



Norfolk Southern Corporation
650 West Peachtree Street NW
Atlanta, GA 30308

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Office of Chief Counsel
September 30, 2025
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Jason Morris
Senior Vice President &
Chief Legal Officer

September 30, 2025

BY E-FILING

Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: Docket No. FD 36500 (Sub-No. 6), *Canadian Pacific Railway Ltd. et al.—Control—Kansas City Southern, et al. (General Oversight)*

Dear Chief of Case Administration:

Norfolk Southern Railway Company (“NS”) submits this letter to the Surface Transportation Board to address specific concerns with respect to the service commitments made by the Canadian Pacific Kansas City (“CPKC”) in the above referenced docket regarding the Meridian Speedway. Since the combination, there has been a substantial deterioration in intermodal train service provided by the CPKC over the Meridian Speedway and at the Shreveport gateway, which has affected traffic to multiple intermodal customers, some of whom have diverted their traffic from rail service to trucks. While NS has been working directly with CPKC to attempt to remedy the situation, the Board’s oversight authority extends beyond narrow contractual interpretations and includes ensuring that service levels remain consistent with the representations made during the merger proceeding, including the service promises and commitments CPKC made to intermodal customers and connecting carriers.

NS believes that this continuing service degradation is inconsistent with the representations that Applicants made to the Board in Finance Docket 36500 and that it is within the Board’s authority to direct CPKC to take immediate action to restore service to acceptable levels and to provide a Service Action Plan outlining its action plan.

The Meridian Speedway is a key route in the U.S. intermodal network, and was developed through a KCS-NS joint venture that featured NS making \$308 million of investments in the Meridian Speedway and an additional \$207 million in intermodal terminals in Atlanta, Jacksonville, and Charlotte.¹ In the CP-KCS merger approval proceeding, NS urged the Board to impose conditions to ensure that a combined CP-KCS would maintain the Meridian Speedway as a viable route for intermodal shippers, including a gateway condition and certain contingent trackage rights.² Applicants argued in response that “[n]either NS nor the Board has any reason to be concerned that CPKC will be a good steward of service on this route” and that CPKC would take steps to “increase train frequency and improve service, to the benefit of both NS and intermodal shippers” over the Meridian Speedway. CP/KCS Response to Comments at 264, 267. And more broadly, Applicants committed in “Pillar 1” of the “CP/KCS Service Promise” that the Transaction would result in “service that provides each customer with as good as or better service overall than what our customers received pre-Transaction.” *Id.* at Brooks Rebuttal V.S. at 15.

Based in part on these representations, the Board found that CPKC would “remain incentivized to maintain fluid, efficient operations over the Meridian-Wylie Route” and that no conditions were needed to preserve service over the Meridian Speedway beyond the gateway commitment imposed in its approval decision. Decision No. 35, at 132-33, Finance Docket No. 36500, *CP-KCS* (served Mar. 14, 2023).

Unfortunately, CPKC’s performance has not matched its promises. And as the Table below illustrates, over the last six months transit times on Meridian Speedway haulage trains to and from Shreveport have ballooned. In August 2025, 68% of eastbound haulage trains moving from Shreveport to NS were transit time failures.

¹ Comments of Norfolk Southern at 7, CP-KCS, STB Fin. Docket No. 36500 (filed Feb. 28, 2022).

² While CPKC may argue that the Shreveport gateway is not subject to the merger-imposed gateway conditions due to the nature of the traffic and contractual limitations with NS, NS respectfully disagrees. The Board’s Decision No. 35 recognized Meridian as a covered gateway, and the commitment to maintain commercially reasonable service applies regardless of whether the traffic is single-line or haulage. Regardless, CPKC made representations to the Board that it would, at minimum, maintain, if not increase, service levels over the Meridian Speedway. CPKC should be held to its representations.

