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

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JOINT COMMENTS AND REQUESTS FOR CONDITIONS OF HEART OF GEORGIA RAILROAD, INC. AND GEORGIA SOUTHWESTERN RAILROAD, INC.

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In accordance with the Board's Decision No. 30 served in this proceeding on August 18, 2026, Heart of Georgia Railroad, Inc. ("HOG") and Georgia Southwestern Railroad, Inc. ("GSWR") submit these comments and requests for conditions. The Comments and Requests for Conditions is supported by the Verified Statement of Marty Pohlod ("Pohlod VS"). In a separate filing, HOG and GSWR are simultaneously submitting their Responsive Application for trackage rights. HOG and GSWR 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, HOG and GSWR respectfully request that the Board impose their requested conditions to ameliorate the competitive harm that the Transaction will cause to HOG and GSWR.

The Application clearly states Union Pacific's position: single-line service is superior to interchanged service because interchanges pose onerous costs and delays.[2] Nearly 100% of short

[1] UP's proposal to acquire control of NS is referenced to herein as the "Application" or the "Transaction".
[2] Amended Railroad Control Application, STB Finance Docket No. 36873, Vol. 1, Pg 229, (filed Apr. 30, 2026 (cited to herein as App.Vol.).

line traffic is interchanged. UP's statements indicate that it will prioritize single-line traffic over traffic where interchange is necessary, i.e., all short line traffic.[3]

Further, the Application states that short haul rail moves are historically unappealing to Class Is. Union Pacific is clearly establishing that traffic that is less than 250 miles is not as valuable as long-haul traffic. If the Transaction is approved, UP is unlikely to provide competitive options for shorter haul rail traffic and especially for that traffic which HOG and GSWR rely on and even more so not for traffic that they would seek to interchange between each other.

In order to ameliorate the anticompetitive impact and to provide an opportunity to offset at least some of the expected harms of the UP/NS Transaction on HOG and GSWR customers and the markets they serve, HOG and GSWR seek trackage rights.

I. Background

A. HOG Is a Light-Density Short Line Serving South-Central Georgia Whose Customers Lack Competitive Routing to the Port of Savannah.

HOG is a Class III short line railroad whose active mainline runs 233 miles east-west from Midville, Georgia, to Preston, Georgia, with a 42-mile branch out of service between Preston, Georgia, and Mahrt, Alabama.[4] HOG leases its entire line from the Georgia Department of Transportation ("GDOT"), which saved the line from likely abandonment in 1999.[5] A very light density railroad, HOG hauled fewer than [redacted] cars in 2025 and serves the primarily rural area of south-central Georgia, with a customer base primarily comprising forest products, telephone poles, railroad ties, and fertilizer.[6] HOG interchanges with CSX Transportation ("CSX")

[3] *Id.*
[4] Pohlod VS at 3.
[5] *Id.* at 4.
[6] *Id.*

in Cordele, Georgia; with an affiliated short line, the Georgia Central Railway ("GC"), in Vidalia, Georgia; and with NS in Americus and Midville, Georgia.[7]

HOG's line was originally part of a route that ran from Savannah, Georgia, to Americus, Georgia, to Montgomery, Alabama.[8] For many years, supported by the Georgia Ports Authority, an inland port operated in Cordele, Georgia, to increase optionality for shippers in the southwest part of the State who lacked access to the rail network, moving products to and from the Port of Savannah.[9] The inland port facility remains, but it is underutilized because the cost of rail service that must cross a Class I main line to reach the Port of Savannah is not competitive as part of the transportation service package.[10]

B. GSWR Is a Short Line Formed to Save Rail Service in Rural Southwest Georgia and Depends on Competitive Regional Routing.

GSWR primarily serves the rural, agriculture-driven economy of southwestern Georgia and 15 miles of southeast Alabama. It actively maintains and operates 133 miles of track in two contiguous main branches that form a T-shape: the 75-mile Smithville Subdivision, between Smithville, Georgia, and White Oak, Alabama, and the 64-mile Lynn Subdivision, between Cuthbert, Georgia, and Lynn, Georgia, with further rights to serve an industrial park in Bainbridge, Georgia.[11] GSWR owns the Smithville Subdivision, leases the Lynn Subdivision from GDOT, and hauls approximately [redacted] carloads annually, including for the largest pure peanut oil facility in the United States.[12] GSWR interchanges directly with NS in Albany, Georgia, and with the affiliated Hilton & Albany Railroad ("HAL") in Arlington, Georgia, and it is contiguous with CSX

[7] *Id.*
[8] *Id.* at 3.
[9] *Id.* at 4.
[10] *Id.*
[11] *Id.* at 2.
[12] *Id.*

in Bainbridge, Georgia, although interchange with CSX is made in Dothan, Alabama, via HAL.[13] GSWR also interchanges with NS in Columbus, Georgia, for a small, GDOT-owned branch line that it operates between Columbus and Cusseta, Georgia.[14]

