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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

ENTERED  
Office of Chief Counsel  
January 13, 2026  
Part of  
Public Record

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**Finance Docket No. 36873**

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**UNION PACIFIC CORPORATION AND NORFOLK SOUTHERN CORPORATION**

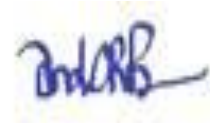
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**CONTROL AND MERGER**

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**NOTICE OF INTENT TO PARTICIPATE WITH VERIFIED COMMENTS**

**Atlantic Systems Inc.** herewith gives notice of its intent to participate as a party of record in the above-entitled proceeding. Service of Filings and Decisions should be served on:



Andrew C. Robertson  
c/o Atlantic Systems Inc  
PO Box 1984  
New York, NY 10063  
917-751-1003  
Email: [acr@transmatch.com](mailto:acr@transmatch.com)

Cc Notice to all parties of record

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## VERIFIED COMMENTS OF ANDREW ROBERTSON

In the Union Pacific's Control application of December 19, 2025, the applicant made claims that were not supported by the verified statements of the officers of UP and NS, the work product of their contractors, or testimony from supporting shippers, carriers, and government entities.

These unsupported claims are in four parts:

- **Part 1:** The full accounting of the capital investment for equipment required by the applicants on their properties to accommodate diversions of intermodal traffic.
- **Part 2:** Any accounting or economic study of the expansion of the operations and plant of UPNS's IMC partners.
- **Part 3:** The environmental impact of the expansion of IMC operations and terminal facilities.
- **Part 4:** Specific testimony from IMCs on the feasibility of UPNS's plan to divert 2 million trucks to rail and their company's capability to handle a massive increase in their operations and their willingness to invest in such an expansion.

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### 1. The Underestimation of Rail Infrastructure Requirements

In their December 19, 2025 Application, Union Pacific projected large diversions of rail carload and intermodal units from its rail and truck competitors totaling **over 400,000 carloads** and **2,000,000 truckloads** annually. While the applicants made representations concerning the capital expenditures required for rail line and terminal upgrades, their modification of **URCS (Uniform Railroad Costing System)** costing appears to understate intermodal **equipment costs**. This could have the effect of materially misstating net revenues for the diverted traffic.

### 2. The "IMC Capital Chasm"

The central claim of the Applicants is that the combination of UP and NS will allow the diversion of **2 million trucks** from the highway in the trans-Mississippi market. Additionally, UPNS projected that they would divert hundreds of thousands of intermodal units and carloads from rail competitors. While UPNS offered plans for the operations on their combined railroad, **no such plan was offered for their prospective IMC (Intermodal Marketing Company) partners.** At present, railroads serve as wholesalers providing linehaul services to IMCs such as Hub Group, STG Logistics and J.B. Hunt. IMCs provide marketing, sales, customer service, trailers, chassis, tractors, and terminals that complete the first-mile/last-mile portion of the combined UPNS/IMC transportation service.

A single IMC charged with handling UPNS's diverted truck traffic would be of a scale roughly the size of **J.B. Hunt's entire current intermodal business.** If a purpose-built IMC were started to handle all new intermodal traffic, our estimate for the capital requirements is:

| <b>Asset</b>                      | <b>Quantity</b> | <b>Unit Cost</b> | <b>Total Capital</b>  |
|-----------------------------------|-----------------|------------------|-----------------------|
| <b>53' Containers</b>             | 120,000         | \$9,500          | <b>\$1.14 Billion</b> |
| <b>Chassis</b>                    | 100,000         | \$5,500          | <b>\$550 Million</b>  |
| <b>Tractors (EV/Clean Diesel)</b> | 5,000           | \$180,000        | <b>\$900 Million</b>  |
| <b>Terminals/IT</b>               | N/A             | N/A              | <b>\$100 Million</b>  |
| <b>Total CAPEX</b>                |                 |                  | <b>\$2.69 Billion</b> |

If existing IMCs were to expand, the investment requirements would remain similar in aggregate. Also missing is an “**IMC operating/marketing plan**”: Where would UPNS’s IMC partners find those 2,000,000 units? Would they divert from their own OTR (Over-the-Road) operations, cannibalizing their higher-margin divisions? Would they divert from other IMCs as Hub Group suggests? “Build it and they will come” works in Hollywood movies but not for multi-billion-dollar business investments. UPNS is responsible for clarity on these fundamental economic questions.

