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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 AND REQUESTS FOR CONDITIONS OF THE VIRGINIA PORT AUTHORITY AND VIRGINIA INTERNATIONAL TERMINALS, LLC

Dated: November 18, 2026

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The Virginia Port Authority ("VPA"), a political subdivision of the Commonwealth of Virginia, and its wholly-owned terminal operating subsidiary, Virginia International Terminals, LLC ("VIT"), collectively ("POV"), file these comments in opposition to the transaction proposed in this proceeding ("Transaction") by Union Pacific Corporation, Union Pacific Railroad Company (together, "UP"), and Norfolk Southern Corporation and Norfolk Southern Railway Company (together, "NS") (collectively UP and NS, the "Applicants").

A combined UP/NS will have unparalleled market power that is impossible to completely remedy through merger conditions and that will adversely affect POV. As discussed herein, the merged entity would be able to control the flow of intermodal traffic and the competitive landscape between and among ports across the country,

removing competitive options from shippers in favor of higher profits earned on the Applicants' preferred longer routes. Accordingly, the Board should deny the application.

If the Board approves this transaction, which it should not, it must endeavor to address the competitive harm created or exacerbated by the transaction and to enhance competition by expanding rail-to-rail competition – not just generally, but specifically and locally. Accordingly, POV has submitted concurrently with this comment in opposition a responsive application that it requests the Board grant if the Board approves the transaction ("Responsive Application").

In the Responsive Application, POV seeks to acquire from NS an approximately 1.3 mile long rail line that serves its Norfolk International Terminal ("NIT") and extends from Quartermaster Junction to West Junction, inclusive of all switches and underlying land ("the Line").[1] Divestiture of the Line to POV will allow POV, rather than UP/NS, to control and provide on an equal basis to all carriers[2] that use the Line rail ingress and egress from NIT, thereby enhancing competitive access[3] and expanding overall rail capacity at NIT.

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[1] To be clear, POV seeks divestiture of the Line to the points of connection with VPA-owned track and real estate so that VIT controls the operations into, through, and out of NIT. VIT will provide rail services around the loop, and provide all carriers trackage rights to use the Line.

[2] Relatedly, POV observed that CSX Transportation, Inc. ("CSX" or "CSXT") also filed a description of a responsive application related to the Norfolk & Portsmouth Belt Line Railroad ("NPBL") and NIT, which POV will review. But, generally, POV has long supported equal access to NIT for Applicants and CSX and continues to do so if the Board approves the Transaction.

[3] POV recognizes that issues related to NIT have been long disputed by CSX, NS, and NPBL before this Board and in federal court. Regardless of the results of those prior disputes, the Board must examine the issues considering the standard that is now applicable to this specific transaction under the 2001 new merger rules. In other words, those prior proceedings, considered under different standards, are irrelevant here.

Separately from the Responsive Application, POV requests that the Board impose as a condition certain commitments related to operations and service by the combined UP/NS to POV and its customers.

I. The Port of Virginia

POV remains a principal driver of the economy of the Commonwealth of Virginia and the nation. Virginia established the VPA in 1952 to foster maritime commerce and economic development within the Commonwealth by coordinating and promoting the port activities of three city-owned marine terminals, namely, Newport News, Portsmouth, and Norfolk marine terminals. In the 1970's, those city-owned marine terminals were consolidated under VPA to further bolster their economic development potential, and in the 1980's, terminal operations were consolidated through the formation of VIT. VIT is a single-member limited liability company wholly owned by VPA. Together, VPA, VIT, and the intermodal chassis pool, HRCP II, LLC, do business as "The Port of Virginia."

POV's facilities consist of four deep-water marine terminals, namely NIT, Portsmouth Marine Terminal ("PMT"), Virginia International Gateway ("VIG"), and Newport News Marine Terminal ("NNMT"). POV also has two inland terminals, Richmond Marine Terminal ("RMT") and Virginia Inland Port ("VIP") at Front Royal, Virginia, and an empty container yard and maintenance and repair facility, Pinners Point Container Yard ("PPCY").

NIT and VIG are POV's primary container terminals. NIT is the largest terminal with current annual throughput capacity of 2.2M Twenty-Foot Equivalent Units ("TEUs") and presently has an expansion project underway that will increase NIT terminal

capacity to 3.6M TEUs. VIG has an annual throughput capacity of 2.2M TEUs. Figure 1 shows the rail volumes in the three container terminals in Norfolk Harbor, where NIT is the leading facility[4].

Figure 1 – Rail Volumes at Facilities in Norfolk Harbor

Year	Total Rail	NIT	VIG	PMT
2015	[redacted]	[redacted]	[redacted]	[redacted]
2016	[redacted]	[redacted]	[redacted]	[redacted]
2017	[redacted]	[redacted]	[redacted]	[redacted]
2018	[redacted]	[redacted]	[redacted]	[redacted]
2019	[redacted]	[redacted]	[redacted]	[redacted]
2020	[redacted]	[redacted]	[redacted]	[redacted]
2021	[redacted]	[redacted]	[redacted]	[redacted]
2022	[redacted]	[redacted]	[redacted]	[redacted]
2023	[redacted]	[redacted]	[redacted]	[redacted]
2024	[redacted]	[redacted]	[redacted]	[redacted]
2025	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]

Verified statement of Jay Windsor, Director, Intermodal Operations NIT at ¶ 21 (hereinafter "Windsor VS").

POV is the fifth largest and one of the fastest growing ports in the country. POV's rail reach extends throughout the Mid-Atlantic and into the Ohio Valley and Midwest, handling the largest rail volume on the East Coast and serving American farmers and manufacturers throughout the nation's heartland. A crucial element of POV's offering to customers is efficient rail service that reaches import and export markets in Chicago and the Ohio Valley in under two days. Annually, POV supports nearly 1.3 million jobs paying almost $90 billion in salaries and wages and more than $340 billion in total

[4] PMT was converted from a container terminal to an offshore wind staging port in 2021.

spending across the country. Of equal importance, Virginia is one of the nation's seventeen strategic ports and handles a substantial amount of military support cargo.

II. The Merger Application Should Be Denied.

POV's competitiveness depends not only on container volume with origins and destinations within Virginia, but also on cargo that moves by rail to major inland population centers. POV has deliberately built one of the most robust service offerings on the East Coast to extend its reach well into the country.



Rail allows POV to serve distant markets that would otherwise be impractical by truck alone. As an example, that rail reach allows POV to access approximately 75% of the U.S. population within two days. It also underpins POV's reputation for reliability, with consistent and predictable service that shippers depend on when planning supply chains. Finally, rail plays a critical role in total transportation cost, helping balance

higher ocean shipping costs to the East Coast with competitive inland transportation rates.

Over the past five years, rail has consistently accounted for a significant share of total volume at POV, representing roughly 33 to 40% of all containers moving through the port (significantly higher than peer ports such as New York/New Jersey, Charleston, and Savannah, where rail typically represents closer to 20% of total volume). This reflects POV's ability to leverage its inland connectivity to compete for cargo bound for major population centers in the Midwest and the Ohio Valley, rather than depending solely on local demand.

Within that rail volume, NS handles most movements, representing 78% of all rail volumes moved during 2025, underscoring the degree to which POV's business depends on a single rail network. As a result, any material change, including through a merger, to that network and to the incentives that carrier has would represent a meaningful impact on POV's overall business.



Windsor VS at ¶ 24.

A. Any Service improvements from the proposed transaction would accrue to the West Coast ports, but not the East.

The proposed transaction would fundamentally reshape the flow of Asian import cargo into the United States by materially strengthening the competitive position of West Coast gateways, particularly Los Angeles and Long Beach ("LA/LB") at the direct expense of POV. This outcome is not incidental. The merger application repeatedly highlights improved service via the West Coast, and the Port of Los Angeles has been one of the merger's vocal supporters precisely because a unified, transcontinental UP/NS network would make West Coast routings more attractive to shippers who today rely on Virginia. Moving freight across the country between the West Coast ports and the interior and the East also would result in longer hauls and more revenue for the Applicants, which is in Applicants' self-interest but not the public interest.

Today, many beneficial cargo owners choose POV because Virginia offers what shippers value most: reliability, available capacity, consistent inland rail service, and competitive all-in transportation pricing (ocean plus land shipping costs). This combination has allowed POV to compete despite not always being the fastest import route when factoring the ocean portion of the transportation leg.

The central concern animating the Board's 2001 merger rules was that end-to-end mergers of Class I carriers may reduce direct and indirect competition in ways conventional remedies could not prevent. *2001 Rules*, 5 S.T.B. at 554-57. A single, unified UP/NS transcontinental carrier seeking to maximize its revenue would prefer the long haul across the country to or from the West Coast ports over shorter hauls to or from East Coast ports. UP and NS would no longer compete to have the import and export traffic on their independent rail network as they do today. That change would

distort efficiency in exchange for higher revenue and profit for the merged railroad. A single railroad could redirect cargo flows away from Virginia and East Coast ports, diminishing POV's role in providing competitive service to major inland population and manufacturing centers. The risk is that Applicants will not compete against each other to land freight at ports each separately serves today and emphasize West Coast ports to the detriment of customer choice and East Coast ports. The result is a concentration of economic activity outside Virginia and a reduction in the diversity and resilience of the national supply chain.

