DGVR

# Shenandoah County Farm Bureau

January 19, 2025

Directors and Managers of the Shenandoah Valley Battlefields Foundation

Attn. Mr. Kevin Walker, CEO

Dear Mr. Walker,

On behalf of the Shenandoah County Farm Bureau, I would like to express to you our strong support for the proposed Rail and Trail initiative for our existing rail corridor here in Shenandoah County. I am proud to represent over 1600 Farm Bureau members here in the county. Our members represent the backbone of the county. Hard working Farmers, agribusiness owners, landowners and many individuals who respect and cherish our rural way of life. Agriculture is our county's number one industry.

Over the past two years we have discussed the two options slated for the corridor. The Rail to Trail (with the removal of the rail) and the Rail with Trail (with the revitalization of our rail system accompanied with a recreational trail). After talking to countless fellow farmers, agribusiness owners, the general public and landowners adjacent to the corridor, our board unanimously voted to support the latter. We strongly feel that a Rail with Trail will create a balance in our rural county by still allowing for the transport of agricultural goods and products to our many businesses along the corridor. In addition to this, the potential for a scenic passenger train along with the accompanying bike trail would provide business opportunities for local farmers and farm markets to sell locally raised products.

Please feel free to reach out to me if there is anything we can help you with regarding this important issue. I feel that with the right insight, planning and coordination with county, state and federal lawmakers this great concept can become a successful reality for our agricultural community.

Sincerely,

Chuck French
President, Shenandoah County Farm Bureau
Cell: 540-335-4770

# Senator Frank W Nolen, PE

# 680 Patterson Mill Rd

# Grottoes, Virginia 24441

540 294 0310 mobile
540 363 5642 landline
fnolen@newhopetel.net
www.grazelenfarm.com

Senate of Virginia
24th District
1975-1995


January 1, 2026

To : The Virginia Commonwealth Transportation Board

Subject: Proposal concerning Transfer of Shenandoah Rail Trail Project to the VA Passenger Rail Authority

About thirty years ago the Norfolk Southern Railroad filed to abandon a portion of the Chesapeake and Western Railroad from Harrisonburg south to Staunton, Virginia.

There were few customers because of poor tracks and service. However, several businesses and individuals realized the importance of this railway in Augusta and Rockingham counties. Therefore, a group called Greater Shenandoah Valley Development Co (GSDC) was formed to purchase the tracks and right of way.

When the offer to purchase was made to NS, they filed with the ICC to withdraw the abandonment which the ICC denied. However, NS was able to withdraw the trackage from Harrisonburg to Pleasant Valley. The GSDC then pursued buying the remaining trackage of about 19 miles. After a lot of wrangling and negotiating, GSDC was able to purchase the short line and start operating as Shenandoah Valley Railroad.

Today SVRR carries about 2000 carloads of freight per year. In conjunction with the Virginia Department of Rail and Public Transportation, the ownership has invested funds in upgrading the rail bridges and roadbed. SVRR hauls freight most every business day. In the last decade, the carloads have increased 2-fold.

I believe the Shenandoah Rail Corridor from Broadway to Riverton Junction can achieve the same success with a similar private public partnership. The partnership between the Shenandoah Valley Battlefields Foundation and the Virginia Passenger Rail Authority as proposed by the Commonwealth is exactly what is needed to promote economic development as well as public recreation in the Northern Shenandoah Valley.

I support the proposal before the Commonwealth Transportation Board. This project need not be delayed. If the rails are removed and the right of way is modified, it will be practically impossible to restore the rails in the future.

I strongly urge all involved to retain and make usable this important rail link between Broadway and Riverton Junction. I am willing to the extent of my ability to help make this happen.

Sincerely,

Frank W Nolen PE

# Senator Frank W Nolen, PE

# 680 Patterson Mill Rd

# Grottoes, Virginia 24441

540 294 0310 mobile
540 363 5642 landline
fnolen@newhopetel.net
www.grazelenfarm.com

Senate of Virginia
24th District
1975-95


February 3, 2023

To Whom it may concern

Subject: Abandoned Rail Corridors

About thirty years ago the Norfolk Southern Railroad filed to abandon a portion of the Chesapeake and Western Railroad from Harrisonburg south to Staunton, Virginia.

There were few customers because of poor tracks and service. However, several businesses and individuals realized the importance of this railway in Augusta and Rockingham counties. Therefore, a group called Greater Shenandoah Valley Development Co (GSDC) was formed to purchase the tracks and right of way.

When the offer to purchase was made to NS, they filed with the ICC to withdraw the abandonment which the ICC denied. However, NS was able to withdraw the trackage from Harrisonburg to Pleasant Valley. The GSDC then pursued buying the remaining trackage of about 19 miles. After a lot of wrangling and negotiating, GSDC was able to purchase the short line and start operating as Shenandoah Valley Railroad.

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I believe the Shenandoah Rail Corridor from Broadway to Riverton Junction can achieve the same success with a similar private public partnership. If the rails are removed and the right of way is modified, it will be practically impossible to restore the rails.

I strongly urge all involved to retain and make usable this important rail link between Broadway and Riverton Junction. I am willing to the extent of my ability to help make this happen.

Sincerely,

Frank W Nolen PE

GEORGE'S

February 11, 2022

Sub: Letter of Support

To Whom It May Concern,

On behalf of Georges Inc., I would like to support the effort to preserve the railroad line running from Broadway, VA to Riverton Junction, VA. This line served our feed mill located in Mt Jackson, VA until 2013 when Norfolk Southern discontinued service. Rail infrastructure is vital to the economic viability of the poultry industry; especially in the Shenandoah Valley where the majority of the feedstuffs utilized are shipped from other parts of the country. George's Inc. enjoys the competitive advantage of rail service at all its feed mills. The Mt. Jackson location is the only mill within our network that does not have rail service presently.

I understand there are several shortline railroads interested in leasing the line and resuming service. I was also interested to learn that their plan is to resume service the entire length of the line. This would be of great interest to George's because we could ship via CSX at Strasburg or Norfolk Southern in Broadway. In addition, we could reduce the dependence on trucking for feed mill operations. We appreciation your consideration of our industry needs.

Sincerely,

Jason D. Carter

Jason D. Carter
Vice President, Feed Ingredient Procurement
George's Inc
P.O. Drawer G
Springdale, AR 72765-2030

Houff Corporation

97 Railside Drive

Weyers Cave Virginia

February 7, 2023

To Whom it may concern

Subject: Transload/Shortline Railways

Houff Corporation and their sister company IDM Trucking relocated their fertilizer and transportation businesses to Weyers Cave in 1993. The purchased property bordered the proposed abandoned rail of Norfolk Southern Railroad. Houff Corporation had no intention of using the rail at the time we purchased the property in 1990. By the time we began construction in 1993 we understood that the rail was being revitalized and would operate as the Shenandoah Valley Railroad short line. Upon receipt of this new information, we altered our plans to allow for the new fertilizer facility to be rail served.

After several years of utilizing the rail for our own fertilizer products, we realized we had an asset at our back door that we could use for other local businesses that were not located directly on rail. Thus the transload division of Houff Corporation was born. Today we operate three terminals within the state, two on short line railroads, and one on CSX. We will exceed 4000 cars of volume through these terminals delivering to businesses within 100 miles of our terminals. These businesses did not have rail options previously.

My purpose in recounting our history is to ask that you not look at rail viability based only on the traditional and historical use of rail with 1000 car volumes, and unit trains running directly into industrial complexes. Our 4000 car volume has a few larger users but predominantly is made up of a number of 30- 200 car customers of various commodities. These goods are as diverse as the industries within the region ranging from agricultural goods to hazardous materials and were transported entirely by truck before our conversion to transload. These customers did not have rail options without transload and are located some distance off of the actual rail.

The economics of rail trail or freight rail for the northern Shenandoah Valley needs to be thoroughly vetted with open eyes before decisions are made. Both avenues will be expensive. While the aesthetics of a rail trail sound appealing, can the Commonwealth afford such a luxury when we struggle to maintain our highway infrastructure?

I am confident the type of rail freight that we have acquired in our transload operations is saving our highways and having significant positive impact to the economy. When looking at economics of rail freight please consider transload and widen your economic impact circle to industry 50-100 mile out from the rail corridor in question.

Best Regards,



Neil Houff

President

Houff Corporation

May 26th, 2026

Nick Donohue & the Commonwealth Transportation Board
Virginia Secretary of Transportation
1111 East Broad Street
Richmond, VA 23219

Secretary Donohue and Members of the Board,

Steam Into History, Inc. DBA Northern Central Railway of York is a non-profit tourist railroad located in South Central Pennsylvania. Our tourist rail line runs parallel in conjunction with the York County Heritage Rail Trail, a 21-mile trail that runs from York City center to the Maryland State line. In the early 2000s, NCR's founders, York County Community leaders and County Commissioner understood the magnitude of the partnership and impact of the rail and trail. In 2010, the County of York leased the train tracks to Northern Central Railway of York and the tourist operations started.

Since then, NCR has become the top tourist attraction to the County. Outdoor recreation has thrived along the trail, along with the local economy. NCR has a $6 million economic impact annually to the host borough of the attraction, not to mention the surrounding trail towns and County at large. In 2021, The York County Economic Alliance launched a Trail Towns program with the help of the local State Senator. The program has brought close to 15 plus new businesses along the small five borough trail towns along the corridor. NCR services at the anchor of the Trail Towns connect each of the towns. NCR also supports the thriving outdoor recreation marketing along the trail by providing a Bike Aboard program for cyclists.

Rail and Trails have symbolic relations that provide not only a culture and benefit to the community but an economy impact that supports small businesses thrive. Northern Central Railway of York, the York County Heritage Rail Trail, York County Park Departments, Explore York, York County Economic Alliance, and the County of York are examples of those thriving relationships and their impact.

We hope you will consider this type of thriving environment in Virginia along the Shenandoah Rail Corridor.

Thank you and please let us know if you have any questions.

Ashley Zimmerman
Executive Director
Azimmerman@NorthernCentralRailway.com

# National Railway Historical Society
## Winchester Chapter

# PROCLAMATION

*In Support of*

## Shenandoah Rail Corridor

**WHEREAS,** since railroading began in the Northern Shenandoah Valley in the late-1800's, the valley has been served by freight and passenger railroads providing vital connections to commerce and our country; and

**WHEREAS,** the National Railway Historical Society (NRHS) was founded in 1935 by a group of rail historians with the goal of preserving railway historical material and educating current and future generations about railroads and their history; and

**WHEREAS,** in 1967, the Winchester Chapter of the National Railway Historical Society was established and is made up of working and retired railroaders, historians, and fans of rails and trains; and

**WHEREAS,** the Chapter encourages and promotes public awareness of area railroads and their history, the restoration and preservation of historic railroad equipment and properties. The chapter works to educate the public on the historical and significant role that railroads play in the Northern Shenandoah Valley, which is served by CSX, Norfolk Southern, Winchester and Western Railroads; and

**WHEREAS,** continuing the tradition to preserve and save railroads, our chapter desires to see the Shenandoah Valley "B" Line returned to service to create economic, tourism and recreational opportunities and be truly multi-use that our community can enjoy, and our industry can depend on.

**THEREFORE,** We the National Railway Historical Society, Winchester Chapter, strongly support the efforts of the Shenandoah Rail Corridor to save the Norfolk Southern's Shenandoah Valley "B" Line between Riverton Junction and Strasburg and to Edinburg under "Rails with Trails" that would offer the greatest option and benefit for the Northern Shenandoah Valley and its surrounding communities.

Dated this day, July 13, 2024, and on behalf of Chapter Members

, President, Winchester Chapter NRHS

Contact:
Shenandoah County Farm Bureau
Shenandoahss@vafb.com
(540) 459-4019

# Shenandoah County Farm Bureau Endorses "Rails With Trails"

Shenandoah County, September 7, 2023- The Shenandoah County Farm Bureau has announced its endorsement of the "Rails With Trails" initiative, while highlighting the vital role that potential rail service could play in the future in supporting the agricultural industry in Shenandoah County.

