

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36873

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
—CONTROL—
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN
RAILWAY COMPANY

JOINT VERIFIED STATEMENT

OF

KENNY ROCKER AND CLAUDE E. “ED” ELKINS

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JOINT VERIFIED STATEMENT

OF

KENNY ROCKER AND CLAUDE E. “ED” ELKINS

I. Introduction

A. Witness Qualifications

1. My name is Kenny Rocker. I am Executive Vice President, Marketing & Sales at Union Pacific Railroad (“UP”), a position that I have held since August 2018. I joined UP in 1994 and have held various positions in Marketing & Sales, including assignments in Automotive, Chemicals, the Market Development & Sales Center, and Industrial marketing. Prior to my current position, I served as Vice President, Industrial. In my current role, I oversee UP’s three major business units—Bulk, Industrial, and Premium—as well as Marketing & Sales Operations, Commercial Strategy, our Mexico business, and our Loup Logistics subsidiary. I have a bachelor’s degree in finance from Tuskegee University.

2. My name is Claude E. “Ed” Elkins. I am Executive Vice President and Chief Commercial Officer at Norfolk Southern Corporation (“NS”). I assumed this role in December 2021. I lead NS’s Intermodal, Automotive, Industrial Products, and Coal business divisions, and oversee the Real Estate, Industrial Development, First and Final Mile Markets, and Customer Logistics business groups. I began my railroad career at NS in 1988 as a road brakeman after completing my service in the U.S. Marine Corps. Over time, I held operational roles, including conductor, locomotive engineer, and relief yardmaster, before moving into marketing and commercial functions with leadership roles in intermodal marketing, chemicals marketing, and

industrial products. I earned a bachelor's degree in English from the University of Virginia's College at Wise and an MBA from Old Dominion University with a concentration in port and maritime economics.

B. Purpose and Scope

3. The purpose of this joint verified statement is to describe the significant market benefits of the proposed combination of UP and NS and to explain how those benefits will be realized. This statement will demonstrate that the transaction will enhance competition, expand service options for customers, and strengthen rail's ability to compete with trucks and other modes of transportation.

4. This statement also explains why the public benefits of the transaction cannot be achieved absent the proposed transaction. While both UP and NS have invested heavily in network improvements, the opportunities that arise from an integrated, end-to-end system cannot be replicated through commercial arrangements or isolated partnerships. Only by combining the two networks into a single, unified operating and marketing structure can these benefits be fully realized.

5. Our testimony further describes how the transaction is unambiguously pro-competitive. In particular, we will explain how the combined entity will preserve and enhance competitive options for customers, maintain open gateways, and provide new opportunities for customers that do not currently have direct access to the benefits of the combined network.

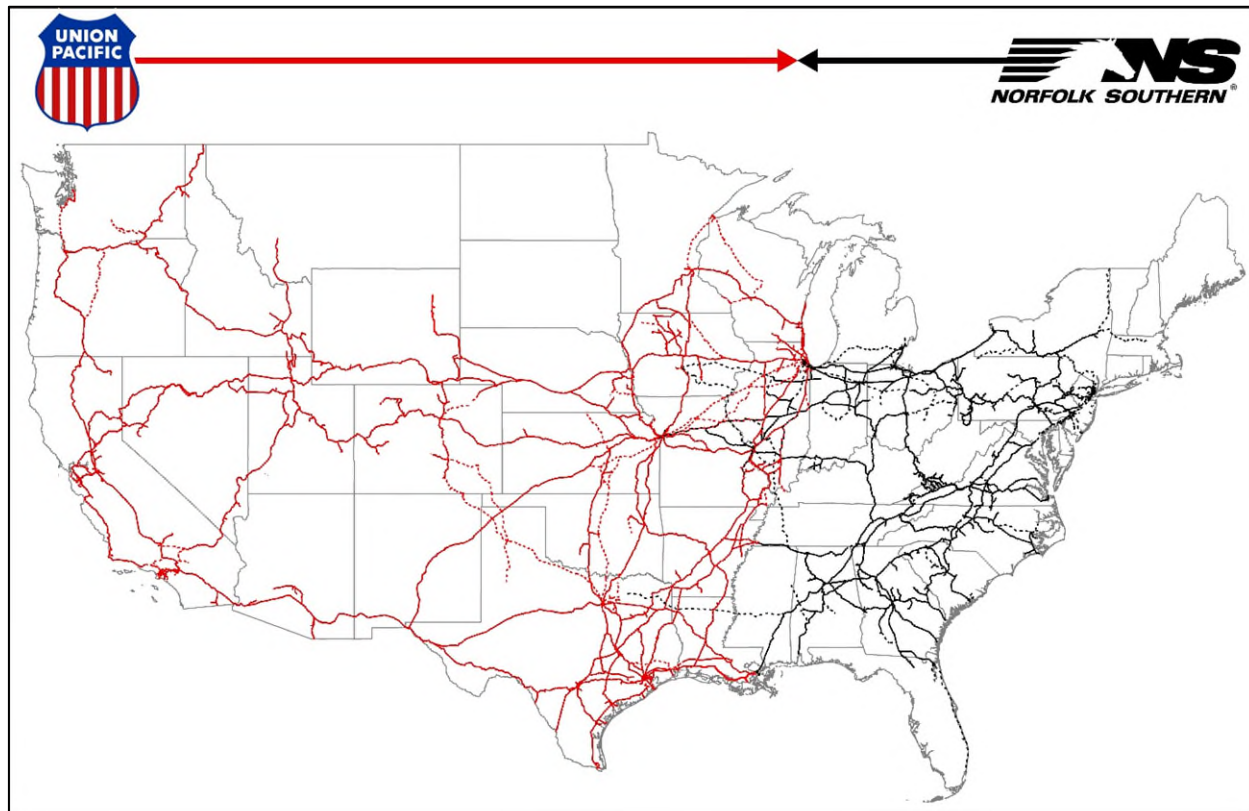
6. We have reviewed the merger-related traffic growth projections prepared by Oliver Wyman and included with this Amended Application. Based on our experience working directly with customers and understanding their

transportation needs, we find these projections to be reasonable. The anticipated growth aligns with what we hear from customers about the demand for more competitive rail service and supports our view that the combined network will deliver a compelling value proposition to the marketplace.

