



Transportation Interim Committee

69th Montana Legislature

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March 13, 2026

311022

The Honorable Patrick Fuchs, Chair
The Honorable Michelle Schultz, Vice Chair
The Honorable Karen Hedlund, Member
Surface Transportation Board
395 E Street SW
Washington, DC 20423

ENTERED
Office of Chief Counsel
March 19, 2026
Part of
Public Record

Dear Chairman Fuchs, Vice Chair Schultz, and Member Hedlund,

The Transportation Interim Committee of the 69th Montana Legislature writes to express strong concern regarding the proposed merger¹ of the Union Pacific (UP) and Norfolk Southern (NS) rail corporations.

Freight rail transportation is a critical piece of Montana's economic infrastructure. Montana is landlocked, and top industries like agriculture, energy, and natural resources rely heavily on consistent and timely freight service. Agriculture in particular requires time-sensitive shipments during harvest seasons, and any service interruptions can cause product spoilage and losses in global as well as domestic markets.² This makes us a "captive shipper" state: **Transportation is what connects Montana's economy** to the larger domestic and global markets.

The Transportation Interim Committee (TIC) has heard Montanans' concerns about an imbalance of market power among the already limited options for freight transportation. Montana's primary freight provider is BNSF Railway (BNSF), which serves over 90% of the state. As things stand today, both UP and BNSF operate west of the Mississippi River and on roughly the same amount of track mileage. Both companies must compete for access to railroads and their markets east of the Mississippi. The proposed merger would remove competition for UP while leaving BNSF to continue fighting for access to these rail corridors. Any negative effects, such as price increases or interruption of services, will be immediately felt by Montana's freight rail-dependent customers.³ The current "Major Rail Consolidation Procedures"⁴ guidance from the Surface Transportation Board (STB) was adopted in 2001 to protect places like Montana by ensuring that any proposed mergers will enhance competition.

Competition drives down prices. Consolidation reduces competition.

The proposed UP-NS merger would be an unprecedented consolidation and would create the largest railroad in the country with over 50,000 miles of track in 43 states. The United States' domestic freight rail system is already highly consolidated,⁵ with access to only six Class 1 railroads, two of which are Canada-based. The UP-NS merger would not only reduce the overall number of US-based Class 1 railroads but also leave BNSF as the only remaining Class 1 railroad whose service area is west of the Mississippi. This would be a dramatic shift in the landscape of freight rail in the western states.

The Transportation Interim Committee wishes to emphasize that, as the first merger proposal to come before the STB under the revised "Major Rail Consolidation Procedures",⁴ the ruling on UP-NS will establish precedent for future merger decisions and affect freight rail transportation for years to come. We urge you to conduct a methodical, rigorous, and comprehensive review of submitted materials throughout this merger process and to carefully consider the impacts on Montana's many freight rail transportation customers.

Respectfully,



Senator Russ Tempel, Chair



Representative Chip Fitzpatrick, Vice Chair

CC:

U.S. Sen. Steve Daines

U.S. Rep. Troy Downing

U.S. Sen. Tim Sheehy

U.S. Rep. Ryan Zinke

Notes:

1. STB Docket# FD 36873: <https://www.stb.gov/resources/major-railroad-mergers/>
2. A policy resolution drafted and approved by the Montana Farm Bureau Federation was passed unanimously at the 107th American Farm Bureau Federation Convention's meeting of voting delegates in January 2026:
<https://mfbf.org/Article/American-Farm-Bureau-voting-delegates-set-policy-for-2026-Montana-Farm-Bureau-policies-successful-during-policy-session>
3. Montana's Attorney General Austin Knudsen penned a letter (co-signed by the AGs of six other states) in February 2026 to the Antitrust Division of the U.S. Dept. of Justice expressing strong concerns over the merger:
https://content.govdelivery.com/attachments/MTAG/2026/02/12/file_attachments/3553224/2026-02-12%20AGs'%20Ltr%20to%20DOJ%20re%20Union%20Pacific-Norfolk%20Southern%20Merger.pdf
4. The current "Major Rail Consolidation Procedures" guidance from the Surface Transportation Board (STB) was adopted in 2001: <https://www.transportation.gov/regulations/federal-register-documents/01-14984>
5. Montana U.S. Sen. Steve Daines and U.S. Sen. Tim Sheehy both signed a bipartisan letter in October 2025 urging careful scrutiny of the proposed merger: <https://www.hoeven.senate.gov/imo/media/doc/10.30.25-Hoeven-Klobuchar-Letter-to-STB-re-UP-NS-Merger.pdf>