The "Rails With Trails" is a bold vision to preserve the Shenandoah Valley's heritage, re-empower the rail line as an economic engine, and create a full range of tourism and recreation opportunities. The state of Virginia is currently negotiating to purchase the 48-mile corridor stretching from Broadway to Front Royal currently owned by Norfolk Southern Railway Corp. Freight rail service on the line has been discontinued.

As the largest membership organization in the county, Shenandoah County Farm Bureau recognizes the positive impact that future rail could have on farmers and the agricultural industry in the county. The group supports fueling commerce in the region with a revitalized short line railroad.

"Shenandoah County Farm Bureau recognizes the potential impact that a short line railroad could have in supporting the agricultural industry, taking traffic off of I-81, and contributing to the economic viability of our county." Said Chuck French, President of Shenandoah County Farm Bureau. "While we recognize there are still questions to be answered, this concept allows us to maintain our valuable rail corridor for the future benefit of farmers and agribusinesses in our community."

With over 1,600 members, Shenandoah County Farm Bureau is the largest agricultural advocacy organization in the county. Shenandoah County Farm Bureau is a non-governmental, nonpartisan, voluntary organization committed to supporting agriculture and preserving the rural way of life.

###

# THE VALLEY FERTILIZER & CHEMICAL CO., INC.

POST OFFICE BOX 816
MT. JACKSON, VIRGINIA 22842
PHONE (540) 477-3121
FAX (540) 477-3123
(800) 571-3121


May 26, 2022

Sub: Letter of Support

To Whom It May Concern,

As General Manager of The Valley Fertilizer & Chemical Co., Inc. I would like to support the effort to preserve the railroad line running from Broadway, VA to Riverton Junction, VA. This line served our facility located in Mt Jackson, VA until 2013 when Norfolk Southern discontinued service. We currently have fertilizer shipped by rail to Weyers Cave; then haul it 40 miles on Interstate 81 to our plant in Mt. Jackson. The return of rail service would serve to lower our shipping costs as well as decrease truck traffic on Interstate 81. Furthermore, we would like to diversify our services to local farmers by building a grain transloading facility on the rail line at our Mt. Jackson complex.

I understand several short line railroads have expressed interest in leasing the line and resuming service. Repairing and resuming service on the entire length of the line would be especially beneficial because we could ship via CSX at Strasburg or Norfolk Southern in Broadway.

Rail infrastructure is vital to the economic viability of agriculture in the Shenandoah Valley, where the majority of the feedstuffs and fertilizers utilized are shipped from other parts of the country. Valley Fertilizer is eager to work with any potential short line railroad partner interested in resuming rail service.

Sincerely,

Thomas Rea
General Manager
The Valley Fertilizer & Chemical Company, Inc
P.O. Box 816
201 Valley Road
Mt. Jackson, VA 22842

VRC

VALLEY RAILROAD COMPANY, LLC

April 7th, 2025

Re: Letter of Support

To whom it may concern,

As the Owner of Valley Railroad Company, LLC, I would like to support the effort to preserve the railroad line running from Broadway, VA to Front Royal, VA.

Valley Railroad Company, LLC was established in April 2010 and we have operated out of Shenandoah County since our inception. We specialize in the maintenance, repair, replacement, and construction of railroad tracks and related parts. We operate a variety of specialized rail-mounted machinery to construct safe and smooth railroad tracks for freight customers across the Commonwealth.

I have reviewed the Track Inspection Report by Stone Consulting commissioned by the Shenandoah Rail Corridor coalition and as an industry professional, I can confirm the intrinsic value and viability of this line. We have been hopeful that rail service would resume on this line and I understand that several short line railroad operators have submitted proposals. With the widespread business and community interest in the train, we stand ready to assist the selected operator and future customers with our services and support the Commonwealth in its resurrection of the railroad for the following reasons:

1. This project is predominantly in Shenandoah County; the county we've called home for over 15 years!
2. A 49-mile railroad operation will create and sustain good-paying jobs not just in the county but within our own company.
3. The railroad supports our farming neighbors and suppliers by reducing the transportation costs of feeds, fuels, and fertilizers.

We look forward to restoring old freight rail connections and constructing new ones as the railroad returns to service. I am proud to partner with the Shenandoah Rail Corridor coalition and we strongly urge the Commonwealth of Virginia to save the rails by choosing the rail-with-trail option!

Best,



Derek Burgess
Owner, Valley Railroad Company, LLC

PO Box 9
Daleville, VA 24083-0009
Office: 540-992-1009
Fax: 540-992-4632
Email: breeves@vacattlemen.org
Website: www.vacattlemen.org

*Affiliated with The National Cattlemen's Beef Association*

January 27, 2025

**TO:** Mr. Keven Walker, CEO, Shenandoah Valley Battlefields Foundation
**FROM:** Brandon Reeves, Executive Director, Virginia Cattlemen's Association
**RE:** Preserving Shenandoah Valley Rail Corridor

Dear Mr. Walker:

Please find this letter of support in favor of preserving the Norfolk Southern rail corridor in the Northern Shenandoah Valley. We believe that abandoning this infrastructure would be incredibly short-sighted given the potential this rail has to offer.

In Virginia, the production of beef cattle is the Commonwealth's second leading agricultural enterprise in terms of farm gate receipts and support of cattle is the state's largest use of private land in agricultural production. Virginia Cattlemen's Association works to help promote and protect the interests of cattle producers across the Commonwealth. The state's two largest cattle producing counties, Augusta and Rockingham, are located in the heart of the Valley.

The viability of our state's cattle industry depends on having diverse infrastructure and opportunities. We depend on having access to commodities that are not always available or grown in Virginia. We also depend on having the ability to ship our products to other markets in interstate commerce. This rail once helped provide those opportunities and has the potential to develop back into a vital transportation source.

The Virginia Cattlemen's Association supports efforts to maintain and build infrastructure to help sustain and grow our industry. The Norfolk Southern rail corridor in the Northern Shenandoah Valley should remain a viable option to be utilized in the future by Virginia's cattle and agriculture industries.

Please feel free to contact me if I can be of further assistance.

Sincerely,

Brandon Reeves
VCA Executive Director

*Your source of independent thought and analysis on rail policy...*

VRPI
VIRGINIA RAIL POLICY INSTITUTE

**Public Comments from**
**Virginia Rail Policy Institute to the**
**Virginia Department of Transportation**
**on the disposition of the rail line between Broadway and Front Royal**

April 8, 2025

Good evening, everyone.

I am Michael Testerman, and I serve as executive director of the Virginia Rail Policy Institute (VRPI). On behalf of our organization, I want to thank VDOT for hosting these Open House events to receive comments on the future of Norfolk Southern's inactive rail line north of here.

The non-profit Virginia Rail Policy Institute is made up of professionals from multiple fields of interest, including both freight and passenger rail, engineering, economics, law, academia, business, public-interest advocacy, and government. As example, the late Ray Pethtel served as a VRPI officer, following his distinguished career with the Virginia Department of Transportation. We regularly host programs related to rail transportation, maintain a website as a resource for rail policy research, reports and publications, and provide commentary and recommendations to decision-makers regarding key policies and projects—with a focus on improving and expanding rail service.

Our mission is to strengthen and improve public policy with respect to both freight and passenger rail in the Commonwealth of Virginia. Through objective and rigorous research, publication, education, and outreach, VRPI strives to increase public understanding of freight and passenger rail and to promote public policies that will secure the future of rail transportation as a cost-effective, sustainable, and essential element of Virginia's 21st Century transportation system.

In the past, we have weighed in on the conversion of inactive rail lines to public trails; notably the Eastern Shore Railroad, in 2020. Before that, the development of the former Norfolk and Western main line through Farmville, into the High Bridge Trail.

Most recently, we have expended much attention and energy in calling for rail service to be reestablished between Harrisonburg and Front Royal. There is much support for this rail line to be converted into a Rail Trail. Our research—and a webinar with national experts—has shown that Rail *with* Trail development is appropriate in this instance.

Especially in this case, our emphasis is to draw the public's attention to the fact that rail lines are every bit as much, corridors of transportation—for public convenience and necessity—as are our highways. Modern development patterns make it very difficult to assemble transportation corridors from scratch. The highest and best use of this rail line is to be returned to service and to retain its valuable asset to the public as a robust transportation corridor.

Just over the horizon, this rail line offers Valley residents the opportunity to transfer freight from trucks back to trains.

Perhaps more importantly, reactivating this rail line will preserve the prospects for the future development of scheduled passenger rail for Harrisonburg residents and James Madison University students. JMU has a chance to avoid foreclosing the option of passenger rail that Longwood University experienced.

VRPI offers a best-practices approach for retaining and possibly improving all rail corridors, and recommends adoption of the following, as standard transportation policy, to address future rail abandonments and rails-to-trails proposals:

1. Current and/or inactive rail lines coming up for abandonment shall be rail banked;
2. If trails are to be developed on banked or abandoned rail lines, trails shall be designed, constructed, and operated in a manner that will permit future train operations, and;
3. For rail lines that are abandoned, there should be a set period of time, perhaps 25 years, during which the right-of-way shall not be fragmented or irreversibly repurposed.

The Virginia Rail Policy Institute says it's time for Virginia to evaluate every road-expansion plan to consider delegating mobility responsibilities to parallel rail corridors, regardless of the rail operators' current business model. Public investments can provide infrastructure improvements that the private sector may not be willing or able to make. Once improved and held to higher expectations, rail lines can help us move into a brighter, more sustainable future.

Thank you again for affording the opportunity for VRPI to present its views and advice.

PO Box 9
Daleville, VA 24083-0009
Office: 540-992-1009
Fax: 540-992-4632
Email: breeves@vacattlemen.org
Website: www.vacattlemen.org

*Affiliated with The National Cattlemen's Beef Association*

December 15, 2025

**TO:** Mr. DJ Stadtler, Executive Director, Virginia Passenger Rail Authority
**FROM:** Brandon Reeves, Executive Director, Virginia Cattlemen's Association
**RE:** Preserving Shenandoah Valley Rail Corridor

Dear Mr. Stadtler:

Please find this letter of support in favor of preserving the Norfolk Southern rail corridor in the Northern Shenandoah Valley. We support the recent proposal at the Commonwealth Transportation Board to advance the Rails with Trails project by transferring funds to the VPRA. We believe that abandoning this infrastructure would be incredibly short-sighted given the potential this rail has to offer.

In Virginia, the production of beef cattle is the Commonwealth's second leading agricultural enterprise in terms of farm gate receipts and support of cattle is the state's largest use of private land in agricultural production. Virginia Cattlemen's Association works to help promote and protect the interests of cattle producers across the Commonwealth. The state's two largest cattle producing counties, Augusta and Rockingham, are located in the heart of the Valley.

The viability of our state's cattle industry depends on having diverse infrastructure and opportunities. We depend on having access to commodities that are not always available or grown in Virginia. We also depend on having the ability to ship our products to other markets in interstate commerce. This rail once helped provide those opportunities and has the potential to develop back into a vital transportation source.

The Virginia Cattlemen's Association supports efforts to maintain and build infrastructure to help sustain and grow our industry. It's time to move forward. We greatly appreciate the consideration of the VPRA, and the CTB in this matter.

Please feel free to contact me if I can be of further assistance.

Sincerely,

Brandon Reeves
VCA Executive Director

WHOLESOME
COMPANIES
FOODS · ENERGY · TRANSPORTATION · LOGISTICS
Est. 1964

986 South Ox Road – Edinburg, VA 22824

January 2, 2026

To: Virginia Commonwealth Transportation Board

Wholesome Energy is an affiliate of Wholesome Foods, a family-owned business in Shenandoah County that has been in operation since 1964. Since 2008, Wholesome Energy has been in the business of processing waste fats and vegetable oils into products used in biofuel production as well as feed products for the poultry, swine, and pet food industries.