C. Overview—A Unified Rail Network for American Businesses

7. This merger is a landmark opportunity in American transportation history. Railroads have always been part of the backbone of this country, connecting farms, manufacturing industries, and ports for nearly two centuries. By bringing together UP's expansive western rail network and NS's powerful eastern reach, we have the chance to write the next chapter in that story.

Figure 1
America's First Transcontinental Railroad



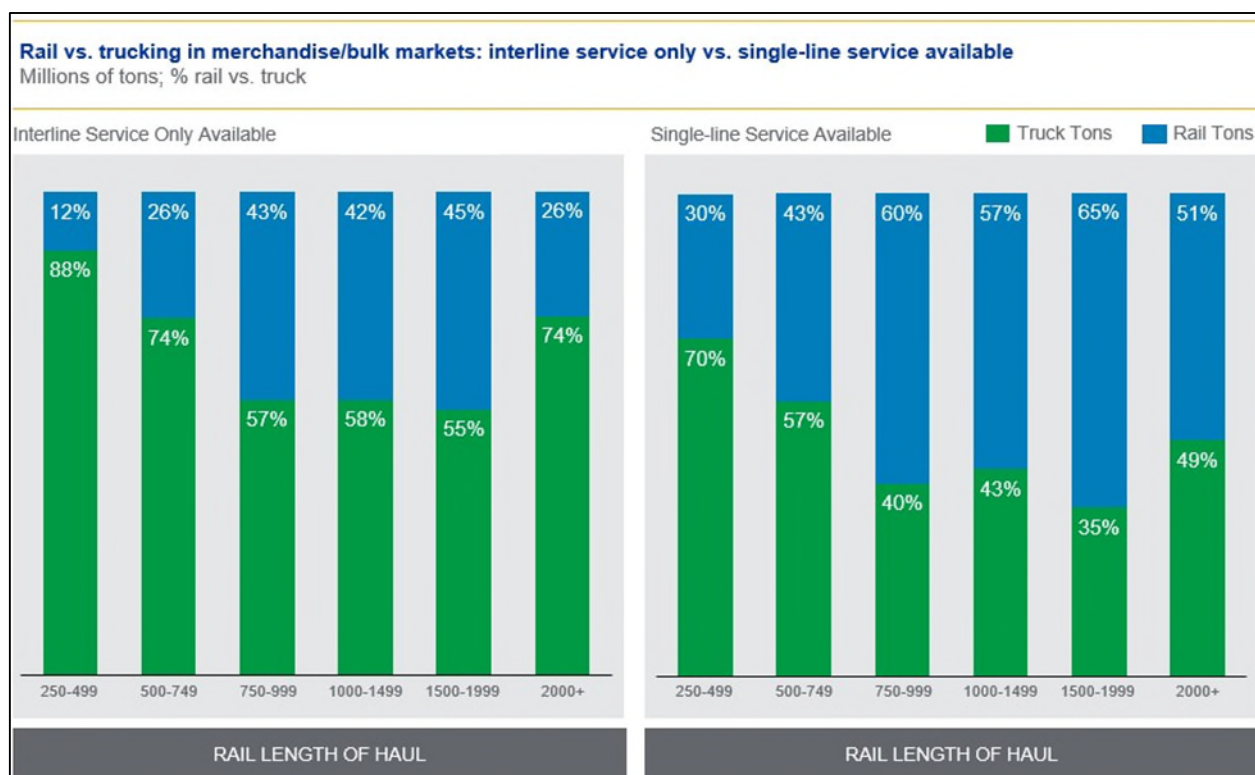
8. This merger will grow rail traffic by giving U.S. businesses a faster, more reliable way to move their goods, and it will enhance competition not only with other railroads but with trucks. It will permit the combined company to build a future that outcompetes the present. Put simply, this combination creates a stronger platform for American growth, whether you're shipping across the state, across the country, or across the ocean.

9. Trucks are rail's biggest competitor. While UP and NS work aggressively, with a hustle mindset, to keep and grow rail traffic, the reality is that a fractured rail industry cannot compete effectively against the trucking industry. Trucking offers a seamless, nationwide network, as well as continued technological innovation that promises to lower costs and reduce downtime. While individual railroads are investing in technologies to likewise increase their efficiency and reduce their costs, we are hampered by artificial geographic boundaries that result in separate networks, separate priorities, and a lack of integration.

10. As a result, customers often have a hard time simply determining the schedule for interline shipments. It can take customers up to seven days to get a rate for an interline shipment, whereas UP and NS each usually quote direct shipments in one business day. With different carriers, different schedules, different sales personnel responsible for individual pricing, and different rules, no one is accountable for the whole customer experience. This merger is designed to fix that problem by giving customers coast-to-coast, seamless, single-line service.