The Applicants make plain that it is an intended adverse effect of the proposed transaction. Many of Applicants increased train volumes (referred to as "growth trains") originate or terminate in California or the West Coast. Specifically, Applicants' plan reflects a need to increase "growth trains" to handle blocks between East Coast markets (including at least Columbus (Rickenbacker), Cleveland (Maple Heights), and Louisville (Appliance Park)), Atlanta, and Sandusky), West Coast ports, and the Port of Los Angeles' near-dock Intermodal Transfer Container Facility ("ICTF"). *See* Amended Application, Vol. 2, pp. 828, 829, 839 (PUBLIC). UP may claim that these "growth trains" are merely truck to rail conversions or movement of domestic intermodal freight, but the Amended Application does not analyze potential shifts in discretionary import cargo from East Coast to West Coast ports nor do they quantify potential impacts. Similarly, it does not explore what traffic the Amended Application treats as domestic that is actually international traffic that made a pit stop at a terminal like ICTF. [5]

[5] ICTF is a near dock rail yard located approximately five miles from the Ports of LA/LB near the northern end of the Terminal Island freeway at which import containers destined for the interior of the country is transferred from trucks to rail cars and

But the Applicants' "Operating Plan" illustrates their goal of increasing freight from the Western ports. *See* Amended Application, Vol 2, pp. 692-694 (¶185) and 696-697 (¶189) (PUBLIC). It includes graphical representations of the additional trains it expects to add to move freight from the West Coast ports to the East. A first example is Train ZLCCX.

Figure 19: Southern California-Northeast Intermodal via Kansas City, Springfield, and Sidney (ZLCCX)



Amended Application, Vol. 2, page 693. The corresponding table for that train shows Applicants intend to move traffic from West Coast ports to New Jersey, Pennsylvania, and Ohio with the origin station being UP's Los Angeles Transportation Center ("LATC"), which is an intermodal terminal that enhances efficiencies in container movement from ports to inland distribution centers.[6]

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containers destined for export through the Ports of LA/LB are transferred from trains to trucks within the Facility. http://ictf-jpa.org/faqs.php.

6 https://www.wilsonco.com/projects/uprr-los-angeles-transportation-center/

ZLCCX			
Optimized Plan			
Train Miles:	3,080		
Avg Length:	6,489		
Max Length:	8,260		
Station	**Activity**	**Blocks Picked-up**	**Blocks Set-Out**
LATC, CA	Origin	Croxton, Harrisburg, Morrisville, Kearny	
City of Industry, CA	Work Event	Harrisburg, Rickenbacker	
Yuma, AZ	Crew Change		
Tucson, AZ	Crew Change		
Santa Teresa, NM	Crew Change, Work Event, Fuel & Inspect	Rickenbacker, Cleveland, Detroit, Cincinnati, Appliance Park, Georgetown	Kearny
Vaughn, NM	Crew Change		
Dalhart, TX	Crew Change, Fuel		
Pratt, KS	Crew Change		
Herington, KS	Crew Change		
Kansas City, MO	Crew Change, Fuel & Inspect		Cincinnati, Appliance Park, Georgetown
Moberly, MO	Crew Change		
Decatur, IL	Crew Change		
Peru, IN	Crew Change		
Toledo Airline, OH	Crew Change		
Sandusky, OH	Work Event, Fuel & Inspect		Rickenbacker, Cleveland, Detroit
Conway, PA	Crew Change		
Harrisburg, PA	Crew Change & Work Event		Harrisburg, Morrisville
Croxton, NJ	Termination		Croxton
Train Transit Time			**95 hrs**

Amended Application, Vol.2, page 828. Applicants illustrate more examples in the following pages, including Train ZLBAT.

Figure 22: Southern California-Southeast Intermodal via Meridian (ZLBAT)



Amended Application, Vol. 2, page 697. The corresponding table for train ZLBAT shows Applicants transporting traffic from the West Coast at ICTF to Atlanta, Jacksonville, and Charlotte.

ZLBAT			
Optimized Plan			
Train Miles:	2,278		
Avg Length:	8,384		
Max Length:	11,068		
Station	**Activity**	**Blocks Picked-up**	**Blocks Set-Out**
ICTF	Origin	Atlanta, Austell, Marion, Dupo	
Los Angeles, CA	Work Event	Jacksonville, Charlotte	
Yuma, AZ	Crew Change		
Tucson, AZ	Crew Change		
Santa Teresa, NM	Crew Change, Work, Fuel & Inspect	Austell	
Pecos, TX	Crew Change		
Sweetwater, TX	Crew Change		
Mesquite, TX	Crew Change		
Greggton, TX	Work Event		Marion, Dupo
Shreveport, TX	Crew Change (CPKC)		
Meridian, MS	Crew Change, Fuel		
Norris Jct, AL	Crew Change		
Atlanta, GA	Termination		Atlanta, Jacksonville, Austell, Charlotte
Train Transit Time			**74 hrs**

Amended Application, Vol. 2, page 829.

The Amended Application also reveals Applicants' intent to create long haul rail movements from the Eastern region of the United States to West Coast ports. One example is the cross-country Train ZHBLC.

Figure 20: Northeast-Southern California Intermodal via Sidney, Springfield and Kansas City (ZHBLC)



Amended Application, Vol. 2 at page 693-694. The corresponding table for Train ZHBLC shows Applicants' plan to transport traffic from Pennsylvania and Ohio across the country to West Coast ports.

ZHBLC			
Optimized Plan			
Train Miles:	2,900		
Avg Length:	4,656		
Max Length:	7,186		
Station	**Activity**	**Blocks Picked-up**	**Blocks Set-Out**
Harrisburg, PA	Origin	LATC, City of Industry	
Conway, PA	Crew Change		
Sandusky, OH	Work Event, Fuel & Inspect	ICTF	
Toledo Airline	Crew Change		
Peru, IN	Crew Change		
Decatur, IL	Crew Change		
Moberly, MO	Crew Change		
Kansas City, MO	Crew Change, Work Event, Fuel & Inspect	City of Industry, ICTF	
Herington, KS	Crew Change		
Pratt, KS	Crew Change		
Dalhart, KS	Crew Change, Partial Fuel		
Vaughn, KS	Crew Change		
Santa Teresa, NM	Crew Change, Fuel & Inspect		ICTF
Tucson, AZ	Crew Change		
Yuma, AZ	Crew Change		
City of Industry, CA	Work Event		City of Industry
LATC, CA	Termination		LATC
Train Transit Time			**93 hrs**

Amended Application, Vol. 2, page 828. Another example is Train ZCTLB.

Figure 23: Southeast-Southern California Intermodal via Meridian (ZCTLB)



Amended Application, Vol. 2, page 697. The table for train ZCTLB shows Applicants picking up traffic in Charlotte and Atlanta and hauling it across country to the West Coast ports.

ZCTLB Growth Plan Train Miles: Avg Length: Max Length:		2,532 9,565 10,715	
Station	**Activity**	**Blocks Picked-up**	**Blocks Set-Out**
Charlotte Inter, NC	Origin	ICTF, IEIT, Bowden Yard, Atlanta, Garden City, Meridian	
Atlanta, GA	Work Event, Crew Change & Inspect	ICTF	Bowden Yard, Atlanta, Garden City, Meridian
Norris Jct, AL	Crew Change		
Meridian, MS	Crew Change (CPKC)		Traffic in excess of 8,500' length restriction to ride ZATSH
Shreveport, LA	Crew Change & Fuel		IEIT
Scottdale, TX	Crew Change		
Sweetwater, TX	Crew Change		
Pecos, TX	Crew Change		
Santa Teresa, NM	Crew Change, Fuel & Inspect		
Tucson, AZ	Crew Change		
Yuma, AZ	Crew Change		
IEIT, CA	Work Event		IEIT
Los Angeles, CA	Work Event		
ICTF, CA	Termination		ICTF
Train Transit Time			**83 hrs**

Amended Application, Vol 2, page 839.

ZCXCI Growth Plan Train Miles: Avg Length: Max Length:		3,076 9,727 13,013	
Station	**Activity**	**Blocks Picked-up**	**Blocks Set-Out**
Croxton, NJ	Origin	IEIT	
Erail, NJ	Work Event	City of Industry	
Harrisburg, PA	Crew Change, Work Event, Fuel & Inspect	City of Industry, Maple Heights	
Conway, PA	Crew Change		
Sandusky	Work Event	ICTF	Maple Heights
Toledo Airline, OH	Crew Change & Work Event		
Swanton, OH	Work Event	LATC	*LATC block from Norfolk will alternatively be routed on 279 to Voltz
Peru, IN	Crew Change		
Decatur, IL	Crew Change		
Moberly, MO	Crew Change		
Voltz, MO	Work Event	ICTF	LATC
Armourdale, KS	Crew Change, Fuel & Inspect		
Herington, KS	Crew Change		
Pratt, KS	Crew Change		
Dalhart, KS	Crew Change		
Vaughn, NM	Crew Change		
Santa Teresa, NM	Crew Change, Work Event, Fuel & Inspect	City of Industry	ICTF
Tucson, AZ	Crew Change		
Yuma, AZ	Crew Change		
IEIT, CA	Work Event		IEIT
City of Industry, CA	Work Event		City of Industry
Train Transit Time			**99 hrs**

Amended Application, Vol. 2 at page 837.