GSWR's history is one of perseverance typical of many short lines. A mix of former CSX, Seaboard Air Line, and Central of Georgia Railway lines, its infrastructure had fallen into disrepair by the mid-1980s as traffic volumes declined.[15] In the late 1980s, RailTex, a short line holding company, in partnership with the State of Georgia, formed GSWR to save rail service in this pocket of the State.[16] Still suffering from a lack of capital, the line then went through a series of owners, and many parts of the original line were abandoned, sold off, or put out of service to raise funds and limit expense.[17] At one time HOG was part of GSWR, but GSWR ceased operating it due to its lack of economic viability.[18] Limited capital was invested in GSWR until Genesee & Wyoming Inc. ("G&W") acquired it in 2008.[19]

Today, GSWR is an important transportation provider to an area that lacks transportation alternatives and is not well served by an east-west interstate highway.[20] GSWR has two Class I connections and is located approximately 200 miles from the Port of Savannah, but experience has demonstrated that those Class I connections are not benefiting the region due to a lack of interest in providing a competitively priced, short-haul regional move.[21] Agricultural producers in the region would benefit from increased opportunities to export what they grow and process, but

[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Id.*
[17] *Id.* at 2-3.
[18] *Id.* at 3.
[19] *Id.*
[20] *Id.*
[21] *Id.*

without a major interstate and without contiguous Class Is competitively pricing a shorter-haul regional move, the local economy is not benefitting from access to the national network.[22]

Since 2008, GSWR has invested significantly to upgrade its infrastructure and attract new industry, benefiting from both corporate funding and state grants.[23] To provide additional rail access, G&W and GSWR developed a transload terminal in Bainbridge, Georgia, to attract new industry and increase transportation options for shippers without direct rail access.[24]

C. The UP/NS Transaction Would Competitively Harm HOG and GSWR, but the Application Ignores the Harm and Offers No Pro-Competitive Remedy.

1. The Transaction Further Erodes Short-Haul Routing Options for HOG and GSWR Customers.

Today, HOG and GSWR customers lack a competitively priced short-haul route to the Port of Savannah. The Class Is that interchange with GSWR and HOG in southwest Georgia have not provided particularly competitive rates for the 200-mile move to Savannah,[25] and NS has limited interest in supporting a service that hauls traffic between GSWR and HOG because of its light density and short distance.[26] As a result, the Cordele inland port remains underutilized and the local economy is not benefitting from access to the national network.[27]

After the Transaction, HOG and GSWR are concerned that UP/NS will prioritize its limited network capacity for its own single-line traffic to the detriment of interchange traffic. The Application states that the catalyst for the Transaction is the ability to offer single-line service on a transcontinental scale and that any rail traffic interchanged between carriers is less efficient,

[22] *Id.*
[23] *Id.*
[24] *Id.*
[25] *Id.* at 4-5.
[26] *Id.* at 4.
[27] *Id.* at 3-4.

higher-cost, and, by definition, less desirable.[28] All traffic UP shares with short lines is interchanged.[29] The combined UP/NS will be even more focused on growing its long-haul, single-line business and will have even less desire to handle moves of under 200 miles, similar to the distance between GSWR and Savannah.[30] It also will no longer have the same incentive to offer the competitive access and service that UP offered GSWR and HOG before the Transaction.[31]

The Transaction will also result in increased rail traffic, potentially resulting in service issues, and there is concern that congestion on the Class I lines in and around Savannah will be exacerbated by the intermodal and carload growth UP/NS plans to capture after the Transaction.[32] HOG and GSWR therefore need certainty that they can connect and interchange with each other via approximately 14 miles of trackage rights over NS between Smithville, Georgia, and Americus, Georgia.[33] That connection would restore a link between two railroads that were once part of the same short line system, when a direct connection between Cuthbert, Georgia, on GSWR and Lumpkin, Georgia, on an inactive part of HOG existed before that section was taken up in 1995.[34] It would allow customers to originate and terminate on GSWR (and on the contiguous short lines HAL and Bayline Railroad) and reach the Savannah area by connecting with HOG and GC, building sufficient density to support viable, long-term rail service.[35] The resulting GSWR–HOG–GC route would avoid the congested Class I lines around Savannah and convert truck traffic from western Georgia, eastern Alabama, and northwest Florida to rail.[36] That regional traffic does not

[28] App. Vo. 1, page 261.
[29] Pohlod VS at 9.
[30] Pohlod VS at 6.
[31] *Id.* at 9-10.
[32] *Id.* at 6.
[33] *Id.* at 4.
[34] *Id.*
[35] *Id.* at 5.
[36] *Id.* at 6.

fit the long-haul, single-line model that is the focus of the Transaction and would have limited to no negative impact on the UP/NS network.[37]

The risk to HOG and GSWR is significant. For a short line, any loss of traffic, even 10% or less, can have an outsized impact on service and viability, and with a relatively fixed operating and capital cost base, short lines cannot cut costs aggressively when traffic falls.[38] A forced reduction in service, such as eliminating service days or reducing speeds from 25 mph to 10 mph, can cause customers to switch from rail to truck, forcing further cuts in service and investment and starting a downward spiral.[39] For a very light density railroad such as HOG, which hauled fewer than [redacted] cars in 2025, each additional carload makes a difference.[40]

2. The Application Proposes No Conditions to Ameliorate the Harm to HOG and GSWR or to Improve Competition in the Markets They Serve.

