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Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
- CONTROL –
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

COMMENTS AND REQUESTS FOR CONDITIONS OF READING BLUE MOUNTAIN & NORTHERN RAILRAOD COMPANY

(*includes color images*)

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November 18, 2026

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Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
- CONTROL –
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

COMMENTS AND REQUESTS FOR CONDITIONS OF READING BLUE MOUNTAIN & NORTHERN RAILROAD, INC.

In accordance with Board's Decision No. 30 served in this proceeding on August 18, 2026, Reading Blue Mountain & Northern Railroad Company, Inc. ("RBMN" or "RN") submits these Comments and Requests for Conditions. RBMN is a Class II rail carrier that operates in Pennsylvania. These Comments and Requested Conditions are supported by the attached Verified Statements of Wayne Michel, Eric Peters, James Raffa and James Cerulli. In separate filings, RBMN is simultaneously submitting its Responsive Application for trackage rights to Philadelphia, PA (Sub-No. 35), and its Responsive Application for the purchase of rail lines in Hazleton, PA (Sub-No. 36). At this time, RBMN neither support nor oppose the Union Pacific Corporation ("UP" or "Union Pacific") Application to acquire control of Norfolk Southern Corporation ("NS" or "Norfolk Southern").[1] However, if the Board were to approve the Application, RBMN respectfully requests that the Board impose RBMN's requested conditions to ameliorate the competitive harms that they expect that Transaction will cause to them.

[1] UP's proposal to acquire control of NS is referenced to herein as the "Application" or the "Transaction".

RBMN has prior experience with rail mergers, significantly with the NS and CSX Transportation Inc. ("CSXT") split of Conrail in 1998. RBMN as a Conrail spinoff had a strong working relationship with Conrail. Once NS took over the Conrail territory as RBMN's connection to the outside rail network, the relationship rapidly deteriorated. Some of the issues related to NS being managed from a more remote location and unfamiliar with the territory or the business in the case of RBMN's anthracite coal franchise. See the comments of the Pennsylvania Anthracite Council filed separately in this proceeding. As a result, there was a long adjustment period before RBMN developed the close working relationship that it has now with the NS marketing department.

The greater concern for RBMN is that the concentration of pure market power in UP as the only transcontinental railroad will prove to be a game changer. And when one recognizes that NS acted more like a large regional railroad than as a Class I when it came to RBMN's business, the concerns are magnified. In effect, RBMN now relies on NS to receive goods from or deliver them to all 5 Class 1 carriers. Once NS is owned by UP, RBMN is concerned that its market reach will shrink from 5 Class Is to just UP. *See* Verified Statement of Wayne A. Michel ("Michel VS") attached hereto. New UP management operating from a remote Omaha headquarters will lack knowledge of RBMN's local Pennsylvania markets.

The Application clearly states Union Pacific's position: single-line service is superior to interchanged service because interchanges pose onerous costs and delays.[2] UP has clearly indicated that if the Transaction were approved, it will prioritize single-line (including UP-NS) and long-haul traffic over traffic where interchange with unrelated carriers, including short lines,

[2] APP.VOL. 1, Pg 229.

is necessary. If the Transaction were approved, RBMN worries that this focus will reduce the UP and NS willingness to work with other Class I carriers and would disrupt the joint line routings that RBMN and its customers have developed with NS over many years of hard work, leading to a reduction of competitive routings.

I. Background

RN, with its corporate headquarters in Port Clinton, PA, is a privately held railroad company serving over 80 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill, and Wyoming). It has constantly expanded its operations[3] over the last 35+ years and project 35,000 carloads of freight in 2026. Our Passenger Department, which has the ability to serve more than 130 communities in Eastern Pennsylvania, welcomed over 410,000 customers onto our steam- and diesel-powered passenger excursions in 2025. *See* Michel VS.

RN operates over 400 miles of track, owns over 2,000 freight cars, and employs over 400 dedicated people. We have been repeatedly honored as one of the premier railroads in the nation, including being named Regional Railroad of the Year in 2020 by Railway Age magazine. *Id.*

RN's local ownership ensures that it remains connected to our communities and customers, and RN invests in the railroad in an entrepreneurial manner. RN does its own track maintenance and is constantly upgrading our tracks and signal system. RN keeps buying locomotives, we now own over 70 (and purchased 7 more this year). And freight cars with over 2000, having purchased

[3] As these Comments are being prepared, RBMN is getting ready to take over service on or about November 23, 2026, of an additional 26+ miles of active track in Luzerne County serving 9 new customers.

an additional 153 cars this year. RN has also built on-line terminals and transload facilities and purchased and refurbished a warehouse to store safety stock for our largest online customer. It invests off-line in terminals and ports, especially with the anthracite industry, to ensure that its online producers can successfully compete with the world. *Id.*

And that growth is now at risk from the proposed UP acquisition of NS. Although RN is NOT taking a position on the merger, it is aware that the potential impacts of the merger on RN's customers and region could be devastating unless conditions are imposed.

It is important for the Board to understand the practical effects of this merger on RN's region. Today, for inbound goods, and outbound Pennsylvania anthracite, NS acts like a large regional railroad. That means NS connects RN and the region with all the other Class I railroads, and in that way RN customers can source or sell materials from and to anywhere in North America. Today RN's customers have access to 5 Class I railroads via NS. Tomorrow, if the merger were implemented, RN and its customers and region will potentially go from 5 Class I railroads to only one Class I railroad, UP. *Id.*

Additionally, RN is worried about the effects that the UP-NS merger will have on the joint efforts that NS and RN have successfully partnered on to help improve service to the anthracite industry, and whether UP will honor and support these efforts post-merger. These RN – NS efforts include equitable rates to all existing and future anthracite destinations and gateway junctions, joint development of rail/truck facilities throughout the Midwest and Southeast, demurrage relief arrangements, fleet management and movement of empty RN railcars, favorable car hire and mileage rights for RN marked railcars, and fair and competitive private car rates. *See* Verified Statement of James Cerulli ("Cerulli VS").

II. Legal Standard

A. Criteria for Approving the Transaction

The acquisition by a Class I rail carrier of another Class I rail carrier requires Board approval under 49 U.S.C. § 11323(a). Because the proposed transaction in this proceeding involves the merger or control of two or more Class I railroads, the Board examines the Application under 49 U.S.C. § 11324(b), which directs the Board to consider:

(1) the effect of the proposed transaction on the adequacy of transportation to the public;

(2) the effect on the public interest of including, or failing to include, other rail carriers in the area involved in the proposed transaction;

(3) the total fixed charges that result from the proposed transaction;

(4) the interest of rail carrier employees affected by the proposed transaction; and

(5) whether the proposed transaction would have an adverse effect on competition among rail carriers in the affected region or in the national rail system.

Although the Board must consider each of these factors, the ultimate statutory inquiry is whether the transaction is consistent with the public interest.[4] In approving a transaction, the Board may impose conditions governing the transaction, including the divestiture of parallel tracks or the granting of trackage rights and access to other facilities, to alleviate anticompetitive effects.[5]

B. Public Interest Test

In 2001, the Board revised its regulations governing major rail consolidations to impose "a heavier burden to show that a major rail combination is consistent with the public interest" ("2001

[4] *See* 49 U.S.C. § 11324(c).
[5] *Id*.

Rule").[6] The 2001 Rule requires an applicant "to provide a plan for enhancing competition" so that the Board may "remedy every competitive harm that would stem from any proposal that [it] decide[s] to approve."[7]

In determining whether a proposed transaction is consistent with the public interest, the Board considers criteria set out in the governing statute using a balancing test to weigh numerous factors as established in the 2001 Rule.[8] Specifically, the Board must weigh the goals of effective competition, carrier safety and efficiency, adequate service for shippers, environmental safeguards, and fair working conditions for employees.[9] The Board must also ensure than a transaction would promote a competitive, efficient, and reliable national rail system.[10] Accordingly, a merger serves the public interest only where substantial and demonstrable gains in important public benefits, including improved service and safety, enhanced competition, and greater economic efficiency, outweigh the transaction's anticompetitive effects, potential service disruptions, or other merger-related harms.[11] In making this analysis the Board recognized the risk that with a railroad combination the merged carrier would acquire and exploit increased marked power, including with end-to-end mergers. Accordingly, the Board determined that it would "require applicants to present an effective plan to keep open major existing gateways, and [would] impose conditions on any transaction that [they] approve to ensure that result."[12] In response to

[6] *Major Rail Consolidation Procedures*, STB Ex Parte No. 582 (Sub-No. 1), slip op. at 9 (served June 11, 2001) [hereinafter *2001 Rule*].
[7] *Id*. at 20.
[8] *Id*. at 16; 49 C.F.R. §1180.1(b)-(c); 49 U.S.C. §§10101, 11324(b).
[9] *Id*. at 14; 49 C.F.R. §1180.1(b)
[10] *Id*.
[11] *Id*. §1180.1(c).
[12] *2001 Rule*, at 25. *See also*, 49 C.F.R. §1180.1(c)(2)(i).

broad proposals for determining when a gateway would be deemed economically closed, the Board decided they would make such decisions on a case-by-case basis.[13]

The 2001 Rule requires applicants to offset potential harms of the proposed merger by proposing conditions "that would not simply preserve but also enhance competition."[14] If a proposed merger is not, on its face, consistent with the public interest, the Board "will either deny it or impose sufficient conditions to ensure that it is in the public interest."[15]

C. Treatment of Class II and III Railroads

The Board gives particular consideration to the effect of major rail consolidations on Class II and Class III railroads and identifies their interests as a key component of merger review and the balancing test in determining public interest.[16] Applicants must explain "how they would preserve competitive options for shippers and for Class II and III rail carriers."[17] Under the 2001 Rule,

> [A]pplicants must address the anticipated effects of a proposed merger on regional and shortline railroads, identify any benefits that those small railroads and their customers would realize as a result of the proposed transaction, and develop suggested remedies for any anticipated harms to the public interest by virtue of a merger's adverse impacts on regional and shortline railroads and ports.[18]

Consistent with this approach, the Board places "greater emphasis to the role of Class II and Class II carriers and ports in the broader transportation infrastructure" in conducting its balancing test.[19]

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[13] *2001 Rule,* at 25.
[14] *Id*. §1180.1(d).
[15] *2001 Rule*, at 13.
[16] *Id*. at 27.
[17] 49 C.F.R. §1180.6(b)(10)(i).
[18] *2001 Rule*, at 27.
[19] *Id*. at 15.

Where competitive or other merger-related harms to Class II or Class III remain, the Board will impose necessary conditions "to ameliorate or redress those harms". [20]

The Board has looked closely at the adverse effects of rail consolidations on regional and short line railroads. The Board has previously noted:

> In our merger decisions … we have given special consideration to shortline interests, generally providing protections similar to those afforded shippers. For example, if a merger would cause a short line to lose one of its two Class I connections, it has been our practice to impose conditions where feasible, to preserve a second connection. Similarly, if a shortline carrier has a build-out option to reach a second Class I carrier, we have attempted[sic] to preserve that option as well. …
>
> We are keenly aware that shortlines are an important part of the national rail transportation system. They provide a valuable service in gathering and distributing traffic that generally flows over the lines of the Class I carriers, and they are usually able to provide this type of service at a lower cost than the larger carriers can achieve. … Nevertheless, where conditions are warranted to protect the interests of particular shortlines, or shortlines in general, from the adverse impacts of this transaction, we will impose them as appropriate.[21]

Therefore, where the criteria for imposing conditions are satisfied, the Board has imposed appropriate conditions to protect short lines from merger-related harms.

III. Criteria for Imposing Conditions

Under 49 U.S.C. §11324(c), the Board has "broad authority to impose conditions" on a Class I merger transaction to preserve and enhance competition.[22] The Board may issue conditions when a proposed merger would reduce competition, harm essential rail services, or result in

[20] *See id*. at 27.
[21] *CSX Corp., et al.–Control and Operating Leases/Agreements–Conrail Inc., et al.*, STB Finance Docket No. 33388, Decision No. 89, slip op. at 76 (served July 20, 1998).
[22] 49 C.F.R. §1180.1(d).

transitional service disruptions or other service problems.[23] The Board may exercise its conditioning authority whenever appropriate conditions would protect the public interest without unduly diminishing the public benefits of the proposed transaction.[24]

IV. Oversight

The Board's regulations require that as a condition of its approval any major transaction (such as the UP-NS merger here), it will establish a formal oversight process for at least the first 5 years following approval.[25] In adopting the regulations, the Board found the oversight process "to be a useful mechanism for identifying and resolving competitive … and other problems that can arise following major rail consolidations."[26] During the oversight period, applicants are required to present evidence to the Board (at least annually) to show that the merger conditions imposed by the Board are working as intended, that the applicants are adhering to their representations made on the record during the proceeding, that no unforeseen harms have arisen that would require the Board to alter existing merger conditions or impose new ones. Parties are to be given the opportunity to comment on the applicants' submissions. And during the oversight period the Board retains jurisdiction to impose any additional conditions it deems necessary to remedy or offset adverse consequences of the transaction.[27]

V. Requested Conditions

RBMN requests that if the Application is approved, that the Board impose the following conditions to address potential harm to RBMN, and to preserve and enhance competition in the

[23] *Id*. §1180.1(c)(i)-(iii).
[24] *See id*. §1180.1(d).
[25] 49 C.F.R. §1180.1(g).
[26] *2001 Rule*, at 39.
[27] 49 C.F.R. §1180.1(g).

port area and promote the public interest. The need and justification for each of the requested conditions is more fully set forth in the attached Michel V.S. as supplemented by the Verified Statements of Eric Peters, James Cerulli and James Raffa. Below is a summary of the justification of each.

A. Approving Responsive Application for Trackage Rights (Sub-Docket No. 35)

If the Board approves the Transaction, RN is seeking through its responsive application in Sub-Docket No. 35, trackage rights over certain NS lines from Reading to Philadelphia so that RN can connect with CSXT. The trackage rights will ensure that RN's customers will have the reasonable access to multiple railroads that they depend on. Most critically, direct, reasonably priced access to CSX will provide some counterweight to a merged UP-NS.

RN expects that both its anthracite customers and its merchandise customers will be impacted by the UP-NS concentration of market power as a result of the merger. As explained in the Michel VS and Cerulli VS, once RN has a connection with CSX in Philadelphia, RN can offer alternative routing options and alternative pricing to many markets. UP-NS would still have a strong advantage, but the CSX option at least allows the anthracite producers to continue to make investments in their business because they know rail service will be viable.

An examination of RN's merchandise traffic makes clear that NS currently works like a large regional railroad connection to RN. Only a quarter of RN's 20,000 merchandise carloads terminate or originate on NS. *See* chart in Michel VS. In other words, most RN merchandise traffic is bridged by NS to another North American Class 1 railroad. Today over 70% of RN's merchandise business has access to all 5 non-NS Class I railroads. After the merger, RN will likely go from NS connecting RN efficiently to 5 class Is to UP having a stranglehold on all RN's business. Again, the only way to limit the impact of this problem is by granting RN direct,

reasonably priced trackage rights access to CSX. In this way, RN customers who receive goods from around the country will still have unimpeded access to all those other Class I carriers.

