313144

ENTERED
Office of Chief Counsel
November 19, 2026
Part of
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 CORPORATION

MOTION FOR LEAVE / COMMENTS AND REQUEST FOR CONDITIONS OF ATLANTIC RAILWAYS CO. LLC

Atlantic Railways Co. LLC ("Atlantic Railways") hereby respectfully seeks leave to file its Comments and Request for Conditions one day late with this filing serving as its motion and comments and request for conditions. There will be no prejudice to any party at this point in the proceeding as it is only one day late, especially considering the numerous filings submitted yesterday and the lengthy period the Applicants will have to address this relatively small request.

Atlantic Railways opposes the proposed acquisition as filed. If the Board approves the transaction, Atlantic Railways requests these conditions be imposed providing trackage rights from Atlantic Railways interchange at Whitney, North Carolina, over the Winston-Salem Southbound Railroad ("WSSB") to Applicant Norfolk Southern Railway Company's ("NS") Linwood Yard, restoration of Atlantic Railway's direct connection to NS at Halls Ferry Junction with trackage rights over the N Line into Spencer, North Carolina, and competitive rates for Atlantic Railway's customers regardless of which interchange route Atlantic Railways selects. With these conditions, Atlantic Railways would support the transaction.

In nearly ten years in the shortline railroad industry, Atlantic Railways has seen NS's service levels fluctuate with changes in management and operating plans. Each time the operating plan changes, Atlantic Railways is expected to adapt, generally at its own expense. NS has repeatedly asked Atlantic Railways to interchange traffic on its schedule with little consideration for when our crews are available. Our customers experience the resulting delays as a failure of rail service, and some have questioned whether to continue doing business with us because of the difficulty of moving traffic through NS.

One incident illustrates the problem. A unit train held in storage for an electric utility waited nearly two months for NS to supply locomotives. In six years of operation, Atlantic Railways had only one weekend when no crews were available. It was a holiday weekend. Atlantic Railways had approved vacation for staff two weeks earlier, while still waiting for NS to provide locomotives or advise when to expect them. Atlantic Railways had already advised NS that it would have no crews available that weekend. Regardless, NS chose that weekend anyway to provide locomotives, gave Atlantic Railways only 24 hours' notice, and expected Atlantic Railways, an extremely small operation, to handle the interchange as soon as the locomotives arrived. When Atlantic Railways again advised NS that it could handle the interchange approximately 36 hours later, NS threatened to withdraw the locomotives, which would have further delayed the train. Atlantic Railways sought the Board's assistance, and the train departed on schedule.

It took years for Atlantic Railways to receive even a proposed interchange agreement from Norfolk Southern. Atlantic Railways still lacks a direct interchange with NS. Atlantic Railway's interchange at Whitney is with the WSSB, which NS and CSX jointly own. Whitney is listed as an NS Direct station, yet NS has continued to advise customers that it does not connect

directly with Atlantic Railways. In practice, every car Atlantic Railways has moved to or from NS has required direct coordination with its customer service staff to ensure the movement took place. Those difficulties have led Atlantic Railways to route nearly all of its traffic through CSX and stop pursuing movements via NS.

Atlantic Railways corridor previously had a direct connection to NS at Halls Ferry Junction. The switch was removed approximately two years before the corridor was reactivated. Atlantic Railways has met significant resistance when asking NS to reinstall it. Atlantic Railways has been told, "It does not make business sense to NS to re-install the switch." The loss of that connection has raised Atlantic Railway's operating costs and cost it business. It has also increased costs for Atlantic Railway's customers seeking to use NS.

Atlantic Railways has tried on multiple occasions to lease out-of-service NS lines to bring in new rail business. Atlantic Railways has also offered to purchase former railroad property that NS owns in fee simple. During one such effort, NS's real estate department asked what Atlantic Railway intended to do with the property. It replied, "Operate a railroad." NS responded, "No, we do not want a railroad there anymore." When a shortline is prepared to put a corridor back to work and the Class I railroad that controls access declines to make it available, the communities and businesses along that corridor lose an opportunity for rail service.

Most of Atlantic Railways' traffic consists of railcar storage. Electric utilities and food suppliers rely on storage to manage their equipment and respond to changes in their own needs and in railroad operating practices. That service depends on being able to retrieve and move equipment when customers need it. When each movement requires individual intervention or depends on a crew or locomotive becoming available on short notice, rail becomes harder for customers to use. Those difficulties contribute to the loss of freight to trucks.

Atlantic Railway's experience NS gives it little basis to believe these railroads can combine seamlessly without further disruption to Atlantic Railway's rail operations, thereby requiring enforceable conditions be imposed on this transaction. If the Board approves the acquisition, it should require the Applicants to make rail access more dependable for shortlines and their customers, including customers whose traffic moves intermittently or requires storage.

Atlantic Railways requests the following conditions on any approval.

1. **Trackage rights from Whitney to Linwood.** Require the Applicants to secure and implement trackage rights from Atlantic Railways' interchange at Whitney over the WSSB to Norfolk Southern's Linwood Yard, including any connecting track and yard access necessary to deliver and retrieve traffic.

2. **Restoration of the Halls Ferry Junction connection and trackage rights to Spencer.** Require the Applicants to reinstall the switch and restore Atlantic Railways' direct connection to NS at Halls Ferry Junction. Require the Applicants to grant Atlantic Railways trackage rights over the N Line from Halls Ferry Junction into Spencer, including the track and yard access necessary to deliver and retrieve traffic. Atlantic Railways should have the discretion to use this route for traffic it determines can be handled more conveniently through the direct connection.

3. **Competitive rates regardless of interchange route.** Require the Applicants to make competitive rates available to Atlantic Railways' customers for traffic interchanged with NS, whether Atlantic Railways selects the Whitney–Linwood route or the Halls Ferry Junction–Spencer route. This condition should cover the total charges for the movement, including applicable interchange and switching charges, so Atlantic Railways can select the route that best serves the customer without making rail service uneconomical.

Both trackage rights grants should include enforceable terms for dispatching, scheduling, and interchange, so Atlantic Railways can use its own crews and locomotives to handle these movements. Access to both yards on competitive terms would give Atlantic Railways the flexibility to choose the route that best serves each movement, reduce delays when NS lacks crews or locomotives, and preserve Atlantic Railway's ability to route traffic through CSX.

Rail is the best option for moving freight in our economy, but only when railroads large and small work together to serve their mutual customers. NS has certainly not demonstrated the ability to work with Atlantic Railways which will only get worse if these two railroads merge drawing focus and effort away from the smaller players in this important industry.

Respectfully submitted,

/s/ Daniel R. Elliott
Daniel R. Elliott
GKG Law
1055 Thomas Jefferson Street, NW
Suite 620
Washington D.C. 20007
(703) 863-9670
delliott@gkglawlaw.com
Counsel for Atlantic Railways

November 19, 2026

CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing Motion and Notice of Intent to Participate to be served electronically on the Secretary of Transportation and the Attorney General of the United States, Applicants' representatives, Administrative Law Judge Jenifer Soulikias, and all parties of record in this proceeding.

/s/ Daniel R. Elliott

Daniel R. Elliott