### **3. Environmental Impact of Consolidation "Hot Spots"**

According to the Oliver Wyman study, truckload movements in thousands of BEA-to-BEA markets will concentrate into relatively few intermodal flows. For example, a truck now moving door-to-door from Lancaster, CA, to Athens, GA, would be drayed to Los Angeles, moved by UPNS intermodal to Atlanta, and drayed to its final destination. Conceivably, this consolidation could happen for two million truck movements.

While this is a "green" alternative on a macro scale, it creates **severe localized environmental impacts**. Consolidating millions of truck movements into a handful of urban intermodal terminals will create localized congestion and air quality "hot spots." Because these negative consequences are technically caused by the IMC partners not UPNS, they have been excluded from the Application’s Environmental Impact Statement. They must be addressed.

### **4. Absence of Supporting IMC Testimony**

The Application lacks verified statements from the very partners required to fulfill the UPNS’s promise to enhance competition and protect the public interest. UPNS needs strong IMC partners to realize its diversion goal of 2 million trucks. The trucking industry is now in a severe

recession. The fourth largest IMC, STG Logistics, declared bankruptcy on January 12, 2026. Importantly, STG's largest creditor is the Union Pacific, which is owed more than \$13.4 million. UPNS's prospective IMC partners must offer detailed testimony from the financially solvent IMCs demonstrating their ability and indeed willingness to invest billions in new equipment and operations to support UPNS's central claim of a 2-million-truck diversion.

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## CONCLUSION & PRAYER FOR RELIEF

The UPNS central argument is that the merger will allow 2 million trucks to be taken off the highway. To be clear, currently we are not questioning UP's traffic diversion study methodology nor the net result of 2 million truck diversions. We are saying that such an enormous change to the country's logistics system will have require massive investments by UP and the IMC community **that are not in the December 19<sup>th</sup> Application**. While laudable, it is an enormous undertaking that requires the total commitment of the IMC community. **The application as it stands does not indicate whether the IMCs as a group have the capital, operational capability, or the willingness to expand.**

Therefore, we request that the Application be deemed **incomplete** until the following are provided:

1. **Equipment Investment Detail:** A full explanation of the assumed ownership and accounting treatment of the equipment implications of the conversion of truckload to railroad freight car and truckload to intermodal traffic presented in the Application
2. **IMC Business Plan:** A comprehensive plan for either a purpose-built IMC or a verified expansion program by existing IMCs of a size to support the 2,000,000-unit claim.
3. **Amended Environmental Impact Statement:** Covering the new congestion and pollution impacts caused by an enlarged IMC presence and drayage concentration near urban terminals.
4. **Verified IMC Testimony:** Direct and detailed testimony from partner IMCs validating their commitment to the UPNS growth model.

In the absence of this information, it will be impossible to make a complete analysis of the market impact of the proposed UPNS Merger. Otherwise, the Application is deficient and should be deemed **incomplete**.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Andrew Robertson", is placed over a yellow rectangular highlight.

Andrew Robertson

President

Atlantic Systems Inc.

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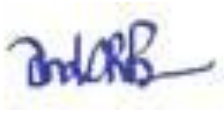
January 13, 2026

Party of Record

## **VERIFICATION**

I, Andrew C. Robertson, declare under penalty of perjury that the foregoing is true and correct.

Executed on January 13, 2026.

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Andrew C. Robertson