The need for CSX access isn't just for the existing RN customers. RN's industrial development program also requires that additional access. RN is aware that if a company wants rail access, they often want to have access to two Class I railroads. In Pennsylvania that is very difficult as NS covers most of the Commonwealth while CSX has a much smaller presence. As a regional railroad, RN overcomes that concern by pointing out that through NS it can ensure that a manufacturer can source materials from anywhere in North America. RN's industrial development service is exceptional (*see* Verified Statement of James Raffa ("Raffa VS")), as is its operations with guaranteed 2-hour service windows and excellent customer service. The only impediment to RN's continued industrial development success is if manufacturers do not have ready access to multiple suppliers through multiple Class I carriers.

RN does not want to sit by and find out years from now that its downstream concerns were valid. The time to act is now. And the action is CSX access via trackage rights to Philadelphia.

B. Approving Responsive Application for Purchase of Rail Lines (Sub-No. 36)

If the Board approves the Transaction, RN is seeking through its responsive application in Sub-Docket No. 36, to purchase 8.1 miles of NS rail lines in Hazleton, PA along with Hazleton Yard. The purchase would serve to ensure continued good service to RN customers who make up 20% of RN's traffic, over 7000 carloads and growing, and to support the local community and industrial development leaders that are disappointed with current NS service. This track is already used by RN under local trackage rights to reach its Hazleton-area customers. If the purchase were approved by the Board, RN would provide NS with trackage rights over the purchased mainline that runs through Hazleton to provide NS with access to its branch lines that generate about 1200

carloads a year. It is worth noting that NS traffic has been stagnant or in decline since NS acquired the line from Conrail.

For over twenty years RN has tried to acquire the Hazleton track. The acquisition is a natural fit since RN already connects to Hazleton from the southwest and RN already had trackage rights from Conrail to access coal customers in Hazleton. Although there have been discussions with NS, including as late as earlier this year, the parties have been unable to reach an agreement.

The failure to reach an agreement, however, does not lessen the need for regulatory relief at this time. Support letters from civic leaders and the region's industrial development network make clear that NS is holding back growth in Hazleton. *See* the letters from the Mayor of Hazleton, CAN DO and Mericle attached to the Michel VS. The only growth in Hazleton traffic for the last decade has been on the locations served by RN. The fact is it takes investment and superior service to grow freight business. And in the case of Hazleton, RN is best able to offer both. And as evidenced by the letters of support, continued growth is clearly in the public interest.

But RN service and growth is constrained by the fact that we do not own the infrastructure we use and we do not have rights to use Hazleton Yard. Ownership of these tracks will allow RN to take responsibility for maintenance and dispatching over tracks that are critical to RN's future. As stated by RN EVP Transportation Eric Peters, ownership would create a seamless operation for RN's train crews. *See* Verified Statement of Eric Peters (Peters VS) attached hereto. Currently RN's train crews need NS operating bulletins along with RN bulletins for their daily work. The RN Dispatcher must request the NS bulletins and then get them to the crew, and the crew must get permission from NS Harrisburg East Dispatcher to operate on the specific tracks and verify they have the correct bulletins. Not surprisingly, the NS dispatcher has a large and active territory so getting hold of them for permission sometimes is a challenge. With the UP-NS merger, who knows

how much harder it will be to contact the UP-Ns dispatcher. Additionally, because it is NS track, RN crews are required to be trained, tested, in possession of, and follow NS Operating and Equipment Rules while working over the trackage rights portion. All of the delay and duplication would be eliminated with RN continuity of ownership.

RN can also make better use of the Hazleton Yard than NS is doing. Owning Hazleton Yard will allow RN, and its customers, to expand operations. Owning Hazleton Yard will allow RN to continue its excellent service to the existing RN customers.

Business growth is great, but all the growth RN is enjoying in Humboldt Industrial Park comes with a challenge. Traffic growth requires storage space for switching cars and holding cars for our customers. *See* Peters VS and Raffa VS attached hereto. Although RN has built additional track at Humboldt, RN is site constrained and the need for Hazleton Yard to continue the growth is real.

In addition, ownership of Hazleton Yard will be a boon to business expansion at the adjacent American Anthracite facility. As explained by VP Coal Marketing James Cerulli, with ownership RN can forward stage cars nearby, start crews serving American Anthracite and Wildcat Coal next to the facilities instead of miles away, and even expand American's export loading capacity by using the Northernmost yard track as an additional loading track. *See* Cerulli VS.

In order to protect RN's existing business in Hazleton and secure its growth, RN is requesting sale of the NS trackage within the Hazleton area that RN already uses via trackage rights. Business growth will certainly serve the public interest in Hazleton.

C. Maintaining All Gateways Where NS Connects with Carriers other than UP for the Handling of RBMN traffic

The STB must be mindful of the overwhelming market power the merged entity would have. The fact that UP-NS can go coast to coast on its own might scream efficiencies, but to a regional railroad in northeast Pennsylvania it screams of potential abuse of market power. Today RN customers source 75% of their materials from origins on non-NS class I railroads. Over half from non-UP/NS origins. What happens to all these non-UP/NS sources AFTER the merger? As explained in the Michel VS, without protective conditions, those sources will likely be at a severe disadvantage to the UP-NS origins, and there is a real threat that gateways will be closed economically, despite requirements in the rules to keep gateways open.

The same challenge presents itself when customers can substitute alternative products that serve the same purpose. This issue is of great concern to RN's anthracite producers. As explained in the Cerulli VS, anthracite customers such as electric arc furnace ("EAF") steel makers can switch from anthracite to other carbons. Today, NS has been a crucial partner in expanding opportunities for PA anthracite. And since NS connects with all the other Class I railroads without favor, PA anthracite producers are able to ship across the continent and around the world. In the future, if UP acquires NS, what will UP do? If UP has local sources of alternative carbons will it prefer those locations? Will it prefer to avoid paying RN to originate this traffic? Will it close down NS transload locations making it harder for PA anthracite to penetrate these markets? Will it choose to originate its own traffic from the Texas Gulf or the industrial Midwest at the expense of the PA anthracite producers? And since imported anthracite is also competitive to Pennsylvania anthracite, will UP use its access to Gulf Ports to bring Peruvian or other imports up to Midwestern and Southern steel mills?

These are hard questions and no one knows what UP might do over the next 5-10 years. It is clear that UP somehow needs to pay the substantial costs of this merger and history shows that neither UP nor NS have a track record of non-intermodal carload growth.

As discussed above in connection with the RN responsive application for trackage rights, today over 70% of RN's merchandise business has access to all 5 non-NS Class I railroads. After the merger, if UP-NS exercise their combined market power, RN will go from NS connecting RN and its customers efficiently to 5 class Is to UP having a stranglehold on all RN's merchandise business. The Board should prevent this by requiring UP-NS to keep open all current gateways / connections to other Class I railroads.

D. Anthracite Coal Rates and Car Provisions

RN is seeking a series of conditions to protect the Pennsylvania anthracite coal industry, to preserve existing commercial and operating relationships with NS and to ensure the safe and efficient operation of RN's existing railroad.

Since a rough beginning the NS Coal group has been a very strong supporter of RN and the anthracite industry. The strong recent growth in the industry is in part due to the support and encouragement of NS. NS has partnered with RN on a good rate structure, including rates to Class I junctions, offering up critical transload infrastructure, assisting on car supply when needed and helping RN to add to its fleet by discounting the cost of moving newly purchased coal cars to RN and also discounting the cost to move out of age coal cars to scrappers.

One number tells the whole story. After the merger, UP-NS will control 90% of current anthracite coal destinations. What that will mean for RN coal customers who are dependent on rail is unknown.

The before and after picture is stunning. Today NS works with R&N and the anthracite industry to penetrate markets. Today NS benefits by handling anthracite because NS does NOT have the same access to other carbon sources or imports. Today NS values the anthracite business and works hand-in-hand with RN to grow that business. A million tons of anthracite by rail is a very nice niche market for NS.

Tomorrow…the truth is without conditions on rates and other terms the anthracite industry future is in the hands of UP. And if you want the anthracite community position in their own words, read the comments filed by the Pennsylvania Anthracite Council.

To protect the future of the anthracite community, RN requests that the Board impose the Rate Stability, Facilities Relief. Demurrage Relief and Empty Car Movement Relief detailed in the Cerulli VS.

D. Maintaining all RBMN-NS Agreements

In the Peters VS, EVP Peters identifies 13 existing operating agreements between RN and NS that are critical to RN's daily service. These agreements include terms that are also critical. For example, the interchange and trackage rights agreements require $20 million in insurance. If UP were to demand $100 million insurance, that would be a substantial financial cost to RN that would have to be covered by increased rates. RN requests that UP-NS be prevented from harming RN and its operations through unfavorable economic or operational changes to these essential agreements. RN requests that the Board require that UP-NS leave all existing agreements in place for the first ten years after the merger to protect the commercial and operational viability of those agreements.

E. Pole Line Easement

With its acquisition of Conrail NS acquired an electric pole easement in Carbon and Schuylkill Counties that had been retained by Conrail when it sold the Reading Cluster to RN in 1990. As explained in the Michel VS, the easement was originally for a limited use - to distribute power to the PJM grid from a co-gen facility. Mr. Michel explains how in recent years NS has allowed the easement to be used for ever expanding uses first for a bitcoin mining operation, and now it is being proposed to be used to supply an AI data center.

At the same time RN's use of the adjacent rail line has changed dramatically, becoming a main line carrying thousands of carloads of freight, and to transport tens of thousands of excursion train riders.

A recent June 2026 engineering study identified electromagnetic induction during transmission-system faults as a potential cause of damage to the railroad's signal equipment and signal mis-operations. These problems have repeatedly damaged RN's signal equipment and interrupted railroad operations. Engineering studies have also identified potentially hazardous touch voltages along portions of the railroad during transmission-system faults, raising serious concerns about employee safety.

Although the parties agreed to work together to determine the underlying cause of the railroad's problems, little has been done in the last three years. NS, which does not operate in the area, has done little to assist RN in resolving this matter or enforcing the provisions of the easement. Control by an even more distant UP with no knowledge of this region will only make it more difficult to any attention or cooperation in resolving these issues. Accordingly, RN requests that the Board enter a condition requiring that the easement be sold to RN so that RN can

deal directly the user in an effort to protect its workers and the community that relies on its signal system to provide safe grade crossings and the safe passage of trains on its main line.

F. Joining with DL Haulage Request

In addition to the relief RN has outlined above, RN wants to join in the request for haulage that was filed on November 17, 2026, by its neighboring rail competitor, Genesee Valley Transportation Co. and its subsidiary the Delaware-Lackawanna Railroad Co. ("DL").

Specifically, DL is seeking to renegotiate haulage by NS from Taylor Yard in Taylor, PA to Saratoga, NY (junction with CPKC) and to negotiate new haulage to Buffalo, NY (junction with CSX, CN, CPKC and B&P). RN also has access to NS' Taylor Yard and would seek the same competitive advantage as the DL, which is a regional competitor operating over tracks owned by the Pennsylvania Northeast Regional Rail Authority.

The DL haulage request to Saratoga seeks to renegotiate a haulage agreement that was entered into by NS and Canadian Pacific as part of the NS's acquisition of D&H lines. And that haulage was embraced by the STB in its order approving the D&H acquisition transaction. As DL notes, none of the impacted short lines (including RN) who were supposed beneficiaries of the haulage were "granted a role in the negotiation of the haulage terms, including length of agreement, commodities handled, and haulage rate." RN agrees with DL that the haulage has had limited utility as the haulage rate NS charges CPKC is too high to allow for effective competition. RN joins the DL request that the haulage agreement be renegotiated to provide for a lower commercially reasonable rate.

The haulage request to Buffalo has no prior existence. If granted, such haulage allowing access to three Class I railroads and a regional railroad would be a competitive game changer for

RN's service region. For that reason, RN requests that if the STB is inclined to grant that request to DL that it do so for RN as well.

G. Extended oversight

The 2001 Rule provides for a minimum of 5 years of oversight. The size and complexity of the current transaction; UP's history with maintaining conditions (still ongoing disputes from the UP/SP merger in 1996); and UP's stated intention to only keep certain protections (like Committed Gateway Pricing) in place until the end of oversight all justify a longer oversight period. Additionally, with this first transcontinental merger and the first to be evaluated under the 2001 Rule, there is a greater likelihood of unexpected changes and developments/ unforeseen harms farther down the road (more than 5 years) that could require Board intervention than there has been in the past. Accordingly, RN requests that the Board establish an oversight period of 10 years.

IV. Conclusion

For the foregoing reasons, Reading Blue Mountain & Northern Railroad Company requests that the Board impose the conditions requested herein.

Respectfully submitted,

/s/ Eric M. Hocky

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Dated: September 18, 2026

Counsel for Reading Blue Mountain & Northern Railroad Company

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of November 2026, the foregoing document was served by first-class mail or email upon all parties of record on the service list and the administrative law judge in this proceeding.

/s/ Eric M. Hocky

Eric M. Hocky

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COMMENTS AND REQUESTS FOR CONDITIONS

VERIFIED STATEMENT OF WAYNE MICHEL

My name is Wayne Michel and I am President of the Reading Blue Mountain & Northern Railroad Company (RN).

The facts set forth in this verified statement are based on my personal knowledge. I am knowledgeable and competent to testify on the matters stated herein.

RN, with its corporate headquarters in Port Clinton, is a privately held railroad company serving over 80 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill, and Wyoming). We have constantly expanded our operations[1] over the last 35+ years and project 35,000 carloads of freight in 2026. Our Passenger Department, which has the ability to serve more than 130 communities in Eastern Pennsylvania, welcomed over 410,000 customers onto our steam- and diesel-powered passenger excursions in 2025.

RN operates over 400 miles of track, owns almost 2,000 freight cars, and employs over 400 dedicated people. We have been repeatedly honored as one of the premier railroads in the nation, including being named Regional Railroad of the Year in 2020 by Railway Age magazine.

Our continuous growth is based on a few key points.

First, we are locally owned and managed by the Muller family. Andy Muller bought the Reading Cluster from Conrail in December 1990 and he hasn't looked back. Now his daughter is

[1] As this statement is prepared, we are getting ready to take over service on or about November 23, 2026 to 26+ miles of active track in Luzerne County serving 9 customers.

our EVP Strategic Planning, and the next generation is also working for the company. This local ownership ensures we remain connected to our communities, and we invest in our railroad in an entrepreneurial manner.

Second, we focus on taking care of our employees. Our pay and benefits exceed those of neighboring companies, and our employee retention rate is extremely high.

Third, we focus on our customers. To this end we have an operating plan that is built around the customers' needs. The customers help us design a guaranteed two-hour service window so that they can count on when we will arrive. We have met that standard 99% of the time over the last five years! We also offer 7 days a week service and extra switching. And knowing how important ancillary charges are to the local plant people, we keep those rates low. We believe our demurrage rates are the lowest or among the lowest in the nation.

Fourth, we constantly invest in our railroad. RN does its own track maintenance and is constantly upgrading our tracks and signal system. RN keeps buying locomotives, we now own over 70 (and purchased 7 more this year). And freight cars with over 2000, having purchased an additional 153 cars this year. We have also built on-line terminals and transload facilities and purchased and refurbished a warehouse to store safety stock for our largest online customer.

Fifth, we even invest offline to help our customers. Especially with the anthracite industry we have invested in off-line terminals and ports to ensure that our online producers can successfully compete with the world.