Our company's growth is limited by the availability of the raw products we need. Currently we ship raw material by truck from as far as 500 miles. Our research has shown that our transportation costs would be significantly reduced if we could ship via rail locally and we have already identified a transload location. We currently process 2 million pounds of product per week, with rail access, we will expand production which will help the local economy and remove trucks from crowded interstates.

Additionally, I serve on the Economic Development Council for Shenandoah County's Chamber of Commerce. Once the Chamber understood there was an option to preserve rail and recognized the powerful catalyst this would provide for business growth, we issued a resolution supporting "efforts to explore the feasibility of both options".

Our company fully supports the Shenandoah Rail Corridors' efforts to preserve our local rail infrastructure as well as construct a recreational trail within the right of way. We urge you to support the Commonwealth's proposal to move forward with rail preservation to enable the return of local rail service and development of a recreational trail. Please do not delay this important action.

Sincerely,

Nathan E. Pence

Nathan E. Pence

Vice President, Wholesome Companies

HOLTZMAN OIL CORP.
P.O. Box 8 Mt. Jackson, Virginia 22842 540.477.3131

December 15, 2025

DJ Stadtler & Members of the Board
Executive Director
VPRA
919 East Main Street, Ste 2400
Richmond, VA 23219

Director Stadtler and Members of the Board:

Holtzman Oil and Holtzman Propane unequivocally support the recent proposal at the Commonwealth Transportation Board to advance the Rails with Trails project by transferring funds to the VPRA.

Our Company is very interested in utilizing rail service directly adjacent to our headquarters in Mt. Jackson and Strasburg, Virginia. For years, we have relied on the trucking industry alone to deliver our products to our customers, and have long requested rail service, not just from Norfolk Southern, but also from our county. We are eager to locate our propane transload site in Shenandoah County, but due to the stalling of this project, we are forced to consider other locations.

Our Company was a leading and founding partner in the Shenandoah Rail Corridor coalition in 2022, and we are excited to finally see movement on this project. We urge the VPRA, as well as the CTB, to act quickly to protect this vital infrastructure from the abandonment process by voting to adopt the Rails with Trails vision. We also reaffirm our support for the original Rails with Trails proposal and its cost estimates put forth by our coalition.

We support the Commonwealth's shift towards a public/private partnership with our brother organization, The Shenandoah Valley Battlefields Foundation. Our relationship with this foundation has always been rewarding, and they have a proven track record of success in handling large preservation projects on behalf of the Commonwealth.

Virginia has spent enough time studying this project, it's time to move forward. We greatly appreciate the consideration of the VPRA, and the CTB in this matter.

Sincerely,

HOLTZMAN OIL CORP.

William B. Holtzman
Chairman of the Board

HOLTZMAN
PROPANE

*Main Office/Payments*
P.O. Box 7
Mount Jackson, Virginia 22842

December 15, 2025

DJ Stadtler & Members of the Board
Executive Director
VPRA
919 East Main Street, Ste 2400
Richmond, VA 23219

Director Stadtler and Members of the Board:

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Virginia has spent enough time studying this project, it's time to move forward. We greatly appreciate the consideration of the VPRA, and the CTB in this matter.

Sincerely,

HOLTZMAN PROPANE

William T. Holtzman
President

SMS Rail Service, Inc.
Post Office Box 711
Bridgeport, NJ 08014
Phone: (856) 467-4800
Fax: (856) 467-2121
www.smsrail.com

December 15, 2025

Virginia Passenger Rail Authority
919 East Main Street, Suite 2400
Richmond, VA 23219

Re: Shenandoah Rail Corridor
Vision for Freight, Tourism, and Corridor Revitalization

Dear Members of the Virginia Passenger Rail Authority:

SMS Rail Service, Inc. ("SMS") appreciates the opportunity to share its vision for the revitalization of approximately 50 miles of rail infrastructure in the Shenandoah Valley, extending from Front Royal, Virginia, through Strasburg to Broadway. Last year, SMS began evaluating the feasibility and long-term potential of restoring this important rail asset and has submitted to the Northern Shenandoah Valley Transportation Preservation Corporation ("NSVTPC") its Proposal for operation of the corridor.

Based on our operational analysis, infrastructure review, and experience revitalizing underutilized rail corridors, SMS is confident that utilizing the "rails with trails concept, this line can be successfully returned to service in a manner that supports freight transportation, regional economic development, and public-facing rail and recreational activities. We believe the corridor presents a unique opportunity to advance Virginia's rail objectives while delivering meaningful benefits to the communities it serves.

SMS Rail's approach emphasizes a balanced, multi-use model, including:

- The restoration of reliable freight rail service to support agricultural, industrial, and commercial shippers in the Shenandoah Valley
- The development of excursion train operations that highlight the region's history, natural beauty, and cultural assets
- The introduction of rail bike operations to expand recreational access, attract tourism, and promote public engagement with rail infrastructure

Together, these elements form a sustainable operating strategy designed to enhance corridor utilization, reduce highway congestion, and create long-term value for the Commonwealth of Virginia.

SMS Rail recognizes the critical role the Virginia Passenger Rail Authority plays in protecting and advancing the Commonwealth's rail network. We are committed to working collaboratively with VPRA, NSVTPC, local governments, and regional stakeholders to ensure that any future

operations are compatible with Virginia's broader transportation goals and preserve long-term corridor flexibility.

We believe this project represents a rare opportunity to reactivate dormant infrastructure while advancing economic development, tourism, and rail connectivity in the Shenandoah Valley. SMS Rail would welcome the opportunity to discuss our analysis and operating philosophy in greater detail and explore how this corridor can complement VPRA's strategic vision.

Thank you for your time and consideration. We look forward to continued dialogue and collaboration.

Kind regards,

Jim Pfeiffer, Chief Operating Officer
(856) 467-4800, ext. 303
jpfeiffer@smsrail.com

/JRP
Enclosure: Press Release

# Stone Consulting, Inc.

December 15, 2025

D. J. Stadtler, Executive Director VPRA
and Members of the Board
919 East Main Street, Suite 2400
Richmond VA 23219

Subject: Letter of Support

Gentlemen:

Stone Consulting has strongly supported the preservation and development of the Shenandoah corridor since we first examined it at the request of Norfolk Southern in 2000. Only a quirk in historic railroad management and resulting mergers prevented this rail line from becoming a far more significant corridor for economic development in the Commonwealth. As an independent shortline connecting to NS and CSX for competitive access, it has a future.

We have become champions nationally for encouraging public ownership of corridors for development of rail WITH trail, and consider this to be the most outstanding example of that dual potential. Our own research and development on this corridor has proven both the impacts from the trail, and develop equal or more economic impacts from allowing the rail corridor to be developed and managed by a viable shortline railroad entity that specializes in both freight and excursion operations.

We continue to support the rail with trail concept, and remain genuinely puzzled as to why VDOT has overcomplicated the project, unnecessarily ballooned the projected costs, and ignored their own study of 19 pages of existing and successful rail with trail operations in their own Phase II report index. We support any attempt to move this to an agency and nonprofit that can balance the needs of the trail interests along with promoting and stabilizing the agricultural, manufacturing and tourism potential of the entire 50-mile corridor. Combining VPRA and the Battlefields Foundation is a viable methodology to achieve both goals of rail and trail.

Our firm has spent 25 years working on this project, this time with a proven partner and concept, and it's time to move it forward.

Sincerely,

***Stone Consulting, Inc.***

Randall D. Gustafson
Vice President Operations

RDG/fsc

324 Pennsylvania Avenue West, P.O. Box 306, Warren PA 16365
(814) 726-9870 tel (814) 726-9855 fax stone@stoneconsulting.com

# THE VALLEY FERTILIZER & CHEMICAL CO., INC.

201 VALLEY ROAD
MT. JACKSON, VIRGINIA 22842
PHONE (540) 477-3121
FAX (540) 477-3123
(800) 571-3121


December 15, 2025

DJ Stadtler & Members of the Board
Executive Director
VPRA
919 East Main Street, Ste 2400
Richmond, VA 23219

Director Stadtler and Members of the Board:

Valley Fertilizer unequivocally supports the recent proposal at the Commonwealth Transportation Board to advance the Rails with Trails project by transferring funds to the VPRA.

Our Company is very interested in utilizing rail service directly adjacent to our headquarters in Mt. Jackson, Virginia. For years, we had relied on Norfolk Southern's rail service for more affordable freight rates than trucking to deliver our products to our customers until we were given 30 days' notice of the cessation of the freight service in March of 2014. We are eager to restart our fertilizer transload site in Shenandoah County. Rail service would save us over $200,000 in shipping costs annually; enough to pass those savings to our local farmers.

Our Company was a leading and founding partner in the Shenandoah Rail Corridor coalition in 2022, and we are excited to finally see movement on this project. We urge the VPRA, as well as the CTB, to act quickly to protect this vital infrastructure from the abandonment process by voting to adopt the Rails with Trails vision. We also reaffirm our support for the original Rails with Trails proposal and its cost estimates put forth by our coalition.

We support the Commonwealth's shift towards a public/private partnership with our brother organization, The Shenandoah Valley Battlefields Foundation. Our relationship with this foundation has always been rewarding, and they have a proven track record of success in handling large preservation projects on behalf of the Commonwealth.

Virginia has spent enough time studying this project, it's time to move forward. We greatly appreciate the consideration of the VPRA, and the CTB in this matter.

Sincerely,
VALLEY FERTILIZER & CHEMICAL CO.

William T. Holtzman
Vice President

VALLEY RAILROAD COMPANY, LLC

# Valley Railroad Company supports transferring rail-with-trail funding to VPRA, reaffirms support for rail service in Shenandoah County.

**DJ Stadtler, Executive Director VPRA**
**& Members of the Board**

**919 East Main Street, Ste 2400**
**Richmond, VA 23219**

In response to the December 9th Commonwealth Transportation Board workshop, Valley Railroad Company, LLC unequivocally supports the proposal to transfer the money for the Norfolk Southern B-Line extension from VDOT to the Virginia Passenger Rail Authority (VPRA). We believe that VPRA is better equipped to handle rail-centric projects and negotiations such as this. We have applied our combined 80 years of railroad track construction experience to reviewing Phase 3 of VDOT's Shenandoah Valley Rail-With-Trail assessment. **In no scenario would it cost $305 million to fix 49 miles of track in its present condition**. Rather, our company stands by the findings in our coalition's track report from Stone Consulting that the track, which was last used in 2020, can be fixed for approximately $18 million or less over the five-year period. In our professional opinion, this gross inflation of costs appears to be an attempt by a special interest group of trail supporters to delay or even sand bag this critical infrastructure project and waste even more taxpayer money. We underscore Transportation Secretary Miller's comments regarding VDOT not building this project; *"We're not going to build a trail, VDOT's not going to do that."* **We support the Commonwealth's shift towards a public-private partnership with our brother organization, the Shenandoah Valley Battlefields Foundation.**

Our team attended the rail-with-trail community input meeting following Phase 1 in our hometown of Woodstock, Virginia on April 15th and we were excited by the outpouring of support for the return of rail service. Our headquarters is just outside of town and our local small family-owned business is uniquely positioned in the center of the 49 miles to cover the track needs of the Shenandoah Rail Corridor and future and existing customers alike. **A project of this magnitude would grow our company by adding 30 local, good paying jobs to the 11 we've already created in our 15-year history in Woodstock.**

We also reaffirm our support of the original rail-with-trail proposal and it's cost estimates put forth by our Shenandoah Rail Corridor coalition and stand ready to assist the selected operator and future customers with our track services. **Virginia has spent enough time studying this project and its Transportation Board must act swiftly towards a purchase for a Shenandoah Valley Rail-With-Trail.**

**Sincerely,**

Derek Burgess
540-335-1043
dburgessvrc@gmail.com

*Your source of independent thought and analysis on rail policy...*

VRPI
VIRGINIA RAIL POLICY INSTITUTE

December 15, 2025

Hon. Tiffany Robinson, Chair, Virginia Passenger Rail Authority
D.J. Stadtler, Executive Director, Virginia Passenger Rail Authority
Members, Virginia Passenger Rail Authority

Dear Chairwoman Robinson, Executive Director Stadtler and VPRA Board Members:

The Virginia Rail Policy Institute (VRPI) is a 501(c)(3) non-profit organization whose officers, directors and fellows are comprised of transportation professionals from industry, academia and government. Our mission is to strengthen and improve public policy with respect to both freight and passenger rail in the Commonwealth of Virginia, by way of research, publications and meetings.