The Application does not propose any conditions to remedy the adverse impacts of the Transaction on short lines. Rather, UP offers broad commitments to service and rates through its proposed Committed Gateway Pricing ("CGP"), which HOG and GSWR do not believe properly addresses the role that they and other short lines play in the more regional and local transportation landscape.[41] The Application pays little attention to short lines aside from claiming benefits that may accrue to UP and NS feeder lines, and, to the extent it acknowledges harm to any specific short line, UP provided limited analysis and only after prodding by the Board.[42]

[37] *Id.* at 5.
[38] *Id.* at 11.
[39] *Id.*
[40] *Id.* at 4, 8.
[41] *Id.* at 10.
[42] *Id.* at 10-11.

3. Union Pacific's Public Statements Raise Questions About Its Intention to Negotiate Trackage Rights Agreements in Good Faith.

Union Pacific's CEO, Mr. James Vena, has made public comments indicating that UP may be unwilling to negotiate trackage rights in good faith. Mr. Vena has been quoted as saying, "[i]f you allow---if we allowed x railroad to run on our railroad for 800 miles, we would charge them a per car mile charge that actually would make it more expensive for them to get to that destination. I've thought about just [agreeing] because, guess what, we would just reset the price higher for us. Okay?"[43]

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.

[43] *Id.* at 12.

Although the Board must consider each of these factors, the ultimate statutory inquiry is whether the transaction is consistent with the public interest.[44] 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.[45]

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 Rule").[46] 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."[47]

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.[48] 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.[49] The Board must also ensure than a transaction would promote a competitive, efficient, and reliable national rail system.[50] 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

[44] *See* 49 U.S.C. § 11324(c).
[45] *Id*.
[46] *Major Rail Consolidation Procedures*, STB Ex Parte No. 582 (Sub-No. 1), slip op. at 9 (served June 11, 2001) [hereinafter *2001 Rule*].
[47] *Id*. at 20.
[48] *Id*. at 16; 49 C.F.R. 1180.1(b)-(c); 49 U.S.C. §§ 10101, 11324(b).
[49] *Id*. at 14; 49 C.F.R. § 1180.1(b)
[50] *Id*.

greater economic efficiency, outweigh the transaction's anticompetitive effects, potential service disruptions, or other merger-related harms.[51]

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."[52] 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."[53]

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.[54] Applicants must explain "how they would preserve competitive options for shippers and for Class II and III rail carriers."[55] 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.[56]

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.[57]

[51] *Id*. § 1180.1(c).
[52] *Id*. § 1180.1(d).
[53] *2001 Rule*, at 13.
[54] *Id*. at 27.
[55] 49 C.F.R. § 1180.6(b)(10)(i).
[56] *2001 Rule*, at 27.
[57] *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". [58]

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.[59]

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.[60] The Board may issue conditions when a proposed merger would reduce competition, harm essential rail services, or result in

[58] *See id*. at 27.
[59] *CSX Corp., et al.–Control and Operating Leases/Agreements–Conrail Inc., et al.*, STB Finance Docket No. 33388, 1998 WL 456510, Decision No. 89, slip op. at *54 (served July 20, 1998).
[60] 49 C.F.R. § 1180.1(d).

transitional service disruptions or other service problems.[61] 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.[62]

A. Criteria for Determining Service Problems

In evaluating a proposed major rail consolidation, the Board considers whether the transaction is likely to result in transitional service disruptions or other service problems.[63] Where such service problems are likely to result from the transaction, the Board may impose appropriate conditions to protect the public interest and ensure that the transaction promotes adequate and reliable rail service.[64]

In determining whether conditions are warranted, the Board should consider whether the proposed transaction is likely to impair the quality, reliability, or adequacy of rail service and whether appropriate conditions would prevent or ameliorate those transaction-related service harms without unduly diminishing the transaction's public benefits.[65]

IV. Argument

A. The Board Should Grant HOG and GSWR's Requested Trackage Rights to Ameliorate the Harm Caused if the Board Approves the Application.

If the Board approves the Transaction, HOG and GSWR seek trackage rights over NS between Smithville, Georgia, on GSWR and Americus, Georgia, on HOG, to connect the two railroads and allow them to interchange with each other.[66] These rights will ameliorate the harm the Transaction would cause by restoring connectivity between two railroads that were once part

[61] *Id*. § 1180.1(c)(i)-(iii).
[62] *See id*. § 1180.1(d).
[63] 49 C.F.R. § 1180.1(c)(2)(iii).
[64] *See id*. §§ 1180.1(c)(2)(iii), (d); 49 U.S.C. § 11324(c).
[65] *See* 49 C.F.R. § 1180.1(c)(2)(iii), (d).
[66] Pohlod VS at 13.

of the same short line system and by giving shippers in an underserved part of the region a regional route to the Savannah area.[67] The Pohlod VS outlines the harms that HOG and GSWR will likely experience if the Transaction is approved.