Sixth, we focus on industrial development. We know that we constantly need to add new customers as through no fault of ours the business cycle will result in some customer locations closing. Our industrial development effort ensures prospects that we will build their track in weeks, not months or years, and that we will deliver a guaranteed finished product for a fraction of contractor costs. And that track condition is guaranteed for seven years at our expense.

The result of these efforts is constant growth and profitability.

And that growth is now at risk from the proposed UP acquisition of NS. Although Reading & Northern is NOT taking a position on the merger, we are aware that the potential impacts of the merger on our customers and region could be devastating unless conditions are imposed.

It is important for the Board to understand the practical effects of this merger on our region. Today, for inbound goods, and outbound Pennsylvania anthracite, NS acts like a large

regional railroad. That means NS connects our region with all the other Class 1 railroads and in that way our customers can source materials from anywhere in North America. So today our customers have access to 5 Class 1 railroads via NS. Tomorrow, **if the merger is implemented, RN and our customers and region will be going from 5 Class 1 railroads to 1 Class 1 railroad, UP.**

In the pages below and the attached verified statements and support letters, RN lays out the case for relief. First, to ensure our customers with reasonable access to the other railroads they depend on, we seek trackage rights from Reading to Philadelphia so we can connect with CSX. We note that this request is narrowly drawn. We are seeking to run a little over 50 miles on track that is not part of the mainline NS system. Second, in order to ensure good service to RN customers who make up 20% of our traffic, over 7000 carloads and growing, and to support the local community and industrial development leaders that are disappointed with current NS service, we are looking to purchase 8.1 miles of tracks in Hazleton, PA. This track is already used by RN to reach our Hazleton-area customers. We will provide NS with trackage rights to their branch lines that connect to the mainline that runs through Hazleton so they can serve their few customers that generate about 1200 carloads a year. This purchase will also enable us to improve service to one of our largest anthracite producers. And third, we are seeking a series of conditions to protect the Pennsylvania anthracite coal industry, preserve existing commercial and operating relationships with NS and ensure the safe and efficient operation of our existing railroad.

Qualifications

The positions articulated in this Statement reflect my almost 50-year career in rail transportation.

In the Fall of 1976, while in my second year at George Washington University law school, I began working at the STB predecessor agency, the Interstate Commerce Commission, for its Interpretations Branch. After passing the DC Bar, I joined the ICC as an Attorney Adviser in 1978. I was quickly assigned as the junior attorney to a major consolidation case, the so-called Rock Island II or Tucumcari line case.[2]

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[2] Finance Docket No. 28799 (Sub-No. 1)— *St. Louis Southwestern Railway Company—Purchase (Portion)—William M. Gibbons, Trustee of the Property of Chicago, Rock Island and Pacific Railroad Company* (363 I.C.C. 323, 1980)

The case was a second effort by the Southern Pacific system to establish a direct single-line freight route connecting Southern California to the Midwest markets of Kansas City and St. Louis by approximately 1000 miles from the bankrupt Rock Island Railroad. Given the competitive advantage the acquisition would give SP the consolidation was strongly opposed by almost every western and midwestern Class 1 railroad.

After months of hearings across the country the Commissioners decided to issue the decision themselves. After that the ALJ withdrew and I was asked to draft a decision granting the application. The Commission issued the decision in June of 1980. Following the new consolidation principles articulated in the Tucumcari case, I was asked to draft the Commission's first rail merger policy statement, which was issued September 10, 1980.

Over the next 4 years I assisted Commissioners and other attorneys on ICC merger activity, which was very busy, while also drafting many Staggers Act regulations and other important decisions.

In 1985 the ICC was asked by Congress to review the competitive impacts of a proposed NS acquisition of Conrail that the Reagan Administration supported. Conrail, railroad labor, and other groups preferred a different solution that would allow Conrail to remain Conrail. I drafted the report that concluded that the NS proposal, including potential track spinoffs, would be anticompetitive. Months later NS decided not to proceed, and the government sold Conrail as the largest IPO in history at that time.

That Fall, I accepted a non-legal job in Conrail's Marketing department to oversee Conrail's line sale and abandonment program. Years earlier I had drafted the regulations and established the program to oversee this program stemming from NERSA (the Northeast Rail Services Act of 1981 passed to help Conrail become profitable).

During my Conrail career I handled dozens of line sales and abandonments including the December 1990 sale of the Reading Cluster to Andy Muller, Jr. Over time I was given new responsibilities including running Conrail's industrial development department and creating the first business group dedicated to moving non-hazardous waste by rail.

In 1995 I was given a new assignment to help Conrail transition to a future with fewer assets yet greater market reach. My new position included managing Conrail's Short Line group and overseeing a new line sale program that consisted of profitable secondary mainlines and high-density branch lines. I was also given the task of designing a shortline "franchise" program.

A cross-functional team developed "CONRAIL EXPRESS" which was rolled out in April of 1996 along with the new line sale program. Of note, RN was one of the handful of initial members of CONRAIL EXPRESS and a purchaser of one of the new line sales, the Lehigh Middle line segment.

By October of 1996 Conrail and CSX announced their "strategic merger of equals" and all line sale activity stopped. NS strongly opposed the merger and when the dust settled Conrail was split between NS and CSX.

By the time my Conrail career ended I had been involved in three different mergers; Conrail's effort to purchase the Cotton Belt portion of SP, the proposed CSX/Conrail merger, and the Conrail transition to sale to CSX and NS.

After Split date I became a consultant to a number of shortlines. Ultimately, I ended up joining the RN fulltime and a few years later I was named President. As President, I have primary commercial responsibility while also overseeing legal, strategic and operational questions. I report directly to Andy Muller, CEO.

During my RN career I dealt heavily with the impact of the NS purchase of Conrail> I also directly handled all negotiations with NS stemming from its 2015 acquisition of D&H.
In sum, my long career as an attorney at the ICC, in marketing at Conrail, and as President of RN has left me in a very good position to understand railroad mergers from a legal, commercial and strategic perspective.

A WORD ABOUT COMPETITION

The STB has wisely made competition the cornerstone of its merger policy statement. And it sought not only preservation of competition but expansion of competition. It directed merger applicants to show how their merger would be pro-competitive.

Of course, a fundamental question is what is meant by competition.

For as long as I have been working with railroad mergers, the traditional view was that an end-to-end merger was likely to have little or no anti-competitive impact. The reasoning was that the overlap of markets would be narrow.

And when one looks at a map that is how the UPNS consolidation appears. A few 2-1 points and issues in the so-called "watershed" area and otherwise clear sailing. Conversely, a merger involving directly competing lines in the same corridor would bring great scrutiny and likely rejection.

However, the Board needs to look beyond geographic competition.

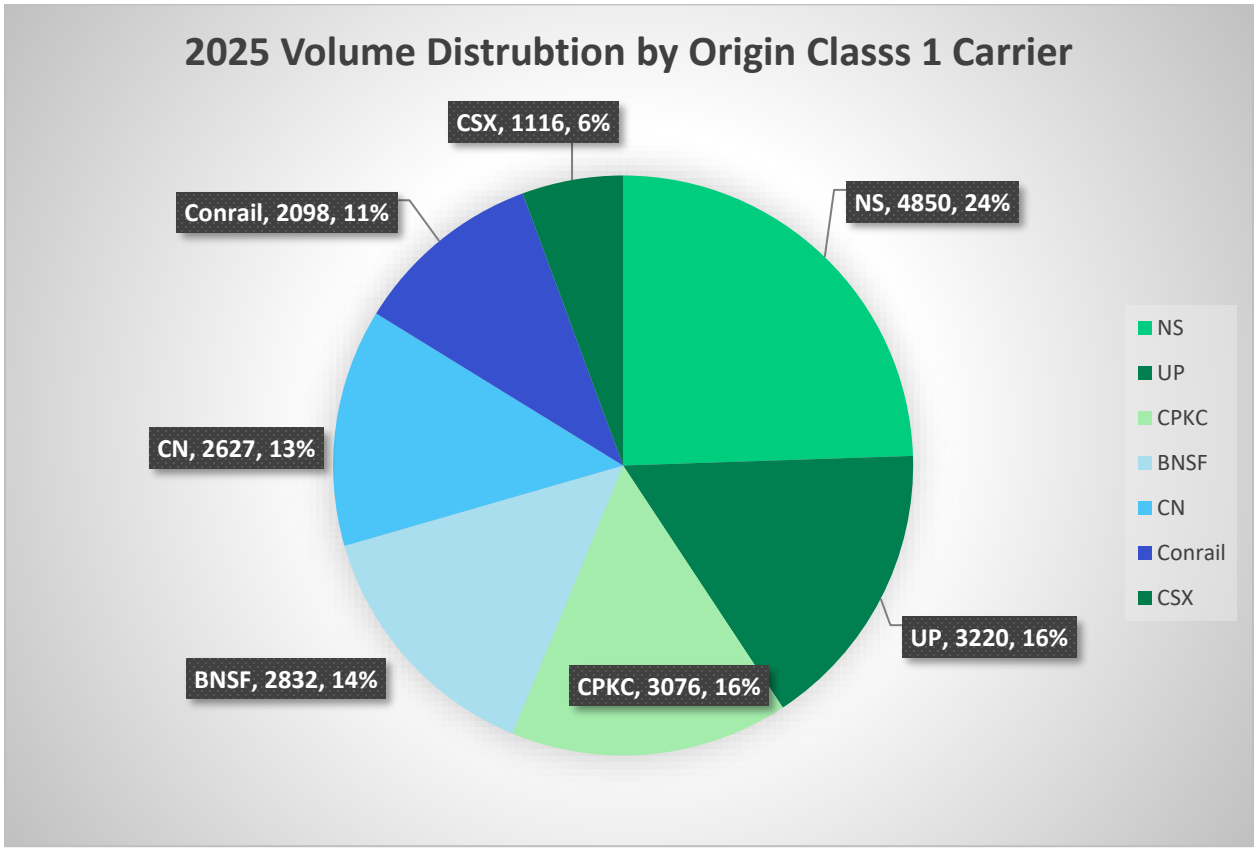
The STB must be mindful of the overwhelming market power the merged entity would have. The fact that UP can go coast to coast on its own might scream efficiencies, but to a regional railroad in northeast Pennsylvania it screams of potential abuse of market power.

Let's define some other forms of competition that the Board needs to consider for this transaction.

Source Competition exists when a customer has the ability to obtain the same commodity from multiple suppliers or origins.

Let's take that broad definition and look at it through the lens of this merger and its impact on RN and its customers who receive goods from around the country.

Today **RN customers source 75% of their materials from origins on non-NS class 1** railroads. Over half from non-UP/NS customers. See chart below.



What happens to all these non-UP/NS sources AFTER the merger? Without protective conditions, those sources will likely be at a severe disadvantage to the UPNS origins.

The reason for that disadvantage is because railroads, like other business, are trying to make the most money possible. In the railroad case that means forcing their railroad competitors to accept shorthaul moves to new junctions. Those competitor railroads will try to be contribution indifferent. To put that in English for non-railroaders, that means the competing origin railroad will attempt to make the same dollar for dollar profit on its shorthaul move as it enjoyed on its longhaul move. The result is the non-UPNS origin shipper will see a very high transportation cost to ship to the same RN destinations that it either absorbs, meaning less profit, or passes on to the receiver. And when costs are passed on, the RN receiver will have to either decide to accept the higher cost of goods or shift the business to the UP-origin shipper. And once the UP-origin shipper sees that its competition is drying up, it will raise its prices. And absent competition, since trucking long distances isn't viable, the receiver on RN will be faced with higher prices for the goods it needs.

Over time this could lead to plant closures on RN as industries move to CSX locations that offer more options for sourcing goods. And this cascades down to industrial development situations where prospects requiring goods from cross country choose locations on CSX to have the options.

By the way, these activities happen every day in the real world. And the Board needs to be aware of this as it looks at the REAL competitive impacts of what UP is proposing.

Product Competition exists when customers can substitute alternative products that serve the same purpose. This issue is of great concern to RN's anthracite producers.
We discuss the anthracite industry in more detail below but for these definitional purposes anthracite is used as a charge carbon (added with scrap metal early in the steel making process to build base carbon) and injection carbon (carbon fines that are pneumatically blown into the ladle late in the steel making process to create a protective foaming slag) by electric arc furnace (EAF) steel makers. That means those EAFs can switch to other carbons. In fact, Pennsylvania anthracite has been moving into markets traditionally held by these other carbons like pet coke and met coke.

Today, NS has been a crucial partner in expanding opportunities for PA anthracite. And since NS connects with all the other Class 1 railroads without favor, PA anthracite producers are able to ship across the continent and across the world.

Tomorrow, if UP acquires NS, what will UP do? If UP has local sources of pet coke and met coke will it prefer those locations? Will it prefer to avoid paying RN to originate this traffic? Will it close down NS transload locations making it harder for PA anthracite to penetrate these markets? Will it choose to originate its own traffic from the Texas Gulf or the industrial Midwest at the expense of the PA anthracite producers?

And since imported anthracite is also competitive to Pennsylvania anthracite, will UP use its access to Gulf Ports to bring Peruvian or other imports up to Midwestern and Southern steel mills.

These are hard questions and no one knows what UP might do over the next 5-10 years. We do know that UP somehow needs to pay the substantial costs of this merger and we do know that neither UP nor NS have a track record of non-intermodal carload growth.

In the pages that follow we will lay out a series of proposed conditions that will help ameliorate some of the potential impacts of this merger. Most critically, direct, reasonably priced access to CSX will provide some counterweight to a merged UPNS. But the access has to make economic sense and the access has to be guaranteed or else the condition is toothless. To compete with a direct interchange on the UPNS mainline at Reading will be difficult. We need the access to be reasonably priced and to have service access guaranteed.

Overview PENNSYLVANIA ANTHRACITE INDUSTRY

History

Pennsylvania's anthracite industry dates to the late 18th century and became one of the foundations of America's Industrial Revolution. The anthracite coalfields of northeastern Pennsylvania supplied the high-carbon fuel needed to power iron production, manufacturing, railroads, and the growing cities of the eastern United States.

During the 19th century, anthracite mining and railroad development grew together. Railroads such as the Reading, Lehigh Valley, Delaware & Hudson, and Central Railroad of New Jersey connected the coalfields to major industrial markets and Atlantic ports. By the early 20th century, Pennsylvania's anthracite industry was producing tens of millions of tons annually and supporting hundreds of thousands of jobs throughout the region.

Anthracite production reached its historical peak in 1917, exceeding 100 million tons annually. However, competition from petroleum, natural gas, and other energy sources gradually displaced

anthracite from residential heating, transportation, and industrial fuel markets. Following World War II, the industry experienced a prolonged contraction as traditional fuel markets disappeared.

At the same time as the anthracite industry was in decline so too the northeast railroad infrastructure. By the time the bankrupt railroads became Conrail and then Conrail became privatized, thousands of miles of railroad had been abandoned and sold.

In 1990 recently-privatized Conrail decided to sell the lines serving the anthracite producers to the newly formed Reading and Northern. Although the anthracite industry was in decline it was still the major industry on the lines that made up the RN. So, RN, with government help, took over and fixed up the lines and improved the service. Working with Conrail, RN helped restore the anthracite business.

But then came Split Date and NS acquired the lines connecting the anthracite producers to the rest of the world. Nowhere in our region was the NS acquisition of Conrail felt more powerfully than with our anthracite customers.