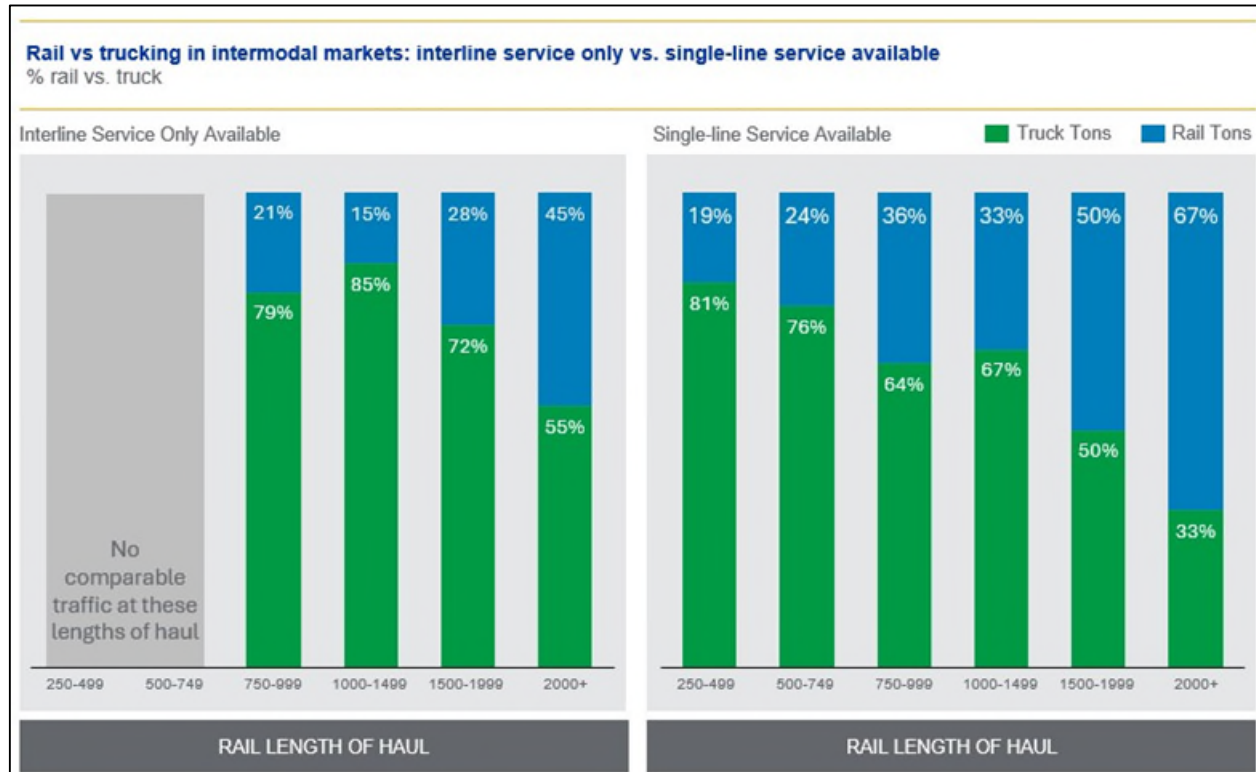
The market's preference is crystal clear: customers overwhelmingly and consistently choose single-line options. As shown below in Figure 2 (merchandise service) and Figure 3 (intermodal service), rail's market share outperforms truck where single-line service is available.

Figure 2¹
Single-Line Merchandise/Bulk Rail Service Outperforms Interline Service



¹ Verified Statement of David T. Hunt (“Hunt VS”) at Exhibit 3-1.

Figure 3²
Intermodal Customers Also Prefer Single-Line Service



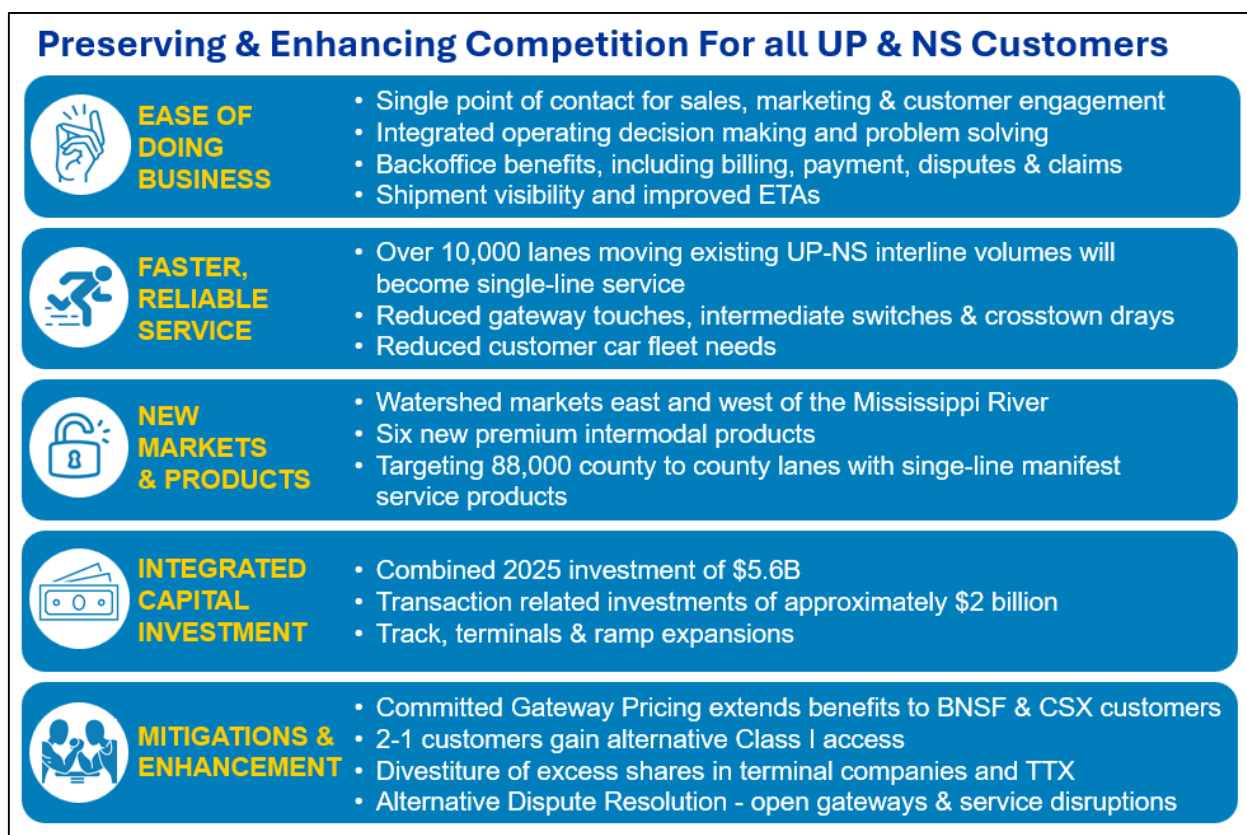
11. The first big win for customers will be more predictable, dependable single-line service. By eliminating the gateway delays that slow down freight today, customers' goods will move more smoothly and quickly across the combined network. No more lengthy delays at interchange points or hand-offs between carriers. Just a single, end-to-end trip that keeps freight on schedule, reduces uncertainty, and for private railcar asset owners, increases productivity.