Tab G of the Applicants Public Electronic Workpapers shows Applicants' extensive focus on moving freight from markets served by POV to West Coast ports. Windsor VS at ¶ 27. The Journal of Commerce even observed that the planned transcontinental merger of two major US railroads may incentivize more US West Coast routings, which it said would come after West Coast ports over the past decade have lost share to East and Gulf coast gateways and to ports in Western Canada. See *UP-NS Merger Could Extend West Coast Market Share Reach*, Journal of Commerce (Sept. 23, 2025).[7]

[7] *See also Ports Warn of Intermodal in the Crosshairs of Rail Merger*, Freight Waves (Dec. 2, 2025), available at https://www.freightwaves.com/news/ports-warn-intermodal-in-the-crosshairs-of-rail-merger. ("The letter follows reporting by FreightWaves of concerns by East Coast ports that UP's coast-to-coast aspirations, if approved, could undermine tens of billions of dollars worth of infrastructure investments to build their share of direct Asia import traffic.")

Of note, this desired outcome is inconsistent with the apparent approach NS has recently taken with respect to the POV and East Coast ports in general. In 2022, Shawn Tureman, NS's Vice President for Automotive and Intermodal, stated during NS's investor day that "20 plus years ago, the West Coast reigned supreme as the international gateway to Eastern US consumer market [but t]oday, Eastern US ports are playing a much, much larger role."[8] He went on to contend that NS was poised to launch new services including "new international inland port services for our East Coast partners and customers, facilitating the transloading from international to domestic containers at major East Coast ports" to meet what it saw as growing East Coast opportunities.

Also in 2022, Ed Elkins, NS's Chief Commercial Officer, confirmed that shifts in focus from West Coast to East Coast ports had been ongoing for some time and were believed to be more permanent in nature rather than driven only by "acute" events. Elkins cited examples such as the Panama Canal Expansion, the "shift of freight further south and west and Asia has made [Suez] a more compelling alternative," and "shift[s] in manufacturing."[9] Another NS executive, Jeffrey Heller (Vice President Intermodal and Automotive at the time) was already touting as far back as 2019 the "shift[ing] to East Coast ports" because "volume has steadily increased over time, accelerated by the Panama Canal, the raising of the Bayonne Bridge in New Jersey and the increased use

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[8] Available at https://filecache.investorroom.com/mr5ir_nscorp/144/NSC%20Investor%20Day%202022%20Transcript.pdf (at page 44) (accessed October 26, 2026).

[9] Available at https://filecache.investorroom.com/mr5ir_nscorp/144/NSC%20Investor%20Day%202022%20Transcript.pdf (page 53-54) (accessed October 26, 2026).

of Suez services to access markets in Southeast Asia."[10] A structural change to the rail industry that puts railroads in a stronger position to influence shipper choice to benefit the railroads could undermine shifts that have occurred and from which NS and customers have benefited.

If the Board approves the transaction, Applicants would be able to affect freight movements, including dictating which port freight uses through its ability to price in a way that incentivizes customers to use West Coast ports versus East Coast ports to maximize its revenue through longer hauls. Applicants' plan increases traffic to West Coast ports to use the railroad as a land bridge to maximize its revenues, which will take traffic away from East Coast ports. Indeed, it expects 74% growth (Amended Application, Appendix R) at LATC. Perhaps that is why Eugene Seroka, Executive Director, Port of Los Angeles thinks the merger "gives us access to the most populous third of the nation that has otherwise been stitched together through handoffs. We'll be more competitive to get cargo to the Eastern seaboard of the U.S." Amended Application, Vol 1. at page 227.

Despite this focus on the West Coast in the Amended Application, Applicants have publicly contended that East Coast ports, like POV, will benefit from the merger because of the movement of freight from Canadian Ports and the accessibility of new markets in the "watershed" and west of the Mississippi River. POV cannot find any support for this new, post-hoc argument in the Amended Application, on which Applicants' case must rise and fall because new evidence is prohibited on reply.

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[10] Available at https://filecache.investorroom.com/mr5ir_nscorp/266/2019-Investor-Day-Transcript.pdf (at page 41) (accessed October 26, 2026).

Moreover, such an argument overlooks the fact that much of the discretionary intermodal cargo that has shifted to Canadian ports remains winnable by UP and NS today, yet there has been no significant shift of such freight to POV. Stated differently, the railroads possess the ability to compete more aggressively for that business under their current structures; the key determinants of success are service quality, network reliability, transit time, and commercial commitment rather than the completion of the proposed merger.

With regard to potential new markets in the watershed and west, East Coast ports already handle roughly 90% of import cargo originating in Europe, the Indian subcontinent, Africa, the Caribbean, Central America, and the North/East Coast of South America. The remaining 10% that moves through the West Coast is largely destined for local West Coast consumption and is unlikely to shift to East Coast gateways regardless of a merger. East Coast ports are also unlikely to expand market share for cargo originating in Asia given the preference Applicants express in the Amended Application for West Coast ports described above.

Finally, Applicants have publicly contended the POV's efficiency compared to West Coast ports renders POV's fear of the migration of Asian origin freight to west coast gateways illusory. While it is true that POV processes traffic through its facility faster than LA/LB, that point ignores the fact that the ocean transit from Asian origins is about 30 days longer to POV than to LA/LB.

B. The merged railroad would not compete for cargo flows.

Under the current structure, ports served by UP and NS compete for cargo flows, and that competition benefits ports like POV. Ocean carriers make decisions based on a

variety of factors including time and total transportation costs.[11] Today, on the one hand, UP benefits when freight lands at West Coast ports so that it gets line-haul revenue from moving the freight. On the other hand, NS benefits when freight lands at East Coast ports, including POV, for the same reason. UP and NS can individually make a port more or less competitive by the rail rates (and terms) they offer to ocean carriers for intermodal cargo. UP makes more money when freight lands in the West; NS makes more money when freight lands in the East. Therefore, they effectively are competing against each other to get traffic to use the ports that they serve by pricing to affect the international intermodal shippers choice between time (sea miles are slower) and price (land miles are more expensive).The ability of the railroads to divert freight to the West Coast is not theoretical and has occurred to address temporary issues at East Coast ports. *Norfolk Southern Offers Alternative Origins for West Coast Intermodal Ahead of Coastal Port Strike*, Trains Magazine (Sept. 26, 2024), *available at* https://www.trains.com/trn/news-reviews/news-wire/norfolk-southern-offers-alternative-origins-for-west-coast-intermodal-ahead-of-coastal-port-strike/. If the transaction is approved it would have the economic incentive to push freight to the West Coast regularly.

UP executives were even clearer in UP's October 2026 earnings call that rail prices affect the volume of traffic a railroad receives from a port. "International

[11] *See* https://carraglobe.com/us-port-strategy-2026/ (discussing the calculation of ocean freight rate, port fees and dwell time, inland (rail) freight charges to destination, and labor disruption risk premium).

Intermodal volumes improved 8% versus last year, driven by strong West Coast import volumes and business wins."[12]

A merged UP/NS, however, would capture the business regardless of whether freight enters through LA/LB or POV. In fact, the merged railroad would earn more revenue when freight lands at West Coast ports because of longer inland hauls to reach the East. This reduces the incentive to support or grow East Coast routings and weakens the competitive dynamics that currently help POV win business.

A recent example illustrates this risk. POV collaborated with a customer to shift volume from the West Coast to POV. The customer imports significant volumes into Chicago, a market served by both UP and NS. NS partnered with POV to offer a package including additional free storage time in Chicago to win the business away from West Coast rail. Under a merged entity, these types of competitive concessions would disappear, because the railroad would retain the business regardless of the port of origin—and would financially benefit more from the freight landing on the West Coast. The merged carrier simply has less reason to compete against itself.

C. The merged railroad would not enhance competition.

Applicants treat enhanced competition as a simple procompetitive/ anticompetitive distinction (Amended App. Vol. 1, at 53, 55, 99-100; Amended App. Vol. 2, at 230-40, 247 (V.S. Israel Part IV(B), ¶¶ 129, 146)) and argue the inherent pro-competitiveness of the transaction meets or reduces their "competitive enhancement"

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[12] https://www.fool.com/earnings/call-transcripts/2026/10/22/union-pacific-unp-q3-2026-earnings-call-transcript/ (emphasis added).

burden (App. Vol. 1, at 23-24, 92; App. Supp. 29-32, 43, 184). Whatever benefits single-line service may have, that old school merger benefit cannot meet the new standard of enhanced competition. As illustrated above, single line service has a distorting and anticompetitive effect at least with respect to international intermodal shipments where NS and UP compete today for international intermodal freight to go through an East Coast or through a West Coast port.

D. CGP does nothing to address the competitive concerns of or enhance competition for POV or its customers.

Other parties will certainly have more resources to commit to studies of Applicants' Constrained Gateway Pricing ("CGP") proposed remedy for some of the proposed transaction's competitive harms. However, it is not a remedy for the harm posed by the transaction for POV. First and most obviously, intermodal is not eligible for CGP. Amended Application, Vol. 1 at page 384 (Verified Statement of Katherine N. Novak at ¶ 25). Second, it only does so through the oversight period, and then it expires leaving no remedy or constraint. *Id.* at page 390 (Novak V.S. at ¶ 25). Even if applicable to intermodal or effective in perpetuity, its pricing methods have other substantial flaws. *See* https://www.railwayage.com/news/remembering-hunter-harrisons-approach-to-enhancing-competition/ (discussing failings and flaws of CGP).

III. If the Board Approves the Merger Application, the Board Should Grant Conditions to Redress Competitive Harm and Enhance Competition.

