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Office of Chief Counsel
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August 26, 2026
Chief of Case Administration
Surface Transportation Board

Re: STB Docket No. FD 36873, Union Pacific Corp., et al. – Control – Norfolk Southern Corp. at al.

Dear Chief of Case Administration:

I write on behalf of USPR Producers and Refiners Cooperative (USPR), the country's largest farmer-owned sugar marketing cooperative. Having reviewed recent filings and public commentary regarding the proposed Union Pacific/Norfolk Southern (UP/NS) merger including the Committed Gateway Pricing (CGP) proposal, it is important to make clear that USPR opposes the UP/NS merger. From USPR's perspective, the merger will raise USPR's costs, disadvantage it as a competitor, and increase prices on everyday consumer products that use sugar, from cereal to beverages to candy. The CGP proposal will not resolve these concerns. Accordingly, USPR supports the pending motions asking for the Board to reject the merger at this stage of the process.

USPR packages, sells, and distributes sugar to businesses throughout the United States, and is North America's leading sugar supplier. Because approximately two-thirds of the United States' population reside east of the Mississippi and much of USPR's operations are west of it, a large portion of our sugar travels west to east to reach its destination, primarily by rail. This is one of the reasons this merger matters to USPR: today, our western facilities in Minnesota, North Dakota, and Wyoming rely primarily on BNSF and NS to deliver sugar to eastern businesses. After the merger, shipments currently served by NS in the east would become UP destinations. USPR is concerned that UP/NS will have little incentive to offer competitive rates or short-haul options for our western facilities if it can instead reach the same eastern customers by originating shipments on UP's western lines through our competitors. This could leave USPR at a competitive disadvantage and will leave businesses that USPR serves with fewer rail transportation options.

Hershey, Pennsylvania illustrates an example. Hershey, Pennsylvania is a large sugar-consuming market that currently benefits from competition among distributors served by different rail routings: purchasers can buy from USPR, which uses BNSF in the West and NS in the East, or from our primary competitor west of the Mississippi River, which is served by UP in the West and would also use UP in the East, if the merger is approved. Once a single railroad controls both legs of the route to a shared destination, it has less incentive to offer competitive rates through key interchange points like Chicago, since it captures revenue regardless of which shipper it favors. USPR believes this dynamic will systematically disadvantage shippers who currently partner with railroads other than UP and NS.

Corporate Office:

8000 West 78th Street • Suite 300
Edina, MN 55439
800.984.3585

Service Center:

2060 Sheyenne Street • Suite 300
West Fargo, ND 58078
800.566.5116

unitedsugarpr.com





USPR recently expressed its concerns directly with UP. In early 2026, UP requested a letter in support of the proposed merger from USPR. I met with a member of the UP merger team. I explained that the proposed merger would hurt USPR because UP/NS will have every incentive to offer fewer interline options and less competitive rates to shippers that currently rely on other railroads to transport goods to the eastern part of the country. UP's response was to point to its CGP proposal. As I explained to UP, however, rates under CGP are only offered to other Class I railroads, meaning shippers are left in the dark about rates and revenue share. I further explained that CGP pegs rates at one of the highest tiers (the 70th percentile) over gateways, resulting in an immediate rate hike on USPR.

It is clear USPR will have less competitive options and pay higher rates due to the merger. This will hurt the hardworking farmers who own USPR and grow the sugar beets and cane that are refined into processed sugar, but the consequences do not end there. Higher rates from the UP/NS merger will be passed on to businesses that use sugar to make their products or be borne by our farmer members, or both. Those price increases will be passed on to consumers in turn, raising the price of everyday goods like candy, beverages, and cereal. This is not theoretical: before joining USPR, I spent over 20 years working for Class I railroads on the commercial side of the organization and am well aware of the pricing dynamics at play.

For these reasons, USPR believes the proposed UP/NS merger will be harmful for USPR, the businesses it serves, and consumers. I respectfully request the Board consider this perspective in its review of the proposed merger.

Respectfully,

Michael Barth
Vice President Transportation and Logistics
United Sugar Producers and Refiners Cooperative

CC: Parties of Record

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Edina, MN 55439
800.984.3585

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