VRPI congratulates the Commonwealth Transportation Board (CTB) for its signaled support for preservation and reactivation of the 48-mile Shenandoah Valley rail corridor between Front Royal and Broadway (just north of Harrisonburg), Virginia. By transferring previously appropriated funds from the Virginia Department of Transportation to the Virginia Passenger Rail Authority (VPRA), which would then be provided to the Shenandoah Valley Battlefields Foundation (SVBF) to purchase the rail corridor and begin building a parallel recreational trail, the Commonwealth allows SVBF the opportunity to pursue the corridor's potential for reactivation as a valuable freight and excursion rail line in conjunction with creating a recreational trail beside it.

While this rail line has been inactive for several years, this likely has been, in VRPI's opinion, a decision of the current owner, Norfolk Southern Railway, to focus investment and attention on its parallel line through the Eastern Shenandoah Valley. Several experienced short line freight and excursion rail carriers have come forward expressing interest in improving and operating the inactive line, once acquired by SVBF. Agricultural and poultry interests in the Valley also have endorsed the proposal. If the line were to be simply torn up to build a trail, the Western Shenandoah Valley would, almost certainly, lose rail access for many years, if not forever, forcing all transport onto an already congested I-81. Many low-density and even abandoned rail lines around the country have been successfully reenergized by short line carriers, and this line is better positioned than most to be successful.

While a longer-term consideration, this corridor, connecting Northern Virginia to the burgeoning City of Harrisonburg and James Madison University, has significant potential as a passenger rail route. VPRA would retain authority to introduce AMTRAK or Virginia Railway Express into this corridor in the future, if merited.

Several Virginia rail corridors in the past have been converted to trail only, thus denying the benefits of rail transport to those localities. VRPI strongly endorses this more enlightened approach in the Shenandoah Valley, allowing the benefits of a recreational trail to be realized without loss of rail transport.

*Your source of independent thought and analysis on rail policy...*

VRPI
VIRGINIA RAIL POLICY INSTITUTE

We are attaching a file copy of our 2022 White Paper - *MULTIUSE RAIL TRAILS AND THE PROTECTION OF VIRGINIA RAIL LINES.*

With Kindest Regards,

Meredith Richards, VPRI President
mrichards@narprail.org
(434) 825-0558 (M)

Michael Testerman, VRPI Executive Director
testertrain@verizon.net
(804) 229-9921 (M)

# P R E S S  R E L E A S E

Media Contact:
Tom Cox
Virginia Museum of Transportation
(540) 947-5850

**For Immediate Release January 2, 2026**

## VMT SUPPORTS "RAILS-WITH-TRAILS" PROJECT

*January 2, 2026* -- The Virginia Museum of Transportation, Inc. is announcing its full support for the Shenandoah Rail Corridor's "Rails-WITH-Trails" project, which would preserve rail usage along the route known as the Norfolk Southern "B-line" running from Front Royal to Broadway, Virginia.

"Rails-With-Trails" has gained significant attention with the Virginia Department of Transportation. It aims to determine the best use for this nearly 50-mile long unused rail corridor in the Shenandoah Valley, spanning three counties and nine towns.

This particular railroad is too historically significant as a transportation asset to allow the trail project to move forward without preserving the rail infrastructure as well.

The uncertainty of this line has gone on too long. Every passing year sees economic loss and more rail deterioration. Rails WITH trails have been a significant success across the country. The Western Maryland Scenic Railroad is one such example. Rail bikes are overwhelmingly popular in every area they are utilized in. West Virginia's rail bikes are fast becoming one of the state's biggest tourist attractions. Trails can co-exist with rails successfully and are an economic driver of positive consequence.

Virginia needs to catch up with other states with successful historic rail excursions. They not only create jobs and drive millions of dollars in tourism revenue but also create a positive image for states and communities. Recent historic steam excursions pulled by our #611 steam locomotive in Rockbridge and Augusta counties have brought millions of dollars to the state through the 20,000 plus visitors who came to ride over only five weekends. Virginia the beautiful never looks better than from excursions, rail bikes, and trails.

As Virginia's Official Transportation Museum and as curators of Virginia's Official Steam Locomotive J-Class #611, the Virginia Museum of Transportation and its Board of Directors stand behind and support

the common sense efforts of the Shenandoah Corridor group as well as the Shenandoah Valley Battlefields Foundation as the lead managing partner of this important resource. We ask the State Secretary of Transportation Shep Miller, III and the Commonwealth Transportation Board to support this initiative when they vote on January 6.

# # # # #

P.O. Box 2277, Harrisonburg, VA 22801

# Virginia Poultry Federation Statement on Rails-with-Trails Proposal in Northern Shenandoah Valley

December 31, 2025

Virginia Poultry Federation (VPF) is a member of the Shenandoah Rail Corridor coalition that seeks to preserve the Norfolk Southern rail corridor in the Northern Shenandoah Valley for potential future use while advancing a recreational trail through the corridor. The proposal before the Commonwealth Transportation Board (CTB) offers an opportunity to advance the trail concept together with preservation of the railroad corridor for potential future rail service.

VPF is the statewide trade association representing the poultry industry in Virginia. According to a recent economic study[i], the poultry and egg industry in Virginia employs as many as 20,451 people across the Commonwealth on family farms and at processing plants, feed mills, hatcheries, and other operations and generates an additional 39,907 jobs in supplier and ancillary industries. The study shows the industry has a direct economic impact of $8.3 billion and overall contribute $17.8 billion in economic activity in the Commonwealth. Much of this economic activity is in the Shenandoah Valley.

Rail infrastructure is critical to the Valley's poultry industry, delivering corn and soybean meal from the Mid-West. The Norfolk Southern line running north from Broadway, VA once delivered feed ingredients for poultry operations, and while the line is not currently in service, the coalition envisions reestablishing rail service that could benefit agriculture, tourism, and potentially passengers. We believe it would be a mistake to abandon permanently rail infrastructure that could potentially benefit commerce, including the poultry and ag sector in the future.

VPF asks the CTB to approve the proposal before it during its meeting on January 6, 2026.

Attributable: Hobey Bauhan, President, (540) 478-8199, hobey@vapoultry.com

Virginia Poultry Federation, founded in 1925, is a nonprofit trade association that promotes the interests of Virginia's poultry and egg industry through public and government relations and educational programs.

####

[i] 2022 Poultry and Egg Economic Impact Study, Prepared for U.S. Poultry & Egg Association by John Dunham and Associates, Inc., Brooklyn, New York (https://www.poultryfeedsamerica.org/#:~:text




Railroad Investment Corporate Holdings, Inc.
55 John Allman Lane
Sylva, North Carolina 28779

December 15, 2025

DJ Stadtler
Executive Director
Virginia Passenger Rail Authority
919 East Main Street, Suite 2400
Richmond, Virginia 23219

Dear Mr. Stadtler,

Railroad Investment Corporate Holdings, Inc. (RICH) is pleased to support the Virginia Passenger Rail Authority's plan to partner with the Shenandoah Valley Battlefields Foundation to acquire the Norfolk Southern Railway "B" Line (former Manassas Gap Railroad) for a rail-with-trail attraction. We would also like to introduce ourselves as a prospective operator for this corridor.

RICH currently operates the Potomac Eagle Scenic Railroad located in Romney, West Virginia. Since acquiring the Potomac Eagle in 2018, ridership has tripled due to RICH's experience and strategic investments in marketing, customer experience, and special events. Our scenic excursion trains run from April through December and highlight the natural beauty of the area in which we operate. Additionally, our North Pole Express holiday events delight thousands of riders annually.

RICH owners Robert and Celeste Franzen also operate Steam Services of America, a longtime nationwide provider of historic railroad equipment repair, operation, and consulting services. Between the Potomac Eagle and SSOA, RICH employs 80 full and part-time employees.

In August of 2024, RICH submitted a comprehensive, 227-page business proposal to the Northern Shenandoah Valley Transportation Preservation Corporation to operate tourist rail, freight rail, and railbike adventures on the corridor. The RICH proposal team carries an extensive resume of railroading experience with a focus on building and developing tourist rail operations. We have spent considerable time in the region assessing the infrastructure and engaging with local leaders, potential customers, and the public.

We recognize the ongoing discussion on how best to make use of the line. While some argue that its current dormancy signals a lack of viability or that rail-with-trail would be too costly, many dormant

rail lines have been successfully revitalized by short lines and regional railroads. Although the recent Shenandoah Valley Rail-with-Trail Assessment by the Virginia Department of Transportation estimates a high cost for rebuilding, RICH believes that restoring the infrastructure for safe excursion trains, railbikes, and low-frequency freight is achievable at a much lower cost.

Our proposal embraces a parallel bicycle trail and highlights the synergistic benefits of combining robust rail operations with a trail. A coexisting railroad and bike trail can create a "1+1=3" scenario, offering joint events, educational collaborations with neighboring Civil War battlefields, and combined advocacy for grants and community support.

RICH strongly supports the efforts of the Northern Shenandoah Valley Transportation Preservation Corporation and the Shenandoah Valley Battlefields Foundation to advance a combined Rail and Trail solution for the NS "B" Line. We believe this alternative will provide the surrounding communities with the best of both worlds, creating a world-class attraction for visitors.

We are excited by the opportunity to partner with the Commonwealth of Virginia, the Northern Shenandoah Valley Transportation Preservation Corporation, the Shenandoah Valley Battlefields Foundation, and neighboring communities to rebuild the railroad and support a parallel bicycle trail. We look forward to collaborating on this exciting endeavor.

Sincerely,



Robert C. Franzen
President
Railroad Investment Corporate Holdings, Inc.
c: 828-226-5214
rfranzen@potomaceagle.com

**EXHIBIT 10.D – Letters of Support Filed in STB Docket AB 290 (Sub No. 425X)**

SMS Rail Service, Inc.
Post Office Box 711
Bridgeport, NJ 08014
Phone: (856) 467-4800
Fax: (856) 467-2121
www.smsrail.com

November 17, 2026

***Via Electronic Filing***

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

RE: Docket No. AB 290 (Sub-No. 425X) – Norfolk Southern Railway Company, B-Line Abandonment Exemption

Dear Chief of Case Administration:

SMS Rail Service, Inc. ("SMS"), a Class III common carrier railroad operating in New Jersey, Pennsylvania, and New York, respectfully submits this statement in support of the efforts of the Shenandoah Valley Battlefields Foundation ("SVBF") and Manassas Gap Railroad LLC ("MGR") to preserve approximately 48.5 miles of Norfolk Southern Railway Company's former B-Line between Front Royal and Broadway, Virginia (the "Line" or "B-Line"), through the Offer of Financial Assistance ("OFA") process relating to the matter docketed at AB 290 (Sub-No. 425X).

As an established freight railroad with experience in railroad operations, industrial switching, transloading, and transportation logistics, SMS recognizes the commercial potential of restoring freight rail service over the Line. SMS believes the Line's long-term viability should be evaluated not solely on Norfolk Southern's historical traffic, but in consideration of the demonstrated interest in preserving rail service, the broader transportation needs of the region and the commercial opportunities available under a different operating model.

**Commercial Viability and the Development of New Freight Traffic**

The absence of substantial historical rail traffic or existing customers with direct physical connections to the Line should not necessarily be interpreted as a lack of commercial demand for rail transportation.