The Application's own statements show that UP will focus on long-haul, single-line service and deprioritize interchanged traffic. The stated catalyst for the Transaction is UP's ability to offer single-line service on a transcontinental scale, and the Application treats any rail traffic interchanged between carriers as less efficient, higher-cost, and less desirable.[68] Because all traffic UP shares with short lines is interchanged, HOG and GSWR are concerned that UP will prioritize its limited network capacity for its own single-line traffic.[69]

As the Pohlod VS explains, the Class Is that interchange with GSWR and HOG have not provided particularly competitive rates for the 200-mile move to Savannah, and, post-Transaction, UP/NS will have even less desire to handle moves of under 200 miles.[70] The requested trackage rights would give customers a GSWR–HOG–GC route that avoids the congested Class I lines in and around Savannah, congestion that GC expects to be exacerbated by the growth UP/NS plans to capture after the Transaction.[71] The Application offers nothing to offset these harms. CGP's broad commitments on service and rates fail to provide the certainty and security needed to support long-term investment and optionality and do not address the harms raised by HOG and GSWR.[72] And because any loss of traffic, even 10% or less, can have an outsized impact on a short line's

[67] *Id.* at 4-6.
[68] *Id.* at 8-9.
[69] *Id.* at 9.
[70] *Id.* at 4-6.
[71] *Id.* at 6.
[72] *Id.* at 10, 13.

service and viability, the Board should give considerable weight to evidence that the Transaction could cause a short line to lose revenue as a reason for imposing a condition.[73]

1. If the Board Grants HOG and GSWR's Trackage Rights, It Should Impose Conditions to Protect HOG and GSWR from Bad Faith Negotiating Tactics.

As highlighted earlier in section 1.3.C., Union Pacific's CEO has made public comments indicating that UP may be unwilling to negotiate trackage rights in good faith[74] If the Transaction proceeds, UP will be one of the largest companies in the United States, with the resources to delay the imposition of the Board's conditions through litigation that can easily outlast any short line.[75]

As such, HOG and GSWR respectfully request that the Board impose, as part of their requested trackage rights, a condition that UP provide equal dispatch and equal access to railroad facilities, such as sidings, on the trackage rights lines.[76] The Board should also impose conditions that a short line can enforce without lengthy litigation.[77] Further, HOG and GSWR seek an oversight period lasting in perpetuity to ensure that the conditions requested are enforceable now and into the future.[78] The Board should not allow UP to thwart its conditions.[79]

2. HOG and GSWR's Conditions Are in the Public Interest.

HOG and GSWR's trackage rights conditions are in the public interest because the trackage rights will give shippers in an underserved part of the region a competitive regional option even if UP deprioritizes short-haul interchange traffic, with limited to no negative impact on the UP/NS network.[80] The rights will also help satisfy the Board's 2001 merger rules, which require enhanced

[73] *Id.* at 11.
[74] *Id.* at 12.
[75] *Id.*
[76] *Id.* at 12-13.
[77] *Id.* at 12.
[78] *Id.* at 14.
[79] *Id.* at 12.
[80] *Id.* at 3, 5.

competition to offset merger harms, by giving shippers more choice and diverting traffic from highway to freight rail, improving highway safety and reducing truck exhaust emissions in the Savannah area.[81]

3. Description of HOG and GSWR's Trackage Rights Requests.

If the Board approves the Transaction, HOG and GSWR respectfully request trackage rights, each for itself, to connect over approximately 14 miles of NS track between Smithville, Georgia, on GSWR and Americus, Georgia, on HOG, to allow interchange with each other.[82] They also ask that the railroads' train operations be permitted to make a reverse move or shove move, or to take head room, as necessary to access or egress the trackage rights if a progressive movement is not possible.[83]

HOG and GSWR request that the Board impose these trackage rights on the reasonable terms proposed in their Responsive Application. They propose to pay NS the same rate that GSWR pays NS today to run the 12 miles from Ochille, Georgia, to Columbus, Georgia (a similar distance to Smithville–Americus), which is currently $[redacted] per car mile.[84] They also request that the Board impose an obligation on UP to provide equal dispatch and equal access to railroad facilities on the trackage rights lines,[85] and an oversight period lasting in perpetuity so that these conditions are enforceable now and into the future.[86]

[81] *Id.* at 6.
[82] *Id.* at 4, 13.
[83] *Id.* at 13.
[84] *Id.*
[85] *Id.*
[86] *Id.* at 14.

V. Conclusion

For the reasons stated above, GSWR and HOG respectfully request that the Board grant the trackage rights described in their Responsive Application and impose the conditions described above if the Board approves the Transaction.

Respectfully submitted,



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Dated: November 18, 2026

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VERIFIED STATEMENT

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VERIFIED STATEMENT OF MARTY POHLOD ON BEHALF OF GEORGIA SOUTHWESTERN RAILROAD, INC. ("GSWR") AND HEART OF GEORGIA RAILROAD, INC. ("HOG")

I. Introduction

My name is Marty Pohlod, I am Vice President ("VP") of National Accounts and Industrial Development for Genesee & Wyoming Railroad Services, Inc. (G&W). I have 36 years in the railroad industry including time at Wheeling & Lake Erie, Southern Pacific, Ohio Central and have been supporting Genesee & Wyoming railroads since 2008. My roles have been primarily in the commercial side of the business, including Marketing & Sales, Customer Service, Revenue Accounting, Industrial Development and Real Estate. I also have operations experience and served 3 years as Region Senior VP for G&W's Midwest Region from 2017-2020 where I had full profit & loss responsibility for all departments and functions of the railroads in that region (from Wyoming east to central Ohio). My department continues to support business growth and development on the Georgia Southwestern Railroad, Inc. (GSWR), the Heart of Georgia Railroad, Inc. (HOG), and all G&W railroads.

