PENNSYLVANIA ANTHRACITE COUNCIL

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November 19, 2026
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Public Record

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

**Finance Docket No. 36873**

UNION PACIFIC CORPORATION AND
UNION PACIFIC RAILROAD COMPANY

— CONTROL —

NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

# COMMENTS OF THE PENNSYLVANIA ANTHRACITE COUNCIL

Submitted by

**Duane C. Feagley**
Executive Director
Pennsylvania Anthracite Council

## CC: Parties of Record

## Introduction

The Pennsylvania Anthracite Council ("PAC") submits these comments concerning the proposed Union Pacific–Norfolk Southern transaction. Northeastern Pennsylvania is the nation's only domestic source of anthracite, an important carbon source for steelmaking and other industrial applications. Access to domestic industrial customers and export markets depends on reliable, economically viable rail service and effective interchange between regional and Class I railroads.

PAC neither supports nor opposes the transaction as a whole. Instead, PAC asks the Surface Transportation Board ("Board") to protect commercially meaningful competitive access, established gateway arrangements, reliable service, and opportunities for future market growth.

## I. Industry Dependence on Rail Transportation

PAC's annual sales reports for 2024 and 2025 provide a commercial baseline for evaluating transportation requirements. On an adjusted prepared-anthracite-equivalent basis, reported sales averaged approximately 1.95 million short tons per year.

Approximately half of this volume, or about one million tons annually, is transported to market by rail. Transportation is normally arranged by producers, brokers, or customers. Regardless of who arranges the shipment, transportation costs and service quality affect producers' ability to compete.

Reading Blue Mountain & Northern Railroad Company ("RBMN"), in its September 9, 2026 filing, emphasized the importance of rail transportation to Pennsylvania's anthracite industry and identified significant export movements through Fairless Hills. [RBMN-3, pp. 2–3.] These movements demonstrate the industry's dependence on reliable rail connections to both domestic customers and export markets.

The economic importance of competitive rail transportation extends beyond anthracite production and sales. MSHA-reported anthracite mining employment averaged 1,265 in 2024 and 1,199 during January–June 2025, a decline of 66 jobs, or approximately 5.2 percent.

The industry also supports employment in rail and truck transportation, equipment supply, maintenance, engineering, environmental services, and other businesses serving mining operations. These jobs contribute to the economic stability of northeastern Pennsylvania communities. [Source: MSHA, Table 1, Anthracite Coal, 2024 final and January–June 2025 preliminary employment data.]

Competitive rail rates, dependable service, and commercially effective interchange arrangements are essential to sustaining this employment and preserving the industry's customer base. Higher transportation costs or reduced routing options can weaken Pennsylvania anthracite's ability to compete with imported anthracite and substitute carbon products.

PAC therefore asks the Board to evaluate the proposed transaction's effects on the PAC's experience following the 1999 break-up of Conrail demonstrates the importance of protecting competitive transportation alternatives, preserving established interchange arrangements, and ensuring that railroad consolidation does not undermine the ability of Pennsylvania anthracite producers to compete in domestic and international markets.

Contemporaneous PAC records from 1999 document substantial freight-rate increases announced by Norfolk Southern (NS) following the Conrail transaction. PAC's analysis identified increases ranging from approximately 7% to 28.8% across ten domestic destinations, averaging approximately 12.7%.

delivered cost of anthracite, access to competing rail networks, and service to domestic industrial customers and export markets. Protecting these transportation options is essential to maintaining existing sales and supporting future employment and market growth.

## II. Historical Experience Following the 1999 Conrail Transaction

PAC's experience following the 1999 break-up of Conrail demonstrates the importance of protecting competitive transportation alternatives, preserving established interchange arrangements, and ensuring that railroad consolidation does not undermine the ability of Pennsylvania anthracite producers to compete in domestic and international markets.

Contemporaneous PAC records from 1999 document substantial freight-rate increases announced by Norfolk Southern (NS) following the Conrail transaction. PAC's analysis identified increases ranging from approximately 7% to 28.8% across ten domestic destinations, averaging approximately 12.7%.

PAC challenged these increases and engaged in discussions with Norfolk Southern. PAC understands that the increases were subsequently reduced, although the available historical correspondence does not establish the final rates. [Exhibits A–C.]

In a May 28, 1999 letter to NS Chief Executive Officer David Goode, PAC expressed concern that higher transportation costs could encourage industrial customers to substitute competing carbon products or seek alternative transportation arrangements. PAC also raised objections to proposed changes in historic Conrail interchange arrangements with CSX and the exclusion of anthracite from an NS–Canadian Pacific marketing agreement. [Exhibit B.]