Railroads are not limited to serving industries immediately adjacent to their tracks. Modern freight operations, particularly those conducted by independent short-line railroads, frequently incorporate transloading and other logistics services that extend the geographic reach of rail transportation well beyond the physical railroad corridor.

Transloading facilities enable businesses without direct rail access to utilize rail transportation through the transfer of commodities between railcars and trucks. Such facilities can aggregate freight volumes from multiple customers, creating opportunities for economically viable

rail service where individual industries may not generate sufficient traffic to justify their own sidings.

Accordingly, a meaningful assessment of the B-Line's commercial viability should recognize not only its existing customer base, but also the opportunities to develop new traffic through transloading, regional freight aggregation, and access to the national rail network.

**Agricultural and Industrial Opportunities in the Shenandoah Valley**

The B-Line traverses a region with a substantial agricultural economy, including livestock and poultry production, grain cultivation, feed manufacturing, and related processing and distribution activities.

These industries generate significant transportation requirements, not only for finished agricultural products but also for the inbound movement of grain, feed ingredients, fertilizer, agricultural supplies, packaging materials, and other commodities.

According to the United States Department of Agriculture's *2022 Census of Agriculture*[1], Rockingham County recorded approximately $1.2 billion in agricultural product sales, demonstrating the considerable scale of the region's agricultural industry. The scale of this agricultural production underscores the region’s continuing requirements for agricultural inputs, processing operations, and the receipt and distribution of commodities by rail.

Many of these commodities are particularly well suited to rail transportation, especially when shipped in sufficient quantities over longer distances.

The ability to aggregate agricultural and industrial traffic through strategically located transloading facilities could permit businesses throughout the Shenandoah Valley to benefit from rail transportation without requiring individual rail connections.

Although specific transportation opportunities would require further commercial development, the agricultural character of the region provides an identifiable and established economic foundation from which new freight rail business could be developed.

**The Virginia Inland Port and Regional Freight Development**

The B-Line's geographical location also places it in proximity to the Virginia Inland Port, an established intermodal facility served by Norfolk Southern and connected to the Port of Virginia's marine terminals in Hampton Roads.

---

[1] U.S. Dep't of Agric., Nat'l Agric. Statistics Serv., *2022 Census of Agriculture*, Vol. 1, Ch. 2, Table 1, County Summary Highlights: 2022, at 251 (2024), https://www.nass.usda.gov/sites/default/files/publications/agcensus/2022/Full_Report/Volume_1,_Chapter_2_County_Level/Virginia/st51_2_001_001.pdf.

The Virginia Inland Port demonstrates the role that railroad infrastructure can play in supporting regional commerce, attracting industrial investment, and facilitating international freight movements.

In its 2023 *Inland Port Study: Feasibility Analysis of Locating an Inland Port in the Commonwealth*[2], the Virginia Economic Development Partnership and Virginia Port Authority recognized that inland-port infrastructure can serve as a catalyst for economic growth by attracting businesses dependent upon intermodal transportation. The study further emphasized the importance of developing rail-served industrial sites and pursuing conventional, non-intermodal freight opportunities as complementary elements of regional economic development.

These principles are particularly relevant to the B-Line. The existence of an established international freight gateway in Front Royal, together with the agricultural and industrial activity throughout the Shenandoah Valley, presents opportunities to develop additional conventional carload transportation, transloading activities, and associated logistics services.

Restoration of freight rail service over the B-Line, coupled with the development of strategically located transloading facilities, would position the corridor to capture new freight business from the Shenandoah Valley's agricultural, manufacturing, and distribution sectors. Its proximity to the Virginia Inland Port further enhances opportunities to serve domestic and international commerce, extending the railroad's potential customer base well beyond industries with existing direct rail connections.

**Transportation Efficiency and the Interstate 81 Corridor**

The Line's general proximity to Interstate 81 presents another important consideration.

I-81 is a significant commercial freight corridor serving the Shenandoah Valley and the broader eastern United States. Much of the region's agricultural and industrial freight necessarily moves by truck, including shipments traveling considerable distances to and from regional production and distribution facilities.

Rail-served transloading facilities could provide an alternative for suitable freight movements, allowing the long-haul portion of a shipment to move by rail while preserving the flexibility of trucks for local pickup and delivery.

Where commercially and operationally practical, such arrangements could reduce long-distance truck movements along I-81, improve freight transportation efficiency, and reduce associated highway congestion, infrastructure wear, and emissions.

---

[2] Virginia Economic Development Partnership Authority & Virginia Port Authority*, Inland Port Study: Feasibility Analysis of Locating an Inland Port in the Commonwealth*, H.D. 2, at 2–3 (2023), https://rga.lis.virginia.gov/Published/2023/HD2/PDF.

The potential transportation benefits extend beyond individual shippers and warrant consideration in assessing the broader economic value of preserving the corridor for continued railroad use.

**Preservation of Rail Infrastructure and Future Commercial Opportunities**

SMS recognizes that the successful restoration of freight rail service would require infrastructure rehabilitation, commercially sustainable operating arrangements, and the active development of new freight business.

Nevertheless, Norfolk Southern's stated intention to leave existing rail, ties, and other track materials in place presents an opportunity to preserve a transportation corridor whose replacement or reconstruction could involve substantially greater cost and difficulty.

Once railroad infrastructure and associated property rights are lost, future opportunities for freight transportation and industrial development may be permanently constrained.

The preservation of the B-Line would retain the opportunity to serve existing and future businesses through direct rail service, transloading, and other freight transportation arrangements as the region's commercial needs develop.

**SMS's Willingness to Provide Service**

The SVBF has conducted a competitive evaluation of prospective common-carrier operators in anticipation of acquiring the Line. SMS has participated in that process and submitted a proposal to provide freight rail transportation and associated transloading services. Based upon its experience and assessment of the corridor's commercial potential, SMS believes that renewed freight operations are both feasible and capable of supporting the development of new business opportunities throughout the region.

Although a formal operating agreement has not yet been executed, SMS is prepared to assume common-carrier responsibilities for the Line, subject to mutually acceptable terms and any necessary regulatory authorization. SMS's participation in the selection process and its willingness to undertake these responsibilities reflect its confidence in the potential for commercially sustainable freight rail service following acquisition through the OFA process.

**Conclusion**

Under 49 CFR § 1152.27(c)(1)(iv)(E), the Board's consideration of continued need for rail service includes evidence of commercial demand and operational feasibility.

SMS submits that the B-Line's geographic location, the Shenandoah Valley's established agricultural and industrial economy, its proximity to the Virginia Inland Port, and the potential development of railroad-operated transloading facilities provide a meaningful foundation for renewed freight rail operations.

The Line's commercial potential should not be measured exclusively by historical carload volumes or existing industries with direct rail access. Rather, consideration should be given to the opportunities for developing new freight business through an alternative operating model that serves the broader transportation needs of the region.

As an established common carrier that has evaluated the corridor and submitted a proposal to provide freight rail service, SMS recognizes the potential viability of renewed operations and is prepared to participate in their development, subject to mutually acceptable terms and necessary regulatory authorization.

SMS respectfully supports the preservation of the B-Line through the OFA process and believes that its restoration to service represents a credible opportunity to serve the Shenandoah Valley's existing and future transportation needs.

Respectfully submitted,

/s/ James R. Pfeiffer

James R. Pfeiffer
Chief Operating Officer
SMS Rail Service, Inc.
Phone: (856) 467-4800, ext. 303
Email: jpfeiffer@smsrail.com

c.c.: All Parties of Record

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused the foregoing Letter of Support to be served on all Parties of Record via electronic mail, as follows:

Casey Armstrong
Rockingham County
carmstrong@rockinghamcountyva.gov

Stephen C. Birch
Virginia DOT
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Derek Burgess
Valley Railroad Company
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Austin C. Garber II
Town of Timberville
townmanager@townoftimberville.com

Mayor Brandy Hawkins Boies
Town of Strasburg
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Brandon Reeves
Virginia Cattlemen's Association
breeves@vacattlemen.org

John M. Scheib
SVBF/Manassas Gap Railroad LLC
scheib@gentrylocke.com

Rodney Shepherd
Town of Mount Jackson
shepherd@shentel.net

Dated: November 17, 2026

/s/ James R. Pfeiffer
James R. Pfeiffer, Chief Operating Officer
SMS Rail Service, Inc.

AD Engineering

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

Date: November 4, 2026

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:

We write to advise the Board of our recent request to NS for rail service on the line that is the subject of this proceeding, which we attach. In reference to Docket No. AB-290 (Sub-No. 425X), we understand there is a dispute at the Board about the future of the rail line. We need rail to our location and have therefore requested service. Accordingly, we hope the Board will use its processes to evaluate the need for rail service and restore rail service to the Shenandoah Valley.

Respectfully,



Ashley Driver
President
AD Engineering

CC: Parties of Record

October 30, 2026

AD Engineering
1133 Wissler Rd
Quicksburg VA 22847

Connect
Sales@ad.engineering
Call: 540 572-7715

AD Engineering

Norfolk Southern Corporation
650 W. Peachtree Street NW
Atlanta, GA 30308

Re: AD Engineering LLC - Request for Rail Service

Dear Norfolk Southern Corporation:

AD Engineering submits this correspondence to express its interest in freight rail service from Norfolk Southern to and from its facility at approximately MP B 87.5 on NS's line in Shenandoah County, Virginia.

AD Engineering is a growing manufacturing company specializing in the fabrication of HVAC components primarily from metal tubing. Direct rail service along this corridor would materially enhance our ability to efficiently move product in support of its customer base. We recently acquired a 60,000+ square-foot facility adjacent to Norfolk Southern's B Line that has its own siding and rail-ready dock which was previously served by your trains.

AD Engineering seeks to ship approximately 3,000 tons of tubing annually, with an estimated volume of 8 boxcars per month. AD Engineering is ready for freight service at its facility located at 377 Industrial Park Rd, Mt Jackson, VA 22842. We look forward to your prompt response with rates and terms of service to move freight to and from AD Engineering. We look forward to working with you. I can be reached by phone on my cell at 540 383-3104 or by email at ashley.driver@ad.engineering.

Respectfully,



Ashley Driver
President
AD Engineering

Copy Furnished:
Kathleen Smith, VP, Industrial Products and Coal Marketing, Norfolk Southern Corporation,
Kathleen.smith@nscorp.com

# YORK COUNTY BOARD OF COMMISSIONERS

YORK COUNTY ADMINISTRATIVE CENTER
28 East Market Street
York, Pennsylvania 17401-1588

SBurford@Yorkcountypa.gov
Phone: 717-771-9303
Fax: 717-771-9804

J. Scott Burford
Vice President Commissioner

November 9th, 2026

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

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

To the Chief of Case Administration,

I am writing to you in support of restoring freight rail to Norfolk Southern's B-line in the Shenandoah Valley. The County of York is the 8th largest County in the Commonwealth of Pennsylvania with a population base of approximately 470,000 residents. York has a rich history with its railroad community, which has naturally evolved over the decades from freight/transportation to freight, transportation and tourism. You may ask why a York County Commissioner is interested in a Virginia issue. I became aware of the opportunity to support the Shenandoah Valley Battlefields Foundation and the Manassas Gap Railroad in their efforts to restore freight rail service to the line, in large part because of the successes that York County has seen over the decades when what may appear to be competing interests, work together collaboratively. **I urge the Board to remain focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance.**

During my tenure as county commissioner, I have had the pleasure of working in partnership with Northern Central Railway, to establish a cohesive collaboration that broadens our local tourism industry and quality of life opportunities for our residents of York County. Our partnership has strengthened over the years and produced an award-winning example of "Rails-WITH-Trails"; illustrating the point that multi-model systems can work collaboratively, and work safely together. We operate one of the longest "Rails-WITH-Trails" in the country and

regularly host cycling events, marathons, and other activities alongside the active railroad with no problem whatsoever. This happens to be one of my most treasured partnerships as an elected official, outdoor enthusiast and avid cyclist. Without the railroad excursions, the trail would provide minimal economic benefit to the local economy when compared with its synergy of the railroad. In conjunction with our York County Economic Alliance, which serves as the County's Economic Development Agency and Chamber of Commerce, York County has branded a *Trail Towns* initiative, promoting small businesses and outdoor recreation along the rail trail. This initiative has created and sustained 36 businesses along the Heritage Rail Trail. Additionally, the initiative has resulted in a 37.7% increase in annual patronage to small businesses along our Rail Trail, equating to a $250M dollar direct and indirect economic impact to our outdoor business ecosystem.

