PUBLIC VERSION

Before the
SURFACE TRANSPORTATION BOARD

STB Docket No. FD 36873 (Sub-No. 35)

READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY- TRACKAGE RIGHTS BETWEEN READING, PA AND CSX TRANSPORTATION, INC. IN PHILADELPHIA, PA -
NORFOLK SOUTHERN RAILWAY COMPANY

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Office of Chief Counsel
November 18, 2026
Part of
Public Record

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TRACKAGE RIGHTS BETWEEN READING, PA AND CSX TRANSPORTATION, INC.
IN PHILADELPHIA, PA -
NORFOLK SOUTHERN RAILWAY COMPANY

In accordance with the Board's Decision No. 30 served in this proceeding on August 18, 2026, Reading Blue Mountain & Northern Railroad Company ("RBMN") submits this Responsive Application. In separate filings, RBMN is simultaneously submitting its Comments and Request for Conditions, and in Sub-Docket No. 36, a responsive application seeking to purchase lines of railroad in and around Hazleton, PA.

I. Background

RBMN is a family-owned Class II railroad serving over 80 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill, and Wyoming). It is the largest privately-owned railroad in Pennsylvania.

RBMN has expanded its operations over the last 40 years and now transports over 35,000 carloads of freight, while its Passenger Department welcomes over 400,000 riders annually. RBMN operates its freight trains and steam- and diesel-powered passenger excursions over 400 miles of track, owns over 2100 freight cars, and employs over 350 dedicated people. RBMN has 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.

In addition to serving dozens of merchandise customers who receive a wide range of commodities, RBMN proudly supports the American anthracite coal industry.

Crucially, anthracite coal is mined in only one location in the United States, northeastern Pennsylvania. Further, rail service is essential for the delivery of anthracite. Today, Pennsylvania anthracite has significant national security importance due to its crucial role in supporting domestic steelmaking. The Pennsylvania anthracite industry is concerned about the impact of this potential transaction on its rail service, especially given their negative experience with Norfolk Southern Railway Company ("NS") service following NS's acquisition of its portion of Consolidated Rail Corporation ("Conrail").

Until June 1, 1999, RBMN's primary interchange partner was Conrail. With the split of Conrail between NS and CSX Transportation, Inc. ("CSXT"), RBMN's primary interchange partner is now NS.

Like the anthracite industry, RBMN and several of its customers and communities were severely impacted by the Conrail transaction and the transition of Conrail's operations to NS – effects that were felt for over 15 years. Although the application for Union Pacific Corporation and Union Pacific Railroad Company (collectively "UP") to control NS ("the Transaction") raises potential concerns, RBMN is not – currently – expressing a position on the merits of the proceeding.

If the Board does approve the Transaction, RBMN seeks as conditions to the Board's approval of the Transaction, that the Board order NS to grant RBMN overhead trackage rights between CP Belt (near Reading, PA) and NS's connection with CSX Transportation, Inc. ("CSXT") at NS Falls (in Philadelphia, PA) as described in more detail below (the "Subject Trackage") to insulate RBMN and its customers and communities, especially the anthracite coal

industry from any potential negative impacts of the Transaction, and to grant RBMN and its customers with an alternative competitive route to a connection with CSXT.

As discussed more fully below, this Responsive Application is properly classified as a "minor" transaction because the proposed transaction "clearly will not have any anticompetitive effects."[1]

II. Statutory Framework

Pursuant to 49 U.S.C. § 11324(c), the Board is authorized to impose conditions to prevent harm to the public interest. Under Section 11324(c), the "Board may impose conditions governing the transaction, including … the granting of trackage rights and access to other facilities."

The Board's regulations at 49 C.F.R. § 49 C.F.R. 1180.3(h), require a rail carrier seeking a trackage rights condition to submit a responsive application. Section 1180.2 explains that proposed transactions under Section 11323 "involving more than one common carrier by railroads are of four types: *Major, significant, minor*, and *exempt*."

A significant transaction, according to Section 1180.2(b), "is a transaction not involving the control or merger of two or more class I railroads that is of regional or national transportation significance." A transaction is *not* significant if a determination can be made either: "(1) that the transaction clearly will not have any anticompetitive effects, or (2) that any anticompetitive effects of the transaction will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs." 49 C.F.R. §§1180.2(b)(1) and (2).

In accordance with Section 1180.2(c), if the Board can determine that the transaction is not significant, then the transaction is "minor."

[1] *See* 49 C.F.R. §1180.2(b)(1), (c).

A. The Board should find the requested trackage rights is a minor transaction.

In RBMN's simultaneously filed Comments and Request for Conditions, RBMN explains why the Board should impose its requested trackage rights as a condition to any approval of the Transaction. Here, RBMN respectfully requests that the Board treat the RBMN requested trackage rights as a minor transaction.

By the plain language of the Board's regulations at section 1180.2(a), RBMN's responsive application is not a major transaction because it is not a control or merger involving two or more class I railroads. Likewise, the RBMN responsive application for trackage rights is not an exempt transaction because, under Section 1180.2(d)(7), a responsive application for trackage rights does not qualify as an exempt transaction.