In an August 2, 1999 response, NS Industrial Coal Marketing Director R. H. Robinson acknowledged PAC's concerns regarding the rate structure and discussed transportation alternatives and continued dialogue with anthracite shippers. [Exhibit C.]

This historical experience illustrates the complex nature of major railroad mergers and the commercial importance of freight rates, interchange arrangements, and competitive transportation alternatives to Pennsylvania anthracite producers.

While it does not establish that similar circumstances will arise from the proposed UP–NS merger, it provides a factual basis for PAC's request that the Board carefully evaluate the need for commercially meaningful and enforceable protections.

## III. Protect Specific Competitive Routes and Gateways

PAC supports two specific requests identified by Reading Blue Mountain & Northern Railroad (RBMN) in connection with the proposed UP–NS merger. These requests are intended to preserve competitive transportation alternatives, protect existing anthracite markets, and provide opportunities for future growth.

### CSX Interchange at Philadelphia

RBMN is seeking approximately 54 miles of trackage rights from Reading to Philadelphia to establish an interchange connection with CSX.

This proposed connection would provide Pennsylvania anthracite producers with an additional rail transportation option for reaching domestic industrial customers and export markets. Through interchange with CSX, anthracite shipments could reach Fairless Hills and other export ports, subject to commercially viable routing and transportation arrangements.

Access to Fairless Hills is particularly important because of the substantial volume of Pennsylvania anthracite exported through that facility. Establishing a competitive connection with CSX at Philadelphia could provide an alternative to existing transportation arrangements, encourage competitive freight rates, and improve routing flexibility for anthracite producers.

PAC supports RBMN's request for Reading–Philadelphia trackage rights because it would help preserve meaningful transportation competition and strengthen the industry's ability to serve existing and prospective domestic and international customers.

### Hazleton Industrial Track Acquisition

RBMN is also seeking to purchase approximately eight miles of Norfolk Southern track near Hazleton, serving Humboldt Industrial Park and two anthracite origins.
This proposal has particular significance because it directly involves rail infrastructure serving Pennsylvania anthracite production facilities. Maintaining dependable rail service to these origins is essential to preserving their ability to reach domestic and international customers.

PAC believes that the proposed acquisition could strengthen regional railroad service, improve transportation options, and help ensure that anthracite producers served by these facilities remain competitive in markets where transportation costs are a substantial component of the delivered price.

**PAC's Request to the Board**

PAC asks the Board to evaluate these two requests in terms of their practical benefits to Pennsylvania anthracite producers and their customers. Physical access to an interchange point does not necessarily guarantee commercially meaningful competition.

The Board should consider whether the proposed arrangements would preserve existing markets, provide economically viable transportation alternatives, encourage competitive rates and reliable service, and support future opportunities for domestic and international anthracite sales.

These considerations are particularly important given the industry's documented experience following the 1999 Conrail transaction and the continuing development of new domestic steelmaking capacity.

**IV. Preserve Gateway Pricing and Commercial Options**

The Applicants describe existing-gateway commitments and a Committed Gateway Pricing framework intended to preserve competitive transportation options following the proposed merger. PAC asks the Board to examine whether these commitments adequately protect traffic originating on regional railroads, including Pennsylvania anthracite shipments interchanged with Norfolk Southern.

PAC is particularly concerned that eligibility restrictions, limitations on applicable routes, or the expiration of pricing commitments could leave important anthracite movements without meaningful competitive protections. [Amended Application, Vol. 1, Novak verified statement, beginning at application p. 372; see also Vol. 2 competition analysis.]

PAC asks the Board to ensure that gateway pricing and competitive access protections apply to Pennsylvania anthracite shipments originating on Reading Blue Mountain & Northern Railroad. These protections should preserve commercially viable through-rates and routing alternatives that allow Pennsylvania anthracite producers to compete effectively in domestic and international markets.

Pennsylvania anthracite producers depend on rail transportation to reach customers served by other Class I railroads. As new industrial opportunities develop and additional customers recognize the benefits of Pennsylvania anthracite, maintaining commercially viable access to these connecting rail networks becomes increasingly important.

If the proposed merger is approved, PAC asks the Board to ensure that anthracite producers retain the same commercially meaningful access to connecting railroads that is available today.