Therefore, I am compelled to write in full support of the Shenandoah Valley Battlefields Foundation's efforts to establish a similar, collaborative, interdepartmental partnership to develop Rails-WITH-Trails in Virginia and reinvigorate transportation of freight and goods along the I-81 corridor. My office is happy to advise or assist the Foundation, the Commonwealth of Virginia and other stakeholders in modeling this collaboration. **We strongly urge the Surface Transportation Board to put the abandonment notice and the request for trail use in abeyance, and to support the revival of the requested freight rail service.**

Sincerely,



Scott Burford
Chair, YAMPO Coordinating Committee
Vice President, York County Commissioners

SMS Rail Service, Inc.
Post Office Box 711
Bridgeport, NJ 08014
Phone: (856) 467-4800
Fax: (856) 467-2121
www.smsrail.com

November 9, 2026

***Via Electronic Filing***

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

RE: Docket No. AB 290 (Sub-No. 425X) – Norfolk Southern Railway Company, B-Line Abandonment Exemption

Dear Chief of Case Administration:

SMS Rail Service, Inc. ("SMS"), a Class III common carrier railroad operating in New Jersey, Pennsylvania, and New York, respectfully submits this statement in support of the efforts of the Shenandoah Valley Battlefields Foundation and Manassas Gap Railroad LLC to preserve approximately 48.5 miles of Norfolk Southern Railway Company's former B-Line between Front Royal and Broadway, Virginia (the "Line" or "B-Line"), through the Offer of Financial Assistance ("OFA") process.

As an established freight railroad with experience in railroad operations, industrial switching, transloading, and transportation logistics, SMS recognizes the commercial potential of restoring freight rail service over the Line. We believe its long-term viability should be evaluated not simply upon the traffic historically handled by Norfolk Southern or the many shippers, associations, and corporations that have voiced their support for preservation and utilization of the Line, but also upon the broader transportation needs and economic characteristics of the region it serves.

**Commercial Viability and the Development of New Freight Traffic**

The absence of substantial historical rail traffic or existing customers with direct physical connections to the Line should not necessarily be interpreted as a lack of commercial demand for rail transportation.

Railroads are not limited to serving industries immediately adjacent to their tracks. Modern freight operations, particularly those conducted by independent short-line railroads, frequently incorporate transloading and other logistics services that extend the geographic reach of rail transportation well beyond the physical railroad corridor.

Transloading facilities enable businesses without direct rail access to utilize rail transportation through the transfer of commodities between railcars and trucks. Such facilities can aggregate freight volumes from multiple customers, creating opportunities for economically viable rail service where individual industries may not generate sufficient traffic to justify their own sidings.

Accordingly, a meaningful assessment of the B-Line's commercial viability should recognize not only its existing customer base, but also the opportunities to develop new traffic through transloading, regional freight aggregation, and access to the national rail network.

**Agricultural and Industrial Opportunities in the Shenandoah Valley**

The B-Line traverses a region with a substantial agricultural economy, including livestock and poultry production, grain cultivation, feed manufacturing, and related processing and distribution activities.

These industries generate significant transportation requirements, not only for finished agricultural products but also for the inbound movement of grain, feed ingredients, fertilizer, agricultural supplies, packaging materials, and other commodities.

According to the United States Department of Agriculture's *2022 Census of Agriculture*[1], Rockingham County recorded approximately $1.2 billion in agricultural product sales, demonstrating the considerable scale of the region's agricultural industry. Recent investments in regional poultry and feed production further illustrate the continuing importance of agricultural processing and its associated transportation requirements.

Many of these commodities are particularly well suited to rail transportation, especially when shipped in sufficient quantities over longer distances.

The ability to aggregate agricultural and industrial traffic through strategically located transloading facilities could permit businesses throughout the Shenandoah Valley to benefit from rail transportation without requiring individual rail connections.

Although specific transportation opportunities would require further commercial development, the agricultural character of the region provides an identifiable and established economic foundation from which new freight rail business could be developed.

**The Virginia Inland Port and Regional Freight Development**

The B-Line's geographical location also places it in proximity to the Virginia Inland Port, an established intermodal facility served by Norfolk Southern and connected to the Port of Virginia's marine terminals in Hampton Roads.

---

[1] U.S. Dep't of Agric., Nat'l Agric. Statistics Serv., *2022 Census of Agriculture*, Vol. 1, Ch. 2, Table 1, County Summary Highlights: 2022, at 251 (2024), https://www.nass.usda.gov/sites/default/files/publications/agcensus/2022/Full_Report/Volume_1,_Chapter_2_County_Level/Virginia/st51_2_001_001.pdf.

The Virginia Inland Port demonstrates the role that railroad infrastructure can play in supporting regional commerce, attracting industrial investment, and facilitating international freight movements.

In its 2023 *Inland Port Study: Feasibility Analysis of Locating an Inland Port in the Commonwealth*[2], the Virginia Economic Development Partnership and Virginia Port Authority recognized that inland-port infrastructure can serve as a catalyst for economic growth by attracting businesses dependent upon intermodal transportation. The study further emphasized the importance of developing rail-served industrial sites and pursuing conventional, non-intermodal freight opportunities as complementary elements of regional economic development.

These principles are particularly relevant to the B-Line. The existence of an established international freight gateway in Front Royal, together with the agricultural and industrial activity throughout the Shenandoah Valley, presents opportunities to develop additional conventional carload transportation, transloading activities, and associated logistics services.

Restoration of freight rail service over the B-Line, coupled with the development of strategically located transloading facilities, would position the corridor to capture new freight business from the Shenandoah Valley's agricultural, manufacturing, and distribution sectors. Its proximity to the Virginia Inland Port further enhances opportunities to serve domestic and international commerce, extending the railroad's potential customer base well beyond industries with existing direct rail connections.

**Transportation Efficiency and the Interstate 81 Corridor**

The Line's general proximity to Interstate 81 presents another important consideration.

I-81 is a significant commercial freight corridor serving the Shenandoah Valley and the broader eastern United States. Much of the region's agricultural and industrial freight necessarily moves by truck, including shipments traveling considerable distances to and from regional production and distribution facilities.

Rail-served transloading facilities could provide an alternative for suitable freight movements, allowing the long-haul portion of a shipment to move by rail while preserving the flexibility of trucks for local pickup and delivery.

Where commercially and operationally practical, such arrangements could reduce long-distance truck movements along I-81, improve freight transportation efficiency, and reduce associated highway congestion, infrastructure wear, and emissions.

The potential transportation benefits extend beyond individual shippers and warrant consideration in assessing the broader economic value of preserving the corridor for continued railroad use.

---

[2] Virginia Economic Development Partnership Authority & Virginia Port Authority*, Inland Port Study: Feasibility Analysis of Locating an Inland Port in the Commonwealth*, H.D. 2, at 2–3 (2023), https://rga.lis.virginia.gov/Published/2023/HD2/PDF.

**Preservation of Rail Infrastructure and Future Commercial Opportunities**

SMS recognizes that the successful restoration of freight rail service would require infrastructure rehabilitation, commercially sustainable operating arrangements, and the active development of new freight business.

Nevertheless, Norfolk Southern's stated intention to leave existing rail, ties, and other track materials in place presents an opportunity to preserve a transportation corridor whose replacement or reconstruction could involve substantially greater cost and difficulty.

Once railroad infrastructure and associated property rights are lost, future opportunities for freight transportation and industrial development may be permanently constrained.

The preservation of the B-Line would retain the opportunity to serve existing and future businesses through direct rail service, transloading, and other freight transportation arrangements as the region's commercial needs develop.

**Conclusion**

Under 49 CFR § 1152.27(c)(1)(iv)(E), the Board's consideration of continued need for rail service includes evidence of commercial demand and operational feasibility.

SMS submits that the B-Line's geographic location, the Shenandoah Valley's established agricultural and industrial economy, its proximity to the Virginia Inland Port, and the opportunities for railroad-operated transloading are relevant considerations in evaluating the potential for renewed freight rail service.

Historical carload volumes alone do not necessarily reflect the commercial potential of a railroad operated under a different business model, particularly where new traffic may be developed from industries without existing direct rail access.

SMS supports the preservation of the B-Line through the OFA process and believes that its restoration to freight service warrants serious consideration based upon the broader transportation and economic opportunities available throughout the region.

Respectfully submitted,

/s/

James R. Pfeiffer
Chief Operating Officer
SMS Rail Service, Inc.
Phone: (856) 467-4800, ext. 303
Email: jpfeiffer@smsrail.com

c.c.: All Parties of Record

**CERTIFICATE OF SERVICE**

I hereby certify that I have caused the foregoing Letter of Support to be served on all Parties of Record via electronic mail, as follows:

Casey Armstrong
Rockingham County
carmstrong@rockinghamcountyva.gov

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Mayor Brandy Hawkins Boies
Town of Strasburg
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Nathan Pence
Wholesome Companies
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Brandon Reeves
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breeves@vacattlemen.org

John M. Scheib
SVBF/Manassas Gap Railroad LLC
scheib@gentrylocke.com

Rodney Shepherd
Town of Mount Jackson
shepherd@shentel.net

Dated: November 9, 2026

/s/
James R. Pfeiffer, Chief Operating Officer
SMS Rail Service, Inc.

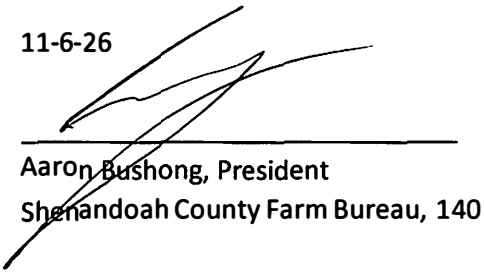
Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

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:

In regard to Docket No. AB-290 425X, we write in support of restoring freight rail to Norfolk Southern's line in the Shenandoah Valley. With over 1,600 members, Shenandoah County Farm Bureau is the largest agricultural advocacy organization in the county. Shenandoah County Farm Bureau is a non-governmental, nonpartisan, voluntary organization committed to supporting agriculture and preserving the rural way of life. We reaffirm our attached position which states "Shenandoah County Farm Bureau recognizes the positive impact that future rail could have on farmers and the agricultural industry in the county. The group supports fueling commerce in the region with a revitalized short line railroad." We encourage the Board to remain focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance. This letter is served on all parties of record.

11-6-26



Aaron Bushong, President
Shenandoah County Farm Bureau, 140 East Reservoir Road Woodstock, VA 22664

# Senator Frank W Nolen, PE

# 680 Patterson Mill Rd

# Grottoes, Virginia 24441

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fnolen@newhopetel.net
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Senate of Virginia
24th District
1975-1995


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

November 6, 2026

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:

About thirty years ago the Norfolk Southern Railroad filed to abandon a portion of the Chesapeake and Western Railroad from Harrisonburg south to Staunton, Virginia.

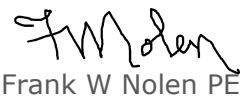
There were few customers because of poor tracks and service. However, several businesses and individuals realized the importance of this railway in Augusta and Rockingham counties. Therefore, a group called Greater Shenandoah Valley Development Co (GSDC) was formed to purchase the tracks and right of way.

When the offer to purchase was made to NS, they filed with the ICC to withdraw the abandonment which the ICC denied. However, NS was able to withdraw the trackage from Harrisonburg to Pleasant Valley. The GSDC then pursued buying the remaining trackage of about 19 miles. After a lot of wrangling and negotiating, GSDC was able to purchase the short line and start operating as Shenandoah Valley Railroad.