12. The second big win will be simpler, more customer-friendly commercial relationships. Instead of juggling multiple contracts, multiple carriers, and multiple sets of rules, customers will have true one-stop shopping. That includes unified

² Hunt VS at Exhibit 3-2.

commercial terms, a single, integrated logistics solution covering the entire combined system, and a single, comprehensive database of truck-to-rail transload options across the country. For the first time, customers will be able to plan their freight moves with rail as easily as they do with trucking.

Figure 4
Customer Benefits from America's First Transcontinental Railroad



13. A third win will be new visibility and better use of assets. The combined network will provide end-to-end shipment visibility across the vast majority of moves, replacing today's patchwork of systems with a single source of shipment information. Barriers that currently slow down the distribution of railcars will be cleared away, making equipment more available when and where it is needed. And the combined

entity will be committed to expanding telematics capabilities, giving customers richer data and more powerful tools to plan their supply chains with confidence.

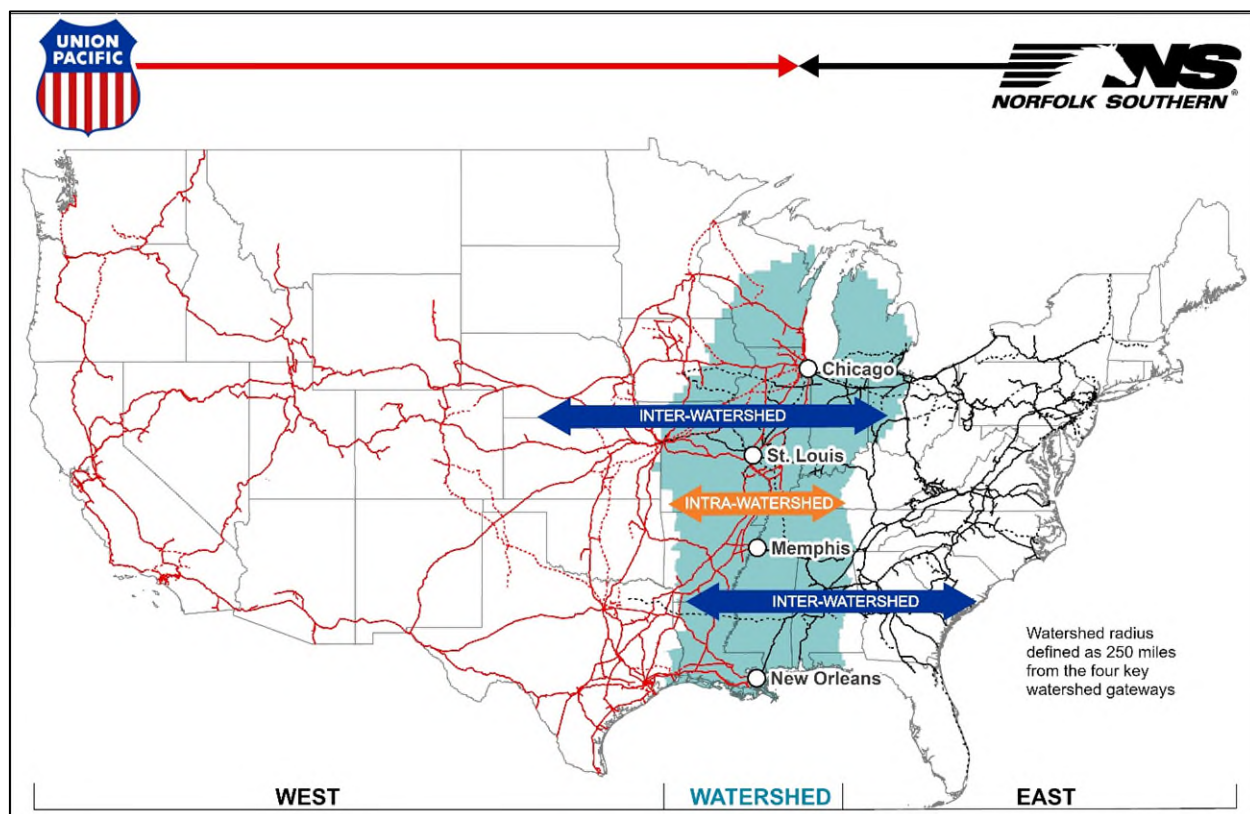
14. These customer wins will extend across the spectrum of commodities:

- **Agriculture:** Expansion of new markets and inputs with no gateway barriers, plus new port options east and west of the Mississippi.
- **Automotive:** End-to-end supply chain solutions across the U.S. and elimination of geographic and economic barriers to fluid car supply, which will reduce inventory carrying costs for manufacturers and overall costs for the industry.
- **Chemicals:** Improved access for Gulf Coast customers to East Coast export centers such as Charleston, Norfolk, and Savannah.
- **Coal:** Seamless access for Western coal to Eastern utilities and Eastern coal to Western markets.
- **Food:** Reduced transit times for sensitive products—beverages from Mexico to Eastern markets, produce from the West Coast to the East Coast, poultry from the Southeast to the West.
- **Forest Products:** New single-line services that unlock lower costs, such as lumber moving from the Southeast to Texas.
- **Industrial Development:** A one-stop shop for industrial development support throughout the United States.
- **Intermodal:** The merging of the largest intermodal franchise in the East with UP's extensive network, creating new transcontinental products that eliminate interchange variability.
- **Metals:** Larger geographic reach for scrap inputs and seamless product movement from NS-served mills to high-growth areas in Utah, Arizona, Texas, and Mexico.

15. In terms of geography, this merger will unlock UP's and NS's full potential in the American heartland—the so-called “watershed” markets. These are transportation markets where interchange friction prevents railroads from securing a robust share of freight traffic from our trucking competitors. Where rail networks

meet, short-haul handoff lanes are particularly disadvantaged. There is not a precise demarcation—these watershed markets can fluctuate based on the region, commodity type, and other features. For simplicity, we define watershed markets where UP or NS would haul less than 250 miles before or after interchange. These markets are characterized by short-haul handoff lanes that sit right on the fault lines between the Class I railroad networks. Neither carrier owns the full trip, so no one can offer single-line service.

Figure 5³
The Watershed



³ See Hunt VS at Exhibit 4-8 and Appendix B.5.3.

16. Ultimately, the benefits to the Watershed markets and our customers described in this Amended Application depend on the creation of a fully integrated network with single-line service. It is single-line service that makes all the difference to our customers. Indeed, the performance advantages of single-line rail service over interline service are unmistakable. When freight moves end-to-end on one integrated network, customers experience faster transit times, fewer handlings, greater reliability, and lower total logistics costs. By contrast, interline movements—requiring multiple carriers, separate priorities, and disconnected systems—inevitably introduce delay, complexity, and frustration.

17. This merger will transform more than 88,000 county to county lanes to single-line service where shippers currently truck industrial and bulk freight.⁴ That is fundamentally what this combination is about: realizing a unified rail network capable of providing single-line service across the entire nation.

II. Primed for Growth, but Constrained by Structure: Why Rail Needs to Do More to Compete

A. The Three Pillars of Railroad Growth: Service, Investment, and Innovation

18. As we both testified before the Surface Transportation Board in 2024, growth in railroading depends on getting the fundamentals right. At both UP and NS, that means three things: safely delivering reliable service that earns our customers' trust, investing in our networks, and innovating through technology and

⁴ Hunt VS at Exhibit 4-13.

new products to meet customer needs. These fundamentals are the keys to long-term, sustainable growth.

19. The following subsections elaborate on how each pillar underpins growth, how UP and NS have built their respective strategies around them, and how the proposed merger will amplify their combined impact on a national level.

1. Safe, Reliable Service is the Foundation of Growth

20. At both UP and NS, we start with a simple principle: growth begins with safe and reliable service. Our customers judge us by one measure—whether we deliver the service we sold. Every carload, every shipment, and every interchange is an opportunity to prove that promise. When we deliver reliable, predictable service, we earn our customers’ confidence and open the door to future opportunities and growth.

21. I, Kenny Rocker, can attest that over the past several years, UP has made substantial improvements in service reliability, train speed, and network fluidity. Those improvements are reflected in the metrics and in our customers’ feedback. Service consistency has allowed our commercial team to pursue new business aggressively, supported by what we call a “hustle mindset”—a culture that prizes proactivity, responsiveness, performance, and accountability. When we meet a customer, our goal is always the same: to earn repeat business by delivering dependable results.

22. At UP, operational excellence is the foundation of that reliability. We’ve strengthened crew availability, built buffer capacity into our locomotive and equipment fleet, and streamlined terminal operations to keep freight moving on time.

Those steps have translated into improved car velocity and reduced dwell times. We've also used technology to enhance transparency, allowing customers to see where their shipments are at any time and plan accordingly.

23. At UP, we have demonstrated that when service improves, growth follows. Continuous improvement in reliability, responsiveness, and efficiency has positioned UP to meet and exceed customer expectations. We are proving that high-quality rail service—delivered safely, efficiently, and on time—is the essential foundation for growth. And that is the approach we will continue to use for a combined UP-NS railroad, the benefits of which will only amplify our ability to provide safe, reliable service coast to coast.

24. I, Ed Elkins, can attest that NS shares UP's mindset with regard to safe and reliable service. At NS, safety, reliability, and trust are the foundations for value creation and long-term success. We measure that success not by a single period of good performance but by our ability to deliver consistent, low-variation service month after month, even through changing conditions.

25. Our customers have told us that they most value predictability and consistency. They need a rail partner around which they can build their supply chain. As a result, every part of our operations—from train scheduling to yard performance to car distribution to crew availability—must align to produce consistent results. I am proud that, over the past 18 months, NS has seen measurable progress in train speed, network fluidity, and customer satisfaction. I expect this progress to increase when NS becomes part of an even stronger and more efficient unified UP-NS railroad.

26. One of the reasons this merger is needed is because, even when UP and NS achieve these high levels of service performance, we both continue to experience the headwinds and limitations of the structural barriers that constrain our growth: interchanges, geographic fragmentation, and divided accountability between East and West continue to prevent the rail industry from offering the seamless, single-line service that trucking provides over a free-flowing highway system.