Unfortunately, while NS knew much about coal, it had little knowledge or experience with anthracite. Almost immediately NS went about changing the way Conrail managed the market. NS increased rail rates by double digits and it went about pulling Conrail supplied coal cars out of anthracite service. (See Anthracite Council filing.)

After strong pushback by the industry NS reversed direction. Rates were lowered and NS sold the Conrail car fleet to RN.

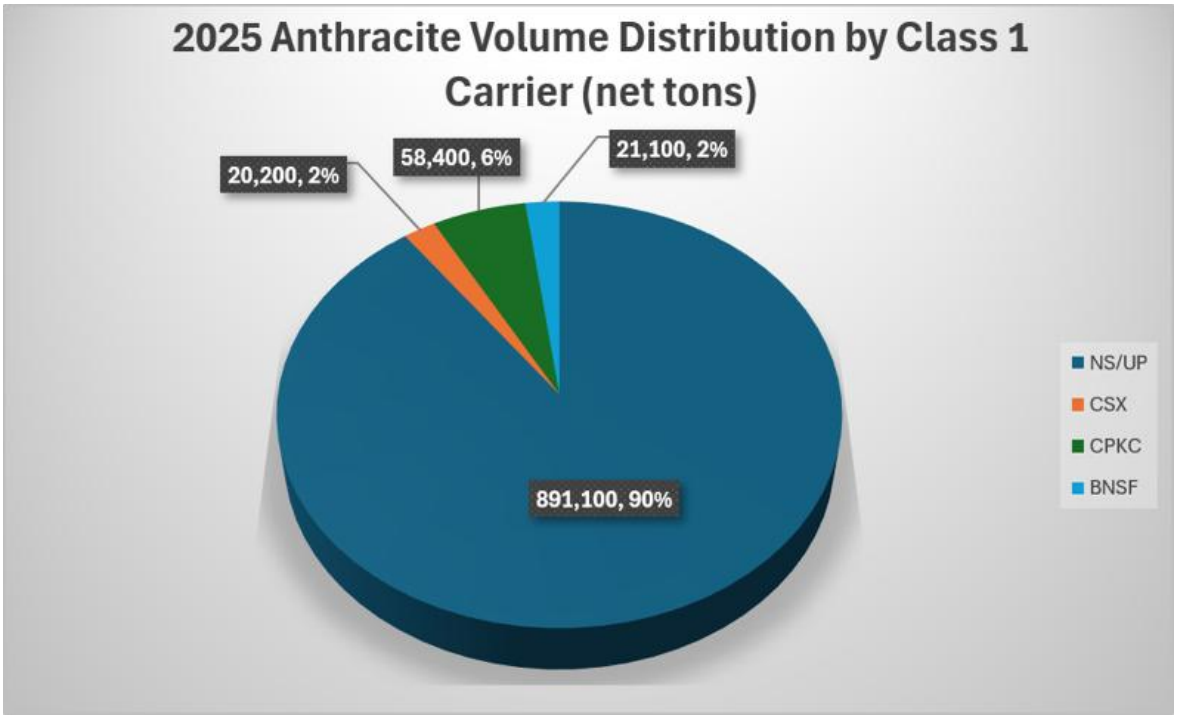
Since that very rough beginning the NS Coal group has been a very strong supporter of RN and the anthracite industry. The strong recent growth in the industry is in part due to the support and encouragement of NS. NS has partnered with R&NN on a good rate structure, including rates to Class 1 junctions, offering up critical transload infrastructure, assisting on car supply when needed and helping R&N to add to its fleet by discounting the cost of moving newly-purchased coal cars to R&N and also discounting the cost to move out of age coal cars to scrappers.

It should be noted that the modern Pennsylvania anthracite industry is substantially different from the industry of a century ago. Rather than depending primarily on heating markets, today's producers supply specialized carbon products for electric arc furnace steelmaking, industrial manufacturing, filtration, and other applications. Pennsylvania remains the nation's only domestic source of anthracite.

Despite changes in production methods and markets, rail transportation remains essential. Anthracite producers depend on us and our connections with major Class I carriers through NS to reach domestic steel mills, industrial customers, and international export markets.
Today, Pennsylvania's anthracite industry produces approximately two million short tons of prepared-anthracite-equivalent material annually, with roughly half of that volume moving to market by rail. The industry continues to provide employment and economic activity in northeastern Pennsylvania while supplying an important domestic carbon resource to American manufacturers.

Anthracite Community Merger Concerns

One number tells the whole story. After the merger, UPNS will control **90%** of current anthracite coal destinations. What that will mean for our coal customers who are dependent on rail is unknown.



So, in addition to the concerns raised earlier of UP using its new market power to favor UP carbon sources over PA anthracite or to favor imported anthracite over PA anthracite, we need to contemplate what it means for one company to control access to almost all the anthracite industry's destinations. Such market dominance would enable UP to dictate terms to RN and by extension our online customers.

The before and after picture is stunning. Today NS works with R&N and the anthracite industry to penetrate markets. Today NS benefits by handling anthracite because NS does NOT have the same access to other carbon sources or imports. Today NS values the anthracite business and works hand-in-hand with RN to grow that business. A million tons of anthracite by rail is a very nice niche market for NS.

Tomorrow…the truth is without conditions on rates and other terms as well as access to CSX the anthracite industry future is in the hands of UP. And if you want the anthracite community position in their own words, read the filing by their Anthracite Council.

Trackage rights to CSX

The bottom line is the anthracite industry needs direct access to CSX to ameliorate the impacts of the UPNS concentration of market power.

Once RN has a connection with CSX in Philadelphia, RN can offer alternative routing options and alternative pricing to many markets. UP would still have a strong advantage since the Reading interchange is right on the NS mainline and since there will be significant costs involved in using trackage rights to get to CSX. But, the CSX option at least allows the anthracite producers to continue to make investments in their business because they know rail will be viable. (See the attached letter from Blaschak Anthracite supporting RN's request for trackage rights).

For example, today export coal flows to either Fairless Hills, which is on Conrail and open to both CSX and NS, or Baltimore, where CSX has a strong presence. CSX also has a strong presence in the Midwest, where much of the dried coal business goes. And many of the UPNS destinations are also served by other Class 1s since many steel mills choose to be on at least two Class 1 carriers.

The CSX option will ensure the anthracite industry that they are not captive to UPNS.

Other relief for anthracite industry

Rate stability

From the experience of NS taking over from Conrail, the industry has learned that it needs rate stability. RN is looking for UP to ensure that rates for the first decade do not rise above the RCAF. This is especially important for the critical current junctions to Class 1 railroads such as CSX – Hagerstown, and multiple carriers in Chicago. See VS of Jim Cerulli.

Facilities relief.

NS has partnered with R&N and the anthracite industry in opening up successful transload facilities, especially in the Midwest. See Cerulli VS. RN seeks assurances that those facilities and their relationships with the truckers and transloaders will remain in effect for the next 10 years after consummation and that UP pricing for its properties and services be capped at RCAF for that period.

Demurrage relief.

Across the Class 1 railroads demurrage has gotten extremely expensive. Thankfully, NS has cooperated with R&N to enable our customers to continue enjoying rail deliveries. For all existing facilities, we need UP to continue those demurrage relationships. Basically, our arrangement is cars once placed on customer track go off the clock. R&N agrees to return any car hire charged for that time and NS agrees to charge no demurrage. That relationship needs to continue for 10 years after consummation. See Cerulli VS.

Empty car movements

R&N supplies almost all the empty cars needed for the anthracite producers. R&N maintains those cars in its own car shop. R&N stores the cars on its own tracks when not in use. And R&N weighs all outbound and returning cars.

The R&N fleet currently consists of 2000 cars broken down as follows. And R&N continues to invest heavily in its fleet. In 2026 R&N purchased 153 covered hoppers to supplement its fleet.

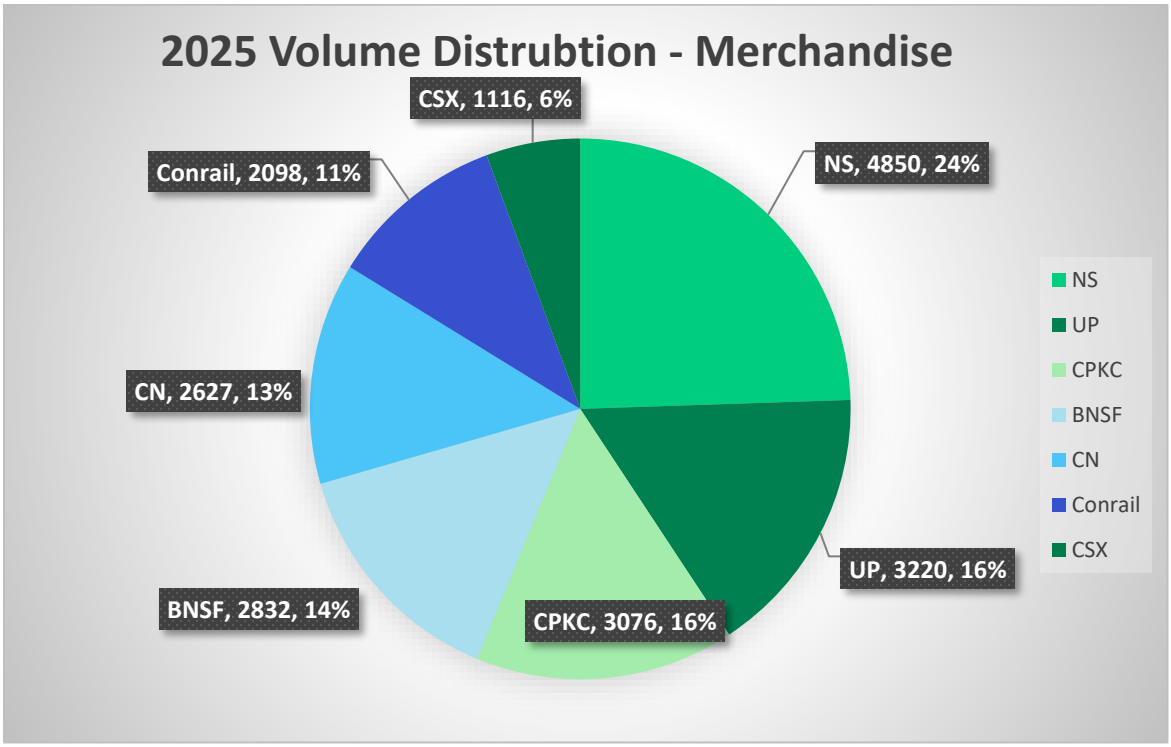
To ensure the good working order of the fleet and to ensure that R&N can always meet our customers' needs we need UP to honor the relationship we have built with NS over the decades. NS has assisted us by allowing us to move new empty coal cars for below tariff prices. In addition, NS has moved our outgoing coal cars heading to be scrapped for below tariff prices. Without these concessions R&N would have been hard pressed to continue to acquire the cars needed to support the industry. The result would have been R&N producers or receivers would have been forced to lease or purchase their own fleets. This would add great cost and great complexity and inefficiency to the system as R&N would be dealing with dozens of specific fleets. See Cerulli VS.

Overview MERCHANDISE BUSINESS

As we have seen over the last 30 years, every merger has negative impacts on the local, and in most cases national rail system. RN has not been immune from those impacts.
If this merger is approved the easily foreseeable downstream impacts on RN customers are significant.

Numbers tell part of the story.

An examination of our merchandise traffic makes clear that NS works like a large regional railroad connection to RN. **Only a quarter of our 20,000 merchandise carloads terminate or originate on NS.** See chart below.



In other words, **most RN merchandise traffic is bridged by NS to another North American Class 1 railroad.**

In 2026 that percentage has grown as our frac sand business has surged. Today over 70% of our merchandise business has access to all 5 non-NS Class 1 railroads. After the merger we will go from NS connecting us efficiently to 5 class 1s to UP having a stranglehold on all our business. T**he only way to limit the impact of this problem is by granting us direct, reasonably priced trackage rights access to CSX.** In this way, all of our customers who

receive goods from around the country will still have unimpeded access to all those other Class 1 carriers.

The STB knows full well that Class 1 carriers favor their longhaul. They favor their own customers. And there's nothing wrong with that. RN does the same. With its new market power UP can work to force connecting Class 1s into shorthaul moves. Invariably, those Class 1s seek to maintain their revenues. And the result, higher prices to the distant customers buying from these origins and eventually these origins losing market share to origins on UP. When that happens our customers that rely on materials from these distant origins invariably end up paying higher prices. (We note that the pie chart below show that all the Class 1s that NS connects with handle 13-16% of RN originating business EXCEPT CSX, which handles 6%. Proof that when service territories overlap the direct connection can control price and thus limit the business the second Class 1 can enjoy.)

We realize that on the surface the UP/NS merger is a simple end-to-end merger with limited "watershed" issues. But the data and historic railroad pricing strategies show that to RN and our region and customers this is not the case.

If UP acquires NS without protective conditions what will happen to the business that NS now interchanges with non-UP Class 1 railroads? Will R&N customers start to see origin options dry up? Will UP discriminate against non-UP origins by just arguing their single-line route is more efficient? Will UP origins raise their prices due to limited competition?
These downstream impacts are foreseeable, if not obvious. But the solution is obvious. RN must have reasonable access to CSX to protect its customer base.

Overview INDUSTRIAL DEVELOPMENT

Over my career at Conrail I had the privilege of overseeing industrial development throughout the 18,000 mile Conrail system. I worked closely with over a dozen industrial development professionals and I learned a great deal about site searches and the issues that motivate companies to choose one site over another.

One lesson learned was that if a company wants rail access, they often want to have access to two Class 1 railroads. In Pennsylvania that is very difficult as NS covers most of the Commonwealth while CSX has a much smaller presence.

As a regional railroad we overcome that concern by pointing out that through NS we can ensure that a manufacturer can source materials from anywhere in North America. Our industrial

development service is exceptional, (See VS of Jim Raffa), and our operations with guaranteed 2-hour service windows and customer service are second to none. In my view, the only impediment to our industrial development success is if manufacturers do not have ready access to multiple suppliers.

For the reasons stated above, UP's acquisition of NS without providing RN with CSX access will make it very difficult to convince manufacturers to locate in our territory. No one wants to be captive to one railroad. And when UP stretches coast to coast and exerts massive control over northeastern Pennsylvania, we will be truly captive.

Even if UP states that it will cooperate with industrial development because it is in their own interest, any industrial prospect can look at a map and see they are better off in Conrail territory or on CSX. That is the reality. That is what surrounds RN territory. Developers looking for rail sites will choose Maryland or NY.

RN does not want to sit by and find our years from now that our downstream concerns were valid. The time to act is now. And the action is CSX access via trackage rights to Philadelphia.

ADDITIONAL RELIEF - HAZLETON ACQUISITION

Today 20% of Reading & Northern's traffic originates or terminates in Hazleton PA. And RN accesses all that business over NS trackage rights.

Specifically, RN wants to acquire 8.1 miles of NS trackage in the Hazleton area as follows.* See the attached map. RN also will acquire Hazleton Yard. Note the first two line segments, the Sheppton and Hazleton tracks, are where RN currently has trackage rights over NS. On the Sheppton, RN is the only carrier operating trains.