Today SVRR carries about 2000 carloads of freight per year. In conjunction with the Virginia Department of Rail and Public Transportation, the ownership has invested funds in upgrading the rail bridges and roadbed. SVRR hauls freight most every business day. In the last decade, the carloads have increased 2-fold.

I believe the Norfolk Southern B-Line from Broadway to Riverton Junction can achieve the same success. I support the Shenandoah Valley Battlefields Foundation and the Manassas Gap Railroad project to revive rail service in the Shenandoah Valley. I urge the board to stay focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance.

Sincerely,



Frank W Nolen PE

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

November 6, 2026

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

To the Chief of Case Administration:

I served as Special Assistant to U.S. Transportation Secretary John A. Volpe in the first Nixon administration when America's rail passenger service was overhauled and consolidated, resulting in the curtailment of many lines. When Congress and the administration created Amtrak (originally called Railpax), it was stipulated that the right of way for any passenger rail line temporarily deactivated was to be preserved as a "transportation corridor" for possible future movement of people and goods. The concept of multi-modalism was a by-word of Secretary Volpe, the Nixon administration and Congress. Preserving the Norfolk Southern B line in the Shenandoah Valley would serve that purpose by both facilitating the transfer of freight from the highways to available and more appropriate rail lines and enhancing the prospect of the return of rail passenger service along the I-81 corridor.

The volume of heavy truck traffic along Interstate 81 illustrates both the problem in Virginia and much of the nation, as well as the likely solution. Trucks, which have grown far larger and more dangerous to surrounding automobile traffic in recent decades, now dominate many of America's highways even though, as is true with I-81, there is a viable rail alternative available. Transferring much of the freight now carried on the interstate highway to the still-extant rail line would save thousands of gallons of fuel; reduce costs to shippers, industry and agriculture; minimize environmental pollution; and avoid the highway safety dangers associated with the high volume of big truck traffic.

The revival of rail freight service and the inauguration of rail tourism will preserve this irreplaceable transportation asset in the Shenandoah Valley and enable a Virginia renaissance of commuter and rail passenger service as a national model.

I support the Shenandoah Valley Battlefields Foundation and the Manassas Gap Railroad project to revive rail service in the Shenandoah Valley. With reference to Docket No. AB 290, I urge the

board to stay focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for exclusive trail use in abeyance.

I have served this letter on all parties of record

Sincerely,

Joseph A. Bosco

Joseph A. Bosco
3121 Newark Street NW
Washington DC, 20008

1214 Back Road
Edinburg, VA 22824

VALLEY RAILROAD COMPANY, LLC

November 6th, 2026

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

CC: Parties of Record

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

To the Chief of Case Administration,

Regarding docket No. AB-290 425X, we write in support of restoring freight rail to Norfolk Southern's B-line in the Shenandoah Valley. We have been working on this project with the Shenandoah Valley Battlefields Foundation and the Manassas Gap Railroad and their freight partners for some time. We encourage the Board to remain focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance.

Valley Railroad Company LLC was established in April 2010 and we have operated out of Shenandoah County since our inception, in which over 71% of this railroad is located. We specialize in the maintenance, repair, replacement, and construction of railroad tracks and related parts. We operate a collection of specialized rail-mounted machinery such as a tamper, crosstie exchanger and ballast regulator to construct safe and smooth railroad tracks for freight customers across the Commonwealth. As an industry professional, I can confirm the intrinsic freight value and viability of freight service on this line. We have been hopeful that rail service would resume on this line and I understand that a freight operator has been selected by the coalition out of at least five viable proposals. The railroad supports our farming neighbors and suppliers by reducing the transportation costs of feeds, fuels, and fertilizers.

We look forward to restoring old freight rail connections and constructing new ones as the railroad returns to service. We strongly urge the Surface Transportation Board to put the abandonment notice and the request for trail use in abeyance, and to support the revival of the requested freight rail service. We have served this letter on all Parties of Record.

Best,



Derek Burgess, Owner, Valley Railroad Company, LLC

PO Box 9
Daleville, VA 24083-0009
Office: 540-992-1009
Fax: 540-992-4632
Email: breeves@vacattlemen.org
Website: www.vacattlemen.org

*Affiliated with The National Cattlemen's Beef Association*

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

November 6, 2026

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:

We write in support of restoring freight rail to Norfolk Southern's line in the Shenandoah Valley. We have been working with the Shenandoah Valley Battlefields Foundation and the Manassas Gap Railroad on this project for some time. Citing Docket No. AB-290-425X, we encourage the Board to remain focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance.

In Virginia, the production of beef cattle is the Commonwealth's second leading agricultural enterprise in terms of farm gate receipts and support of cattle is the state's largest use of private land in agricultural production. Virginia Cattlemen's Association works to help promote and protect the interests of cattle producers across the Commonwealth.

The viability of our state's cattle industry depends on having diverse infrastructure and opportunities. We depend on having access to commodities that are not always available or grown in Virginia. We also depend on having the ability to ship our products to other markets in interstate commerce. This rail once helped provide those opportunities and has the potential to develop back into a vital transportation source.

The Virginia Cattlemen's Association supports efforts to maintain and build infrastructure to help sustain and grow our industry. The Norfolk Southern B-Line Shenandoah Valley should remain a viable option to be utilized in the future by Virginia's cattle and agriculture industries.

Sincerely,

Brandon Reeves
VCA Executive Director

CC: Parties of Record

P.O. Box 2277, Harrisonburg, VA 22801

November 10, 2026

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

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:

Virginia Poultry Federation (VPF) writes in support of restoring freight rail to Norfolk Southern's line in the Shenandoah Valley. We have been working with the Shenandoah Valley Battlefields Foundation and the Manassas Gap Railroad on this project for some time. Citing Docket No. AB-290-425X, we encourage the Board to remain focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance.

VPF is the statewide trade association representing the poultry industry in Virginia. According to a recent economic study[1][i], the poultry and egg industry in Virginia employs as many as 20,451 people across the Commonwealth on family farms and at processing plants, feed mills, hatcheries, and other operations and generates an additional 39,907 jobs in supplier and ancillary industries. The study shows the industry has a direct economic impact of $8.3 billion and overall contribute $17.8 billion in economic activity in the Commonwealth. Much of this economic activity is in the Shenandoah Valley.

Rail infrastructure is critical to the Valley's poultry industry, delivering corn and soybean meal from the Mid-West. The Norfolk Southern line running north from Broadway, Virginia once delivered feed ingredients for poultry operations, and while the line is not currently in service, the Shenandoah Rail Corridor coalition, of which VPF is a member, envisions reestablishing rail service that could benefit agriculture, tourism, and potentially passengers. We believe it would be a

[1][i] 2024 Poultry and Egg Economic Impact Study, Prepared for U.S. Poultry & Egg Association by John Dunham and Associates, Inc., Brooklyn, New York (https://www.poultryfeedsamerica.org/#:~:text

mistake to abandon permanently rail infrastructure that could potentially benefit commerce, including the poultry and ag sector in the future.

Thank you for your consideration.

Sincerely,



Hobey Bauhan
President

CC: Parties of Record

WHOLESOME
COMPANIES
FOODS · ENERGY · TRANSPORTATION · LOGISTICS
Est. 1964

986 South Ox Road – Edinburg, VA 22824

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

November 6, 2026

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:
Our company fully supports the restoration of freight rail to the out of service Norfolk Southern line in the Shenandoah Valley. The Shenandoah Valley Battlefields Foundation and Manassas Gap Railroads project is fully supported by us. With respect to Docket No. AB-290 425X, we urge the board to stay focused on its mission of freight rail service and allow a full airing of the freight rail option by putting the abandonment notice and the request for trail use in abeyance.

Wholesome Energy is an affiliate of Wholesome Foods, a family-owned business in Shenandoah County that has been in operation since 1964. Since 2008, Wholesome Energy has been in the business of processing waste fats and vegetable oils into products used in biofuel production as well as feed products for the poultry, swine, and pet food industries.

Our company's growth is limited by the availability of the raw products we need. Currently we ship raw material by truck from as far as 500 miles. Our research has shown that our transportation costs would be significantly reduced if we could ship via rail locally and we have already identified a transload location. We currently process 2 million pounds of product per week, with rail access, we will expand production which will help the local economy and remove trucks from crowded interstates. We have served this letter on all Parties of Record.

Sincerely,

Nathan E. Pence
Vice President, Wholesome Companies

## Exhibit 11 – Corporate Charts

49 C.F.R. 1180.4(f)(4) provides that "[a] waiver or clarification granted to any applicant in a proceeding shall apply to any other party to the proceeding unless otherwise indicated." Pursuant to Decision No. 46 in this proceeding the Board found that this information is not necessary and did not indicate that its application was otherwise inapplicable to other parties.

## Exhibit 12 – Impact Analysis

This transaction is not a significant transaction.

## Exhibit 13 – Operating Plan

This is not a significant transaction. Nevertheless, Applicants provide this information to show the serious nature of its intent to operate freight service to the benefit of customers.

The Manassas Gap Railroad and its contracted operator will operate according to a simple philosophy: provide safe, reliable, and responsive freight service while moving trains at the maximum authorized track speed and serving customers whenever their business needs require rail service. The railroad's primary mission is to minimize delay, reduce car cycle times, and maintain fluid operations that enable customers to ship and receive freight on demand rather than according to a rigid operating schedule. This flexible approach will enable the railroad to serve customers when they have freight to ship by rail, including seasonal agricultural shipments.

Our annual operating goals are expected to include:

| Objective | Target |
|---|---|
| Customer service | 95%+ |
| Average car dwell | < 24 hours |
| Interchange dwell | < 24 hours |
| Locomotive availability | 90%+ |
| Train speed | Maximum authorized track speed |
| FRA reportable accidents | 0 |
| Revenue growth | 5-10% |

The railroad will operate a demand-based service model under which train operations are triggered by customer requirements and interchange traffic rather than fixed operating days until demand warrants a more particularized schedule. Customers may request car placements, pulls, or switching service at any time, with same-day service provided whenever operationally feasible. Operations personnel will maintain regular communication with shippers and receivers to anticipate traffic requirements and proactively position resources to meet customer needs. Every effort will be made to move customer traffic on the day it is released and to avoid unnecessary dwell of either loaded or empty railcars.

Train operations will be scheduled to maximize velocity and asset utilization. Locomotive crews will be dispatched when sufficient traffic warrants movement, and trains will operate at the maximum authorized track speed consistent with safety requirements, track conditions, and regulatory restrictions. Local switching assignments will be structured to minimize handling and backtracking while ensuring prompt service to all customers. Interchange traffic will receive priority handling so that cars can make the earliest available connection with Class I railroads and avoid unnecessary delays within the national rail network.

Customer service will be a core operational function rather than a separate administrative activity. Each shipper will be assigned a railroad contact responsible for coordinating service requests, resolving service issues, and communicating shipment status. The railroad will provide customers with timely updates regarding railcar location, expected placement times, interchange activity, and any service disruptions.

The railroad will maintain a workforce capable of supporting flexible and responsive operations. Train crews, locomotive engineers, conductors, and switching personnel will be cross-trained to perform multiple functions where permissible under applicable labor agreements and regulations. Staffing levels will be maintained to ensure that service commitments can be met during periods of peak traffic demand, employee absences, or extraordinary operating conditions. Management personnel will continuously monitor traffic flows and customer requirements to adjust crew assignments and operating plans as conditions change.

A reliable infrastructure program is essential to supporting track-speed operations. The Applicant will work to improve the rail line to FRA excepted track status. That may take time given Norfolk Southern's lack of work on the line and Applicant intends to reinstitute rail serve by segment as funding is available and potential freight traffic emerges.

Locomotive and equipment management will emphasize availability, reliability, and operational readiness. The railroad will maintain sufficient locomotive capacity to support expected traffic levels.