Important interchange gateways, including Chicago and Hagerstown, must remain viable. PAC supports RBMN's request that Union Pacific's pricing to these gateways be limited to current rates, adjusted for reasonable industry-standard inflation, for a period of ten years following the merger.

As discussed in Section II, PAC's experience following the 1999 Conrail transaction underscores the importance of preserving commercially viable rates and established interchange arrangements.

These developments raised serious concerns about the ability of Pennsylvania anthracite producers to maintain competitive delivered prices to industrial customers. Higher transportation costs can place domestic anthracite at a disadvantage against competing carbon products and may encourage customers to seek alternative materials or suppliers.

PAC does not suggest that similar rate increases will necessarily result from the proposed UP–NS merger. However, its documented experience demonstrates why preserving physical interchange connections alone is insufficient if commercially viable through-rates and competitive transportation alternatives are not also maintained.

Accordingly, PAC asks the Board to ensure that any gateway pricing commitments adopted as part of this transaction provide meaningful protections for anthracite shipments originating on regional railroads, preserve commercially viable interchange and through-rate arrangements, and remain effective for a sufficient period to protect existing customers and future market opportunities.

**V. Reliable Service and Shipper Protections**

Reliable and timely rail transportation is essential to Pennsylvania anthracite producers and their industrial customers. *Protecting competitive freight rates means very little if the railroad cannot deliver anthracite to customers reliably and on time.*

Steel mills and other industrial facilities depend on predictable deliveries of raw materials to maintain production schedules. Delays in rail transportation can increase costs, disrupt customer operations, and place Pennsylvania anthracite at a competitive disadvantage against alternative carbon products.

PAC is particularly concerned about the movement of anthracite shipments between regional railroads, such as Reading Blue Mountain & Northern, and connecting Class I railroads. Even when a regional railroad provides dependable service, delays in accepting or moving railcars at interchange points can affect the entire shipment and the ability of producers to meet customer requirements.

Reliable rail service is equally important to Pennsylvania anthracite exports. Delays in transporting anthracite to export terminals can result in missed vessel-loading schedules, additional transportation and handling costs, and potentially the loss of international customers to competing suppliers.

PAC asks the Board to ensure that any merger-related service protections address interchange performance, establish reasonable procedures for resolving service complaints, and protect shippers from inappropriate demurrage or related charges resulting from railroad-caused delays.

The Applicants' Operating Plan and Service Assurance Plan should be evaluated not only for their projected systemwide performance but also for their potential effects on regional railroads and the industries they serve. [Amended Application, Vol. 2.]

**VI. Preserve Equipment Investment and Future Competition**

The proposed UP–NS merger should not only protect the anthracite markets that exist today. It should also preserve the industry's ability to develop new markets in the future. Reading Blue Mountain & Northern Railroad (RBMN) has invested in freight equipment and infrastructure to serve its customers, including Pennsylvania anthracite producers. However, these investments can only achieve their full economic potential if the railroad maintains reliable interchange connections and commercially competitive transportation routes to domestic and international markets.

PAC has documented significant investments in new and expanded domestic electric arc furnace (EAF) steelmaking capacity. These include Nucor's new steelmaking facility in West Virginia, with approximately 3 million tons of annual production capacity, and the proposed Mesabi Metallics steelmaking complex in Iowa, with an initial projected annual capacity of 7.5 million tons.

Additional investments in domestic EAF production further demonstrate the potential for expanding markets for metallurgical carbon products. [Exhibit E.]

PAC's historical sales data demonstrate the importance of domestic EAF steelmaking customers to Pennsylvania anthracite producers. New steelmaking facilities represent potential opportunities to expand these sales. However, the ability to compete for these markets depends not only on the availability and quality of Pennsylvania anthracite but also on the delivered cost to the customer. [Exhibit D.]

Uncompetitive rail transportation rates, limited routing alternatives, or unreliable service could prevent Pennsylvania anthracite producers from serving new steelmaking facilities, even where anthracite would otherwise be a suitable carbon source. These concerns are particularly significant because anthracite competes with petroleum coke, coke breeze, and other carbon products in certain steelmaking applications.

PAC is also concerned about the potential competitive effects of imported anthracite entering the United States through Gulf Coast ports, particularly in Texas and Louisiana. The proposed UP–NS network could provide imported anthracite with expanded access to Midwestern industrial markets that Pennsylvania producers currently serve or may seek to develop.