Initially, it should be noted that the requested trackage rights cover only 56 miles of NS track between Reading and Philadelphia to a connection with CSXT. This will provide customers with a direct access to another Class I carrier creating a new competitive outlet. The requested trackage rights is not a transaction that is of "regional or national significance" and thus does not qualify as a *significant* transaction under Section 1180.2(b).

Moreover, this transaction should be treated as a minor transaction because it does not meet the threshold under 49 C.F.R. 1180.2(b), for a significant transaction. The Board has stated:

> Under 49 CFR 1180.2, a transaction that does not involve two or more Class I railroads is to be classified as "minor"—and thus not having regional or national transportation significance—if a determination can be made that either: (1) the transaction clearly will not have any anticompetitive effects; or (2) any anticompetitive effects of the transaction will clearly be outweighed by the transaction's anticipated contribution to the public interest in meeting significant transportation needs. A transaction not involving the control or merger of two or more Class I railroads is to be classified as "significant" if neither of these determinations can be made." [2]

[2] *See Canadian Nat'l Ry.—Control—Iowa N. Ry*. (Decision No. 1), FD 36744 et al., slip op. at 6-7 (STB served Feb. 29, 2024).

Here, the RBMN responsive application for trackage rights will not have any anticompetitive effects because RBMN is requesting the trackage rights as a condition to ensure that its customers are able to continue to receive essential rail services at competitive rates, and to provide RBMN and its customers with a direct access to an additional Class I carrier instead of being locked in to using NS as the sole Class I connection to the interstate network. if the Board were to approve UP's control of NS. Accordingly, RBMN requests that the Board find that the trackage rights transaction proposed in this Responsive Application is *not* a significant transaction and therefore should be accepted as a minor transaction.

III. Supporting Information

In accordance with the provisions of 49 C.F.R. §1180.0(a), RBMN provides the following information as required by 49 C.F.R. §§ 1180.6(a) and 1180.8(c) for a minor transaction:

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

RBMN is a Class II railroad that operates approximately 400 miles of track transporting over 35,000 carloads of freight and employing over 350 people in Pennsylvania. As relevant to the proposed trackage rights transaction, RBMN interchanges with NS in Reading, PA.

If the Board approves UP's application to control NS, RBMN is seeking overhead trackage rights, with the right to access and interchange with CSXT at Falls in Philadelphia, PA, over the following NS lines (the "Subject Trackage"):

i. Pottsville Branch: Belt (FR 61.2) to Walnut (FR 58.6)

ii. Harrisburg Line: Walnut (HP 58.6) to Falls (HP 5.2)

iii. Reading/Harrisburg Line: Belt (AF 5.4) to Lorane (AF 14.5 / HP 54.3) – this line would provide a parallel route from Reading in the event that the Pottsville Branch were congested or blocked for some reason

The Subject Trackage is 56 miles in length and would connect RBMN directly with CSXT in Philadelphia using NS's double tracked line. Direct access to CSXT would provide RBMN's customers with an additional Class I outlet (and connection to other Class Is) if as a result of the Transaction, UP and NS price their moves to eliminate NS downstream connections with Class I carriers other than UP (i.e., if gateways are closed or limited).

RBMN's name, business address, and telephone number are as follows:

Reading Blue Mountain & Northern Railroad Company
P.O. Box 218
Port Clinton, PA 19589

The name, business address and telephone number of counsel to whom questions regarding the transaction can be addressed are:

Justin J. Marks	Eric M. Hocky
Clark Hill PLC	Clark Hill PLC
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Suite 600	2001 Market St. Suite 2620
Washington, DC 20005	Philadelphia, PA 19103
(202) 772-0916	(215) 640-8523

UPNScontrol@clarkhill.com

Section 1180.6(a)(1)(ii): Proposed Time Schedule for Consummation of the Proposed Transaction

RBMN is prepared to negotiate a trackage rights agreement substantially in the form attached hereto as Exhibit 2, following the finalization of the approval of the Transaction.

Section 1180.6(a)(1)(iii): Purpose Sought to be Accomplished by the Proposed Transaction

The purpose of the proposed trackage rights is to offset the harm to the public interest if the Board were to approve UP's application to control NS by preserving and improving competitive routes for RBMN's anthracite and merchandise customers by creating direct access to another Class I carrier. This will be especially important if, as anticipated, UP-NS commercially

close access to non-UP Class I carriers. (Currently RN and its customers have access to five Class I carriers including UP.)

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

This subsection is not applicable to this Responsive Application, because the trackage rights that RBMN seeks do not necessitate any new securities or other financial arrangements.

Section 1180.6(a)(2): Public Interest Justifications including

(i): Effect of the Proposed Transaction on Competition

The purpose for the RBMN trackage rights sought in this Responsive Application is to preserve and improve competitive rates and routes for RBMN's anthracite customers and merchandise customers by creating direct access to another Class I carrier. This will be especially important if, as anticipated, UP-NS commercially close access to non-UP Class I carriers. (Currently RN and its customers have access to five Class I carriers including UP.)

(ii): Financial Considerations

RBMN is proposing an initial trackage rights fee of {{[redacted]}} which it believes to be a reasonable rate in the market. If RBMN and UP are unable to reach an agreement, the trackage rights charges can be established by the Board.