The proposed transaction has serious anticompetitive effects that challenge the public interest benefits. If the Board is, nevertheless, inclined to approve the Amended Application, which it should not, appropriate conditions are necessary to redress competitive harm by maintaining competitive service levels, preserve POV's market

access, including service to the Virginia Inland Port, and uphold existing performance standards. In this way, merger conditions are a key tool to ensure that Virginia's shippers, inland markets, and supply-chain partners are not disadvantaged by structural changes in the national rail network.

The Board has broad powers to grant responsive applications and to impose conditions on a merger. And it may do so for either of two reasons – or both. The Board can impose conditions on a transaction to "at a minimum preserve competitive and market options," 49 C.F.R. § 1180.1(c)(2)(i), but also to enhance competition, *2001 Rules*, 5 S.T.B. at 547-48, 550; 49 C.F.R. § 1180.1(c)(2)(iv). The central requirement of the 2001 Rules is that any application for the further consolidation of Class I railroads must show that the transaction and its conditions not only preserve, but further, enhance competition, because future major mergers were likely to present competitive harms that "would be increasingly difficult to remedy." *2001 Rules*, 5 S.T.B. at 554.

The 2001 Rules define the enhanced competition element as rail-to rail competition and demand that applicants provide for it. Applicants here fail to provide for such enhanced competition and try to read that requirement out of the rules. The undeniable focus of the 2001 Rules is rail-to-rail competition. Every illustration of the concept unlocks rail-to-rail competition. *See id.* at 550, 554, 569. Moreover, the Board's consolidation statute concerns "competition among rail carriers." 49 U.S.C. § 11324(b)(5) (emphasis added).

Moreover, the call for enhanced competition means that the Board's prior philosophy that a merger condition or responsive application should address a loss of competition and not place a party in a better position no longer applies. By definition,

an enhancement of competition improves a party's position. "The Board may impose conditions that are operationally feasible and produce net public benefits." 49 C.F.R. § 1180.1(d). Accordingly, the Board has anticipated "that mergers of Class I carriers would likely create some anticompetitive effects that would be difficult to mitigate through appropriate conditions" and has said that "[t]o offset such potential harms" the Board would consider condition "that would not simply preserve but also enhance competition." *Id.*

Applicants, however, seek to redefine the Board's rules in a way that would claim truck-to-rail diversions that are possible in any and every major consolidation proposal now or in the future. The Board's 2001 merger rules that it adopted in response to mergers that failed to deliver on promises of truck-to-rail conversions undermine this effort. 2001 Rules, 5 S.T.B. at 560.

Considering the need for remedies and conditions if the Board were to approve this transaction, POV proposes certain conditions to attempt to redress some of the competitive harm created by the transaction and separately to enhance competition. In particular:

- POV has filed the Responsive Application for divestiture by NS to POV of an important track to the NIT complex that can be generally described as an approximately 1.3 miles rail line from Quartermaster Junction to West Junction including the wye at Quartermaster Junction, all switches, and all underlying real estate (the line connecting to NIT track at both ends).
- POV requests that the Board impose as a condition of approval of the transaction certain conditions related to operations and service at POV.

However, to be clear, such conditions do not completely remedy the harm created by the proposed transaction.

A. If the Board Approves the Transaction, the Board Should Grant POV's Responsive Application for Divestiture by NS of a Track at NIT

In the Responsive Application, POV seeks to acquire from NS an approximately 1.3 mile long rail line that serves NIT and extends from Quartermaster Junction to West Junction, inclusive of all switches, wye tracks, and underlying land ("the Line"). Divestiture of the Line to POV will allow POV, rather than UP/NS, to control and provide on an equal basis to all carriers that use the Line rail ingress and egress from NIT, thereby improving efficiency and expanding overall rail capacity at NIT as well as enhancing competitive access between rail carriers.

1. Current Rail Access at NIT

Prior to 1898, eight railroads served the industries of the Hampton Roads area, including a myriad of city and private-owned marine terminals. In 1898, these railroads formed the NPBL with shares held by each of the interested railroads to improve the level of service for all the rail customers in the terminal area, including the facility that is now NIT. Since that time, multiple mergers occurred leaving NPBL with only two owners, NS and CSX, with NS having a controlling share. *Norfolk Southern Corp. & Norfolk Southern Ry.—Acquisition of Control—Norfolk & Portsmouth Belt Line R.R.*, STB Docket No. FD 36836 (STB served Apr. 6, 2026).

NS directly serves NIT. CSX can move traffic to NIT, but only by interchanging cars to NPBL.[13] Map 1 shows current rail carrier trackage rates into and out of NIT.

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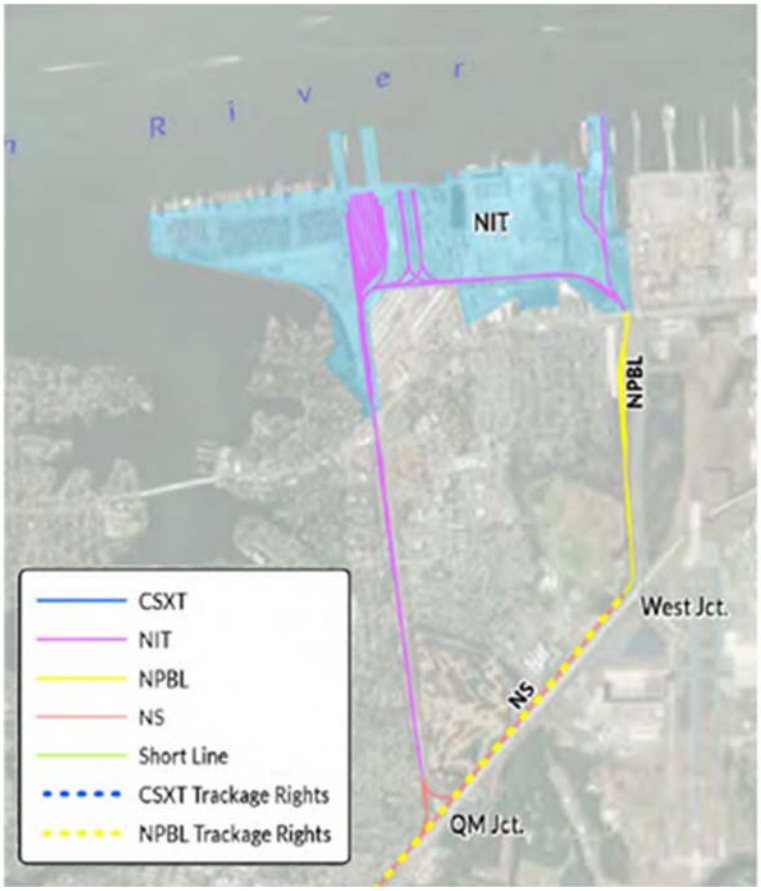
[13] CSX's access to NIT through NPBL has been the subject of prior dispute before the Board and in Federal Court. Regardless of the reason, CSX has not historically utilized NPBL for on-dock access at NIT. Instead, VIT managed, and partially paid for, a less efficient cross-town drayage program to serve CSX freight at NIT. Specifically, when a vessel offloaded a CSX import box at NIT, that box was drayed from NIT in Norfolk, Virginia, to POV's VIG facility located in Portsmouth, Virginia. At VIG, the import

Map 1 – Rail Carrier Trackage Rights at NIT



Because of existing track ownership and trackage rights agreements, particularly, NS's control over the wye at Quartermaster Junction, operations at NIT are different for NS and for NPBL carrying CSX freight. Specifically, NPBL can only access NIT via NIT's north gate after moving through West Junction; it moves both inbound and outbound trains over VPA-owned track in and out through the north gate.

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box was loaded aboard a short line railroad, Commonwealth Railway, which serves both CSX and NS. The reverse was true for CSX export cargo. On July 21, 2026, CSX started a pilot program utilizing NPBL to access NIT as described herein. *See* CSX Status Report, *CSX Transp., Inc. v. Norfolk Southern Corp. and Norfolk Southern Ry. Co.*, STB Docket No. NOR 42183 at 3 (STB filed Oct. 5, 2026). The description of current rail access at NIT reflects CSX's current access via that pilot program.

Comparatively, NS pulls its inbound trains through Quartermaster Junction toward West Junction. It then pushes the train back south and through the wye at Quartermaster Junction and into NIT via the south gate. It then decouples its locomotives and runs the locomotives north to West Junction to pick up an outbound train. In short, NS traffic makes a circle, while NPBL carrying CSX freight must enter and exit NIT exclusively through the north gate (limiting track availability because an inbound train and an outbound train cannot occupy the same track). As a result of the two different operating requirements imposed by NS through its control of the wye at Quartermaster Junction, the current operation disadvantages non-NS traffic and consumes more capacity than harmonized operations would consume.

2. Divestiture Request

To help create direct rail-to-rail competition at NIT, POV's Responsive Application seeks divestiture by NS to POV of the one side of the loop of track in and out of NIT that VPA does not already own and control. That segment is an approximately 1.3 mile long rail line on the West side of NIT that runs between Quartermaster Junction and West Junction, including the switch(es), wye track, and underlying real estate.

Map 2 shows the line segment, the wye, the switches and the underlying real estate of which POV seeks divestiture in its responsive application. To be clear, POV seeks divestiture of the line to the points of connection with POV-owned track and real estate so that it controls the operations into, through, and out of NIT.

Map 2 – Divestiture Segments (Orange)



POV would provide trackage rights to all carriers (and amend the existing trackage rights agreement with NPBL so it can serve the only local customer served off of NIT's marshalling yard to the north) to operate on the Line.[14]

As the Board knows, "structural" remedies such as divestiture can be "'simple, relatively easy to administer, and sure' to preserve competition." Antitrust Div., U.S. Dep't of Justice, 2020 Merger Remedies Manual 4 (Sept. 2020) (withdrawn April 2022).