PAC asks the Board to consider whether the transaction could create transportation advantages for imported anthracite that would place domestic producers at a competitive disadvantage. Similar concerns arise with petroleum coke, metallurgical coke, and coke breeze originating elsewhere on the merged network. PAC asks the Board to consider whether changes in the relative delivered costs of these competing carbon products could disadvantage Pennsylvania anthracite.

PAC therefore asks the Board to evaluate the proposed merger not simply in terms of its effects on existing rail traffic but also its potential consequences for future competition. ***Pennsylvania anthracite producers must have a fair opportunity to compete for the growing domestic steelmaking market.*** The Board should ensure that the proposed transaction does not diminish that opportunity through uncompetitive transportation rates, restricted routing alternatives, or unreliable rail service.

## VII. Requested Protections

Pursuant to its authority under 49 U.S.C. § 11324(c) to impose conditions on railroad mergers, PAC respectfully requests that the Surface Transportation Board, if it approves the proposed transaction, impose conditions, to the extent supported by the record, that:

1. Grant RBMN's requested trackage rights between Reading and Philadelphia to establish a commercially effective interchange with CSX, providing competitive transportation alternatives for Pennsylvania anthracite shipments to domestic industrial customers, Fairless Hills, and other export ports;

2. Require, as a condition of merger approval, the sale of the Hazleton industrial track to RBMN, consistent with RBMN's request, to preserve dependable rail service and competitive transportation opportunities for Pennsylvania anthracite producers served by that line;

3. Ensure that gateway and interline pricing protections meaningfully cover Pennsylvania anthracite traffic originating on RBMN, including commercially viable access through Chicago, Hagerstown, and other established gateways. PAC supports RBMN's request that Union Pacific's pricing to these gateways be limited to current rates plus reasonable industry-standard inflation adjustments for ten years following the merger, with reasonable eligibility standards and a clear process for resolving access or pricing disputes;

4. Establish enforceable interchange and service-performance safeguards, practical dispute resolution procedures, and appropriate relief for merger-related railroad-caused charges; and

5. Preserve opportunities to establish commercially viable new routes, gateways, and markets rather than limiting competitive protections to historical traffic.

## VIII. Conclusion

PAC respectfully asks the Board to assess the proposed transaction's practical consequences for Pennsylvania anthracite and impose conditions, where warranted by the record, that preserve competitive access, reliable service, reasonable commercial options and opportunities for future industrial growth. PAC's historical experience reinforces the need for protections that work in practice, without requiring PAC to support or oppose the merger as a whole.

**Supporting Exhibits**

**Historical Documents — 1999 Conrail Transaction**

**Exhibit A — PAC Memorandum, June 1, 1999**

PAC memorandum documenting announced freight-rate increases by Norfolk Southern following the Conrail transaction, including a destination-specific freight-rate comparison table.

**Exhibit B — PAC Letter to David Goode, May 28, 1999**

PAC correspondence expressing concerns regarding freight-rate increases, proposed changes to established CSX interchange arrangements, and the exclusion of anthracite from an NS–Canadian Pacific marketing agreement.

**Exhibit C — Norfolk Southern Letter from R. H. Robinson, August 2, 1999**

Norfolk Southern's response addressing PAC's concerns about freight rates, interchange arrangements, and competitive transportation alternatives.

**Industry Sales and Future Steelmaking Opportunities**

**Exhibit D — Pennsylvania Anthracite EAF Sales, 2016–2025**

PAC's historical sales data documenting Pennsylvania anthracite shipments to domestic electric arc furnace steelmaking customers and the importance of this market to the anthracite industry.

**Exhibit E — New and Expanded U.S. Steelmaking Capacity**

PAC's research identifying new and expanded domestic steelmaking facilities, including Nucor's West Virginia facility, the proposed Mesabi Metallics steelmaking complex in Iowa, and other EAF investments. The exhibit documents potential future markets for Pennsylvania anthracite.

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Finance Docket No. 36873

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

**COMMENTS OF THE PENNSYLVANIA ANTHRACITE COUNCIL**

# HISTORICAL EXHIBIT A

**PAC Memorandum — June 1, 1999**

Norfolk Southern Freight-Rate Increases Following the 1999 Conrail Transaction

PAC memorandum documenting announced freight-rate increases by Norfolk Southern following the Conrail transaction, including a destination-specific freight-rate comparison table.