(iii): Effect of Increase of Total Fixed Charges Resulting from the Proposed Transaction

This subsection is not applicable to this Responsive Application, because the trackage rights that RBMN seeks do not necessitate any new securities or other financial arrangements.

(iv): Effect of the Proposed Transaction upon the Adequacy of Transportation Services to the Public

The RBMN trackage rights will greatly promote the adequacy of transportation services to the public by providing RBMN's anthracite coal customers and merchandise customers with direct access to an additional alternative Class I carrier.

(v): Effect of the Proposed Transaction on Employees

The trackage rights would not have any adverse effect on RBMN's employees. The RBMN trackage rights are not expected to adversely impact any employees of UP or NS.

(vi): Effect of the inclusion in the Proposed Transaction of Other Railroads

The proposed trackage rights transaction in this Responsive Application does not contemplate the inclusions of any other railroads, and accordingly this requirement is not applicable.

Section 1180.6(a)(3): Other Supporting Material

The responsive application is supported by the Comments and Requests for Conditions filed in the primary docket, FD 36873, and the Verified Statements being submitted therewith.

Section 1180.6(a)(4): Opinion of Counsel

The opinion of RBMN's counsel is that the trackage rights requested in this Responsive Application satisfy the requirements of law and will be legally authorized and valid if approved by the Board. *See* Exhibit 3 attached hereto.

Section 1180.6(a)(5): States Where Applicants Own Property

RBMN owns property in Pennsylvania.

Section 1180.6(a)(6): Maps – Exhibit 1

A map of the Subject Trackage, and a map of the current system operated by RBMN, are attached as Exhibit 1.

Section 1180.6(a)(7)(i): Description of the Transaction

RBMN seeks the overhead trackage rights over the 56-miles of Subject Trackage with the right to access and interchange with CSXT at NS Falls (Philadelphia, PA).

Section 1180.6(a)(7)(ii): Agreement – Exhibit 2

A proposed form of trackage rights agreement containing the significant terms of the proposed transaction is attached to this Responsive Application as Exhibit 2.

Section 1180.6(a)(7)(iii): Information Regarding the Consolidated Entity

This subsection is not applicable to this Responsive Application because it does not propose a consolidation or merger.

Section 1180.6(a)(7)(iv): Court Order

This subsection is not applicable to this Responsive Application, because neither a trustee, receiver, assignee, nor personal representative of RBMN is an Applicant herein.

Section 1180.6(a)(7)(v): Property Involved in the Proposed Transaction

The property involved in the transaction are the rail lines of NS as described in Section 1180.6(a)(7)(i).

Section 1180.6(a)(7)(vi): Principal Routes, Termini, Points of Interchange, and Amount of Mileage Involved

The principal routes and termini for the Subject Trackage, and the amount of mileage involved, are as follows:

i. Pottsville Branch: Belt (FR 61.2) to Walnut (FR 58.6)

ii. Harrisburg Line: Walnut (HP 58.6) to Falls (HP 5.2)

iv. Reading/Harrisburg Line: Belt (AF 5.4) to Lorane (AF 14.5 / HP 54.3) – this line would provide a parallel route from Reading in the event that the Pottsville Branch were congested or blocked for some reason

The Subject Trackage is 56 miles in length and would connect RBMN directly with CSXT in Philadelphia using NS's double tracked line.

Section 1180.6(a)(7)(vii): Government Financial Assistance

This subsection is not applicable to this Responsive Application, because no government financial assistance is involved.

Section 1180.8(c): For minor transactions: Operating Plan-Minor

Although Section 1180.8(c) generally requires the submission of an "Operating Plan-Minor" as part of a minor application, RBMN is not in a position to provide an operating plan in connection with the trackage rights requested herein. The operating plan for the line subject to the proposed trackage rights, both before and after the proposed transaction, is, and will be, fully within the control of NS. RBMN does not anticipate that the grant of the trackage rights will result in any significant changes in the patterns or types of service provided by NS over the lines subject to the trackage rights. If the trackage rights are ordered by the Board, even if RBMN did one long train a day in each direction that it should not interfere or cause congestion on the NS lines.

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

The required signatures, oaths and certifications are attached hereto.

Respectfully submitted,

/s/ Eric M. Hocky

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Counsel for Reading Blue Mountain & Northern Railroad Company

Dated: November 18, 2026

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

I, Wayne A. Michel, declare under penalty of perjury that I am the President of Reading Blue Mountain & Northern Railroad Company; that I am one of the executive officers duly authorized to sign, to verify, and to file this Responsive Application on behalf of Reading Blue Mountain & Northern Railroad Company; that I have knowledge of the matters contained in this Responsive Application; and that the statements made in this Responsive Application are true and correct to the best of my knowledge and belief.

Wayne A. Michel

Executed on this 18th day of November, 2026

Secretary's Certificate

I, Christina J. Muller-Levan, certify that I am the Corporate Secretary of Reading Blue Mountain & Northern Railroad Company, Responsive Applicant herein, and that Wayne A. Michel, President, is duly authorized to sign, verify, and to file this Responsive Application on behalf of Reading Blue Mountain & Northern Railroad Company.