Train Symbol	Month	Failure Count	Total Train Count	Monthly Percentage Transit Time Failure	Monthly Transit Time Average Hours (contractual 13 hour transit time)	Average Train Length	Average Tonnage	Available HPT
29S (to UP Shreveport)	March	2	30	7%	10:19	7949	6419	3.10
	April	2	30	7%	9:54	7030	5947	3.47
	May	3	31	10%	10:29	7298	5979	3.68
	June	8	31	26%	11:29	7216	6030	3.43
	July	9	31	29%	11:44	7370	6182	3.24
	August	8	31	26%	11:27	7336	6160	3.31
	Monthly Average -->	5	31	17.28%	10:53	7367	6120	3.37
28J (from UP Shreveport)	March	14	27	52%	13:01	9420	8481	3.32
	April	10	23	43%	12:57	8521	7597	2.82
	May	18	27	67%	14:30	8372	7320	2.48
	June	16	26	62%	15:00	8421	7387	2.97
	July	14	25	56%	14:05	9050	7961	2.75
	August	17	25	68%	15:57	8657	7462	2.89
	Monthly Average -->	15	26	57.92%	14:15	8740	7701	2.87

Under CPKC's operational control, the Meridian Speedway has seen a marked decrease in traffic, attributable in large part to CPKC's failure to provide a quality service product over this route. In 2022, the last full year before approval of the CPKC merger, NS and KCS transported over 400,000 revenue loads over the Speedway. In 2024 those volumes declined by 22% from 2022, and in 2025 to date, volumes have decreased nearly another 10% from the low 2024 levels. This translates into a volume loss annual run-rate of over 100,000 loads. While some of this business has migrated to competing intermodal products, much of it reflects customers who have shifted back to truck transportation as a result of unreliable Meridian service.

Norfolk Southern has attempted to resolve these issues with CPKC through ordinary channels and has called for meetings of the Joint Operating Committee to reach a solution. But these meetings have failed to result in meaningful progress as CPKC refuses to acknowledge the service failures NS and its customers are experiencing. Norfolk Southern has also informed CPKC of its intent to exercise Norfolk Southern's rights under the Meridian Speedway LLC Joint Use Agreement to audit CPKC's performance.

CPKC has suggested that the degraded service it is providing is somehow acceptable because, in CPKC's view, it is not yet so dire as to constitute a "Major Service Standard Failure" that would give NS the contractual right to convert its

Meridian haulage rights to trackage rights.³ That position is a red herring. CPKC committed to the Board that it would keep gateways open on commercially reasonable terms, that its gateway commitment would include commercially reasonable service, and that Meridian in particular was one of the covered gateways.⁴ It cannot escape that commitment because its Meridian haulage service is not yet so horrendous as to trigger emergency replacement trackage rights.

CPKC's failure has real impacts on intermodal customers. To be sure, those customers by definition have ample transportation choices, and are more inclined to simply shift volumes to truck than to pursue relief at the Board. But the Board should be no less concerned about those customers as it is for ones that may be more accustomed to the regulatory process.

Part of Applicants' "Service Promise" was a commitment to institute Service Action Plans if one of three metrics fell below certain thresholds. For bulk trains (defined to include all unit trains), that metric was on-time performance under 75%.⁵ As the above table illustrates, the Meridian Speedway haulage trains are far below that mark. And CPKC's extended period of poor service is continuing to drive service-sensitive intermodal customers off the rail network and onto the highways.

In addition to encouraging CPKC to fulfill its current commitments, NS submits that the Board should direct CPKC to provide a Service Action Plan to detail its plan for restoring Meridian haulage service to acceptable levels (including the current commitments) that includes (1) a timeline for restoring consistent train frequency; (2) operational steps to ensure acceptance of trains from NS when they are offered at Meridian and for haulage to Meridian when they are offered at Shreveport; (3) plans to provide a sufficient crew base to adequately staff the NS

³ It is far from clear that CPKC is correct about this fact. Trains are being held off of the Meridian Speedway at gateway locations and traffic is being left behind in Shreveport, resulting in much delay time not attributed to operations over the Meridian Speedway itself, despite the delays occurring at CPKC's direction.

⁴ See Applicants' Final Brief, Appendix A at A11, Finance Docket No. 36500, CP-KCS (filed Oct. 21, 2022).

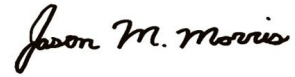
⁵ See Applicants' Final Brief at 9 & Appendix A at A9, Finance Docket No. 36500, CP-KCS (filed Oct. 21, 2022).

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trains; and (4) performance metrics to monitor progress towards achieving consistent run times over the Meridian Speedway.

Respectfully submitted,

A handwritten signature in black ink that reads "Jason M. Morris". The signature is written in a cursive, flowing style.

Jason M. Morris

cc: All Parties of Record