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COUNCIL
P.O. Box 138
Pottsville, PA 17901
June 1, 1999

To: PAC Executive Committee
PAC Rail Freight Shippers

From: Duane C. Feagley Duane

Re: Rail Freight Rate Increase Announced by Norfolk Southern

Effective June 1, 1999, Norfolk Southern Railroad has increased its freight rates on several domestic anthracite hauls including destinations in Iowa, Illinois, Texas, Kansas and Kentucky. The increases range from a 28.8% increase into Hillsboro, IL to a 7% increase into Sequin, TX. The average overall increase is 12%.

| Norfolk Southern Domestic Rail Rates Effective June 1, 1999 | | | | |
|---|---|---|---|---|
| Destination | Previous Rate | New Rate | Increase | Change |
| Keokuk, IA | $28.78 | $31.56 | $2.78 | 10% |
| Hillsboro, IL | $28.62 | $36.87 | $8.25 | 28.80% |
| Memphis, TN | $35.33 | $40.30 | $4.97 | 14% |
| East St. Louis, IL | $32.77 | $36.95 | $4.18 | 12.75% |
| Sequin, TX | $51.00 | $54.57 | $3.57 | 7% |
| Atchison, KS | $40.06 | $43.26 | $3.20 | 8% |
| Peoria, IL | $34.13 | $38.14 | $4.01 | 12% |
| DuBuque, IL | $32.04 | $34.72 | $2.68 | 8% |
| Calvert City, KY | $27.85 | $33.57 | $5.72 | 20.50% |
| | $310.58 | $349.94 | $39.36 | 12.70% |

In response to this rate increase, I have addressed a letter to David Goode, CEO of Norfolk Southern Railroad. In addition, a similar letter will be sent to Governor Tom Ridge's office protesting the rates and urging action be taken to secure a second Class I railroad server for the anthracite region.

Please look over the letter and call me with any questions or comments.

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# HISTORICAL EXHIBIT B

## PAC Letter to David Goode — May 28, 1999

Freight Rates, CSX Interchange Arrangements, and Anthracite Marketing Access

PAC correspondence to Norfolk Southern Chief Executive Officer David Goode expressing concerns about freight-rate increases, proposed changes to established CSX interchange arrangements, and the exclusion of anthracite from an NS–Canadian Pacific

PENNSYLVANIA ANTHRACITE COUNCIL
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COUNCIL
P.O. Box 138
Pottsville, PA 17901

May 28, 1999

Mr. David Goode, CEO
Norfolk Southern Corp.
110 Franklin Rd.
Roanoke, VA 24042-0026

Dear Mr. Goode:

I am writing to protest the domestic freight rate increases recently imposed on the anthracite coal industry. In the absence of competition, NS has used its monopolistic power to increase many domestic anthracite freight rates an average of 12% over current prices. If allowed to stand, these rates will have a serious and negative impact on anthracite producers and your own transportation company.

In fact, these rate increases could not have come at a worse time for our struggling industry, as we are trying to shake off the effects of two mild winters and foreign steel dumping. It has been reported to us that one customer, Mid-Western Carbide, located in Keokuk, Iowa, has already declared that it will begin trucking anthracite or look for a more cost effective substitute, like coke, to use in its operation. Other anthracite customers have expressed similar outrage at the proposed price hikes your railroad is instituting.

While you may argue that some rates have decreased for anthracite, I must point out these small reductions will not result in more traffic to those destinations. However, the current rate structure being imposed by NS will no doubt force many anthracite customers to seek alternate transportation or even alternate products. Further, NS is insisting on changing the historic junctions that Conrail had with CSX. This has resulted in an impasse and no contract rates are in effect to CSX destinations, therefore nothing is being shipped to those customers. We believe that NS must address this matter immediately.

Further, we are also immensely dismayed that NS has specifically singled out and excluded anthracite coal from its marketing agreement with the Canadian Pacific Railroad. This shortsighted measure on the part of NS will result in the loss of new and potentially new markets for both of us.

I urge you to review your rate structure and your position on anthracite coal, I suggest that we work together to find solutions to the challenges facing both our industries. I am confident that a careful review of the facts will show that it is in the best interest of both NS and the anthracite industry to maintain or even roll back anthracite rate hauling fees. Thank you for your time and attention on this. I look forward to hearing from you soon.

Sincerely yours,

Duane C. Feagley

Duane C. Feagley
Executive Director




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# HISTORICAL EXHIBIT C

## Norfolk Southern Letter from R. H. Robinson — August 2, 1999

Norfolk Southern Response to PAC's Freight-Rate and Competitive Access Concerns

Norfolk Southern correspondence responding to PAC's concerns regarding freight rates, interchange arrangements, and competitive transportation alternatives following the 1999 Conrail transaction.