Christina J. Muller-Levan
Corporate Secretary
Reading Blue Mountain & Northern Railroad Company

Executed this 18th day of November, 2026

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

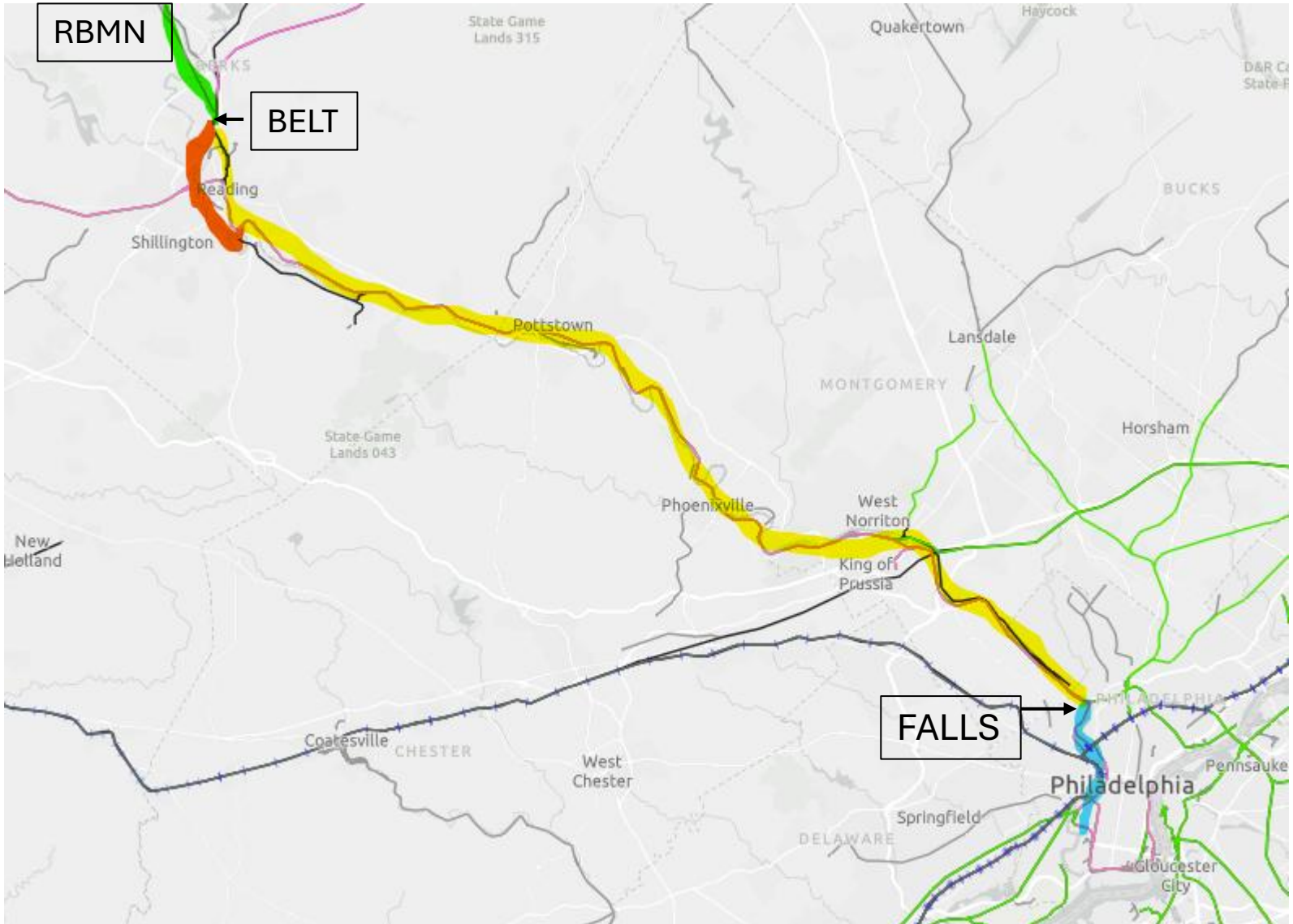
_____

Eric M. Hocky

EXHIBIT 1

Maps

Trackage Rights Request



KEY

RBMN = Green

NS HP Line = Yellow

NS AF Line = Orange

CSX = Blue

Reading & Northern Railroad System Map

MAIN LINE

BRANCH LINES

MAINLINE DOUBLE TRACK

CONNECTING RAILROADS

0 10 20

APPROXIMATE MAP SCALE IN MILES

Interchange Connections

Norfolk Southern – Reading & Taylor

CPKC – Taylor

RBMN Operated Transload Terminals and Warehouses

Cressona Transload, Cressona, PA
North Reading Transload, Reading, PA
Penobscot Transload, Penobscot (Mt. Top, PA)
Pittston Transload, Pittston, PA
Ransom Warehouse & Transload, Ransom PA
Tunkhannock Transload, Tunkhannock, PA
West Hazleton Transload, Hazle Township, PA