II. Overview of the Railroads

A. Georgia Southwestern Railroad

As its name suggests GSWR primarily serves the rural, agricultural driven economy of southwestern Georgia and 15-miles of southeast Alabama. Actively maintaining and operating 133-miles, the main part of the railroad is made up of two contiguous main branches that form a T-shape, including the east-west branch at the top of the line, the 75-mile Smithville Subdivision, which runs between Smithville, GA and White Oak, AL and then from the middle of the east-west branch at Cuthbert, GA, the line runs south to Lynn, GA, over the 64-mile Lynn Subdivision with further rights to serve an industrial park in Bainbridge, GA. The GSWR owns the Smithville Sub. and leases the Lynn Subdivision from the Georgia Department of Transportation (GDOT). The GSWR hauls approximately {{[redacted]}} carloads annually, including for the largest pure peanut oil facility in the United States.

GSWR interchanges directly with Norfolk Southern ("NS") in Albany, GA, the affiliated Hilton & Albany Railroad ("HAL") in Arlington, GA and is contiguous with CSX Transportation (CSX) in Bainbridge, GA (although interchange with CSX is made in Dothan, AL, via the Hilton and Albany Railroad). There is also an interchange with Norfolk Southern (NS) in Columbus, GA for a small, GDOT owned branch line the GSWR operates between Columbus and Cusseta, GA

The history of the GSWR is one of perseverance typical of many short lines and reflected in its legacy ownership. A mix of former CSX Transportation, Seaboard Air Line and Central of Georgia Railway lines, by the mid-1980s the infrastructure had fallen into disrepair as traffic volumes declined. Then, in the late 1980s, RailTex, a short line holding company, in partnership with the State of Georgia, formed the GSWR to save rail service in this pocket of the State. Still suffering from a lack of capital, the line then went through a series of owners and many parts of

the original line were abandoned, sold off or put out of service to raise funds and limit expense to sustain operations. At one time the HOG,[1] was also part of the GSWR, but GSWR ceased operating due to its lack of economic viability. Unsurprisingly, limited capital was invested in the GSWR until it was acquired by Genesee & Wyoming Inc. in 2008.

The current GSWR is an important transportation provider to an area that lacks transportation alternatives and is not well served by an east – west interstate highway. What the line does have is two Class I connections and is located approximately 200 miles from the Port of Savannah. However, experience has demonstrated that the Class I connections are not benefiting this region due to a lack of interest in providing a competitively priced short haul regional move. The agricultural producers in this region would benefit from increased opportunities to export the agricultural products that they grow and process but without a major interstate and without the contiguous Class Is competitively pricing a shorter haul regional move, the local economy is not benefitting from access to the national network.

Since 2008, the GSWR has invested significantly to upgrade its infrastructure and to attract new industry, additionally benefiting from both corporate funding and state grants. Most importantly, to provide additional rail access, G&W and GSWR have developed a transload terminal in Bainbridge, GA to attract new industry to the area and increase the transportation options for shippers without direct rail access.

B. Heart of Georgia Railroad

The HOG is a Class III short line railroad whose active mainline runs 233 miles east-west from Midville, GA to Preston, GA with a 42-mile branch out of service between Preston and Mahrt, AL. Originally part of the line that ran from Savannah, GA to Americus, GA to Montgomery, AL

[1] The Heart of Georgia Railroad is joining GSWR in this filing.

it is now leased entirely from the Georgia Department of Transportation, who saved the line from likely abandonment in 1999. A very light density short line, hauling less than {{ }} cars annually (2025), the railroad serves the primarily rural area of south-central Georgia, with a customer base primarily comprising of forest products, telephone poles, railroad ties and fertilizer.

The HOG does benefit from multiple interchanges, including CSX in Cordele, GA, an affiliated short line, the Georgia Central Railroad, in Vidalia, GA and Norfolk Southern in Americus, GA and Midville, GA.

For many years, supported by Georgia Ports Authority, an inland port was operated in Cordelle, GA with the goal of increasing optionality for shippers located in the southwest part of the State without access to the rail network. Its products traveled to and from the Port of Savannah. While the inland port facility is still there it remains underutilized because the costs for the rail service that ultimately must cross a Class I main line to reach the Port of Savannah are not competitive as part of the transportation service package.