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[14] *Virginia Port Authority – Acquisition Exemption – Norfolk and Portsmouth Belt Line R.R. Co.*, STB Finance Docket No. 35532 (STB Decided Aug. 1, 2011 (holding that the Port does not need STB authorization to acquire rail tracks because although VPA is acquiring the physical assets of the rail line, it will not acquire the legal obligation to provide freight rail service to customers on the line).

The Supreme Court has noted that divestiture is "simple, relatively easy to administer, and sure." *U.S. v. E.I. du Pont de Nemours & Co.*, 366 U.S. 316, 331 (1961); see also Zarema A. Jaramillo, Equitable Relief in Civil Antitrust Actions ("The agencies traditionally have expressed a 'strong' preference for 'structural' remedies, such as, divestitures.") (available on Lexis).

3. Requiring Divestiture of the Line Would Improve Efficiency and Overall Rail Capacity

Providing POV control of the Line at NIT will further improve the efficiency of VIT's rail operation at NIT, increase overall rail capacity, and address some of the operational issues that have manifested themselves since CSX started a pilot program on July 21, 2026.[15] Eliminating NPBL's operational disadvantage that results from NS control of the Line will enhance competition at NIT.

Specifically, requiring NS to divest the line from Quartermaster Junction to West Junction will put access to NIT under POV's control and allow POV to neutrally harmonize traffic flows to maximize efficiency and capacity. As a result, any rail carrier, not just NS, will have equal access to all three legs of the wye at Quartermaster Junction, allowing all carriers to deliver through the south and pull outbound freight from the north. This efficient flow reduces unnecessary switching and maneuvering, reduces crew service time, and ensures no rail carrier's operation in and out of NIT is materially less efficient or otherwise limited in its commercial viability at NIT. It also unlocks capacity in the marshalling yards because trucks will not be used simultaneously for NPBL inbound and outbound traffic (the trucks will be used for outbound traffic).

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[15] *See* CSX Status Report, *CSX Transp., Inc. v. Norfolk Southern Corp. and Norfolk Southern Ry. Co.*, STB Docket No. NOR 42183 at 3 (STB filed Oct. 5, 2026).

With regard to capacity, POV believes that harmonizing traffic flow into and out of the terminal is estimated to increase daily rail capacity by as much as 418.7 lifts to rail per day—an increase of 28% over current operations. Windsor VS at ¶ 46. That capacity increase is achieved two ways: increased train length and the ability to service one additional train each day.

First, the harmonized traffic flow will allow NPBL/CSX to increase train sizes because more of the marshalling tracks outside NIT's north gate will be available to build and stage outbound trains without the need to reserve some of the north gate marshalling tracks to receive NPBL trains carrying CSX freight. Accordingly, any carrier servicing NIT could run trains that are the same size as NS's trains, drop them on the track on the south side of NIT, and pull an outbound train from north side of NIT. Windsor VS at ¶¶ 34-37.

Second, with the ability to build and stage outbound trains in the North Gate marshalling yard, POV believes it will be able to service up to four inbound trains per day at NIT. Windsor VS at ¶ 43. This is an increase in one train per day over the current operation.

POV believes these efficiency and capacity enhancements will also unlock additional investment at NIT, including through construction of two additional marshalling tracks and construction of additional track from the marshalling tracks around West Junction and south parallel to the existing line. Windsor VS at ¶45-48. POV has completed engineering work on some of the infrastructure expansion options. *Id.*

4. Requiring Divestiture of the Line Would Enhance Competition

Historically, constraints on rail access at NIT have limited competition among rail carriers. See, Figure 2 below. Comparing the third and fourth columns shows that NS transports nearly all traffic that moves direct to rail.

Figure 2 – Rail Shipments at NIT 2015 to 2024.

Year	NIT	NIT NS BY RAIL	NIT CSX BY RAIL	NIT CSX AFTER DRAYAGE
2015	[redacted]	[redacted]	[redacted]	[redacted]
2016	[redacted]	[redacted]	[redacted]	[redacted]
2017	[redacted]	[redacted]	[redacted]	[redacted]
2018	[redacted]	[redacted]	[redacted]	[redacted]
2019	[redacted]	[redacted]	[redacted]	[redacted]
2020	[redacted]	[redacted]	[redacted]	[redacted]
2021	[redacted]	[redacted]	[redacted]	[redacted]
2022	[redacted]	[redacted]	[redacted]	[redacted]
2023	[redacted]	[redacted]	[redacted]	[redacted]
2024	[redacted]	[redacted]	[redacted]	[redacted]
2025	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]

By comparison, rail volumes are much more evenly split between NS and CSX at VIG where there is equal access through a short line carrier. Windsor VS at ¶ 22.

To overcome the historic lack of competition and to provide maximum flexibility in its service to its ocean carrier customers, VIT manufactured, and partially paid for, a less efficient cross-town drayage program, which is shown in the fifth column in the table above. For example, when a vessel offloads a CSX import box at NIT, and that box is drayed from Norfolk, Virginia, to VIG, located in Portsmouth, Virginia. At VIG, the

import box is loaded aboard a short line railroad, Commonwealth Railway, which serves both CSX and NS. The reverse would be true for CSX export cargo. Not only are these "cross-town" drays for the CSX cargo costly[16] due to the additional re-handling, but the drayage service is inefficient and disfavored by shippers. The crucial point is that there is a lack of competition, which approval of the transaction will exacerbate for POV's customers.

POV's ownership of the Line will provide equal access to all railroads and permit POV to control the flow of all traffic in and out of NIT to increase capacity and thereby enhance competition. Windsor VS at ¶ 32-37. No rail carrier's operation in and out of NIT would be materially less efficient or otherwise limited in its commercial viability, allowing rail carrier choice for shippers utilizing POV. All railroads would compete from the same starting line, which is the same efficient operation into, through, and out of NIT.

B. If the Board Approves the Transaction, It Should Impose Operational and Service Commitments to POV As Conditions of That Approval.

In addition to granting POV's Responsive Application related to access to NIT, POV requests that the Board additionally impose conditions of any approval of the transaction that Applicants. Conditions are necessary given (1) the clear merger harm revealed by the Amended Application that would result from the merged entity favoring West Coast ports and maximizing its revenue from the long haul and (2) to enhance competition.

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[16] VIT pays a subsidy, [redacted]}, for the drayage. Indeed, in 2025, POV paid [redacted].} Windsor VS at ¶ 25.

To maintain competition, the Board should impose conditions to require Applicants to:

- Maintain, at a minimum, all service lanes, frequencies, cutoff times, and transit times in effect as of May 29, 2026, with no material degradation post-merger absent mutual agreement by UP/NS and Port of Virginia, including but not limited to:
  (1) maintaining the existing service to/from Front Royal, Virginia, and require the ability to expand service up to 7 days per week at the request of the Port of Virginia;[17]
  (2) preserving the Chicago gateway as the primary interchange for UP/NS traffic supporting the Port of Virginia, ensuring continued access to UP-served markets west of Chicago; and
  (3) For any lane not operating at seven (7) days per week as of May 29, 2026, a process to institute new, competitive service when mutually-agreed volume thresholds, which are defined in advance, are met.

- Limit rate increases to inflation-based adjustments only, with no merger-related premiums or accessorial increases, applicable to both POV as a direct customer and ocean carriers utilizing POV terminals.

To enhance competition, the Board should impose the following conditions to enhance competition:

- Add new (competitive with other East coast ports) intermodal services to/from Memphis, Atlanta, and Charlotte operating 7 days per week, with target transits of 3-4 days, to be implemented within an agreed launch window with six (6) months after the close of the transaction.

Starting with POV's proposed conditions to preserve competition, the need for the conditions arises from the clear intent demonstrated in the Amended Application to favor the West coast. UP/NS pricing to the West relative to the East could alter freight flows in a way that achieves its goals of pushing freight to West, which would conversely make POV (and East Coast ports) less competitive taking away options for

[17] POV and NS have been negotiating a new contract regarding Front Royal, but its term would be limited, and so a condition to permanently enshrine this service is necessary.

customers. The risk to POV and customers seeking to use POV is that UP/NS preference and/or promotion of the West Coast would result in traffic changes that would provide it "justification" to alter train frequencies, gateways, transit times, or some combination, which would further disadvantage POV and its customers. For example, if UP/NS were to scale back service (because of shifts in volume caused by UP/NS), say from seven (7) days per week to four (4) days per week, that would increase the time freight dwells, which low dwell has been a competitive advantage for POV. Similarly, if UP/NS changed a gateway away from Chicago for freight that moved to Minneapolis, that would increase transit time and further make POV uncompetitive – taking away a competitive alternative for customers.

Turning to POV's proposed condition to enhance competition, the objective is to provide competitive service to additional, large markets to compete with other alternatives over which a combined UP/NS would otherwise have the ability to dictate customers use of particular ports or routings.

* * * * *

In sum, the transaction proposed in the Amended Application is not in the public interest. Applicants make clear in the Amended Application their intent to favor West Coast ports to gain long-hauls and increase the merged-entity's revenues. That intent illustrates the significant anti-competitive effort that would result because NS would no longer compete to attract international intermodal traffic to the East Coast ports in competition with UP's efforts to attract the same traffic to West Coast ports. The amount of market power the merged entity would have over international shipments would not be in the public interest.