INTERCHANGE

PASSENGER TERMINAL

RBMN RR CO. MAY 2024

BRADFORD
NS TO SAYRE, PA
TOWANDA JCT.
TOWANDA
MONROETON
SUSQUEHANNA
NS TO BINGHAMTON, NY
NS/CP
SULLIVAN
MEHOOPANY
TUNKHANNOCK
TUNKHANNOCK TRANSLOAD
LACKAWANNA
WYOMING
SCRANTON
FALLS
STAUFFER INDUSTRIAL PARK
STEAMTOWN NPS
RANSOM WAREHOUSE & TRANSLOAD
TAYLOR
OLD FORGE
PITTSTON
WILKES-BARRE/SCRANTON REGIONAL RAILROAD STATION
PITTSTON TRANSLOAD
DURYEA JCT
DUPONT
WILKES-BARRE
SEIDEL
LAUREL RUN
SOLOMONS GAP
LUZERNE
PENOBSCOT (MT. TOP)
PENOBSCOT TRANSLOAD
CRESTWOOD INDUSTRIAL PARK
CRESTWOOD
WHITE HAVEN
HICKORY RUN
LEHIGH GORGE STATE PARK
MONTOUR
EAST HAZLETON
HAZLE CREEK
STOCKTON
ASHMORE JCT.
WEST HAZLETON TRANSLOAD
HAZLETON
ONEIDA JCT.
OLD PENN HAVEN SIDING
INDEPENDENCE
COAL
CARBON
COLUMBIA
NS TO HARRISBURG
WEST HAZLETON
HUMBOLDT INDUSTRIAL PARK
MCADOO
JIM THORPE JCT.
NESQUEHONING CAMPUS
DELANO JCT.
MOREA JCT.
PACKERTON JCT.
LEHIGHTON
JIM THORPE
SHENANDOAH
DELANO
MAHANOY CITY
HOMETOWN
HAUCKS
LANSFORD
COALDALE
NORTHUMBERLAND
GILBERTON
EAST MAHANOY JCT.
ARLINGTON
TAMAQUA
MT. CARMEL
LOCUSTDALE
GIRARDVILLE
SHENANDOAH JCT.
MOREA IND. PK.
ASHLAND
ZEHNERS
LOCUST SUMMIT
GORDON
SCHUYLKILL
NEW ST. NICHOLAS
MIDDLEPORT
REYNOLDS
MINERSVILLE
ST. CLAIR
POTTSVILLE
LAGER JCT.
POTTSVILLEJCT.
WESTWOOD JCT.
MT. CARBON
NEW RINGGOLD
LEHIGH
DONALDSON
SWATARA
CRESSONA
WEST CRESSONA
CRESSONA TRANSLOAD
BLUE MTN.
AUBURN
PORT CLINTON
RBMN HEADQUARTERS
SCHUYLKILL HAVEN
RBMN PASSENGER OPERATIONS CENTER
GOOD SPRING
TREMONT
BETHLEHEM
ALLENTOWN
NS TO NEW JERSEY
WEST HAMBURG
HAMBURG
SHOEMAKERSVILLE
WEST SHOEMAKERSVILLE
DAUBERVILLE
LEESPORT
BERKS
WEST LEESPORT
TEMPLE
LEBANON
NORTH READING TRANSLOAD
READING OUTER STATION
READING
CP TYLER
NS TO HARRISBURG
NS TO PHILADELPHIA

EXHIBIT 2

Form of Agreement

TRACKAGE RIGHTS AGREEMENT

THIS TRACKAGE RIGHTS AGREEMENT, made and entered into this _____ day of _____, 2027, by and between and xxxxxxxxxxx ("OWNER"), and the Reading Blue Mountain and Northern Railroad Company ("USER").

WITNESSETH:

WHEREAS, OWNER owns and operates a line of railroad between Reading and Falls, PA and

WHEREAS, USER desires and OWNER is agreeable to grant trackage rights over this line of railroad; and

WHEREAS, by this agreement, the parties hereto shall memorialize the terms and conditions pursuant to which OWNER shall grant such trackage rights to USER.

NOW, THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1. GRANT OF TRACKAGE RIGHTS

(a) Subject to the terms and conditions herein provided, OWNER hereby grants to USER the non-exclusive right to operate its trains, locomotives, cars and equipment with its own crews (hereinafter referred to as "Trackage Rights") over trackage owned and operated by OWNER (hereinafter referred to as "Subject Trackage"), described as:

i. Pottsville Branch: Belt (FR 61.2) to Walnut (FR 58.6)

ii. Harrisburg Line: Walnut (HP 58.6) to Falls (HP 5.2)

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

(b) For determination of compensation, the mileage between CP Belt and Falls shall be considered 56 miles.

SECTION 2. USE OF SUBJECT TRACKAGE

(a) USER's use of the Subject Trackage shall be in common with OWNER and any other user of the Subject Trackage and OWNER's right to use the Subject Trackage shall not be diminished by this Trackage Rights Agreement. OWNER shall retain the exclusive right to grant to other persons rights of any nature on the Subject Trackage.

(b) Except as may be otherwise provided by this Trackage Rights Agreement, USER shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, or service to any

industry, except that nothing contained herein shall, upon prior approval of OWNER, preclude the emergency use by USER of such auxiliary tracks as may be designated by OWNER for such purposes.