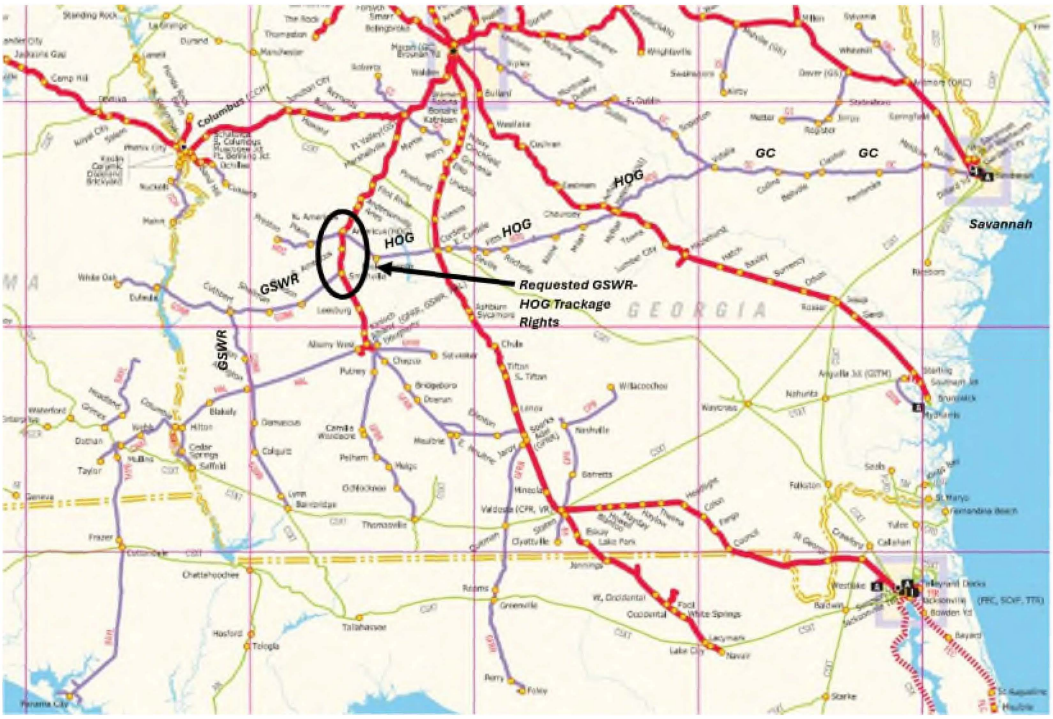
C. GSWR – HOG Potential

The remedy GSWR and HOG are requesting to offset harm as a result of the Transaction (defined herein) is to create the certainty that these two railroads can connect and interchange via approximately 14 miles of trackage rights over Norfolk Southern between Smithville, GA and Americus, GA. This remedy would restore the connectivity between two railroads who were once part of the same short line system when a direct connection between Cuthbert, GA (on the GSWR) and Lumpkin, GA (on an inactive part of the HOG) existed before that section was taken up in 1995.

Today, NS understandably has limited interest in supporting a service hauling traffic between the GSWR and the HOG due to both its light density and short distance. Nor have either

of the Class Is who interchange with the GSWR and HOG in southwest Georgia provided particularly competitive rates for the customers of these two short lines to move the 200 miles to Savannah. However, the potential to re-establish a critical transportation link by promoting interchange between these two railroads via trackage rights for an underserved part of this region, particularly to rail traffic to and from the Savannah area is real. With the ability for customers to originate and terminate on the GSWR (and even on short lines contiguous to the GSWR, the HAL and Bayline Railroad) to directly access the Savannah area by connecting directly with the HOG and the contiguous affiliated short line the Georgia Central Railway, sufficient density can be built to support viable, long-term rail service and re-establish historical connectivity.

This is not traffic that fits into the longer haul, single line service economic model that is the focus of the proposed UP/ NS Transaction. Rather this connectivity will promote regional rail traffic that will have limited to no negative impact on the Union Pacific (UP)/NS network but will, as per 2001 merger rules, enhance competition overall.



Our concerns and proposed remedy are simple

Based on UP's application ("Application") and public comments, if the Board approves the Transaction, the newly combined carriers will be even more focused on growing its long-haul, single served customers and have even less desire to handle moves of under 200-miles, similar to the distance between GSWR and Savannah.

Compounding this increased loss of interest by UP to provide competitive rates to handle shorter haul, the UP/NS combination will result in increased rail traffic, potentially resulting in service issues. The trackage rights that are being sought here will create a GSWR-HOG-GC route avoiding the congested Class I rail lines in and around Savannah. The GC is concerned about this congestion becoming exacerbated by the anticipated intermodal and carload growth which UP/NS plans on capturing following an approved Transaction. In this way, a GSWR-HOG-GC routing could provide a desirable service to its customers and to the Savannah freight market by converting truck traffic to rail movement coming from western Georgia, eastern Alabama and northwest Florida and to keep this traffic away from the heavily trafficked rail lines focused on moving longer trains much further inland.

We also believe our proposed trackage rights remedy helps satisfy the 2001 Board rules for mergers which require enhanced competition to offset merger harms by providing shippers with more choice and diverting traffic from highway transport to freight rail. A GSWR-HOG-GC rail move allows for more effective competition for highway freight, improves highway safety and reduces truck exhaust emissions in the Savannah area.

III. Union Pacific's Proposed Acquisition of Norfolk Southern Ignores Harms to short line railroads and will specifically harm GSWR and HOG.

Union Pacific's proposed acquisition of Norfolk Southern (the "Transaction") is an unprecedented undertaking that, if approved, will meaningfully transform the transportation landscape of the United States. Neither GSWR nor HOG is opposed to the Transaction, assuming there are appropriate protections for other industry participants like GSWR and HOG. The railroads appreciate the potential advantages a combined Union Pacific and Norfolk Southern could create via the creation of single line, transcontinental service. However, GSWR and HOG are concerned for the specific customers and markets we serve, including as an independent overhead route, and whether, post-Transaction, GSWR and HOG will be able to continue to provide the same level of competitive options and service levels as it does at present and that GSWR and HOG continue to remain in a position to sustainably invest and grow. In evaluating the Application, GSWR and HOG believe that the Application fails to adequately address the potential impact on certain short lines and the GSWR and HOG in particular.