If the Board nevertheless approves the transaction, the Board should approve the Responsive Application to redress competitive harm and to enhance rail-to-rail competition by providing POV control over access and the flow of traffic in and out of NIT for efficiency and service which will preserve and enhance competition. Finally, the Board should also condition approval of the transaction on the Applicants' commitment to the service and operational conditions listed and discussed herein.

Respectfully submitted,



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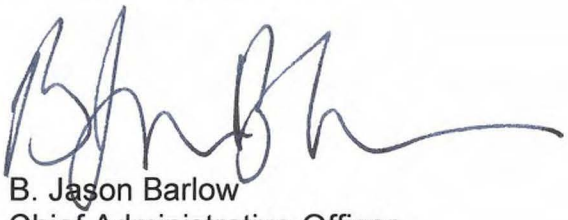
September 18, 2026

CERTIFICATE OF SERVICE

I certify that, on November 18, 2026, I have caused a copy of this filing to be served upon the following Parties of Record in these proceedings.



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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36873 (Sub-No.32)

NORFOLK S. CORP. & NORFOLK S. RY. CO. – ACQUISITION AND CONTROL – NORFOLK PORTSMOUTH BELT LINE R.R. CO.

VERIFIED STATEMENT OF JAY WINDSOR

1. My name is Jay Windsor, and I am the Director, Intermodal Operations NIT for Virginia International Terminals, LLC ("VIT"). In that role, I am responsible for intermodal operations and rail planning and capacity analysis at Norfolk International Terminals ("NIT").

2. I submit this verified statement in support of the Virginia Port Authority ("VPA") and VIT's Comments in Finance Docket No. 36873 and in support of VPA and VIT's responsive application in Finance Docket No. 36873 (Sub No. 32) seeking divestiture of a rail line owned by Norfolk Southern Railway Company ("NS") that is approximately 1.3 miles in length, extending from West Junction to Quartermaster Junction inclusive of the wye at Quartermaster Junction, all switches, and underlying real estate ("the Line"). For clarity, the Line extends from the point of connection with VPA owned track at both ends.

VPA/VIT/NIT Overview

3. The Commonwealth of Virginia established the VPA in 1952 to foster maritime commerce and economic development within Virginia by coordinating and promoting the port activities of three Virginia city-owned marine terminals, namely, Newport News, Portsmouth, and Norfolk marine terminals. In the 1970's, those city-owned marine terminals, including what is now NIT, were consolidated under VPA to further bolster their economic development potential, and in the 1980's, terminal operations were consolidated through the formation of VIT. VIT is a single-member limited liability company wholly owned by the VPA.

4. Together, VPA and VIT do business as The Port of Virginia ("POV"). The POV consists of four deep-water marine terminals, namely NIT, Portsmouth Marine Terminal ("PMT"), Virginia International Gateway ("VIG"), and Newport News Marine Terminal ("NNMT"). POV also has two inland terminals: Richmond Marine Terminal ("RMT") and Virginia Inland Port ("VIP"). NIT and VIG are the POV's primary container terminals.

5. The southern portion of NIT was modernized in 2020 through significant terminal infrastructure improvements including the conversion to rail-mounted gantry cranes. Upon completion, the project increased terminal capacity by about 700,000 TEUs annually within the facility's existing footprint. Work is currently underway on a similar $650 million project for North NIT, which is expected to be complete in summer 2027. Once complete, this will further expand the total capacity of NIT to 3.6 million TEUs. In addition, in 2024, expansion of NIT's Central Rail Yard added new rail capacity that allows for handling up to nearly 2 million TEUs by rail annually.

6. To better accommodate the larger ships that have arrived in recent years, POV recently completed a dredging project making its channels the deepest and widest on the U.S. East Coast. This project, completed in March of 2026, deepened Virginia's channel from 50 feet to 55 feet, and widened it to allow for two-way traffic of ultra-large container vessels. In addition, 8 new, all electric Suez class ship to shore cranes were delivered to NIT between fall 2025 and spring 2026 to accommodate larger vessels calling the terminal.

7. Prior to 1898, eight railroads served the industries in the area, including a myriad of marine terminals. In 1898, these railroads formed the Norfolk and Portsmouth Belt Line Railroad ("NPBL") with shares held by each of the interested railroads to improve the level of service for all the rail customers in the terminal area. Since that time, multiple mergers occurred that resulted in NPBL having only two owners—NS and CSX Transportation ("CSX"), with NS having a controlling share. NPBL serves two VPA owned facilities – NIT and PMT. These facilities are not interchangeable – NIT serves intermodal customers, while PMT currently serves offshore wind projects.

8. NS directly serves NIT.

9. CSX can move traffic to NIT, but only by interchanging cars to NPBL. NPBL's operations to NIT are more limited than NS's. NS controls the switch and wye at Quartermaster Junction, over which its loaded trains are delivered to NIT on the south end, but does not permit NPBL to use the wye, which forces NPBL to deliver CSX traffic to the north in a movement that conflicts with the direction of NS deliveries.

NS's Restrictions on Use of the Line (and the Wye at Quartermaster Junction) Create Conflicting Traffic Flows Rather Than Harmonized Traffic Flows

10. POV is agnostic as to whether the trains carrying cargo to and from NIT are from NS, NPBL/CSX, or any other carrier.

11. Today, the operations at NIT are different for NS and for NPBL carrying CSX freight because of NS control over the Line and the wye at Quartermaster Junction. NPBL carrying CSX freight can only access NIT via the NIT's north gate after moving through West Junction; it moves both inbound and outbound trains to and from the marshalling yard through the north gate. Comparatively, NS pulls its inbound trains through Quartermaster Junction toward West Junction. It then pushes the train back south and through the wye at Quartermaster Junction and into NIT via the south gate. It then decouples its locomotives and runs the locomotives to West Junction to pick up an outbound train. As a result of the two different operating requirements imposed by NS through its control of the wye at Quartermaster Junction, the operations are in direct conflict with one another and therefore are inefficient. Providing equal access to all railroads and permitting POV to control the flow of all traffic in so that it operates the same would increase rail throughput capacity.

12. POV has long sought balanced access to NIT. Then CEO, John Reinhart, documented that desire back in 2018. Exhibit 12.B.

13. Prior to September 2025, NS operated three inbound trains per day, each ranging from 8,000 to 10,000 feet. The scheduled windows for the trains are 12:00, 20:00, and 04:00. Each drop takes about one hour. Under normal conditions, NS departs with its outbound train from the marshalling yard three hours after the start of the drop. For outbound trains, NS's departure times were 15:00, 23:00, and 07:00. NS drops its inbound trains on the Terminal Boulevard inbound track, and NS stages its outbound trains in the marshalling yard and back gate tracks.

14. Since September of 2025, NIT has only handled two NS trains per day of 8,000 to 10,000 feet, leaving room for at least one more train. NS's schedule windows are 12:00 and 19:00, and each drop takes approximately one hour. Under normal conditions, NS departs with its outbound train from the marshalling yard three hours after it starts the process of dropping an inbound train. NPBL, carrying CSX traffic, drops its inbound train at 07:00, and pulls outbound around 13:00-14:00.

15. More detail is in the Operating Plan submitted as Exhibit 13.B ("Operating Plan").

16. In July of 2026, CSX began a pilot program to try to serve NIT on dock. That pilot program has revealed operating limitations that demonstrate an inequity in competition between the carriers. CSX has documented these limitations in filings to the Surface Transportation Board. *See* CSX Status Report, *CSX Transp., Inc. v. Norfolk Southern Corp. and Norfolk Southern Ry. Co.*, STB Docket No. NOR 42183 at 3 (STB filed Oct. 5, 2026).

17. If the Line were divested to the VPA, all carriers would be permitted to use Quartermaster Junction for inbound trains, which would allow any carrier's traffic to be harmonized by integrating all trains into the current drop/pull model that NS uses for its trains. Without divestiture, other carrier traffic, including CSX freight carried by NPBL, must be handled through a conflicting movement and must be built or dropped at the marshalling yard, which limits train size to about 6,000 feet.

18. Additionally, if operations were harmonized by VPA owning and providing equal access to the Line and the wye at Quartermaster Junction, VPA would be able to make capital investments on the north end of NIT to facilitate growth and enhanced rail-to-rail competition and efficient train operations. Specifically, VPA could construct additional marshalling tracks and double track from the marshalling yards through West Junction and towards Quartermaster Junction for additional capacity and enhanced efficiency as discussed later in the section entitled "Future Investment."

19. VIT understands that it takes as much as 30 days longer for intermodal cargo from Asia to reach the US East Coast than it does to reach the US West Coast ports because of the ocean transit through the Panama Canal. POV's rail ready dwell, or the time it takes for an intermodal container to be unloaded from a vessel and ready for loading onto a train, is as fast as 24-hours. That same process can take several days for intermodal containers discharged at US West Coast ports.