(c) OWNER shall have exclusive control of the management and operation of the Subject Trackage. USER shall not have any claim against OWNER for liability account of loss or damage of any kind in the event the use of the Subject Trackage by USER is interrupted or delayed at any time from any cause.

(d) USER shall be permitted the rights herein granted to access the property of CSX at Falls, PA and to move its trains to and from the Subject Trackage to CSX.

SECTION 3. MISCELLANEOUS SPECIAL PROVISIONS

(a) When operating over the Subject Trackage, USER's locomotives and crews will be equipped to communicate with OWNER on radio frequencies normally used by OWNER in directing train movements on the Subject Trackage.

(b) Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each party, and the provisions of Section 9 (c) of this Trackage Rights Agreement. All control and usage will be subject to the approval of OWNER's representative or his designee.

(c) USER shall provide OWNER with a train consist for each train via facsimile until such time that OWNER has implemented an EDI exchange. USER and OWNER will work together in good faith to implement an EDI exchange as soon as possible following the Effective Date.

SECTION 4. COMPENSATION

(a) The "Base Trackage Rights Charge" to be paid by USER for the Trackage Rights covered by this Trackage Rights Agreement shall be {{[redacted]}} per car mile. It is agreed that the Base Trackage Rights Charge will be inclusive of, but not limited to, maintenance, dispatching, signal, taxes, return on investment and normal capital maintenance as normally included in industry standard trackage rights charges. As compensation for the trackage rights, USER will pay to OWNER a sum computed by multiplying (i) the "Current Charge" as hereinafter defined in this Section 4 by (ii) the number of rail cars (loaded or empty) moved by USER over the Subject Trackage by (iii) miles operated. For purposes of this Agreement, each railroad freight car (including standard flat cars not exceeding ninety-six (96) feet in length), locomotive, caboose or other equipment furnished in substitution of railroad equipment, loaded or empty, shall count as a single rail car. Each articulated freight car shall be counted as one (1) rail car per every four (4) axles of the articulated freight car. The Current Charge shall be subject to change to reflect any net increase subsequent to the Effective Date of this Trackage Rights Agreement in labor, material and other costs, as more fully set forth below.

(b) OWNER shall submit a monthly statement to USER which shall list the number of cars and the miles operated for USER's previous month's use of the Subject Trackage, computed in accordance with this Section 4.

(c) The initial Current Charge shall be the Base Trackage Rights Charge. The Current Charge set forth in Section 4 (a) hereof shall be revised each year, beginning with the bill rendered for the month of July first following the "Effective Date" of this Trackage Rights Agreement, to compensate for the net increase, if any, in the cost of labor and material, excluding fuel,

SECTION 5. PAYMENT OF BILLS

(a) All payments called for under this Trackage Rights Agreement shall be made within thirty (30) days after the date of the bills therefor. No payments shall be withheld because of any dispute as to the correctness of items in the bills rendered, and any discrepancies reconciled between the parties hereto shall be adjusted in the accounts of a subsequent month. The records of each party hereto, insofar as they pertain to matters covered by this Trackage Rights Agreement, shall be open at all reasonable times to inspection by the other party for a period of three (3) years from the date of billing.

SECTION 6. MAINTENANCE OF SUBJECT TRACKAGE

(a) OWNER shall maintain, repair and renew the Subject Trackage at its own expense and with its own supervision and labor. OWNER shall keep and maintain the Subject Trackage for speeds consistent with a standard of FRA Class 3 or such lower standards as may be in effect at the time of this Trackage Rights Agreement.

(B) This Section 6 shall not be affected by the separate Liability Allocation Agreement, as hereinafter defined.

SECTION 9. MANAGEMENT AND OPERATIONS

(a) USER shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Act, as amended, and any other federal and state and local laws, regulations and rules, respecting the operation, condition, inspection and safety of its trains, locomotives, cars and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage covered by this Trackage Rights Agreement. Notwithstanding the separate Liability Allocation Agreement, USER shall indemnify, protect, defend, and save harmless OWNER and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against all fines, penalties and liabilities imposed upon OWNER and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of USER to comply with its obligations in this regard.

(b) RBMN in its use of the Subject Trackage shall comply in all respects with its own safety and general conduct rules, equipment operation and train handling rules, and hazardous materials instructions. While using the Subject Trackage, RBMN shall comply in all respects with the operating rules, timetables, and special instructions of NSR, and the movement of RBMN's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of NSR; provided, however, that such operating rules, timetables, and special instructions and orders of the transportation officers of NSR shall not unjustly discriminate between the parties. RBMN's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the maximum authorized freight speeds as provided by NSR's operating rules and regulations, without the prior consent of NSR. The parties shall make proper accommodation for exceptions, should that be reasonable, necessary and practicable. All RBMN trains shall be powered to permit operation at the maximum track speed allowed for the Subject Trackage's class of track.

(c) USER shall make such arrangements with OWNER as may be required to have all of its employees who shall operate its trains, locomotives, cars and equipment over the Subject Trackage qualified for operation thereover, and USER shall pay to OWNER, upon receipt of bills therefor, any cost incurred by OWNER in connection with the qualification of such employees of USER, as well as the cost of pilots furnished by OWNER, until such time as such employees are deemed by the appropriate examining officer of OWNER to be properly qualified for operation as herein contemplated.