Hazleton Trackage Rights				
Line Segment	**Junctions**	**Mileposts**	**Mileage**	**Map Code**
Sheppton IT	Harwood - Oneida	KA 148-150	2	1-Orange
Hazleton RT	Ashmore - Oneida	JW 141.3 -147.4	6.1	2-Pink
TOTAL			**8.1**	

Remaining NS Hazleton Lines			
Line Segment	**Junctions**	**Mileposts**	**Mileage**
Tomhicken IT	Hazleton - end of property NERT	TH 145.8-149.6	3.8
Ebervale IT	Harleigh - end of track	QO 150.7-151.8	1.1
W. Hazleton IT	Oakbur - both ends of tracks		~1.0
Heights IT	Lead to heights to property line		~0.5
TOTAL			**4.9**

While RN is handling over 7000 carloads a year and growing, NS itself only moves about 1200 carloads a year.[3] And the NS traffic has been stagnant or in decline since NS acquired the line from Conrail.

Geographically the Hazleton market is a challenge for NS. NS crews originate in Allentown and then travel over 50 miles to get to Hazleton, including 10.8 miles of heavy grade territory on the Ashmore Secondary with its 2.72% grade.

It is not surprising that Conrail had planned to sell RN the Hazleton tracks along with the entire line to Allentown. In fact, Conrail announced plans to sell the entire Lehigh Line from Allentown to Sayre on the NY border in 1995. From a planning perspective Conrail decided to break the Lehigh Line up into three segments. The first segment, the Lehigh Middle was sold in August 1996 to RN. Before other sales could occur, Conrail was split between NS and CSX. (Since I managed that line sale program I can attest to these facts).

[3] To ensure no disruption to current NS customers, RN will provide NS with trackage rights to run over the Hazleton RT. Service would be from Allentown as it is today. In the alternative, RN is willing to negotiate with UP to purchase the Hazleton branch lines and even the track all the way down to its next customer in Palmerton, PA or even to Allentown Yard.

Since NS acquired the Hazleton area, RN has frequently sought to acquire that segment of track. The acquisition is a natural fit since RN already connects to Hazleton from the southwest and RN already had trackage rights from Conrail to access coal customers in Hazleton. Although there have been discussions with NS, including as late as earlier this year, the parties have been unable to reach an agreement.

The failure to reach an agreement, however, does not lessen the need for regulatory relief at this time. The attached letters from civic leaders and the industrial development network make clear that NS is holding back growth in Hazleton. (See statements from the Mayor of Hazleton, CAN DO and Mericle.) The only growth in Hazleton traffic for the last decade has been on the locations served by RN. The fact is it takes investment and superior service to grow freight business. And in the case of Hazleton, RN is best able to offer both.

But RN service and growth is constrained by the fact that we do not own the infrastructure we use and we do not have rights to use Hazleton Yard.

Ownership of these tracks will allow RN to take responsibility for maintenance and dispatching over tracks that are critical to RN's future. As stated by RN EVP Transportation Eric Peters ownership would create a seamless operation for our train crews. Currently our train crews need NS operating bulletins along with RN bulletins for their daily work. Currently the RN Dispatcher must request the NS bulletins and then get them to the crew and the crew must get permission from NS Harrisburg East Dispatcher to operate on the specific tracks and verify they have the correct bulletins. Not surprisingly, the NS dispatcher has a large and active territory so getting hold of them for permission sometimes is a challenge. And, because it is NS track, RN crews are required to be trained, tested, in possession of, and follow NS Operating and Equipment Rules while working over the trackage rights portion. All of this is eliminated with RN continuity of ownership.

And RN also needs Hazleton Yard, which sits on the Hazleton RT, to expand its operations and continue its excellent service to the existing RN customers. Business growth is great, but all the growth we are enjoying in Humboldt Industrial Park comes with a challenge. As described by Peters and our Chief Commercial Officer Jim Raffa, the volume of traffic requires storage space for switching cars and holding cars for our customers. Although we have built additional track at Humboldt we are site constrained and the need for Hazleton Yard to continue the growth is real.

In addition, ownership of Hazleton Yard will be a boon to business expansion at the adjacent American Coal facility. As explained by our VP Coal Marketing Jim Cerulli, with ownership RN can forward stage cars nearby, start crews serving American Anthracite and Wildcat Coal next to the facilities instead of miles away, and even expand American's export loading capacity by using the Northernmost yard track as an additional loading track.

In conclusion, in order to protect RN's existing business in Hazleton and secure its growth, RN is requesting sale of the NS trackage within the Hazleton area that RN already uses via trackage rights.

OTHER RELIEF

In addition to the attached trackage rights and line purchase applications, and the business conditions related to the anthracite coal producers, RN is seeking additional relief.

CONTINUATION OF ALL NS/CONRAIL AGREEMENTS

In his supportive verified statement EVP Peters identifies 13 operating agreements that are critical to our daily service. These agreements include terms that are also critical. For example, the interchange and trackage rights agreements require $20 million in insurance. If UP were to demand $100 million insurance that would be a substantial financial cost to our railroad that would have to be covered by increased rates. We are requesting that **all agreements continue as is for the first ten years after the merger to protect the commercial and operational viability of those agreements**.

ACQUISITION OF "ORPHAN PROPERTY"

With its acquisition of Conrail NS acquired an easement in Carbon and Schuylkill Counties.

Specifically, per the 1990 deed received by RN when we purchased the Reading Cluster, Conrail retained, "Excepting and reserving, thereout and therefrom and unto the said Grantor, permanent, perpetual, exclusive, assignable and unrestricted easements and rights for electric utility transmission lines and their improvements and appurtenances, hereinafter referred to as "facilities", for use by Panther Creek Energy, Inc.,"). The easement was used to allow Panther Creek Energy to build a pole line along a railroad corridor. The pole line was built to distribute power to the PJM grid from its coal co gen facility.

Thirty years later problems arose. For one, Conrail was now owned by NS. Another issue is the relatively low-density branch line that ran under the pole line was now the RN main line

carrying thousands of carloads of freight between RN's active interchanges with NS at Taylor and Reading and its customers on the Reading and Lehigh divisions. Finally, RN uses the line to transport tens of thousands of excursion train riders.

None of the above would be a problem if NS had not allowed the pole line's use to change. Originally, the 115-kV transmission line was used primarily to export electricity generated by the Panther Creek cogeneration facility into the regional power grid. Under its new owner, Stronghold Digital Mining/Keel, the electrical system was reconfigured to import electricity from the grid to support its Bitcoin mining operation. Although the operating voltage remained at 115 kV, the power flow direction and electrical configuration changed. A 2023 engineering report identified the Bitcoin transformer as a grounding bank and estimated that it increased the unrestricted phase-to-ground fault current by approximately 20% for a midline fault. A subsequent June 2026 engineering study identified electromagnetic induction during transmission-system faults as a potential cause of damage to the railroad's signal equipment and signal misoperations. These problems have repeatedly damaged our signal equipment and interrupted railroad operations. Engineering studies have also identified potentially hazardous touch voltages along portions of the railroad during transmission-system faults, raising serious concerns about employee safety.

Although the parties agreed to work together to determine the underlying cause (which we have been told by the expert engineers hired by Stronghold was the pole line whether or not it was energized at the time), and to take steps to mitigate the risk, little has been done in the last three years.

Instead, Stronghold sold to a company now known as Keel and Keel has upped the ante by saying it is building a massive AI data center. Keel has refused to say whether or not the new data center, which will require massive inbound electricity, will increase use of the pole line. And NS has done little to assist us in resolving this matter.

Accordingly, before this asset is sold to an even more distant railroad with no knowledge of this region, we are asking the STB to require that the easement be sold to RN so that RN can deal directly with Keel in an effort to protect its workers and the community that relies on our signal system to provide safe grade crossings and the safe passage of trains on our main line.

HAULAGE RELIEF SOUGHT BY NEIGHBORING COMPETITOR

In addition to the relief we have outlined above, we want to join in the request for haulage that was filed on November 17, 2026 by our neighboring competitor, the Delaware-Lackawanna Railroad Co. (DL).

Specifically, DL is seeking to renegotiate haulage by NS from Taylor Yard in Taylor, PA to Saratoga, NY (junction with CPKC) and to negotiate new haulage to Buffalo, NY (junction with CSX, CN, CPKC and B&P). RN also has access to NS' Taylor Yard and would seek the same competitive advantage as the DL, which is a regional competitor operating over tracks owned by the Pennsylvania Northeast Regional Rail Authority.

The DL haulage request to Saratoga seeks to renegotiate a haulage agreement that was entered into by NS and Canadian Pacific as part of the overall D&H sale agreement. And that haulage was embraced by the STB in its order approving the D&H sale agreement. As DL notes, none of the impacted shortlines (including RBMN) who were supposed beneficiaries of the haulage were "granted a role in the negotiation of the haulage terms, including length of agreement, commodities handled, and haulage rate." We agree with DL that the haulage has had limited utility as the haulage rate NS charges CPKC is too high to allow for effective competition. We join the DL request that the haulage agreement be renegotiated to provide for a lower commercially reasonable rate.

The haulage request to Buffalo has no prior existence. If granted, such haulage getting to 3 Class 1 railroads and a regional railroad would be a competitive game changer in our region. For that reason, RN requests that if the STB is inclined to grant that request to DL that it do so for RN as well.

Conclusion

As the STB has recognized, mergers have consequences and impacts that are difficult to quantify in advance. With this proposed unprecedented merger, those consequences and impacts will only be magnified.

The harm that UP can cause to our online customers who currently receive 60% of their goods from carriers other than NS and UP is substantial.

The harm that UP can cause to our online anthracite producers since UP will not directly serve 90% of their destinations could be destructive.

In addition, we know there will be serious service disruptions in an order of magnitude greater than we experiences when Conrail was split between NS and CSX.
The bottom line is this merger has the potential to be devastating to our region, our customers and our railroad.

Nevertheless, RN remains hopeful. Historically, we have had a good relationship with up and we just celebrated a phenomenal summer of cooperation as the UP Big Boy steam engine traveled over our entire main line over the course of four very hot summer days. The videos and pictures of the Big Boy racing down our double track with our own 2102 steam engine will forever be carved in our memories. The way our companies worked together to handle this once in a lifetime opportunity gives us hope that we will work together to solve any issues that may arise.

But hope is not a strategy.

And so, RN has identified specific targeted relief that will address the potential consequences of the merger. We are hopeful that UP will agree to our requests and work with us to negotiate terms. But we are still requesting that the STB order the relief.

The principal relief would be trackage rights to get us access to CSX in Philadelphia. Although little RN business originates or terminates on CSX today, the fact is CSX can replicate the role NS plays today as a super regional railroad connecting RN with all the other Class 1 railroads. Instead of NS connecting with the other 5 class 1 railroads to deliver 75% of our inbound traffic, CSX can handle that business. And since CSX has equal access to Conrail it can also handle Conrail customers in the Port of Philadelphia that originate significant volumes.

On the anthracite side of the business, where UP will serve 90% of the existing destinations, CSX can serve as a safety valve because CSX can access much of the NS business that goes to Conrail (the Port of Fairless Hills), the river for barging south, or to Midwest steel plants through transloads.

We are also requesting additional protective conditions for our customers in terms of gateway pricing, rate control and facilities availability. We also seek to preserve our NS agreements without significant change.

We also have two locations where NS currently has limited property interests in the center of our operating territory.

In Hazleton, NS owns the tracks we use via trackage rights. Even though NS barely uses the tracks compared to our usage (NS cls 1200 vs R&N at 7000 cls) NS controls dispatching and maintenance. Even though NS is over 50 miles away in Allentown, NS has insisted on retaining ownership. With a merger on the horizon, it is time for RN to have control of its own destiny and that of the customers who depend on us.

Along our Mainline railroad, the corridor that connects our two divisions, NS holds onto a 1990 easement that allows a company to own a pole line. Despite owning the easement, NS has done little to manage the situation as the customer has been able to completely change the character of the easement and in doing so create a safety hazard to our employees and guests. RN needs to control that easement.

If the STB does decide to approve UP' control of NS the conditions outlined in our pleadings and attachments will help to ameliorate the worst consequences of that merger for our customers, our region and our railroad.

VERIFICATION

I, Wayne A Michel, declare under penalty of perjury that the foregoing Verified Statement is true and correct. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

Executed on November 18, 2026



Wayne A. Michel

BLASCHAK
ANTHRACITE

P.O. Box 12, Route 54
Mahanoy City, PA 17948
Office: 570-773-2113
Fax: 570-773-0569
www.blaschakanthracite.com

Surface Transportation Board
Office of Chief Council
Section of Administration

November 18, 2026

Re. **STB Docket No. FD 36873 (Union Pacific-Norfolk Southern)**

PUBLIC

I am writing on behalf of Blaschak Anthracite Corporation, a Pennsylvania anthracite mining, processing and distribution business located in Mahanoy City, Schuylkill County Pennsylvania. Competitive rail transportation is essential to our ability to serve customers who require our anthracite and also to sustain the critical jobs in the region.

While our company sells the bulk of our production on an FOB plant basis, and are not rail shippers of record to any great extent, nearly one-third of all our sales are to customers in multiple industries dependent on competitive rail transportation to move the product from our plant to the point of consumption throughout North America and international markets.

Blaschak Anthracite Corporation has been serving customers nationwide and around the globe for nearly 90 years, and much of our business has been built around the availability of timely, reliable and competitive rail service. We, and all of the Pennsylvania anthracite industry are served directly by the Reading and Blue Mountain Railroad (RBMR), supplying the U. S. metallurgical, municipal & commercial water purification and sugar beet refining industries with products essential to their work. Every aspect of the rail transportation service; RBMR trackage rights, reliability, interchange and rates, affect the competitiveness of our products in reaching their historical markets.

In your work to evaluate this proposed merger, it is critical that meaningful gateway pricing, reliable interchange and competitive routing be maintained. Also, specific to our company and industry, support of RBMR's application to gain Reading- Philadelphia tracking rights to connect with CSX.

I appreciate the opportunity to provide comments, and ask the board to consider how the proposed merger could affect transportation rates, service reliability and access to domestic and export markets.

Respectfully submitted,



Boyd Kreglow
President and Chief Executive Officer
Blaschak Anthracite Corporation
Email: bkreglow@blaschakanthracite.com
Office: 570-773-2113
Mobile: 484-634-2713

City of Hazleton
OFFICE OF THE MAYOR

JEFFREY CUSAT
Mayor

November 11, 2026

The Surface Transportation Board
395 E Street SW
Washington, DC 20423

RE: Reading Blue Mountain & Northern Railroad's Alternative Application to Acquire the Hazleton Rail Line

Dear Members of the Surface Transportation Board:

On behalf of the City of Hazleton, I am pleased to express the City's strong support for Reading Blue Mountain & Northern Railroad's alternative application to acquire approximately eight miles of the Hazleton rail line as part of the proposed Union Pacific–Norfolk Southern merger proceeding.

RBMN is a regional railroad with well-established ties to the Greater Hazleton Area. They have been present in our communities and invested in the region's rail infrastructure. Its proposed acquisition of the Hazleton line would allow RBMN to continue that investment within the City.

Maintaining an active freight line can benefit Hazleton by serving businesses that rely on rail and preserving rail access as an option for future business investment. The City believes RBMN's regional experience and continued investment can help keep the line positioned to support local employers, jobs, and Hazleton's economic future.

The City of Hazleton supports RBMN's alternative application and respectfully encourages the Board's favorable consideration.