2. Growth-Minded Investment to Increase Capacity, Safety, and Connectivity

27. Both UP's and NS's commitment to growth is backed by investment on a scale few industries can match. Since 2021, both companies have invested billions of dollars to expand terminals, modernize infrastructure, and strengthen both intermodal and carload offerings.

28. I, Kenny Rocker, can attest that, over the past five years alone, UP has spent more than \$3.4 billion specifically for long-term growth—about \$10 million every day—to keep our network fluid, resilient, and ready for the next generation of freight. These investments have added capacity, improved velocity, and positioned us to serve customers more efficiently and reliably.

29. I, Ed Elkins, can add that investment is likewise central to NS's growth strategy. We are building a network designed for reliability and resiliency—expanding track capacity, upgrading terminals, and modernizing equipment to handle greater volumes with less variability. Our capital program, which has spent well over \$9 billion on improvements since 2021, is particularly adept at creating synergies between infrastructure and technology: *e.g.*, digital inspection portals,

autonomous track monitoring, predictive maintenance systems, and new customer-facing platforms. These initiatives increase safety, enhance fluidity, and deliver the experience customers demand.

30. From a broader perspective, UP and NS are investing in the physical and digital backbone of America's supply chain. These commitments demonstrate not only confidence in rail's future, but also our commitment to strengthen national competitiveness and supply-chain resilience. By combining our resources and efficiencies as a unified railroad, we will be able to invest even more—delivering more to our customers and to the American people.

31. Both UP and NS have shown what disciplined investment can achieve within their territories. But despite our respective efforts, the East–West divide in the nation's rail network limits the efficiency and reach of our investments. This merger will ensure the full realization of the benefits that these billions of dollars have created.

3. Innovation to Compete and Win

32. Both UP and NS view innovation as the bridge between performance and growth. We are both investing heavily in technology and data analytics to make rail even safer, easier to use, more transparent, and more reliable for customers.

33. Over the past five years, UP has invested more than \$500 million in technology innovation, which includes tools that enhance shipment visibility and streamline communication for customers. These tools—along with new intermodal and cross-border services—allow customers to plan their supply chains with greater

precision, monitor freight in real time, and connect with our network more seamlessly than ever before.

34. Likewise, NS has invested \$71.5 million over the past five years in innovations such as digital inspection portals, predictive maintenance, and GPS-based Rail Pulse telematics to improve reliability and responsiveness, as well as enhanced customer-facing platforms, such as AccessNS, that have given our customers better real-time visibility into their shipments and performance metrics. NS has invested an additional \$110 million over the past five years to expand existing technologies such as hotbox detectors, automated train inspection, and track inspection tools to reduce the possibility of defects or safety incidents.

35. Today, data systems, digital interfaces, and operating platforms stop at the interchange boundary between East and West. As a result, customers turn to third-party providers to bridge these gaps. A unified network would allow the full integration of scheduling, tracking, and customer-service systems, turning today's separate advancements into a seamless, national rail experience. By integrating these systems end-to-end, the merger will eliminate the need for costly workarounds and deliver further savings to customers.

B. UP and NS: Two Railroads Operating at Best-Ever Performance

1. UP: Operational Excellence Backed by Laser Focus on Growth

36. The Board will hear directly from UP's Chief Executive Officer regarding the company's operating performance and efficiency. I, Kenny Rocker, as Executive Vice President of Marketing and Sales at UP, will explain how that

operational success translates into value for customers and growth for our business. When trains run on time and the network flows smoothly, customers gain the confidence necessary to make investments, plan production, manage inventories, and ultimately commit more freight to rail.

37. UP is operating at best-ever levels, delivering safe, reliable, and efficient service across its western network. Our teams have achieved measurable gains in train speed, network consistency, and trip-plan compliance—evidence of true operational excellence. Since the third quarter of 2023, UP’s manifest service performance index increased from 84 percent to 100 percent; UP’s intermodal service performance index increased from 85 percent to 98 percent; and UP’s first mile/last mile performance increased from 91.4 percent to 96.5 percent.

Table 1⁵
Union Pacific’s Operating Performance

Performance Statistics (%)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
Manifest service performance index	84	91	87	84	89	96	93	97	100	100	98
Intermodal service performance index	85	96	95	93	86	89	94	99	98	100	98
First mile/last mile performance	91.4	92.7	90.6	92.2	93.4	94.9	94.9	95.8	96.5	97.6	97.6

38. This performance matters because it generates confidence that rail can compete head-to-head with trucks on reliability and speed. Consistent execution

⁵ See Am. App., Vol. 1, Verified Statement of V. James Vena at Table 2.

allows UP to deliver the service it sells—on time, as promised—and to win new business by proving that rail can be as reliable and responsive as trucking.

39. Every element of UP’s operating model reflects disciplined execution—ensuring dependable, high-quality service day in and day out. From terminal fluidity to locomotive utilization, our operating teams are delivering steady, repeatable results. That reliability is the foundation of customer trust, and it’s what allows us to compete successfully for freight that would otherwise move on the highway.

40. This combination of strong operational performance and commercial intensity is what drives UP’s success. Operational excellence provides the reliability our customers demand, while the hustle mindset ensures that we remain proactive, innovative, and ready to compete. Together, they form the core of UP’s growth strategy and its commitment to strengthening America’s freight network.

2. NS: Disciplined Operations Delivering Customer-Focused Results

41. NS has also improved its service product and competitive strength as a result of operational discipline. Standardized processes, responsive “war rooms,” comprehensive safety training, swift root-cause analyses, and a commitment to continuous improvement have increased our network velocity and improved our service consistency, ultimately better serving our customers.