(d) OWNER shall have the right to exclude from its tracks any employee of USER, except officers, determined by OWNER to be in violation of OWNER's rules, regulations, orders, practices, or instructions promulgated in the normal course of business in writing by OWNER in its timetable or otherwise, and provided in advance to USER. USER shall release, indemnify, defend, and save harmless OWNER from and against any and all claims and expenses resulting from such exclusion.

(e) For the purposes of dispatching, OWNER shall run USERS trains expeditiously to ensure train arrives at destination within the Federal Hours of Service Limit.

SECTION 10. MILEAGE AND CAR HIRE

All mileage and car hire charges accruing on cars in USER's trains on the Subject Trackage shall be assumed by USER and reported and paid by it directly to the owner of such cars.

SECTION 11. CLEARING OF WRECKS

Whenever RBMN's use of the Subject Trackage requires emergency response rerailing, wrecking service, or wrecking train service, NSR shall perform such service, including the repair and

restoration of roadbed, track, and structures. The cost and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever resulting therefrom, will be borne and apportioned in accordance with the provisions of Section 9 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by either party at the time of such wreck will be promptly delivered to the controlling party.

SECTION 12. LIABILITY

To be negotiated.

SECTION 13. CLAIMS

(a) USER and OWNER have entered into a separate Liability Allocation Agreement, appearing as Appendix B, which is attached hereto and adopted herein, that allocates liability for freight claims.

(b) Each party shall indemnify and hold harmless the other party against any and all costs and payments, including benefits, allowances, and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of or lawsuits brought by or on behalf of its own employees or their collective bargaining representatives, either pursuant to employee protective conditions imposed by a governmental agency upon the agency's approval or exemption of this Trackage Rights Agreement and operations hereunder or pursuant to a collective bargaining agreement. Except as provided in Sections 9(h) and 9(i), it is the parties' intention that each party shall bear the full costs of protection of its own employees under employee protective conditions that may be imposed, and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

SECTION 14. INSURANCE

(a) OWNER shall procure and maintain in effect during the life of this Trackage Rights Agreement a policy or policies of insurance covering the liability to which it is or may be subject pursuant to this Trackage Rights Agreement. Such insurance shall provide minimum limits of TBD

(b) If the insurance provided under this Section 14 takes the form of a Claims Made Policy, OWNER agrees to purchase whatever supplemental coverage may be necessary to provide continuous coverage of its potential liability under this Trackage Rights Agreement, with annual occurrence and annual aggregate limits no less than those required hereunder, for a period of time at least five (5) years following the termination of this Trackage Rights Agreement. OWNER further agrees to immediately give written notice to the Director Risk Management, xxxxxxxxxx, of any claim or notice of incident or notice of potential claim that is required to be reported to its liability insurance company.

(c) USER may request an increase in the amount of insurance coverage required by this Section 14, or changes in the terms and conditions of the policy or policies, which OWNER will evaluate in good faith.

(d) Every policy of insurance obtained by OWNER pursuant to the requirements of this Section 14 shall contain provisions requiring that the insurance carriers give USER at least thirty (30) days notice, in writing, of any proposed policy cancellation and of any material modification of the terms and conditions of the policy. The terms and conditions of each policy of insurance obtained by OWNER to satisfy the requirements of this Section 14 will be subject to the approval of USER.

(e) Within thirty (30) days of execution of this Trackage Rights Agreement, OWNER will furnish to the above referenced Director Risk Management an accurate copy of each policy of insurance obtained pursuant to the requirements of this Trackage Rights Agreement. Compliance with this requirement will not relieve OWNER of any other obligation under this Trackage Rights Agreement and will in no way limit or modify OWNER's obligation to provide the specific insurance coverage required by this Trackage Rights Agreement. Evidence of subsequent renewal of such insurance or of any material change must be furnished to the above referenced Director Risk Management as stipulated in Section 14(b) above.

SECTION 16. ARBITRATION

Any dispute, controversy or claim (or any failure by the parties to agree on a matter as to which this Trackage Rights Agreement expressly or implicitly contemplates subsequent agreement by the parties, except for matters left to the sole discretion of a party) arising out of or relating to this Trackage Rights Agreement, or the breach, termination or validity hereof, shall be finally settled through binding arbitration by a sole, disinterested arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitrator shall be jointly selected by the parties but, if the parties do not agree on an arbitrator within thirty (30) days after demand for arbitration is made by a party, they shall request that the arbitrator be designated by the American Arbitration Association. The award of the arbitrator shall be final and conclusive upon the parties. Each party to the arbitration shall pay the compensation, costs, fees and expenses of its own witnesses, experts and counsel. The compensation and any costs and expenses of the arbitrator shall be borne equally by the parties. The arbitrator shall have the power to require the performance of acts found to be required by this Trackage Rights Agreement, and to require the cessation or nonperformance of acts found to be prohibited by this Trackage Rights Agreement. The arbitrator shall not have the power to award consequential or punitive damages. The arbitrator's award shall be binding and conclusive upon the parties to the fullest extent permitted by law. Judgment upon the award rendered may be entered in any court having jurisdiction thereof, which court may award appropriate relief at law or in equity. All proceedings relating to any such arbitration, and all testimony, written submissions and award, of the arbitrator therein, shall be private and confidential as among the parties, and shall not be disclosed to any other party, except as required by law and except as reasonably necessary to prosecute or defend any judicial action to enforce, vacate or modify such arbitration award. The parties to any dispute subject to this provision may, from time to time, agree to an alternative dispute resolution provider other than the American Arbitration Association, but the parties shall be under no obligation to do so.