The railroad will measure performance using a series of key operating metrics that focus on customer outcomes and operational efficiency. These metrics will include average railcar dwell and average interchange time, locomotive availability, and safety performance. Operating management will review these measures regularly and implement corrective actions whenever performance falls below established service standards. Continuous improvement initiatives will focus on reducing customer delays, eliminating unnecessary handling, and increasing the overall competitiveness of rail transportation.

Growth will be pursued through superior customer service, operational reliability, and strategic partnerships with current and prospective shippers. The railroad will work closely with economic development organizations, industrial site developers, and existing customers to identify opportunities for new rail-served business. By providing dependable track-speed operations and responsive on-demand service, the railroad will position itself as a critical transportation partner that helps customers reduce logistics costs, improve supply chain reliability, and expand their businesses. The ultimate objective is to create a railroad that is recognized for safety, flexibility, operational excellence, and exceptional customer service while generating sustainable financial returns.

# Appendix A – Opinion of Counsel

**OPINION OF COUNSEL**
**FOR APPLICANTS**
**[SECTION 1180.6(a)(4)]**

SHENANDOAH VALLEY BATTLEFIELDS FOUNDATION

As counsel for The Shenandoah Valley Battlefields Foundation, a non-stock corporation incorporated in the Commonwealth of Virginia (the "SVBF"), we are generally familiar with the proposed transaction and have reviewed the foregoing Responsive Application. It is our opinion that the transaction meets the requirements of law, is within the statutory and bylaw authority of the SVBF (acting by and through Manassas Gap Railroad, LLC), and will be legally authorized and valid, if approved by the Surface Transportation Board and the other requirements set forth in the agreements governing the transaction are satisfied or waived. Capitalized terms used and not otherwise defined in this opinion shall have the meanings specified in the foregoing Responsive Application.

Jordan K. Bowman, Esquire
Attorney for Shenandoah Valley Battlefields Foundation

Executed 12th day of November, 2026.

**OPINION OF COUNSEL**
**FOR APPLICANTS**
**[SECTION 1180.6(a)(4)]**

Manassas Gap Railroad, LLC

As counsel for Manassas Gap Railroad, LLC, a limited liability corporation in the Commonwealth of Virginia (the "MGR"), we are generally familiar with the proposed transaction and have reviewed the foregoing Responsive Application. It is our opinion that the transaction meets the requirements of law, is within the statutory and bylaws authority of the MGR, and will be legally authorized and valid, if approved by the Surface Transportation Board and the other requirements set forth in the agreements governing the transaction are satisfied or waived. Capitalized terms used and not otherwise defined in this opinion shall have the meanings specified in the foregoing Responsive Application.

Jordan K. Bowman, Esquire
Attorney for Manassas Gap Railroad, LLC

Executed 12th day of November, 2026.

# APPENDIX B – Verified Statement of Keven Walker

**BEFORE THE**
**SURFACE TRANSPORTATION BOARD**

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**STB FINANCE DOCKET NO. 36873**

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

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# VERIFIED STATEMENT OF KEVEN WALKER

1. My name is Keven Walker. I am the Chief Executive Officer of the Shenandoah Valley Battlefields Foundation ("SVBF").

2. The SVBF is a Virginia non-stock company and non-profit organization that manages the Shenandoah Valley Battlefields National Historic District in Virginia. The foundation protects over 8,000 acres of Civil War battlefield land and numerous historic structures across an eight-county region. It was created following a 1996 congressional designation, it serves as the principal management organization for the national historic district rather than operating as a traditional national park.

3. SVBF has a wholly-owned subsidiary – the Manassas Gap Railroad ("MGR"). MGRR was established in 2025 specifically to take title to the rail line in anticipation of renewed discussions with Norfolk Southern regarding the potential acquisition of the line by SVBF.

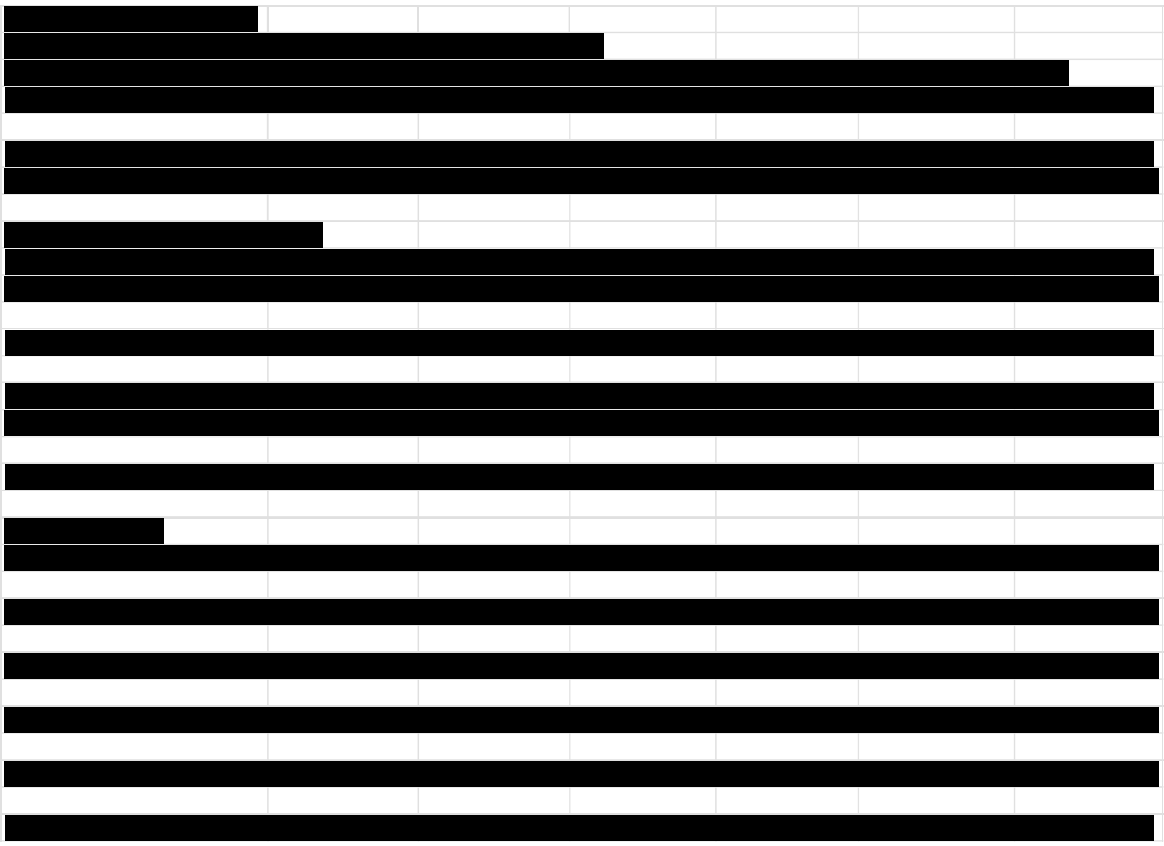
4. SVBF had a letter of intent ("LOI") with Norfolk Southern related to the line. SVBF and Norfolk Southern did not reach final agreement before the LOI expired. Subsequently, the administration of Governor Youngkin and SVBF reached agreement for SVBF to purchase the Line for freight purposes in partnership with the Commonwealth of Virginia. And as recently December 2025, the Commonwealth, Norfolk Southern, and SVBF were negotiating terms to purchase the Line that included no interchange commitment.

5. The "Line" I mention in this statement is an NS-owned rail line that is approximately 48.5 miles long 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, including all real estate, rail assets, switches, rights under lease and fiber optic agreements, and connections to both NS and CSX (the "Line").

6. There are eleven freight "rail ready" sites along the Line.

7. [redacted]

11. As a result of these inputs, our working pro forma is as follows:



12. MGR is aware that it can take time to rehabilitate a rail line to excepted status to permit 10 mile-per-hour freight movements, and that the need for that work has not been an impediment to the STB awarding a rail line to an entity that has the purpose of restoring freight rail.

13. Given the condition of the Line, we anticipate working on an opening service in segments.

14. We have already commissioned a "Track Inspection Report" conducted by Stone Consulting, Inc. and available at https://www.shenandoahrailcorridor.org/_files/ugd/474c0d_a521405aed4b4e4a81a6ea2c3e509580.pdf. That report noted:

> Stone Consulting was engaged to inspect and estimate the restoration costs of the Norfolk Southern track on the "B" line between Riverton Junction (Front Royal) VA and Broadway VA back to common-carrier rail freight service. This inspection was conducted on March 22-23, 2023 on the corridor from publicly-accessible right-of-way and grade crossings, over the entire corridor over a two-day period. The primary consideration for this inspection was to examine and verify the following conditions:
>
> - Tie condition, remaining life and number of good vs. defective ties over as many various locations as could be safely accessed.

- Rail pattern weight, compared against track chart data, and roll date/condition/wear factors of actual rail.
- Tree and vegetation growth on the corridor in various locations that will inhibit corridor development for any purpose.
- General right-of-way conditions considering the intent of rail-with-trail activity.

Given that data, the existing tie and rail condition was evaluated to calculate the likely restoration of the line to minimal FRA Class 1 (10mph freight/15mph passenger) but instead to an actual tie count condition of FRA Class 2 (25 mph freight, 30mph passenger) to ensure a better degree of resilience over at least a five-year period following rehab without significant additional maintenance dollars just for ties.

That report also included several costs estimates based on rehabilitation options and ranged from $4.2 million to $18 million. *Id.* at page 22-23.

15. MGR anticipates filing in the next grant round for a CRISI grant in the amount of $15,000,000.

16. MGR anticipates filing for grants through Virginia's Rail Industry Access grant program. Rail Industrial Access (RIA) - DRPT. The Rail Industrial Access Program promotes truck diversion by providing grant assistance to connect new or expanding businesses to the freight railroad network. A grant of up to $750,000 may be requested, and railroads are eligible entities as are industrial enterprises, among others. Funding requires a 30 percent match by the applicant and can be used for engineering, site preparation (including grading and drainage), track construction, track rehabilitation, track improvement, environmental mitigation, and mainline railroad switch.

17. MGR anticipates applying for a Railroad Rehabilitation and Infrastructure Financing load using the property, once obtained, and other of SVBF's $86 million in assets as collateral for funds to complete the rehabilitation. As the Board knows, SVBF cannot apply for a RRIF loan using the rail property as collateral until it own the property. However, it or Manassas Gap Railroad and the rail operating partner will be eligible to apply as a private railroad. https://www.transportation.gov/buildamerica/rail. A RRIF loan can finance up to 100% of eligible rail project costs; has a flexible amortization, up to 35 years; repayment can be deferred for 5 years; and no pre-payment penalty. SVBF is in the process of preparing a letter of intent to be submitted to the Department of Transportation, which is the first step in the RRIF process.

18. SVBF/MGR's plan is to rehabilitate track in a segmented fashion based on most immediate freight rail needs.

19. Although SVBF/MGR's primary purpose is advancement of freight rail service in the Shenandoah Valley, SVBF/MGR also anticipates working with partners seeking to have rails with trails. The Board has endorsed such opportunities in the past. "This does not mean that a

rail carrier cannot allow for a trail to coexist adjacent to a rail line providing service under the Board's jurisdiction." *Great Redwood Trail Agency – Abandonment Exemption – In Mendocino, Trinity, and Humboldt Counties, Cal*., STB Docket No. AB1305X (STB Decided Oct. 20, 2022).

20. SVBF/MGR also anticipates working to provide excursion opportunities on the line that do not conflict with common carrier freight service.

**Verification**

I, Keven Walker, verify under penalty of perjury, that I have read the foregoing Verified Statement and know its contents, and that the same is true and correct to the best of my knowledge and belief.

Executed on November 17, 2026



Keven Walker

Chief Executive Officer

Shenandoah Valley Battlefields Foundation

EXHIBIT 1 to Verified Statement of Keven Walker

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EXHIBIT 2 to Verified Statement of Keven Walker

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EXHIBIT 3 to Verified Statement of Keven Walker

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