Shipping Data Shows the Effect of Imbalanced Competition

20. The following tables provide accurate data about rail volumes at POV facilities.

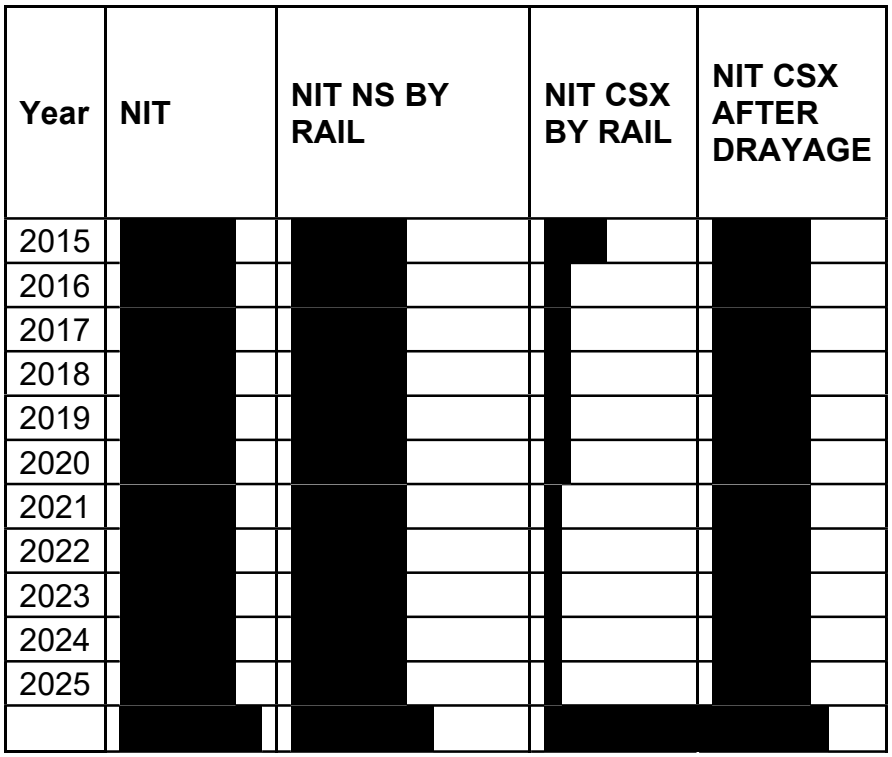
21. Figure 1 shows historic rail volumes at NIT, VIG, and PMT.

Figure 1 – Historic Rail Volumes at NIT, VIG & PMT

Year	Total Rail	NIT	VIG	PMT
2015	[redacted]	[redacted]	[redacted]	[redacted]
2016	[redacted]	[redacted]	[redacted]	[redacted]
2017	[redacted]	[redacted]	[redacted]	[redacted]
2018	[redacted]	[redacted]	[redacted]	[redacted]
2019	[redacted]	[redacted]	[redacted]	[redacted]
2020	[redacted]	[redacted]	[redacted]	[redacted]
2021	[redacted]	[redacted]	[redacted]	[redacted]
2022	[redacted]	[redacted]	[redacted]	[redacted]
2023	[redacted]	[redacted]	[redacted]	[redacted]
2024	[redacted]	[redacted]	[redacted]	[redacted]
2025	[redacted]	[redacted]	[redacted]	[redacted]
	[redacted]	[redacted]	[redacted]	[redacted]

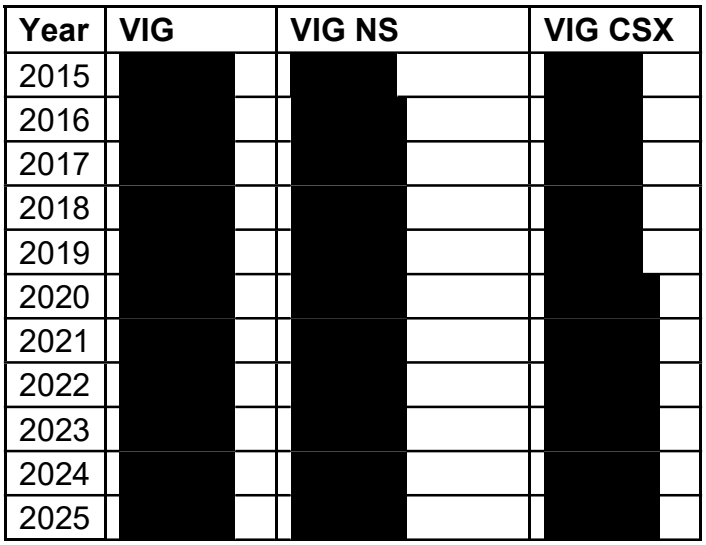
22. Figure 2 shows rail volumes by carrier at NIT between 2015 and 2025.

Figure 2 – Rail Volume by Carrier at NIT 2015 to 2025.



23. Figure 3 shows that historic rail volumes at VIG are more equally split between NS and CSX because of equal access and greater competition at that facility.

Figure 3 – Rail Shipments at VIG 2015 to 2025.



[redacted]

24. The following chart for the period from 2021 to 2025 shows the split between rail volume and truck volume at POV in the stack bar charts. It also shows NS's market share.



VIT Partially Subsidizes a Drayage Program for CSX for Operational Flexibility and to allow Customer Choice Between CSX and NS

25. VIT pays half of the drayage cost, [redacted] per container, for the drayage program to provide operational flexibility and allow customer choice at NIT. Indeed, in 2025, that drayage subsidy applied to [redacted] in drayage subsidies.

Applicants' Data Shows a Substantial Bias Towards West Coast Ports

26. Applicants provide a public, electronic workpaper with many tabs entitled "UPNS_AmApp_ElectronicAppendices_PUB." One of those tabs, Tab K, provided new blocks for growth trains.

27. Sorting the data only for new blocks with ICTF and LATC as an origin or destination for the block results in the following table:

Electronic Appendix K - Growth Plan Blocking Changes
(Source: Workpaper "T1_T2_T3_Block_Comparison.xlsx," Tab "New Blocks")

Optimized & Growth New Blocks - Cars per Day

Block Origin	Block Destination	Optimized Plan (T2) Cars per Day	Growth Plan (T3 Cars per Day
10646_NS/RICKENBACKER INTER OH_NS	JP017_UP/ICTF CA_UP	7	7
JP017_UP/ICTF CA_UP	10646_NS/RICKENBACKER INTER OH_NS	6	6
HP113_NS/HARRISBURG PA_NS	CO470_UP/LATC CA_UP	5	0
JP017_UP/ICTF CA_UP	135H_NS/AUSTELL INTERMODAL GA_NS	4	4
CO470_UP/LATC CA_UP	HP113_NS/HARRISBURG PA_NS	4	0
JP017_UP/ICTF CA_UP	MH5_NS/LIVERNOIS MI_NS	4	0
JP017_UP/ICTF CA_UP	RD110_NS/MAPLE HEIGHTS OH_NS	4	8
MH5_NS/LIVERNOIS MI_NS	JP017_UP/ICTF CA_UP	4	4
RD110_NS/MAPLE HEIGHTS OH_NS	JP017_UP/ICTF CA_UP	3	14
MV6_NS/MORRISVILLE TV PA_NS	CO470_UP/LATC CA_UP	3	0
A0_NS/CINCINNATI OH_NS	JP017_UP/ICTF CA_UP	3	2
JP017_UP/ICTF CA_UP	282W_NS/APPLIANCE PARK KY_NS	3	1
JP017_UP/ICTF CA_UP	A0_NS/CINCINNATI OH_NS	3	0
ND2_NS/CROXTON NJ_NS	CO470_UP/LATC CA_UP	3	0
CO470_UP/LATC CA_UP	ND2_NS/CROXTON NJ_NS	3	0
135H_NS/AUSTELL INTERMODAL GA_NS	JP017_UP/ICTF CA_UP	2	1
A67_NS/GEORGETOWN KY_NS	JP017_UP/ICTF CA_UP	2	2
CO470_UP/LATC CA_UP	MV6_NS/MORRISVILLE TV PA_NS	1	0
72681_NS/BETHINTERMODAL PA_NS	CO470_UP/LATC CA_UP	1	0
282W_NS/APPLIANCE PARK KY_NS	JP017_UP/ICTF CA_UP	1	1
JP017_UP/ICTF CA_UP	A67_NS/GEORGETOWN KY_NS	1	1
CO470_UP/LATC CA_UP	10001_NS/NORFOLK VA_NS	0	4
10001_NS/NORFOLK VA_NS	CO470_UP/LATC CA_UP	0	5
CO470_UP/LATC CA_UP	282W_NS/APPLIANCE PARK KY_NS	0	5
CO470_UP/LATC CA_UP	09720_NS/VOLTZ MO_NS	0	7
CO470_UP/LATC CA_UP	CJ247_NS/SHARONVILLE OH_NS	0	10
282W_NS/APPLIANCE PARK KY_NS	CO470_UP/LATC CA_UP	0	12
CO470_UP/LATC CA_UP	10646_NS/RICKENBACKER INTER OH_NS	0	12
CJ247_NS/SHARONVILLE OH_NS	CO470_UP/LATC CA_UP	0	15
10646_NS/RICKENBACKER INTER OH_NS	CO470_UP/LATC CA_UP	0	15
MH5_NS/LIVERNOIS MI_NS	CO470_UP/LATC CA_UP	0	17
CO470_UP/LATC CA_UP	MH5_NS/LIVERNOIS MI_NS	0	18

28. POV believes that this table shows a substantial focus on moving freight from the Eastern United States to West Coast ports and from West Coast ports to the Eastern United States, including from markets served by the POV such as Ohio, Michigan, or Kentucky.

29. POV serves a diverse array of overseas trade lanes. Asia is the largest source of volume at the port, predominately North Asia but also Southeast and South Asia. It is also a major port of call on U.S.-Europe services, with North Europe accounting for a slightly higher share of the port's volume than at other East Coast ports. Asia is the fastest growing trade lane, with imports from the Far East nearly doubling over the last decade. The port has grown volume organically from regional market demand and due to a broader shift in Asian volume from West Coast to East Coast ports.

