



South Dakota Association of Cooperatives

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312107

August 14, 2026

The Honorable Patrick Fuchs
The Honorable Michelle Schultz
The Honorable Karen Hedlund
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

ENTERED
Office of Chief Counsel
August 27, 2026
Part of
Public Record

RE: FD 36873

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

On behalf of South Dakota's cooperatives and our producer-owners, the South Dakota Association of Cooperatives (SDAC) is submitting this letter to share its concerns with the proposed merger between Union Pacific and Norfolk Southern (Applicants).

Given the stakes, SDAC respectfully asks the Surface Transportation Board (Board) to reject the proposed merger based on the Applicants' responses to the second round. This request is based on the following concerns:

- SDAC is concerned that a combined UP-NS would eliminate competition in the rail marketplace, allow UP-NS to potentially dominate certain freight markets and shared rail industry assets, and give it unmatched power over shippers, suppliers, and rail workers. Past merger proposals have been opposed for the same reasons.
- The proposed transaction's service awareness plan is incomplete and would cause service disruptions. Given the size and scope of the proposed merger, even relatively minor issues could disrupt rail service nationwide, affecting the rest of the US supply chain.
- The Applicants' merger documents do not demonstrate how increased intermodal competition will be achieved. Specifically, there is no mention of intramodal or rail-to-rail competition. The merger would allow control of key facilities and terminal railroads, with an incentive to favor its own trains while creating bottlenecks and service problems for others.
- As the Board considers the Applicants' proposal, we encourage the Board to keep in mind the reasons for the 2001 rules, which sought to prevent a recurrence of significant railroad service failures that had occurred during major railroad mergers before 2001, including reductions in intermodal and intramodal competition in the railroad industry.

SDAC appreciates the opportunity to raise these concerns with the Board, and we appreciate the Board's attention to the risks the proposed merger poses to agricultural cooperatives and our producer-owners who rely on our nation's rail network to provide market access and deliver inputs for the agricultural industry across America.

Sincerely,

Brenda R Forman

Brenda Forman
Executive Director

CC: Parties of Record