



Surface Transportation Board
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Office of Chief Counsel
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The Honorable Chris Deluzio
1222 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Donald Norcross
2427 Rayburn House Office Bldg.
Washington, DC 20515

The Honorable Pramila Jayapal
2346 Rayburn House Office Bldg.
Washington, DC 20515

The Honorable Mark Pocan
1026 Longworth House Office Bldg.
Washington, DC 20515

The Honorable Angie Craig
2052 Rayburn House Office Bldg.
Washington, DC 20515

The Honorable Debbie Dingell
102 Cannon House Office Bldg.
Washington, DC 20515

The Honorable Patrick Ryan
1708 Longworth House Office Bldg.
Washington, DC 20515

Dear Representatives Deluzio, Norcross, Jayapal, Pocan, Craig, Dingell, and Ryan,

Thank you for your recent letter regarding the proposed merger of Union Pacific (UP) and Norfolk Southern (NS) (together, Applicants). I appreciate hearing your concerns about the labor implications of a potential UP and NS merger, including how a merger could affect rail worker competition, safety, and reliable service. Thank you for raising questions that you would like UP and NS to address regarding previous mergers, worker safety and competition, and labor protections in divestitures, successor obligations, and enforcement.

As you know, on December 19, 2025, Applicants filed their major merger application with the Surface Transportation Board (Board or STB), and the Board conducted a thorough and rigorous review of the application for completeness, as required under 49 U.S.C. § 11325(a). On January 16, 2026, the Board issued a unanimous decision finding that the application was incomplete because it did not contain certain information required by the Board's regulations at 49 C.F.R. part 1180. Specifically, the Board found that the December 19 application was incomplete because, in its impact analyses necessary to demonstrate the impacts of the transaction on competition and the provision of essential services, it did not include "projected market shares" as required under 49 C.F.R. § 1180.7(b). The Board also found that the December 19 application was incomplete because it did not include the complete merger agreement and all contracts or other written instruments pertaining to the transaction, as required under 49 C.F.R. § 1180.6(a)(7). In accordance with statute, the Board was therefore required to reject the

application and did so without prejudice to UP and NS refiling a revised application remedying the deficiencies identified in the January 16, 2026, decision.

The Board's decision rejecting the December 19 application does not result in the dismissal of the merger proceeding, and Applicants are permitted to file a revised application in the docket, which would commence a new review by the Board for completeness. The Board directed Applicants to file a letter in the docket by February 17, 2026, indicating if and when they anticipate filing a revised application. Any statutory time periods that follow from the timing of the filing of the application will be computed from the filing date of any revised application, if it is accepted. Should Applicants file a revised application that is accepted by the Board, the Board will conduct a rigorous and comprehensive review of the proposed transaction and its impacts, as required by law.

In deciding whether a major merger transaction is in the public interest, the Board considers goals including effective competition, carrier safety and efficiency, adequate service for shippers, environmental safeguards, and fair working conditions for employees. The Board must ensure that any approved transaction would promote a competitive, efficient, and reliable national rail system. 49 C.F.R. § 1180.1(b). The Board's regulations require Applicants to detail, among other things, the public interest justifications in support of the proposed transaction, the effect of the proposed merger on employees, a calculation of public benefits, and an analysis of the effects of the proposed transaction on competition. 49 C.F.R. § 1180.6. Applicants are required to submit to the Board "full system" competitive analyses and operating plans, including any operations in Canada and Mexico, from which the Board can determine the competitive, service, employee, safety, and environmental impacts of the prospective operations within the United States. 49 C.F.R. § 1180.1(k).

Employee Impacts. With regard to employee impacts, in a major merger application, Applicants must detail the effects of the proposed transaction on their employees, the geographic points where the impacts will occur, the time frame of the impacts (for at least 3 years after consolidation), and whether any employee protection agreements have been reached. 49 C.F.R. § 1180.6(a)(2)(v), (b)(9). Applicants are required to submit a Service Assurance Plan (SAP), which must include, among other things, a plan for reaching necessary labor implementing agreements and include a plan for providing necessary training to employees involved in fields including operations, safety, hazardous materials compliance, and other functions affected by the acquisition. 49 C.F.R. § 1180.10(g), (h).

In major merger proceedings, the Board is required to provide a fair arrangement for the protection of rail employees of Applicants who are affected by a consolidation. The Board strongly favors negotiated implementing agreements and respects collective bargaining agreements. Absent negotiated agreements, the Board is required to provide for employee protection at the level mandated by 49 U.S.C. § 11325(a) and will provide more stringent labor protection if there are unusual circumstances, to ensure employees have a fair and equitable arrangement. 49 C.F.R. § 1180.1(e).

Safety. As part of their application, Applicants are required to submit to the Board a Safety Integration Plan, prepared in consultation with the Federal Railroad Administration, to ensure that safe operations would be maintained throughout the merger implementation process. 49 C.F.R. § 1180.8(a)(1).

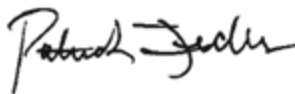
With respect to safety and maintenance, the proposed operating plan required in a major merger application must include a description of the effect of any deferred maintenance or delayed capital improvements on any involved properties, the schedule for eliminating that deferred maintenance, details of general system rehabilitation including rehabilitation relating to the transaction (including proposed yard and terminal modifications), and how these activities will lead to the service improvements or operating economies anticipated from the transaction. 49 C.F.R. § 1180.8(b)(4).

Service. As mentioned above, Applicants are required to submit a SAP, which must identify the steps Applicants will take to ensure that projected service levels would be attainable and that key elements of the operating plan would improve service. The SAP must also describe how operating plan efficiencies would translate into benefits for the shipping public and how any service degradation that might result from operational changes will be mitigated. 49 C.F.R. § 1180.10. It must further include contingency plans for managing merger-related service disruptions. 49 C.F.R. § 1180.10(i).

In the event a proposed transaction is approved, the Board establishes a formal oversight process for at least five years following approval of a transaction. As part of that oversight, Applicants must present evidence to the Board at least annually to show that any conditions imposed by the Board are working as intended, that Applicants are adhering to the representations they made on the record during the merger proceeding, that no unforeseen harms have arisen that would require the Board to alter or impose additional merger conditions, and that the merger benefits projections accepted by the Board are being realized in a timely fashion. During this period, the Board retains jurisdiction to impose additional conditions it determines are necessary. 49 C.F.R. § 1180.1(g).

Because this proceeding remains open, I cannot comment further; however, should UP and NS file a revised application, please be assured that the Board will conduct a thorough and fair review of the evidence and argument and consider whether the transaction serves the public interest, consistent with applicable law. The Board's review process includes opportunities for public participation and comment, and the Board encourages public participation from affected rail labor, shippers, carriers, and other interested parties. 49 C.F.R. § 1180.1(m). A copy of your letter and this reply has been placed in the public docket. If you or your staff have any questions, please contact Ms. Janie Sheng, Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Fuchs", written in a cursive style.

Patrick J. Fuchs
Chairman

cc: The Honorable Sean P. Duffy, Secretary, Department of Transportation
The Honorable David Fink, Administrator, Federal Railroad Administration
The Honorable Gail Slater, Assistant Attorney General, Antitrust Division, U.S.
Department of Justice