NORFOLK SOUTHERN

Norfolk Southern Corporation
Coal Marketing Department
110 Franklin Road
Roanoke, Virginia 24042-0026
540 985-6398 FAX

R. H. Robinson, Director
Industrial Coal Marketing
(540) 985-6756

August 2, 1999

Mr. Duane Feagley
Executive Director
Pennsylvania Anthracite Council
P.O. Box 138
Pottsville, PA 17901

Dear Duane:

Thank you for your recent letter regarding our first meeting between Norfolk Southern and the Pennsylvania Anthracite Council. The dialogue was outstanding and I trust mutually beneficial to all parties. I look forward to meeting with the members of the council on a regular basis.

I also wanted to thank you for inviting NS to join the PAC, and I am enclosing our application and initiation fee. You have my assurance that our membership will be meaningful and productive.

As I mentioned in our meeting, NS will not be an obstacle to the anthracite industry's efforts to move coal to the marketplace competitively. We do and will continue to reserve the right to research and analyze each and every modal threat to our existing transportation service before we would approve any diversion of traffic away from NS.

In our meeting, I shared with you our concerns with the current rate structure and why NS felt that a more equitable distribution of the transportation revenue was needed. We are not seeking a through rate increase to our customers at this time.

Unlike Conrail before us, NS must continue to invest its capital dollars in equipment and rail infrastructure to provide customers the high level of service they deserve. I invite you to share your ideas with us as to how we all can become more efficient, reduce costs, and in turn, provide a long term, stable rate structure to keep anthracite the carbon source of choice.

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COUNCIL
P.O. Box 138
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August 9, 1999

To: Al Luedke
Fritz Rehring
Bev Hess

From: Duane C. Feagley Duane

Re: Follow Up Meeting with Norfolk Southern

I have finally received a response from Rob Robinson at Norfolk Southern on my recent letter. His response is enclosed.

We have a meeting scheduled for Thursday, August 26, 1999 at 9:00 AM for the "Top of the 80's" in Hazleton. I hope you are available to meet that day. Please call me at your earliest convenience to discuss the meeting.

Finally, I will be on vacation on the week of August 16th. I look forward to hearing from you soon.

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# EXHIBIT D

## Pennsylvania Anthracite EAF Sales, 2016–2025

Historical Sales to Domestic Electric Arc Furnace Steelmaking Customers

Pennsylvania Anthracite Council historical sales data documenting Pennsylvania anthracite shipments to domestic electric arc furnace (EAF) steelmaking customers from 2016 through 2025 and the importance of this market to the anthracite industry.

**U.S. Domestic Anthracite Vs. Imported Anthracite**
**for Electric Arc Furnace Steel Production**
**Revised August 10, 2026**