42. As our service has improved, growth has followed. Our continuous improvement in reliability, responsiveness, and efficiency has positioned NS to meet and exceed customer expectations. Today, we are proving that high-quality rail

service—delivered safely, efficiently, and on time—is the essential foundation for growth.

3. UP and NS: Two Railroads in Sync—and Poised for More

43. In our view, UP and NS are executing at a high level across each of the key drivers of growth—service, investment, and innovation. Each is demonstrating operational excellence and an unwavering commitment to customer success. Trains are moving on time, terminals are fluid, and customers are receiving dependable service. Both railroads have invested heavily in capacity and technology to build networks that are safer, more efficient, and more sustainable, proving that when rail focuses on fundamentals, it delivers results. And our methods are compatible, giving us confidence in our ability to smoothly integrate and expand these advantages for customers.

44. The next chapter of growth depends on knocking down the old barriers that divide East from West and building one connected network that works for everyone. Our customers don't care where one railroad ends and another begins—they just want one schedule, one point of contact, and one dependable trip from start to finish. Together, the merged UP/NS can deliver that: single-line, coast-to-coast service that runs faster, smoother, and simpler than ever before.

C. The Structural Divide: Why Trucking Feels Seamless and Rail Does Not

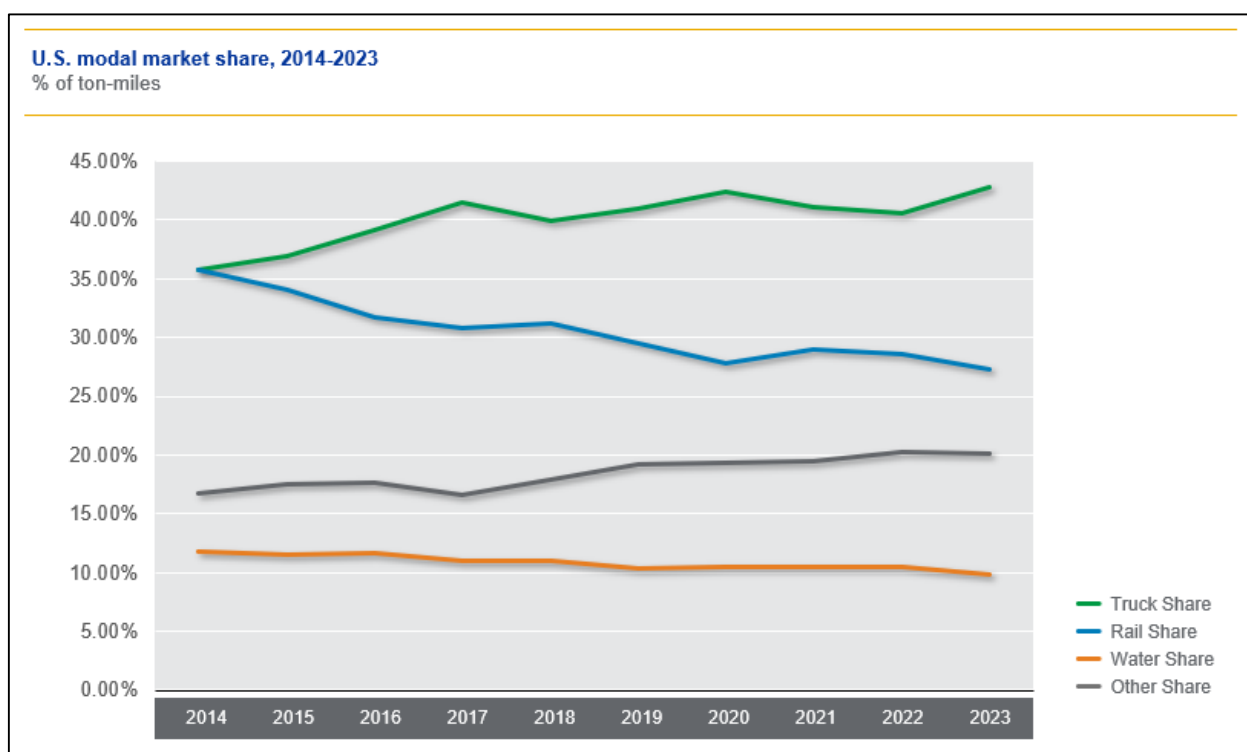
45. Railroads continue to lose freight to trucks, and that gap keeps getting wider. Without structural change, that trend will accelerate. If we want to compete

head-to-head, we have to take the next step and create a network that delivers the same seamless, single-line service customers already get on the highway.

1. Diverging Growth as Trucking Dominates

46. Rail has improved its service, safety, and efficiency—but the growth we’ve captured still lags far behind the growth of the broader economy we serve.

Figure 6⁶
Railroads Are Losing Market Share to Trucks



2. Trucks Offer One Trip, Rail Offers Two—and That’s the Problem

47. Rail has tremendous advantages. It moves freight at a lower cost per ton-mile, uses far less fuel per shipment, and produces dramatically lower emissions than trucking. Those are powerful advantages for customers and for the country—

⁶ See Workpaper “Rocker-Elkins VS - Modal Market Share.xlsx.”

helping reduce costs, cut congestion on highways, and lower carbon output. It's the safest, most efficient, and most sustainable way to move freight in America.

48. But unlike trucks, which operate on publicly funded highways, railroads pay for their own infrastructure. That self-funded model creates discipline and accountability, but it also adds cost and limits flexibility. Trucks are subsidized through public investment in highways, leaving them more opportunities to invest in new, customer-facing technologies, while railroads must earn and reinvest every dollar to keep the system running.

49. The bigger challenge is that the nation's rail system is still fractured. The East–West divide in the middle of the country acts like a toll gate—freight has to stop, switch carriers, and restart its journey. Each handoff adds time, cost, and uncertainty. The result is delay, added expense, and service irregularity—the very inefficiencies that the trucking industry eliminated decades ago by operating as one unified national network.