Sincerely,

Jeffrey L. Cusat. Mayor
City of Hazleton

40 N. CHURCH STREET • HAZLETON, PENNSYLVANIA 18201 • PHONE (570) 459-4910 • FAX (570) 459-4966

JOHN E. SCHWEAR JR.
CHAIR OF THE BOARD

CAN DO
GREATER HAZLETON

JOSEPH LETTIERE
PRESIDENT & CEO

November 9, 2026

RE: Reading Blue Mountain & Northern Railroad's Alternative Application to Acquire the Hazleton Rail Line

Dear Members of the Surface Transportation Board:

On behalf of CAN DO, Inc., I am pleased to offer our strong support for Reading Blue Mountain & Northern Railroad's proposal to acquire approximately eight miles of the Hazleton rail line through an alternative application in the proposed Union Pacific–Norfolk Southern merger proceeding.

As the Certified Economic Development Organization serving Greater Hazleton, CAN DO recognizes that reliable rail service is essential to supporting existing employers, attracting new investment, and strengthening the regional economy. CAN DO developed and operates the Humboldt Industrial Park, which is home to more than 65 industries and employing over 11,000 people. We have worked closely with RBMN since it began operating in the park in 2016 and have firsthand experience with the freight service it provides to businesses there.

During that time, RBMN has demonstrated a commitment to dependable service and responsive customer support. RBMN serves the Humboldt Industrial Park customers six days a week, with service available seven days when needed, and coordinates two-hour service windows with them. RBMN also works with existing customers to expand their businesses and with development prospects to bring new business to the area. This work has helped grow annual rail traffic in the Humboldt Industrial Park to more than 5,000 railcars in 2025 and has reinforced rail as a competitive advantage for industries in the park and job creation in the community.

Based on our firsthand experience, we are confident RBMN is well positioned to own and operate the Hazleton rail line. Its record of investing in rail service, working with customers, and supporting business growth makes it an excellent choice to strengthen this important transportation asset.

CAN DO strongly supports RBMN's proposal and respectfully encourages its favorable consideration. We are confident RBMN's continued stewardship will strengthen the region's rail infrastructure while supporting economic growth and industrial competitiveness throughout Greater Hazleton.

If you have any questions regarding this letter or CAN DO's support, please do not hesitate to contact me directly at 570-455-1508 or jlettiere@hazletoncando.com.

Sincerely,

Joseph Lettiere
President & CEO

1 SOUTH CHURCH STREET | SUITE 200 | HAZLETON, PA 18201
P: 570.455.1508 | F: 570.454.7787 | E: INFO@HAZLETONCANDO.COM

Pennsylvania
Department of Community
& Economic Development

HAZLETONCANDO.COM

MERICLE
COMMERCIAL REAL ESTATE SERVICES

East Mountain Corporate Center
100 Baltimore Drive, Wilkes-Barre, Pennsylvania 18702
570.823.1100 FAX: 570.704-0605. E-Mail: rmericle@mericle.com

November 10, 2026

Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Letter of Support — Reading & Northern Railroad, Hazleton, Pennsylvania Area

To the Board:

Mericle Commercial Real Estate Services ("Mericle") is the largest industrial real estate developer in Northeastern Pennsylvania, with an owned and developed portfolio exceeding 23 million square feet along the I-81 corridor. We write in support of Reading & Northern Railroad's ("R&N") continued role in serving the Hazleton, Pennsylvania rail market, in connection with the Board's review of the proposed merger of Union Pacific Corporation and Norfolk Southern Corporation.

R&N is a valued, long-standing rail partner to Mericle across Northeastern Pennsylvania. We are currently working with R&N on multiple rail spur projects serving Mericle industrial sites in Pittston Township, Jenkins Township, and Hazle Township, Luzerne County.

The Norfolk Southern line at issue runs directly through Mericle's CrossRoads East industrial park, Phases I and II, in Hazle Township — an active development we are marketing to advanced manufacturing, logistics, and life science users. Rail service access is critical to CrossRoads East's competitiveness and lease-up with these target users. Reliable, locally responsive short-line service is essential to our ability to attract and retain industrial tenants there and at our other business parks across Northeastern Pennsylvania, and R&N has been a great partner in supporting industrial development across the region, consistently demonstrating the local investment, responsiveness, and operating partnership that our tenants and our development programs depend on.

For these reasons, Mericle is pleased to express its support for R&N and respectfully asks that the Board give full and fair consideration to R&N's position as part of its review of this transaction.

We appreciate the opportunity to express our support and are glad to provide any additional information the Board may find useful.

Sincerely,

Mericle Commercial Real Estate Services
Robert K. Mericle,
President
Rmericle@mericle.com
570-823-1100

PUBLIC VERSION

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
- CONTROL –
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY
COMMENTS AND REQUESTS FOR CONDITIONS

VERIFIED STATEMENT OF ERIC PETERS

My name is Eric Peters. I currently serve as Executive Vice President of Transportation and Fleet Management at Reading Blue Mountain and Northern (RN) and my responsibilities include planning, scheduling and executing our freight train operations including service to our customers. In addition, I oversee our fleet of over 2,000 railcars and repair facilities as well as overseeing our locomotive, heavy equipment and vehicle facilities. Before my position at RN, I was employed at Norfolk Southern (NS) for over 14 years. I had many positions and territories during my tenure including the position of Harrisburg Division Superintendent. While Harrisburg Division Superintendent train operations for the area of concern in this statement were under my responsibility.

The facts set forth in this verified statement are based on my personal knowledge of the train operation, customer service and related infrastructure in the area. I am knowledgeable and competent to testify on the matters stated herein.

Purpose of Statement

This statement is submitted for the purpose of providing factual evidence that supports our request for (1) acquiring Norfolk Southern tracks and property in Hazleton, PA that RN currently has trackage rights over, and (2) acquiring trackage rights from Reading, PA to Falls, PA (outside of Philadelphia, PA) for connection to CSX tracks. This statement is not offered to establish the strategic or commercial justifications for the respective requests.

1. **Hazleton property acquisition.**
   - Acquisition would include approximately 8.1 miles of track consisting of the Sheppton Industrial Track (IT) and Hazleton Running Track (RT) along with associated yard and auxiliary tracks. Map attached.
   - Currently RN uses these same tracks to reach the Humboldt Industrial Park, off the Shepton IT, and two coal production facilities. From these locations RN handles over 7000 carloads a year. Traffic continues to grow at Humboldt due to RN excellent service and aggressive industrial development. Traffic is also growing at the anthracite production facilities.

Hazleton Trackage Rights				
Line Segment	**Junctions**	**Mileposts**	**Mileage**	**Map Code**
Sheppton IT	Harwood - Oneida	KA 148-150	2	1-Orange
Hazleton RT	Ashmore - Oneida	JW 141.3 -147.4	6.1	2-Pink
		TOTAL	**8.1**	

- Norfolk Southern would retain ownership of the below lines in the Hazleton area.

Remaining NS Hazleton Lines			
Line Segment	**Junctions**	**Mileposts**	**Mileage**
Tomhicken IT	Hazleton - end of property NERT	TH 145.8-149.6	3.8
Ebervale IT	Harleigh - end of track	QO 150.7-151.8	1.1
W. Hazleton IT	Oakbur - both ends of tracks		~1.0
Heights IT	Lead to heights to property line		~0.5
		TOTAL	**4.9**

- NS currently serves 5 customers on these Hazleton branch lines that RN is NOT seeking to acquire. Those customers generate approximately 1200 carloads a year.

- Ownership of the tracks would improve RN's operation. Currently our train crews need NS operating bulletins along with RN bulletins in their possession for their daily work. The RN Dispatcher must request the NS bulletins and then get them to the crew. The crew must get permission from NS Harrisburg East Dispatcher to operate over the trackage rights portion and verify they have the correct bulletins. The NS Harrisburg East Dispatcher has a vast amount of territory and trains operating over that territory and it can be difficult and time-consuming to get ahold of them for permission. Also, RN crews are required to be trained, tested, in possession of, and follow NS Operating and Equipment Rules while working over the trackage rights portion. If RN owned these tracks all of these steps would be avoided and RN crews could focus on operating safely and meeting our customer schedules.
- Ownership of the tracks would result in better coordination between RN transportation and RN's Maintenance of Way and Signals department, which would take over current NS responsibilities.
- In addition, Hazleton Yard will greatly enhance RN's ability to serve the existing and growing Hazleton-area customer base. There are 7 yard tracks and they are currently underutilized for NS Hazleton traffic as NS only uses part of 3 or 4 tracks.
- RN also will use the Yard to improve service to American Anthracite at the east end of the NS Hazleton Yard.
- Operating plan once Reading and Northern acquires:
    - RBMN would move on-duty location from Humboldt to Hazleton Yard.
    - Traffic would be moved over night on an existing road shuttle train with our Humboldt, American Anthracite, and Jeddo Traffic.
    - We would have 2 crews on to service Humboldt, American Anthracite and Jeddo, and build the shuttle train.

Current NS customer traffic would move over the Hazleton RT to the NS tracks via trackage rights over RBMN. And if NS needed yard space to serve its remaining customers a portion of the yard could be designated for them to utilize (1-2 tracks).

Acquisition of Trackage rights to Philadelphia area and CSX.

- The trackage rights we request below are a total of 65.1 miles. These rights would allow us access to CSX Trenton Subdivision for interchange ability:

- Pottsville Branch: Belt (FR 61.2) to Walnut (FR 58.6)
- Harrisburg Line: Walnut (HP 58.6) to Falls (HP 5.2)

Additional for operational flexibility

- Reading/Harrisburg Line: Belt (AF 5.4) to Lorane (AF 14.5 / HP 54.3)

- Belt Interlocking is where the property line is between RN and NS. There is a signal controlled by NS dispatcher that can display a permissive signal onto NS property. The Belt interlocking can line a route towards NS Reading Yard via the Pottsville Branch or can route around NS Reading Yard from Belt to the AF segment. This allows operational flexibility to get around Reading area via two routes.
- Current trackage rights to our Pennsy Branch are CP Belt (FR61.2/TK5.4/AF5.4) to Laurel (TK4)
- Current usage rights to interchange to NS Reading Yard include CP Belt (FR61.2/TK5.4/AF5.4) to CP Oley (FR58.9/HP58.9) and needed head/tail room.
- Our current usage of tracks in the Reading area makes our personnel extremely familiar with CP Belt interlocking and NS Reading Yard.
- NS has 24/7 dispatching over the requested trackage rights. They also have full-time yardmasters at both Reading Yard and Abrams Yard (HP 20) along the proposed trackage rights route.
- The route is mostly double track from Titus just outside of Reading at HP 56 to Falls HP 5.2 where it enters CSX Trenton Subdivision. There are two sections that are single track due to tunnels. There is a section for 3.5 miles from Cromby to Phoenix that is single track with a siding before going through Black Rock Tunnel. Also, Flat Rock Tunnel is single track for 1 mile around HP 8-9.

- The route is primarily 50 mph with some speed restricted curves.
- NS currently operates 6 road trains and 7 locals in the area.
    - There are 2 intermodal trains (1 in each direction) that run between Harrisburg and Morrisville. These trains enter the requested route at HP 54.3 and exit onto Morrisville Line at HP 18.
    - There are 4 general merchandise trains (2 in each direction) that operate between Abrams (HP 20) and Reading.
    - There are 7 locals that include 3 that primarily work lines off the requested route.
- With the amount of infrastructure and low density of traffic, the requested route would have very little impact on the current freight operation. Even if RN operated large trains on a daily round trip it would not disrupt current operation. RN has reliable locomotives and highly skilled train and engine employees to safely operate. RN has several employees that were previously qualified along the route when they were employed by NS.
- It should be noted that traffic moving over this trackage rights would result is a reduction of NS switching within Reading Yard and would remove tonnage from their trains.

VERIFICATION

I, Eric Peters, declare under penalty of perjury that the foregoing Verified Statement is true and correct. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

Executed on November 18, 2026

/s/ Eric Peters

_____
Eric Peters
EVP Transportation & Fleet Management

Current Agreements

Reference #	Name/Description	Party	Location	Date	Termination	Insurance Requirements
1	Reading Interchange and Pennsy RT Bridge Traffic	NS	CP Belt into Spring St. Yard CP Belt to W. Laurel for Temple Interchange	5/10/2022	30 day	$20M
2	Reading Unit Train Agreement	Conrail/NS	RBMN North Reading Yard	1991	30 day	
3 (1)	Hazleton Agreement - Onieda to Ashmore	Conrail/EM&H	Onieda Jct to Ashmore Jct	1992	7/24/2052	$3M
3 (2)	Hazleton Agreement - Onieda to Ashmore	Conrail/EM&H	Onieda Jct to Ashmore Jct	1997		$3M
3 (3)	Amendment 2	NS	Onieda Jct to Hazleton Shaft	12/1/2011	12/1/2041	
3 (4)	Amendment 3	NS	Onieda Jct to Humboldt Industrial Park	11/30/2015		
4 (1)	Bridge 60 and Taylor Area	DHC/Conrail	Taylor Yard and Keyser Valley	199?		

4 (2)	Bridge 60 and Taylor Area #2	DL/Conrail	Bridge 60 to Pittston Yard	8/27/1993	30 day	$5M
4 (3)	Bridge 60 and Taylor Area #3	DH/RBMN	Minooka Jct to Bridge 60	2/28/1998	9/7/2040 or 12 mo notice	$10M
5	Dimensional Interchange	Conrail/DH	Dupont	5/8/1995	30 day	
6	RBMN Settlement Agreement	NS	Mehoopany	12/5/2014	7/30/2031	
		RBMN/NS/ Lehigh Railway	Mehoopany to TMSL	12/5/2014		
		NS	Hazleton Area			

Fees	Notes
None	All Reading/Temple traffic interchanged at NS Spring St with rights for RBMN to access Pennsy RT at Temple. Has PTC provisions to exempt RBMN from being required to have PTC
None	Allows NS into RBMN North Reading Yard for unit train interchange
$1.72 / car	Trackage Rights from Onieda to Ashmore.
Removed	Change to 1992 Agreement. Eliminate cost to operate Onieda to Ashmore to access RBMN line at Ashmore
$0.45 per car-mile round trip loaded coal, locomotive, caboose from Hazleton Shaft	Local trackage rights to service customer Hazleton Shaft restricted to outbound coal loads that terminate on RBMN or interchanged to NS
None	Overhead trackage rights to access Humboldt Industrial Park from Onieda Jct
	Access to serve Keyser Valley Industrial customers

None	For DL to interchange at Pittston Yard
None	To access DL for interchange in Scranton
	Related to interchanging dimensional cars at Dupont
	Grants lease to serve [XX] (CONFIDENTIAL)
	Haulage to RBMN at Towanda
	"Right of First Offer" for Hazleton Proper

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
- CONTROL –
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY
COMMENTS AND REQUESTS FOR CONDITIONS

VERIFIED STATEMENT OF JAMES M. CERULLI

My name is James M. Cerulli. I currently serve as Vice President of Coal Business Development of Reading Blue Mountain & Northern Railroad Company ("RBMN" or "R&N"). My responsibilities include oversight of more than 1 million tons of anthracite coal shipped annually from R&N origins, as well as the preparation of rate agreements and contracts, strategic coal initiatives, business development, coal project management, and day-to-day planning and tracking of coal loadings and shipments. I also work closely with all our shippers, producers, and receivers to ensure the seamless and efficient movement of anthracite coal into North American and overseas markets.