| Year | Total U.S. Prepared Sales Short Tons | Total U.S. Exports Short Tons | U.S. Domestic Short Tons | Russian Imports Short Tons | Peru Imports Short Tons | South Africa Imports Short Tons | Other Imports Short Tons | Domestic EAF Steel Production Short Tons | Total EAF Demand Short Tons | EAF Anthracite Demand 85% Short Tons | Domestic EAF Share U.S. % Short Tons | Domestic EAF Share Russia % Short Tons | Domestic EAF Share Peru % Short Tons | Domestic EAF Share S. Africa % Short Tons | Domestic EAF Share Others % Short Tons |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2016 | 2,016,186 | 394,079 | 1,622,107 | 6,062 | 0 | 28,488 | 36,927 | 58,000,000 | 1,160,000 | 986,000 | 92.80% | 0.60% | 0.00% | 2.90% | 3.70% |
| 2017 | 1,674,840 | 293,265 | 1,381,575 | 34,448 | 0 | 37,829 | 0 | 61,500,000 | 1,230,000 | 1,045,500 | 93.10% | 3.30% | 0.00% | 3.60% | 0.00% |
| 2018 | 1,980,979 | 253,667 | **1,727,312** | 30,405 | 0 | 47,403 | 27,377 | 64,900,000 | 1,298,000 | 1,103,300 | 90.50% | 2.80% | 0.00% | 4.30% | 2.50% |
| 2019 | 1,856,760 | 315,778 | 1,540,982 | 68,729 | 0 | 24,250 | 35,125 | 67,500,000 | 1,350,000 | 1,147,500 | 88.80% | 6.00% | 0.00% | 2.10% | 3.10% |
| 2020 | 1,817,402 | 324,754 | 1,492,648 | 219,182 | 0 | 0 | 0 | 56,600,000 | 1,132,000 | 962,200 | 77.20% | 22.80% | 0.00% | 0.00% | 0.00% |
| 2021 | 1,562,378 | 363,357 | 1,199,020 | 338,548 | 0 | 36,376 | 0 | 66,200,000 | 1,324,000 | 1,125,400 | 66.70% | 30.10% | 0.00% | 3.20% | 0.00% |
| 2022 | 1,976,279 | 529,121 | 1,447,158 | 0 | 30,685 | 27,282 | 20,975 | 65,300,000 | 1,306,000 | 1,110,100 | 92.90% | 0.00% | 2.80% | 2.50% | 1.80% |
| 2023 | 2,132,823 | 773,943 | 1,358,880 | 0 | 183,438 | 106,376 | 36,927 | 61,265,000 | 1,225,300 | 1,041,505 | 68.60% | 0.00% | 17.60% | 10.20% | 3.50% |
| 2024 | 1,926,514 | 693,535 | 1,232,979 | 0 | 39,929 | 0 | 15,378 | 63,200,000 | 1,264,000 | 1,074,400 | 94.85% | 0.00% | 3.72% | 0.00% | 1.43% |
| 2025 | 1,964,784 | 553,521 | 1,411,263 | 0 | 184,447 | 0 | 27,116 | 64,296,000 | 1,285,920 | 1,093,032 | 80.65% | 0.00% | 16.87% | 0.00% | 2.48% |

Other Countries Listed with One Time shipments

| | |
|---|---|
| Ireland | Cyprus |
| Belgium | Vietnam |
| Ukraine | U.K. |

**Notes:**

1. U.S. Electric Arc Furnace (EAF) steel production figures are reported by the American Iron & Steel Institute and the USGS Mineral Commodity Summary.
2. EAF steel production accounts for approximately 72% of total U.S. steel production.
3. U.S. anthracite sales figures are based on data reported to the U.S. Office of Surface Mining Reclamation and Enforcement (OSMRE).
4. EAF furnace carbon demand is modeled at 40 pounds per net ton of EAF steel, divided by 2,000 pounds per short ton.
5. For purposes of this analysis, 85% of that furnace carbon requirement is attributed to anthracite, and 15% is attributed to other carbon sources (such as petroleum coke and coke breeze). The "EAF Anthracite Demand 85%" column reflects only the anthracite portion.
6. The 2017 U.S. sales figure was corrected for a transcription error. U.S. Domestic Short Tons were also revised to reflect total U.S. sales less exports. Neither correction materially affects PAC's analysis or conclusions.
7. EAF Steel Production Sources and Correction: EAF steel production figures are derived from published data from the U.S. Geological Survey (USGS), American Iron and Steel Institute (AISI), and World Steel Association, as applicable. All EAF production figures are presented in short tons. EAF steel production figures for 2016–2019 were corrected to convert USGS-reported metric tons to short tons; the prior version inadvertently treated those figures as short tons. This correction increases estimated EAF anthracite demand for those years and does not materially affect the conclusions of the analysis.

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# EXHIBIT E

## New and Expanded U.S. Steelmaking Capacity

Recent and Announced Electric Arc Furnace (EAF) Steelmaking Investments

Pennsylvania Anthracite Council research identifying selected new, expanded, and proposed domestic electric arc furnace steelmaking facilities, including Nucor's West Virginia facility, the proposed Mesabi Metallics complex in Iowa, and other EAF investments. The exhibit describes potential future markets for Pennsylvania anthracite and the importance of commercially competitive rail transportation.

Source: Pennsylvania Anthracite Council, Exhibit E — Recent and Announced U.S. Electric Arc Furnace (EAF) Steelmaking Capacity Additions; company announcements, annual reports, and other cited sources.

**PENNSYLVANIA ANTHRACITE COUNCIL**

# EXHIBIT E

**Recent and Announced U.S. Electric Arc Furnace (EAF) Steelmaking Capacity Additions**

*Supporting Exhibit to PAC Comments — STB Finance Docket No. 36873*

## Purpose and relevance

This exhibit identifies selected recent and announced U.S. electric arc furnace (EAF) steelmaking investments that may offer future markets for Pennsylvania anthracite. EAF steelmaking is an established anthracite market, but additional steel capacity does not by itself establish anthracite demand. Product suitability, competitive delivered prices, reliable rail service, and commercially effective interchange and through-rate arrangements will influence whether Pennsylvania producers can compete for this business. PAC's historical EAF anthracite sales are separately documented in Exhibit D.