SECTION 17. SUCCESSORS AND ASSIGNS

This Trackage Rights Agreement (including the documents and instruments referred to herein), can be assigned by USER, including by operation of law, without the prior written consent of the other party. This Trackage Rights Agreement may not be assigned independently of the assignment of the Liability Allocation Agreement.

SECTION 18. NOTICE

Any notice required or permitted to be given by one party to the other under this Trackage Rights Agreement shall be deemed given on the date sent by certified mail, or by such other means as the parties may agree, and shall be addressed as follows:

If to OWNER:

If to USER:

Vice President – Real Estate
Reading Blue Mountain and Northern Railroad Company
1 Railroad Boulevard
P. O. Box 218
Port Clinton, Pennsylvania 19549

Either party may provide changes in the above addresses to the other party by personal service or U. S. mail.

SECTION 19. GENERAL PROVISIONS

(a) This Trackage Rights Agreement and each and every provision hereof is for the exclusive benefit of the parties hereto and not for the benefit of any other party. Nothing herein contained shall be taken as creating or increasing any right of any other party to recover by way of damages or otherwise against either of the parties hereto.

(b) This Trackage Rights Agreement contains the entire understanding of the parties hereto and supersedes any and all oral understandings between the parties.

(c) No term or provision of this Trackage Rights Agreement may be changed, waived, discharged or terminated except by an instrument in writing and signed by both parties to this Trackage Rights Agreement.

(d) All words, terms and phrases used in this Trackage Rights Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms and phrases in the railroad industry.

(e) All section headings are inserted for convenience only and shall not affect any interpretation of this Trackage Rights Agreement.

(f) As used in this Trackage Rights Agreement, whenever reference is made to the trains, locomotives, cars or equipment of, one of the parties hereto, such expression means the trains, locomotives, cars and equipment in the possession of or operated by one of the parties and includes such trains, locomotives, cars and equipment which are owned by, or leased to such party. Whenever such locomotives, cars or equipment are owned or leased by one party to this Trackage Rights Agreement and are in the possession or account of the other party to this Trackage Rights Agreement, such locomotives, cars and equipment shall be considered those of the other party under this Trackage Rights Agreement.

(g) This Trackage Rights Agreement is the result of mutual negotiations of the parties hereto, none of whom shall be considered the drafter for purposes of contract construction.

SECTION 20. INDEMNITY COVERAGE

As part of the consideration hereof, each party hereby agrees that each and all of its indemnity commitments in this Trackage Rights Agreement in favor of the other party shall also extend to and indemnify the parent corporation, subsidiaries and affiliates of such other party, and all of their respective directors, officers, agents and employees.

SECTION 21. TERM AND TERMINATION

(a) This Trackage Rights Agreement shall become effective following the date first written and following receipt of any required regulatory approvals.

(b) Termination of this Trackage Rights Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred by such party under the terms of this Trackage Rights Agreement prior to termination hereof.

SECTION 22. REGULATORY APPROVAL

Should implementation of this Trackage Rights Agreement require the prior approval of the Surface Transportation Board or other regulatory authority, USER at its own cost and expense will initiate and thereafter diligently pursue an appropriate application or petition to secure such approval. USER shall provide a draft of any such application and petition to OWNER for OWNER's review prior to filing, and OWNER will assist and support efforts of USER to meet the requirements of this Section 22.

SECTION 24. EXECUTION IN COUNTERPARTS

This Trackage Rights Agreement may be executed in several counterparts, each of which will be deemed an original, and such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Trackage Rights Agreement to be duly executed as of the date first above written.

WITNESS: READING BLUE MOUNTAIN AND NORTHERN RAILROAD COMPANY

_____ By: _____
As to RBMN. (Title)

WITNESS:

EXHIBIT 3

Opinion of Counsel

EXHIBIT 3

OPINION OF COUNSEL FOR

READING BLUE MOUNTAIN & NORTHERN RAILROAD COMPANY

As counsel for Reading Blue Mountain & Northern Railroad Company, I am familiar with the transaction proposed in the Responsive Application of Reading Blue Mountain & Northern Railroad Company ("RBMN"). It is my opinion that the transaction proposed in the Responsive Application meets all requirements of law, will be legally authorized and valid if approved by the Surface Transportation Board, is within the corporate power of RBMN, and will not result in any breach, violation or default of any provisions of RBMN's Articles of Incorporation or Bylaws.

/s/ Eric M. Hocky

_____

Eric M. Hocky
Clark Hill PLC
Two Commerce Square
2001 Market St. Suite 2620
Philadelphia, PA 19103

Attorney for Reading Blue Mountain & Northern Railroad Company

Dated this 18th day of November, 2026