UP has advocated in its filing that the only meaningful avenue for volume growth is through the creation of a transcontinental railroad.[2] Yet, as widely recognized by the industry, the Board,[3] and UP itself in the Application, short lines have been able to grow consistently, often at double the growth rates of Class Is. Many reasons explain this, for example, unlike Class I railroads, short lines benefit from not having to price traffic to meet the requirements of a sophisticated, national pricing model which often limits the ability of a rail carrier to offer a differentiated rate or to haul traffic over shorter distances. Short line railroads are free of this obligation which allows short lines to be nimble and to convert traffic from truck to rail. Nor do short lines share the economic

[2] Need citation
[3] Note STB hearings on growth and commentary on short lines and cite to the application.

pressures of competing to generate a sub-60% operating ratio to satisfy investors. Instead, a short line benefits from being in a position to focus purely on generating incremental business such that it will move an additional car whether it is going 2 miles, 20 miles, 200 miles or is participating in a small part of a 2,000 mile move across the country.

Whereas the Class I railroad business model is focused on how to best allocate their capacity and service plan to the traffic that generates the greatest profitability, short lines in contrast do not benefit from a similar privilege of density. For short line railroads, in almost all cases any incremental traffic is simply added to the back of an existing train and hence each additional carload makes a difference.

IV. Intrinsic Harms Caused by the UP/NS Transactions that Impact all Short Line Rail Carriers.

The Union Pacific acquisition of NS creates multiple concerns to the short line industry generally and to GSWR and HOG specifically. The Applicants have not acknowledged these harms nor have they proposed remedies to offset these harms. As the Board analyzes the impact of the UP/NS Transaction and GSWR and HOG's requested conditions, GSWR and HOG respectfully request that the Board consider the following harms that will impact GSWR and HOG.

A. Union Pacific will prioritize its own single-line traffic over traffic that originates and terminates on and is interchanged with short line railroads.

The Application clearly states the catalyst for the Transaction is the ability to offer single line service on a transcontinental scale and any rail traffic that is interchanged between carriers is

less efficient, higher-cost and, by definition, less desirable.[4] Short lines are almost entirely dependent on interchanging traffic with Class Is and by definition, all traffic that UP shares with short lines is interchanged. GSWR and HOG are concerned that post-Transaction UP will prioritize its limited network capacity to its own single line traffic to the detriment of existing interchange traffic.

1. *Union Pacific is not interested in traffic that they haul less than 250 miles.*

UP defines the Watershed Area as 250 miles to the east and west of the Mississippi River[5]. UP states that the Watershed Area is without competitive rail service because the shorter haul portion of the move is not of interest for the Class I carrier. Similar to our concern about the prioritization of non-interchanging traffic, our concern is that UP will be even less interested in cooperating with a short line where UP is moving the traffic less than 250 miles, especially when the focus is on allocating network capacity to even greater volumes of longer-haul, single line service.

2. *Union Pacific will act in its own interest and post-Acquisition, if approved, this self-interest will harm the customer base that GSWR and HOG has built in partnership with UP.*

UP's stated self-interest in acquiring NS is to establish a transcontinental railroad focused on the profitable long-haul. Post-acquisition the new UP/NS entity will no longer have the same incentive to offer the competitive access and service as UP did to the GSWR and HOG pre-

[4] Verified Statement of Mark George, page 19, paragraphs 45 and 46; Union Pacific Corporation and Union Pacific Railroad Company Amended Application of April 30, 2026 to control Norfolk Southern Corporation and Norfolk Southern Railway Company, Volume 1, page 261

[5] Union Pacific Corporation and Union Pacific Railroad Company Amended Application of April 30, 2026 to control Norfolk Southern Corporation and Norfolk Southern Railway Company, Volume 1, page 12

Transaction. The combined UP/NS will have different priorities. GSWR and HOG requests that the Board adopt conditions to ensure that competitive access for customers that are not directly located on the new UP/NS system are not lost.

3. *Union Pacific's does not propose any conditions to remedy the adverse impacts of the Transaction on short line railroads.*

Union Pacific has sought to meet the regulatory requirements to preserve and enhance competition via broad commitments to service and rates through its proposed Committed Gateway Pricing. GSWR and HOG do not believe that these proposed remedies properly address and fundamentally misunderstand the role GSWR and HOG and certain short lines play in the more regional and local transportation landscape.

The updated 2001 merger rules specifically require the applicants to address the impact the proposed merger might have on Class II and Class III short lines.

Under our new rule, applicants must address the anticipated effects of a proposed merger on regional and shortline railroads, identify any benefits that those smaller 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.[6]

The Application pays little attention to short line railroads aside from claiming benefits that may accrue to UP and NS feeder lines. To the extent that the Application acknowledges

[6] *Major Rail Consolidation Procedures,* STB Ex Parte No. 582 (Sub-No. 1), slip op. at 27 (served June 11, 2001).

harm to any specific short line railroad, UP provided limited analysis and only after prodding by the Board.