30. East Coast ports have increasingly served regional demand for Asian goods that historically moved through West Coast ports. East Coast ports have increased share of loaded U.S.-Asia container trade from 34% in 2015 to a high of 38% in 2023. Volume growth on the East Coast has resulted from organic regional growth and infrastructure investments that enabled larger Asian services to call East Coast ports.

Maps In POV's Filing Are True and Correct

31. I have reviewed the maps of NIT and the general area in the POV in Exhibits 1.A and 1.B and they are true and correct.

Divestiture Will Allow Harmonized Traffic Flows for All Carriers, Which Enhances Competition and Efficiency for Customers

32. I have reviewed and sponsor the operating plan which is submitted as Exhibit 13.B to the POV Responsive Application ("Operating Plan"). The Operating Plan will ensure that the Line is used most efficiently, whereas it is not used efficiently today under NS's control.

33. Importantly, the basic premise of the Operating Plan is to increase capacity by having all rail traffic flow in, through, and out of NIT in the same direction. As described in the Operating Plan, today NS enters NIT at the south, but restricts NPBL from moving CSX traffic in the same manner. As a result, NS train movements and CSX train movements are opposing rather than moving in the same flow.

34. NS moves trains through and past Quartermaster Junction on the Line that POV seeks to have divested here, which is inclusive of Quartermaster Junction, the wye, and all switches. It then pushes back the train back through the wye at Quartermaster Junction and into NIT on the south end on the Terminal. It then uncouples the locomotives, runs them through Quartermaster Junction to West Junction and then to the marshalling yards at the north end of NIT or at the back gate (on the West side of NIT). There it pulls an outbound train from the marshalling yard. As a result of this operation, NS leaves the inbound train on the track to the south of NIT, which means NIT can build the outbound train using the marshalling tracks to the north. In other words, the inbound and outbound trains do not occupy space needed for the other.

35. Contrastingly, because NS owns and controls the wye at Quartermaster Junction, it does not permit NPBL to access NIT on the south end. NPBL trains arrive through West Junction (a conflicting movement to NS train) and arrive at the marshalling yard on the north end of NIT. As a result of this operation, inbound and outbound trains consume capacity in the marshalling tracks because for at least some time, both trains are there. NPBL/CSX train sizes are therefore restricted because of the capacity of the marshalling tracks, which is a constraint NS's operations do not face.

36. Harmonizing the traffic flows will have substantial benefits for competition. It will place NS and CSX on equal footing within the terminal forcing them to compete on rates and service. It will also enhance capacity to benefit customers by eliminating opposing train movements and freeing up capacity in the marshalling tracks.

37. NS has historically managed the dispatching for movements between POV's operation at NIT and NS/NPBL yards. NS/NBPL coordinates with VIT management to obtain access to NIT's tracks. POV expects that NS will continue to dispatch traffic to the entry to NIT, but the handoff point will change to the entry to and exit from the loop.

Divestiture of the Line Will Promote Growth of Traffic at NIT

38. The efficiency created by harmonizing the traffic flows through POV's ownership of the Line – and as a result ownership of the entire loop around NIT – will promote traffic growth at NIT.

39. POV has estimated that near term growth could be as much as one train per day.

40. Neutral, POV control of the Line will increase the transportation choices of POV's customers. It will make the operations in the NIT terminal the same for all carriers, requiring each of them to compete on price and service to the benefit of all customers.

41. Enhancing competition through divestiture will similarly ensure the POV is a competitive option through multiple carriers to counterbalance any effort by a combined UP/NS to shift traffic to the West as outlined in the Amended Application and discussed in POV's Comments.

42. In the near term, much of the growth in rail traffic resulting from the divestiture of the Line to POV would come from converting existing cargo movements to a more efficient rail loading/unloading at NIT instead of the current practice of being drayed over local roads to an alternate location where they can be loaded onto CSX trains. Over the longer term, growth would be driven by new cargo volumes that NIT would be positioned to accommodate through the additional capacity investments in conjunction with the operational efficiencies gained by the divestiture.

43. We have estimated that divestiture and control of the loop to have efficient operations among all carriers will result in the opportunity to increase rail traffic by 28%.

Current Peak-Week Operations

- Two NS deliveries/pulls of 10,000 feet each per day (20,000 total feet), operating seven days per week.
- One NPBL delivery/pull of up to 5,000 feet per day, operating three to five days per week.

On peak days, we handle approximately 25,000 feet of inbound traffic and 25,000 feet of outbound traffic. Based on an average of 30 containers per 1,000 feet of train length:

- Export volume:
  25,000 feet × 30 containers per 1,000 feet = 750 export rail lifts per day.
- Import volume:
  Applying the historical two-year rail mix of 50.4% export / 49.6% import, import volume equates to approximately 745.5 import rail lifts per day.

This results in a total of approximately 1,495.5 rail lifts per day under current peak-demand conditions or 10,468.5 rail lifts per week.

Future-State Capacity with Full Loop Operations

If POV fully operates the loop around NIT allowing all inbound and outbound trains to utilize the same pattern, the terminal could receive up to four inbound trains per day.

- Up to four deliveries/pulls of 6,000 to 10,000 feet every six hours.
- Maximum daily capacity of 40,000 feet, operating seven days per week.

  Based on the same assumption of 30 containers per 1,000 feet of train length:

- Export volume:
  32,000 feet × 30 containers per 1,000 feet = 960 export rail lifts per day.
- Import volume:
  Applying the historical two-year rail mix of 50.4% export / 49.6% import, import volume equates to approximately 954.2 import rail lifts per day.

This results in a total of approximately 1,914.2 rail lifts per day under peak-demand conditions or 13,399.4 rail lifts per week.

Capacity Impact

Comparing current peak capacity (1,495.5 rail lifts/day) to future-state capacity (1,914.2 rail lifts/day) indicates an increase of approximately 418.7 rail lifts per day, representing a 28% increase in rail lift processing capacity.

(1,914.2 − 1,495.5) ÷ 1,495.5 = 28.0%

If volume continues to grow and the demand for larger trains is needed then track expansion available with the land around NIT increasing to potentially four 10,000’ trains per day.

44. Divesting the Line to POV and having freight convert from dray to direct rail will improve local traffic by removing trucks that are used to dray CSX traffic today from local roads.

Divestiture of the Line Can Unlock Future Investment

45. If the Board grants POV’s responsive application, VPA would, depending on need and traffic levels, be able to construct up to two additional tracks to the end of the current VPA-owned tracks east of the marshalling yard that would add capacity to stage two outbound trains, keeping terminal locomotive operations clearing working track for receiving larger trains within tighter windows. Divestiture would also allow the construction of additional track from the marshalling tracks around West Junction

and south parallel to the existing line – essentially double tracking in that area, which would add capacity, shorten the distance locomotives run light after dropping off a train to the location at which it picks up the outbound train, and allow for larger blocks of outbound trains for quicker pull times for the railroads.

46. POV has already studied some of these additional capacity enhancements. Specifically, POV has had consultants study possible infrastructure and operating enhancements and how they could help POV and its customers. POV commissioned the study to determine the effects of additional infrastructure investment and was completed unrelated to the UP-NS transaction, and layouts and footprints of future terminal and dock rail expansions have been identified. Divestiture of the Line would place the relevant track segments under POV control and strengthen the justification for the infrastructure and operational improvements.

47. POV also would consider – as needed based on traffic levels -- operational changes inside the terminal that might include:
    a. Extend terminal locomotive operations by four additional hours daily (approx. 20% increase in working time).

    b. Add a second Utility Man and convert two flaggers to longshore pay for intersection control and switch management. This enables one locomotive to clear inbound trains while the other stages outbound trains. With additional track space in the marshalling yard terminal locomotives can continue to clear during the 3-hour drop and pull window.

    c. Remove self-imposed curfews (0700–0800 and 1200–1300) to reduce cost and public disruption. If inbound trains arrive off schedule, the size of that train may need to be limited to maintain subsequent windows.

    d. If terminal locomotives fall behind when operating two, a third locomotive can be added to support clearing inbound or setting outbound trains because of the added working space.

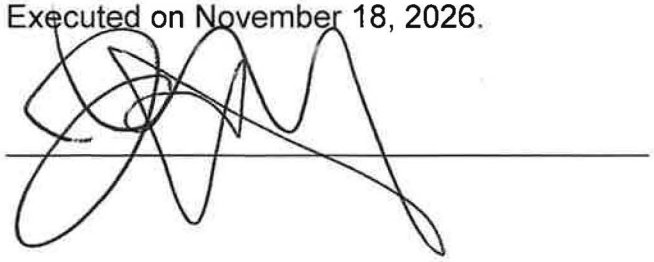
48. VPA also would be able to invest more, as traffic requires, to build additional on-terminal capacity, including more tracks to increase space to load and unload traffic and other updates to the central rail yard to enhance loading and unloading freight.

49. Divesting the Line to POV and having freight convert from dray to direct rail will improve local traffic by taking trucks that are used to dray CSX traffic today off local roads and generate environmental benefits, including improvements in hours lost due to congestion and wear and tear on bridges and roads.

Verification

I, Jay Windsor, verify under penalty of perjury that I have read the foregoing Verified Statement and know its contents, and that the same is true and correct to the best of my knowledge and belief.

Executed on November 18, 2026.



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