## Selected projects — verified announced capacity and development status

| Facility | Annual capacity (as reported) | Status (2026) | Source |
|---|---|---|---|
| **ArcelorMittal Calvert Calvert, Alabama** | 1.65 million short tons/year (1.5 million metric tons) | First steel June 2025; ramp-up | [1] |
| **Nucor Steel West Virginia Apple Grove, Mason County, WV** | 3.0 million tons/year | First steel September 2026; commissioning/ramp-up | [2] |
| **Commercial Metals (CMC) Berkeley County, WV** | 0.50 million tons/year originally announced; 0.39 million tons/year reported rolling capacity | Placed in service FY2026 Q4; ramp-up | [3] |
| **Nucor Steel Lexington Lexington, North Carolina** | 0.43 million short tons/year | First steel July 2025; ramp-up | [4] |
| **Hybar — original mill Osceola, Arkansas** | Approx. 0.63 million short tons/year | Operating since 2025 | [5] |
| **Hybar — second mill Osceola, Arkansas** | Approx. 0.63 million additional short tons/year | Announced/under development in 2026; not operating | [5] |
| **Mesabi Metallics — proposed Iowa complex Iowa** | 7.5 million tons/year initially; potential expansion to 10 million | Proposed; initial production targeted as early as 2030 | [6] |

Capacity measures are not identical across all company disclosures: the CMC 390,000-ton figure refers to rolling capacity, while its 500,000-ton figure was the originally announced project capacity. These figures must not be added together. Proposed expansions are not current operating production. No aggregate capacity total is presented because projects have different reporting bases and development stages.

## Illustrative carbon opportunity — not a forecast

For illustration only, assuming 40 pounds of total carbon consumption per ton of steel, a facility producing 7.5 million short tons of steel annually could correspond to approximately 150,000 short tons of total carbon use; at 10 million short tons of steel, approximately 200,000 short tons. These calculations assume full production at the stated level and do not represent expected purchases of Pennsylvania anthracite. Anthracite competes with petroleum coke, coke breeze, and other carbon sources; actual demand depends on each mill's process and purchasing decisions.

## Other steel investment excluded from EAF capacity

PAC has also identified a proposed U.S. Steel Mon Valley hot-strip mill modernization in Pennsylvania. This concerns downstream rolling operations rather than new EAF steelmaking capacity and is not counted among the EAF projects above.

## Relevance to the proposed UP–NS transaction

The investments summarized here illustrate the importance of protecting future, as well as existing, markets. Even where Pennsylvania anthracite is technically suitable for a new steelmaking facility, uncompetitive rail rates, unreliable service, or impractical interchange arrangements could prevent a sale. PAC therefore asks the Board to consider whether the proposed transaction preserves commercially meaningful transportation options for shipments originating on regional railroads.

## Sources


[1] ArcelorMittal, Annual Report 2025, Calvert EAF commissioning and ownership: https://corporate.arcelormittal.com/media/dvck4ncb/annual-report-2025.pdf

[2] Nucor Steel West Virginia, official project page: https://nucor.com/west-virginia/ ; Nucor, Summer 2026 Investor Presentation: https://s202.q4cdn.com/531038915/files/doc_presentations/2026/Jun/15/Nucor-Overview-Deck_vF.pdf

[3] Commercial Metals Company, FY2026 Annual Report (Form 10-K): https://www.sec.gov/Archives/edgar/data/22444/000002244426000065/cmc-20260831.htm ; project page: https://www.cmc.com/west-virginia

[4] Nucor, original Lexington announcement (April 7, 2022) and Nucor 2025 Annual Report; see also Nucor Summer 2026 Investor Presentation [2].

[5] Hybar, first steel announcement (June 2, 2025): https://hybarsteel.com/wp-content/uploads/2025/06/Hybar-Produces-its-First-Steel-Rebar-06022025-FINAL.pdf ; Arkansas Economic Development Commission, expansion announcement (June 26, 2026).

[6] Mesabi Metallics, Iowa project announcement (September 28, 2026); MIDREX Technologies, project technology announcement (October 13, 2026); Office of U.S. Senator Joni Ernst, announcement (September 28, 2026).