4. *Any traffic loss harms short line rail carriers.*

The UP Application fails to address the negative impact that lost revenue has on short line rail carriers. GSWR and HOG respectfully requests that the Board grant considerable weight to evidence showing that the Transaction could cause a short line to lose revenue as a reason for imposing a condition. For a short line rail carrier, any loss of traffic, even 10% or less can have an outsized impact on a short line rail carrier's service and viability. With a relatively fixed operating and capital cost base, short lines are also not able to cut costs aggressively when traffic falls. When traffic does fall and a short line rail carrier has no choice to cut service or investment, the impact of this is typically much greater than what it would be for a Class I carrier.

A forced reduction in service might mean eliminating days of service to a particular customer or branch line or reducing speeds from 25 mph to 10 mph. Eliminating service or lowering speed can cause a downward spiral to a short line rail carrier. Poor service can cause customers to switch from rail to truck, this in turn means that the short line must cut more service and investment. This limits the short line rail carrier's ability to generate the required cashflow to invest in its infrastructure, meet maintenance costs, and provide the flexible service. As service levels deteriorates, the short line carrier can lose even more business and the downward spiral continues.

5. *Union Pacific has made statements in this proceeding that are concerning and the Board should impose conditions to protect short line rail carriers from retaliation and that if trackage rights are imposed as conditions that they are reasonable and competitive.*

If the Board grants the Union Pacific Application to acquire NS, the Board should use its conditioning authority to impose conditions protecting short line rail carriers that are seeking conditions in this proceeding.

Regarding the potential conditioning of trackage rights, UP's Chief Executive Officer, Mr. James Vena has also made public comments indicating that UP may be unwilling to negotiate trackage rights in good faith if the Board were to impose trackage rights as a condition. Mr. Vena has been quoted as saying, "But on top of that, this is what it would do. If you allow---if we allowed x railroad to run on our railroad for 800 miles, we would charge them a per car mile charge that actually would make it more expensive for them to get to that destination. I've thought about just [agreeing] because, guess what, we would just reset the price higher for us. Okay?" The Board should impose oversight conditions in this proceeding to ensure that any trackage rights that may be imposed include pro-competitive rates, equal dispatch, and equal access to railroad facilities (ex. sidings). Further, the Board should impose conditions that a short line rail carrier can enforce without lengthy litigation. If the Board allows this Transaction to proceed, Union Pacific will be one of the largest companies in the United States. It has resources to delay the imposition of the Board's conditions through litigation that can easily outlast any short line rail carrier. The Board should not allow UP to thwart its conditions.

V. GSWR and HOG Propose the Following Conditions to Remedy the Anti-Competitive Harm Caused to GSWR and HOG by the Transaction.

As demonstrated above, the acquisition of NS by UP is likely to harm the customers and market served by the GSWR and HOG.

The conditions proposed by UP, including Committed Gateway Pricing, fail to provide the certainty and security needed to support long-term investment and optionality and do not address the harms raised by the GSWR and HOG. In order to remedy harm and to protect the GSWR and HOG and its customers from the negative competitive impacts of the UP/NS Transaction, GSWR and HOG respectfully request that the Board adopt the following conditions.

A. Trackage Rights

GSWR and HOG seek trackage rights, each for themselves, to connect over Norfolk Southern between Smithville, GA on the GSWR and Americus, GA on the HOG to allow interchange with each other. We also ask that the railroad's train operations be permitted to make a reverse move/shove move or take head room as necessary to access/egress trackage rights if a progressive movement is not possible.

B. Reasonable terms

GSWR and HOG respectfully request that the Board impose the above-mentioned traffic rights under the reasonable terms proposed in the GSWR and HOG Responsive Applications. GSWR and HOG are proposing it pay the NS the same rate that GSWR pays NR today to run the 12-miles from Ochille, GA to Columbus, GA GSWR (similar distance between Smithville and Americus), which is currently ${{[redacted]}} per car mile.

GSWR and HOG also request that the Board impose an obligation on the part of Union Pacific to provide equal dispatch and equal access to railroad facilities on the trackage rights lines.

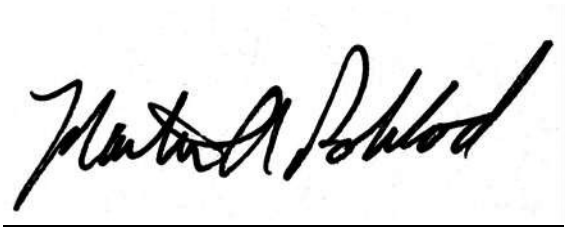
C. Indefinite Oversight

GSWR and HOG respectfully request that the Board impose an oversight period to last in perpetuity to provide GSWR and HOG with a remedy to ensure that the conditions requested above are enforceable now and into the future.

VERIFICATION

I, Marty Pohlod, Vice President of National Accounts and Industrial Development for Genesee & Wyoming Railroad Services, Inc., on behalf of Georgia Southwestern Railroad, Inc. and Heart of Georgia Railroad, Inc., declare under penalty of perjury that the forgoing statement is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed on 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 assigned in this proceeding.

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Justin J. Marks