Before becoming VP of Coal Business Development, I held several roles during my nearly 12-year railroad career, all at R&N. I spent nearly 5 years in our transportation department, advancing from scheduling manager to AVP of Operations Planning, with responsibility for day-to-day operations across our nearly 400-mile network. During that time, I learned the skills of a conductor and engineer and worked closely with departments including Maintenance of Way,

Communications and Signals, Passenger, and Mechanical. This experience gave me a broad understanding of railroad operations and the work of its various departments.

In 2019, I transitioned to our commercial team, working closely with our President, Wayne Michel, on special projects and strategic initiatives for the company. Over the last 6 years, I have held several commercial roles, including VP of Industrial Development, where I worked with state, regional, and local business development groups, as well as new and existing customers, to develop business along our railroad. I have also held various roles in our coal marketing department, culminating in my appointment as head of coal marketing at R&N earlier this year.

The facts set forth in this verified statement are based on my personal knowledge of the anthracite industry, carbon sourcing, and rail logistics. I am knowledgeable and competent to testify on the matters stated herein.

Purpose of Statement

This statement is provided in support of the Comments and Requested Conditions of R&N being submitted in response to the application of Union Pacific Railroad Company ("UP") to control Norfolk Southern Railway Company ("NS") (the "merger transaction") as they relate to anthracite coal and the Pennsylvania anthracite industry. It provides support drawn from my experience in support of those concerns and conditions.

Requested Conditions

R&N is requesting conditions addressing rates, access to facilities, demurrage, and railcar arrangements. These protections are needed to preserve the anthracite industry's transportation options and support its continued growth.

- **Rate Relief**

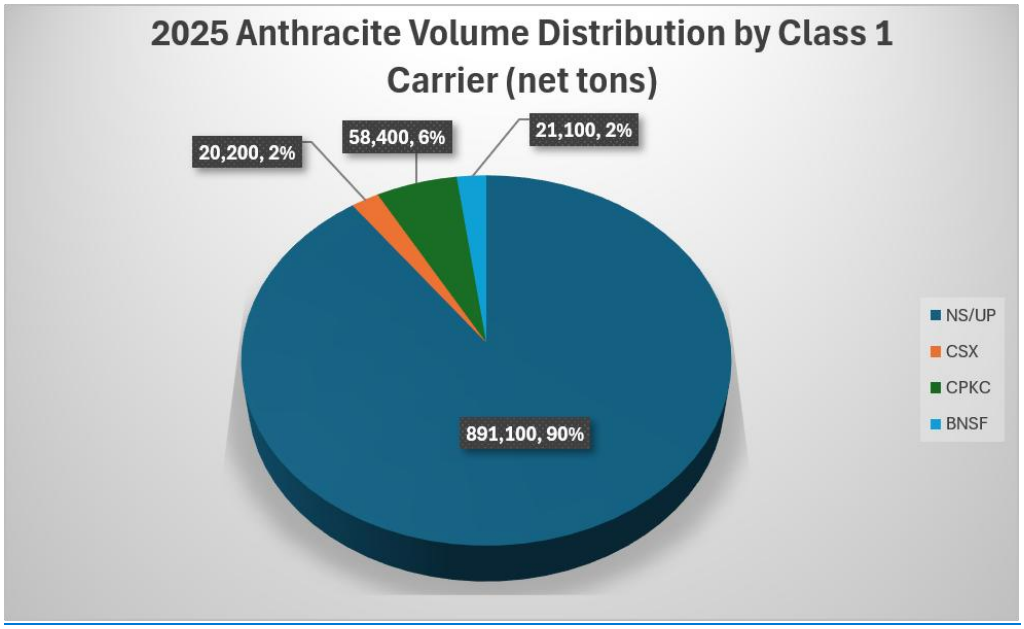
  - As a bulk commodity shipper, the anthracite industry has become largely dependent on the rail industry to distribute its product throughout North America and to export terminals for overseas shipments. While rail is often cheaper than trucks or other modal options, rate stability is critical to the industry. Pennsylvania anthracite often competes with more locally sourced carbon alternatives or with anthracite imported from Peru and elsewhere into the Gulf states.

    Local sourcing and cheaper carbon products create a situation where every dollar counts for PA anthracite to compete in the marketplace. While anthracite has an advantage in carbon quality, that is often not enough to overcome the price gap between anthracite and alternative carbons. This is where competitive transportation rates can make or break the success of anthracite in new or existing markets.

    Today NS is R&N's only interchange partner for anthracite coal shipments - 100% of the anthracite volume moves over NS at some point to nearly 50 destinations throughout North America and overseas including through NS interchanges with BNSF Railway ("BNSF"), CPKC, Canadian National ("CN") and CSX Transportation ("CSXT"). Post-Transaction, the same will be true with the combined UP/NS becoming R&N's sole physical connection for anthracite shipments. Further, in 2025 NS-served destinations accounted for 65% of R&N's anthracite destinations, that number jumped to a combined 90% if you include UP destinations. This means 100% of anthracite volume will

touch UP/NS rails with 90% of that volume terminating at UP-served destinations. That creates significant market and pricing power in a post-merger world.

Our anthracite producers need equitable rates to all existing and future anthracite destinations, including UP/NS-served destinations and gateway junctions connecting with other Class I railroads. Today, we ship anthracite to all Class I carriers in the US and Canada, with around 100K tons moving through as many as 10 gateway cities. These junctions include but are not limited to Chicago, IL (all Class I carriers); Hagerstown, MD (CSXT); Meridian, MS (CPKC); Memphis (BNSF); Birmingham, AL (BNSF); Columbus, MS (CPKC); and the increasingly important Canadian-carrier junctions at Buffalo, NY (CPKC), and Rouses Point, NY (CN). Fair rates are essential for the anthracite business to continue moving and growing beyond the extensive post-merger UP/NS territory. Producers also need assurance that UP will not repay billions of dollars in post-merger debt at its customers' expense, particularly anthracite producers who will be captive to UP/NS as their origin Class 1 carrier and at 90% of their current destinations. **See anthracite volume distribution table below**.



Rate stability is essential to justify our producers' substantial investments in anthracite production and rail capacity, both now and in the future. Over the last decade, several new anthracite rail and production facilities have come online, including a high-volume loadout facility and 2 new drying facilities costing tens of millions of dollars. These investments demonstrate the anthracite industry's commitment to, and dependence on, rail transportation. Several additional developments at our anthracite producers are planned to further expand rail capacity.

- UP advertises cost savings and efficiency gains from single-line haul, which gives us reason to expect rates to decline rather than increase. In that context, we believe a commitment to limit rate increases to standard inflation adjustments would be inconsequential to UP but critical to our anthracite producers' future success in the competitive carbon marketplace.

R&N seeks UP assurance that, for the first decade or more, rate increases to all UP/NS-served destinations will not exceed standard RCAF calculations or a predetermined fixed percentage. R&N also seeks rate assurance at junction gateways providing access to other Class 1 railroads. Critical examples include but are not limited to Hagerstown, MD; Buffalo, NY; and Rouses Point, NY, in the Northeast US, as well as Chicago, IL, and Meridian, MS.

- **Facilities Relief**

  - Historically, EAF steel mills, particularly in the Southeast and Midwest, received anthracite directly by truck from Pennsylvania. While trucking afforded flexibility, it was also extremely expensive. In most instances, mills do not have the capacity or environmental freedom to allow on-site rail delivery or transloading of carbon products. As a workaround, R&N sought out a new logistics package in which the mills would continue to receive just-in-time truck deliveries, while the material would be long hauled by rail to a location regionally near the mill.

    NS has been critical in working with R&N and the anthracite industry over the last decade on the development of rail/truck transload facilities for anthracite coal throughout the Midwest and Southeast. The largest NS facility that R&N has helped develop, in Ft. Wayne, IN, receives over 1,000 carloads of anthracite per year for 3 major receivers in the region. 100% of this business was diverted from truck or developed using the terminal partnerships we have created with NS and others.

- We ask that all current demurrage relief arrangements be grandfathered into the UP merger and that the entire NS-Thoroughbred Bulk Terminal ("TBT") network and UP's transload network remain open to the anthracite industry at fair market rates as new opportunities arise throughout North America. The NS-TBT network is critical to our anthracite producers and warrants these protections. NS currently provides demurrage relief and open facility access at the Ft. Wayne, IN TBT, Streator, IL TBT, and Kinsler, SC TBT, and permits anthracite access to other facilities in its TBT network. Outside that network, NS has worked directly with RBMN and two critical anthracite customers—Steel Dynamics in Butler, IN, and North Star Blue Scope in Delta, OH—to provide demurrage relief. NS also does not currently charge demurrage at the IT&S river terminal in Leetsdale, PA. That terminal is a critical outlet for more than 125,000 tons of anthracite coal moving to river-served steel receivers in the Midwest and Mississippi River delta.

  R&N is seeking UP/NS assurance that the anthracite industry and critical domestic steel industry receivers will continue to have affordable and open access to the above-mentioned terminals and any new terminals within the combined UP/NS network. This includes maintaining the status quo in relationships with trucking companies, transload operators, and other critical partners in the supply chain for a minimum of 10 years after the merger is completed. It also includes UP/NS assurance that pricing for the terminal

properties, transload services, and any ancillary fees will be capped at RCAF calculations or a predetermined fixed percentage increase.

- **Demurrage Relief**

  Demurrage tariff charges across the railroad industry, especially among Class 1 carriers, have become extremely costly. These charges particularly affect the anthracite industry and its receivers because of the role anthracite plays in steelmaking. Although anthracite coal accounts for a very small portion of the raw materials used, it is one of the most critical additives. High-quality carbon is essential to making steel, so a secure and continuously available supply is vital.

  Mills rarely have capacity to store more than a day or two of material on site, so keeping a week or more nearby is the best way to ensure a secure carbon supply. We have therefore developed a system that uses RBMN-owned railcars as rolling storage units at transload facilities. Mills instruct our anthracite producers to keep a week or more of product at these facilities to protect against bad weather, rail delays, and other unforeseen circumstances. The resulting railcar dwell time, however, often exposes this inventory to excessive demurrage charges.

  Unlike many other Class 1s, NS has cooperated with R&N to enable some of our largest customers to minimize their demurrage exposure and continue the current rail-to-truck logistics package. Under our current arrangement with NS,

once a car is placed on a customer siding or select TBT facilities, NS reclaims the R&N car hire in exchange for forgoing standard tariff demurrage charges.

Without this workaround, many of our receivers would face millions of dollars in annual demurrage charges, negating the cost savings rail has brought to much of the steel industry receiving PA anthracite. We therefore need UP assurance that these demurrage workarounds will remain in place for a minimum of 10 years after the merger is completed. Separately, although the current NS arrangements are established case by case, we request that UP consider a more global and formal demurrage relief agreement with R&N and our anthracite shippers and receivers. Similar agreements exist with other Class I carriers and with short line and regional railroad connections, providing precedent for formalizing car hire reclaim and demurrage relief. R&N envisions a formal agreement like the arrangements we have with NS and other railroads at select destinations noted above - once an anthracite car is placed on a customer siding or transload facility, UP/NS would reclaim the R&N car hire in exchange for forgoing standard tariff demurrage charges.

- **Rail Car Relief**
    - **Background**

For nearly 3 decades, R&N has invested extensively in a fleet of over 2,000 railcars used primarily to move anthracite coal. Nearly all anthracite shipped by rail out of Pennsylvania moves in R&N-owned equipment. Most recently, R&N invested in 150 covered hoppers to supplement the existing fleet and support rapid growth in dried anthracite charge and injection carbon shipments to the

domestic EAF steel market. Owning and heavily utilizing this equipment requires repairs, which R&N performs through its extensive shop facilities. R&N also provides weigh-in-motion scale services for outbound loads and inbound empties, conducts extensive inspections before loading, supplies critical railcar and material data to shippers, and stores and maintains the equipment on R&N-owned track. These investments and services come at substantial expense but provide extensive value to our customers.

We have built a great working relationship with the NS team when it comes to fleet management and the movement of empty railcars. Since R&N is continually renewing and expanding its fleet, the need to move newly purchased empty cars is critical. Further, as cars age out of interchangeable service, the need to move scrap cars to scrap locations is equally critical. R&N uses the proceeds from scrapping cars to help fund the purchase of new railcars for continued use in anthracite service.

Over the last 2 decades, NS has partnered with R&N to provide extremely competitive, far-below-tariff transportation rates for empty car movements, both new and scrap cars. These competitive rates allow R&N to maximize the income from scrapping cars or minimize its exposure to transportation costs when purchasing new cars. Without this assistance, we may not have been able to purchase, grow, and maintain the large fleet of cars we currently have in support of the anthracite industry.

- **Empty Car Relief**

Without R&N's extensive fleet of railcars, our shippers and receivers would be forced to purchase or lease their own car fleets at great expense. That assumes, given the complexity of the rail car market today, that the right car types and quantities would be available. Given the critical fleet of cars R&N owns and maintains for the anthracite industry, we need to maintain the railcar arrangements we have had with NS for decades. We need UP/NS assurance that fair, significantly below-tariff empty car rates will be maintained going forward. We request rates not exceeding 40% of the current empty car tariff including fuel surcharge which is consistent with historical NS charges for such movements. These rates would apply to both newly purchased cars and scrap cars as R&N continues to right-size and refresh the anthracite fleet for years to come.

- **Car Hire Relief**

Closely connected with railcar ownership is the need for railcar income to support the cost of maintaining and purchasing new railcars. Working with NS and UP, we have established car hire and mileage rates that are currently {{$[redacted].}} and {{$[redacted]}} for all R&N-marked cars. These established rates provide income that helps R&N continue to supply the extensive fleet of cars needed to support the anthracite industry. We need UP/NS assurance that the current rates will be honored going forward and that consideration will be given to future rate negotiations as railcar ownership costs continue to increase.

- **Private Car Rate Relief**

  R&N needs UP/NS assurance that fair and competitive private car rates will be provided when requested. As an alternative to car hire/mileage revenue, R&N remains open to moving its railcars from "railroad"-marked to "private"-marked cars. Private marks eliminate car hire/mileage revenue, but a divisional rate share from connecting railroads can supplement that lost revenue. At a minimum, private car rates should equal the average car hire/mileage revenue potential for each individual lane. Regardless of the income source, fair and competitive railcar income is critical to R&N and the anthracite industry's future success and railcar supply.

STRATEGIC COMMENTS

- **Anthracite Market Share Concerns**
  - Currently, R&N originates nearly 1 million tons of anthracite by rail per year. Of that volume, nearly 90% terminates at destinations that are currently served by UP/NS. Today, NS operates like a regional railroad: R&N interchanges cars to NS at our Reading, PA interchange, and NS distributes the cars to various directly served destinations or to gateways with all other Class I carriers without prejudice. In a post-UP/NS merger world, we are concerned that our gateway access to other Class I carriers will be priced out of favor. That could have direct implications for 100,000 tons or more of anthracite business.

    Our concerns go beyond the direct implications of high gateway pricing and, more critically, extend to the potential impact of alternative carbons such as petroleum coke, metallurgical coke, coke breeze, or imported anthracite from Peru and

elsewhere. Although Russian anthracite is not currently being imported into the United States, it could present an additional source of competition should those imports resume. Post-merger, UP's extensive reach will have access to a significant supply of alternative carbons: petroleum coke concentrated in the Gulf and West Coast; metallurgical coke and coke breeze concentrated in the industrial Midwest; and imported anthracite that could come through the nearly 20 Gulf Coast ports that are or will be accessible to UP.

While the anthracite industry already faces competition from these alternative sources, that competition is often overcome with higher-quality carbon products and competitive logistics costs. This is especially true in the Midwest and Southeast, where PA anthracite is closer to the end user and transportation costs are lower. With UP's reach, we are concerned that it may favor or competitively price transportation of carbon alternatives from farther away to maximize its line haul and revenue. For example, PA anthracite moving to a large mill in central Ohio has an aggressive rail rate today, which makes the product very competitive with alternatives. If UP were to price that existing lane higher in favor of moving a carbon alternative from the Gulf or the West on a long haul, PA anthracite would lose its competitive advantage.

The largest concentration of EAF steel mills is in the central United States, which is also the area UP calls the "watershed," where it believes it can address transit delays caused by interchange between railroads. We are concerned that one response to those delays could be to shift volume from Eastern origins to Western origins. Another potential outcome is that UP could use the "watershed" rationale

to establish single-line long-haul movements of Western- or Gulf-originated carbons into the Midwest, Northeast, and Southeast. Either outcome could negatively affect PA anthracite.

Today, we rarely face these concerns because NS works closely with R&N as a partner in the anthracite business. Although R&N originates the anthracite business, NS handles every carload leaving R&N and is essential to its movement. We view NS as a short line partner of sorts, extending the reach of R&N and the anthracite industry across North America. Both R&N and NS have much more limited access to carbon alternatives. This alignment helps us jointly reach markets that would otherwise remain largely out of reach for PA anthracite.

Our partnership's success is reflected in the anthracite industry's service to nearly 50 destinations throughout North America and overseas. Many are critical American steel mills that recognize the value and quality of PA anthracite. That value, however, cannot offset exponentially rising rail logistics costs. UP's market reach and access to alternatives create two potential risks: mills could be offered low-priced carbon alternatives with competitive rail rates, or UP could substantially raise all rail rates, leaving mills captive to UP/NS-served destinations with much higher logistics costs.

- **Access to CSX**

  Access to an alternate Class I railroad, such as CSX, will be critical to the anthracite industry's long-term success, although it would not fully resolve the merger's potential impacts. Like NS, CSX operates much like a large regional railroad, accepting cars from connections and moving them without prejudice to every other

Class I railroad in North America. Its system also mirrors the NS system in many parts of the Southeast and Midwest, where anthracite receivers are concentrated. CSX could provide alternatives through its transload terminals, regional railroad connections, and dual or exclusive service to many steel mills in those regions.

In addition to many Midwest and Southeast receivers, CSX also has access to the Port of Fairless Hills on Conrail, which is the primary export terminal for anthracite coal moving overseas or to eastern Canada. Because CSX accesses many of the current customers served by NS and has access to all other Class I railroads, it is a great alternative for minimizing the potential impacts of the market and pricing power a merged UP/NS system would bring.

Although CSX will be able to connect the anthracite producers with Fairless and other export facilities as well as many of the midwestern steel mills, it must be recognized that CSX access will come at a price. Instead of continuing to interchange cars to NS at Reading, R&N would have to pay NS for trackage rights to Falls (just outside Philadelphia, PA) in order to access CSX lines for interchange purposes. There will be trackage rights costs, crew costs, and other operating related costs that come with running back and forth into Philadelphia. All these costs will provide a merged-UP system with a significant advantage. But, the CSX access will at least afford the anthracite community with assurances that a viable option does exist.

- **Conclusion**

Over the last 25 years, R&N has built a successful partnership with NS, and together we have helped the anthracite industry grow to the point where it now regularly moves

1,000,000 tons a year by rail. Currently, R&N transports half of the anthracite produced and is the only rail carrier originating this critical mineral.

UP's potential merger with NS could have significant adverse consequences for Pennsylvania's anthracite industry, and R&N believes substantial protections are needed to prevent these consequences.

VERIFICATION

I, James M. Cerulli, declare under penalty of perjury that the foregoing Verified Statement is true and correct. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

Executed on November 18, 2026

James M. Cerulli

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
- CONTROL –
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY
COMMENTS AND REQUESTS FOR CONDITIONS

VERIFIED STATEMENT OF JAMES RAFFA

My Name is James Raffa. I serve as Chief Marketing Officer for Reading Blue Mountain & Northern Railroad ("RBMN" or "RN") which receives interchanges from Norfolk Southern Railway ("NS") at Reading, PA and Taylor, PA. I have 37 years of work experience in the Railroad Industry. Much of the timeframe has been in the capacity of Rail Marketing. Additionally, for 14 years, I was a minority percentage owner of a short line railroad. In that capacity, I was responsible for all aspects of the company including operations, compliance, finance, marketing, human resources, scheduling, and strategic planning. I also continue to work on a limited part-time basis for Meridian Southern Ry. In that capacity, I have seen first-hand how a merger can negatively impact a short line. Specifically, with the recent CPKC merger, I have experienced significant issues that I would not have imagined possible. Keeping in mind how a merger can negatively impact a short line, I have learned that being proactive to a merger can help solve numerous problems before they occur.

The purpose of my Statement is to describe the RN industrial development program, which I have been running for the last couple of years, as well as discuss the existing situation in Hazleton PA in support of our efforts to acquire that track. The facts set forth in this verified statement are based on my personal knowledge. I am knowledgeable and competent to testify on the matters stated herein.

INDUSTRIAL DEVELOPMENT:

RBMN is progressive in Customer Development. Quick project turn around, low pricing, flexibility with design and development, and entrepreneurial spirit are the key items which make RBMN a premier short line.

RN meets and exceeds the needs of developers and site search managers. The market requires an understanding of product inventory and the pluses of those properties such as utilities, highway access and workforce issues. RN and its developer partners have that information readily available. Where RN exceeds other railroads is what we can do when a prospect is ready to locate. RN can turn around engineering reviews quickly. We focus on track construction and our track construction team answers questions quickly. If a customer can provide us with flat ground to build on, we can have track approved and built in weeks, not months or years like a Class I railroad.

We will install a switch and build hundreds of feet of track within weeks of receiving a purchase order. And our price is below market price. Having our own forces and our own stockpile of materials means RN is ready to go. We will offer construction prices below that of contractors, and far below NS, and we will guarantee our work for 7 years. That means if there is a defect in that time, the customer calls us and we are promptly there to fix it. We offer the guarantee because our work is solid and we know we will seldom, if ever, be called.

And because we heavily discount the costs, our customers don't have to go through the laborious process of seeking a competitive state grant. For the price they would have to put up as the matching fund we can normally do the entire project.

Contrast our offerings with that of NS. NS does not provide construction services to new and potential customers, they ask customers to locate an engineer for the design, locate a contractor for the construction and do the project from start to finish with only their distant oversite.

CUSTOMER SERVICE:

Sometimes what's more important to the prospect is what happens after the track is built. And when it comes to customer service, ours is way superior to NS or any Class I.

Let's start with the basics. Before service even begins, our account representative (and our representatives are commodity experts with years of experience), our customer service team, and our local transportation team visit the customer to explain what's involved in RN service. As part of that discussion, they work on a service schedule. With the customer they define a two-hour service window that RN commits to meet. Our goal is to meet that window all the time; we have met it 99% of the time for the last 5 years.

Now the customer is ready to order empties or receive loads. And once the actual service happens, the customer is thrilled. Not only do we arrive on time, we also call in advance. RBMN has a full-time Customer Service department that "answers the phone". Not only do we answer the phone, but we have staff on call 24/7 to handle ALL customer needs.

And when the customer wants something out of the ordinary, RN can deliver. We offer 7 days a week service and we also can provide multiple switches to a customer in one day. Something that

is unheard of on the Class Is. We pride ourselves in giving the customer the service they need to be successful.

Service is critical, but so is price. So many railroads are making money by charging high fees on ancillary services. At RN we understand these services are often paid for by the plant we serve. Unlike transportation costs that are often covered within the delivered costs, the extra charges become the burden of the local plant.

RN goes out of its way to make sure that our ancillary charge are less than industry standard rates. For example, RN's demurrage starts at $65 per day per car. NS's demurrage rates start at $100 per day. Most of RBMN's charges are proportionally as low as compared to NS, which allows the customer to enhance their rail traffic and does not penalize the customer for more traffic or unfortunate breakdowns on customer production lines.

Industrial Development and Customer service is what we sell and what we do. It allows RBMN to be the powerhouse short line that it is and is the reason for our continued growth both in trackage and in carloadings.

Hazleton Region:

In Hazleton, RBMN has trackage rights over two lines currently owned by NSR: the Sheppton Running Track from Oneida Junction to Humbolt (2 Mi), and the Hazleton Running Track from Onieda Junction to Ashmore Junction (6.1Mi). Neither Line has any current NS-served customers; however, there is property along the Sheppton owned by Mericle Commercial Real Estate which is ripe for RBMN's Industrial Development program. The Hazleton Running Track also has a yard which marshalled coal when NS handled coal out of the Region. NS has not moved any coal

from Hazleton for at least 15 years. RBMN would use that yard to expand opportunities in the region including RBMN's coal franchise.

Mericle Commercial Real Estate has a large development that is being created adjacent to the Sheppton line. This industrial park should be rail-served. It would be awful if these properties ended up as AI data centers or large truck-served warehouses. We have already seen that happen in the Hazleton region on rail-served properties that RN does not access. With proper marketing Mericle site can be an extensive rail hub. RBMN has worked numerous projects with Mericle throughout North Eastern PA in the past. RBMN knows that we would be the best rail carrier for the development of this park. I should add that if RN is granted trackage rights to CSX in Philadelphia, this park would be more competitive and therefore more appealing to customers looking for rail options.

Additionally, CAN DO Greater Hazleton is a large Developer and Industrial Parks Owner in the Hazleton Area. We have worked on numerous projects with CAN DO. Our Humbolt Hazleton Park is a CAN DO park and sees close to 5300 carloads of traffic per year. When NS serviced the park there was stagnant traffic growth. RBMN's persistent Marketing & Industrial Development resulted in year over year growth of rail traffic in the park since its takeover from NS. Sale of the trackage rights portions of NS's Hazleton lines will benefit the service of CAN DO by allowing direct access to RBMN without needing trackage rights to get to their park. Ownership of the lines by NS is an awkward arrangement. With no customers, NS is required to maintain track that they don't actually use to service their own customers.

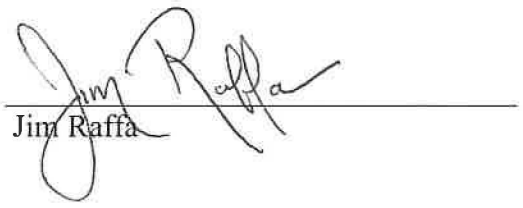
I encourage the Board to note the strong letters of support from both CAN DO & Mericle for RBMN's acquisition of the Hazleton tracks attached to this Verified Statement. It should be eye-

opening that the largest two developers of the Hazleton Region clearly support RBMN's operation of the lines in the region.

VERIFICATION

I, Jim Raffa, declare under penalty of perjury that the foregoing Verified Statement is true and correct. Further, I certify that I am qualified to and authorized to submit this Verified Statement.

Executed on November 18, 2026



Jim Raffa

JOHN E. SCHWEAR JR.
CHAIR OF THE BOARD

CAN DO
GREATER HAZLETON

JOSEPH LETTIERE
PRESIDENT & CEO

November 9, 2026

RE: Reading Blue Mountain & Northern Railroad's Alternative Application to Acquire the Hazleton Rail Line

Dear Members of the Surface Transportation Board:

On behalf of CAN DO, Inc., I am pleased to offer our strong support for Reading Blue Mountain & Northern Railroad's proposal to acquire approximately eight miles of the Hazleton rail line through an alternative application in the proposed Union Pacific–Norfolk Southern merger proceeding.

As the Certified Economic Development Organization serving Greater Hazleton, CAN DO recognizes that reliable rail service is essential to supporting existing employers, attracting new investment, and strengthening the regional economy. CAN DO developed and operates the Humboldt Industrial Park, which is home to more than 65 industries and employing over 11,000 people. We have worked closely with RBMN since it began operating in the park in 2016 and have firsthand experience with the freight service it provides to businesses there.

During that time, RBMN has demonstrated a commitment to dependable service and responsive customer support. RBMN serves the Humboldt Industrial Park customers six days a week, with service available seven days when needed, and coordinates two-hour service windows with them. RBMN also works with existing customers to expand their businesses and with development prospects to bring new business to the area. This work has helped grow annual rail traffic in the Humboldt Industrial Park to more than 5,000 railcars in 2025 and has reinforced rail as a competitive advantage for industries in the park and job creation in the community.

Based on our firsthand experience, we are confident RBMN is well positioned to own and operate the Hazleton rail line. Its record of investing in rail service, working with customers, and supporting business growth makes it an excellent choice to strengthen this important transportation asset.

CAN DO strongly supports RBMN's proposal and respectfully encourages its favorable consideration. We are confident RBMN's continued stewardship will strengthen the region's rail infrastructure while supporting economic growth and industrial competitiveness throughout Greater Hazleton.

If you have any questions regarding this letter or CAN DO's support, please do not hesitate to contact me directly at 570-455-1508 or jlettiere@hazletoncando.com.

Sincerely,

Joseph Lettiere
President & CEO

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Pennsylvania
Department of Community
& Economic Development

HAZLETONCANDO.COM

MERICLE
COMMERCIAL REAL ESTATE SERVICES

East Mountain Corporate Center
100 Baltimore Drive, Wilkes-Barre, Pennsylvania 18702
570.823.1100 FAX: 570.704-0605. E-Mail: rmericle@mericle.com

November 10, 2026

Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Letter of Support — Reading & Northern Railroad, Hazleton, Pennsylvania Area

To the Board:

Mericle Commercial Real Estate Services ("Mericle") is the largest industrial real estate developer in Northeastern Pennsylvania, with an owned and developed portfolio exceeding 23 million square feet along the I-81 corridor. We write in support of Reading & Northern Railroad's ("R&N") continued role in serving the Hazleton, Pennsylvania rail market, in connection with the Board's review of the proposed merger of Union Pacific Corporation and Norfolk Southern Corporation.

R&N is a valued, long-standing rail partner to Mericle across Northeastern Pennsylvania. We are currently working with R&N on multiple rail spur projects serving Mericle industrial sites in Pittston Township, Jenkins Township, and Hazle Township, Luzerne County.

The Norfolk Southern line at issue runs directly through Mericle's CrossRoads East industrial park, Phases I and II, in Hazle Township — an active development we are marketing to advanced manufacturing, logistics, and life science users. Rail service access is critical to CrossRoads East's competitiveness and lease-up with these target users. Reliable, locally responsive short-line service is essential to our ability to attract and retain industrial tenants there and at our other business parks across Northeastern Pennsylvania, and R&N has been a great partner in supporting industrial development across the region, consistently demonstrating the local investment, responsiveness, and operating partnership that our tenants and our development programs depend on.

For these reasons, Mericle is pleased to express its support for R&N and respectfully asks that the Board give full and fair consideration to R&N's position as part of its review of this transaction.

We appreciate the opportunity to express our support and are glad to provide any additional information the Board may find useful.

Sincerely,

Mericle Commercial Real Estate Services
Robert K. Mericle,
President
Rmericle@mericle.com
570-823-1100