50. At interchange points, the costs are measurable. Transfers between carriers can add 24 to 48 hours of dwell time and reduce the utilization of locomotives and cars that should be moving freight. Those lost hours make it harder to keep equipment and crews productive and push some customers to choose trucks, even when they would otherwise prefer rail.

51. The problem isn't just time—it's accountability. When two carriers share a shipment, it's harder for customers to get clear pricing, tracking, and service commitments. If a delay occurs, no single railroad owns the full responsibility for

addressing the problem. That fragmented accountability undermines the consistency that customers expect and erodes confidence in rail's reliability.

52. The result is lost competitiveness when rail cannot provide seamless single-line service. In those cases, customers don't choose trucks because they're cheaper or greener—they choose them because they're simpler and faster. Trucking offers one quote, one driver, and one schedule from origin to destination. Where rail cannot match that simplicity, even our best service will struggle to win back freight that has shifted to the highway.

53. And the challenge is about to intensify. The trucking industry is moving quickly toward autonomous-vehicle technology, supported by federal research programs and state pilot initiatives. Lower labor costs, longer operating hours, and greater equipment efficiency will make trucks even more competitive.

D. The Opportunity: A Once-in-a-Lifetime Chance to Deliver for Our Customers and the American Economy

54. To compete with a unified highway system, we need a unified rail system. Customers have told us that they want to move more freight by rail. They value rail's cost efficiency, safety, and sustainability—but they need it to be as simple, fast, and predictable as trucking. Today, the handoff between eastern and western carriers adds time, uncertainty, and complexity.

55. As discussed below, the merged UP/NS would answer that demand by creating a single-line, transcontinental network that delivers what customers have asked for—one accountable carrier, one schedule, one standard of excellence. It would create a future with robust single-line service into and through the watershed

markets that will outcompete the present. For manufacturers, retailers, and exporters alike, that means faster service, fewer delays, and a level of reliability that keeps supply chains moving. This is what is required to keep pace with our integrated trucking competitors.

III. America's First Transcontinental Railroad Will Unlock Our Full Growth Potential

56. UP and NS have each pursued a growth strategy, reached independently but aligned in vision: a relentless focus on running a reliably scheduled railroad. As noted above, our respective strategies rest on three pillars of growth: service, investment, and innovation.

57. The merged UP/NS will take this momentum and magnify growth opportunities nationwide for thousands of customers across industries by delivering on these three pillars of rail growth. Through superior service—faster, more reliable, and seamless single-line offerings—customers will gain the confidence to move more freight by rail. Through smart investment, the unified network will deploy capital at scale to expand capacity and open new markets. And through innovation, a tech-enabled customer experience will make rail as simple and transparent as trucking.

58. In other words, this merger is the opportunity to put our shared growth strategy into action on a national scale.

A. Service: Delivering the Service Our Customers Want

1. Current Challenge

59. In our view, the most pressing challenge the railroad industry faces today is not demand or capacity, but how we meet customer demand for rail

transportation service across an arbitrarily divided national network. Our U.S. rail network is divided by legacy, not by need. It is artificially split between east and west, forcing freight to pass through interchange points like Chicago, St. Louis, Memphis, and New Orleans. Our customers know that interchanges add hours of delay, introduce service variability, and raise costs for customers who depend on reliability. What should be one seamless rail experience often feels to our customers like two loosely connected systems.

60. For our customers, that divide translates directly into fragmented responsibility. Many interline shipments require two contracts, two sets of rules, two invoices—and divided accountability when things go wrong. The result is a service that can feel less convenient, less reliable, and less predictable than promised. When cars sit idle in interchange or take inefficient routes, it's not just operational friction; it's a visible gap between expectation and experience that chips away at the trust that underpins every customer relationship.

61. As we discuss above, those gaps have real consequences. Private-fleet owners see their assets underutilized, watching returns erode as equipment waits for interchange. Customers incur higher inventory and logistics costs as they try to buffer against uncertainty. And across competitive markets, these inefficiencies weaken rail's edge against trucks, limiting growth and opportunity for everyone involved.

2. Merger-Related Service Benefits

62. By bringing together our two complementary networks, we move beyond the limits of interchange to a unified national system designed around customer needs rather than carrier boundaries. This integration will expand access, simplify

logistics, and strengthen rail's position in the broader freight marketplace. The result is a service portfolio that is faster and more consistent—delivering on the promise of a truly national rail offering.

- **Single-Line Service:** The merger will eliminate interchange, creating coast-to-coast coverage and unlocking seamless transcontinental options. Customers will be able to ship across the entire country under one waybill, one set of service commitments, and one accountable team. 88,000 county to county lanes where current shippers truck industrial and bulk freight will have an opportunity to ship single-line manifest service.⁷
- **Faster Transit Times:** Streamlined operations and unified routing will reduce delays, shorten delivery windows, and lower inventory and railcar costs.
- **Increased Reliability:** We hear from customers that they don't "feel" our averages, they "feel" our outliers. In other words, they want reliability. Single-line service eliminates variability introduced by interchanges, improving consistency and accountability. When the same team owns the move from start to finish, the guesswork disappears and the promises mean more. Customers don't have to wonder which railroad is responsible or why a car is sitting still—one network, one playbook, one answer. Reliability is the foundation of trust—and that's what we believe this merger can strengthen most.
- **Improved Customer Asset Utilization:** Faster turns and coordinated pricing/routing decisions maximize the value of customer-supplied railcars. When trains roll smoother, cars earn more—simple as that. For example, more efficient deployment of equipment can reduce idle time and improve productivity across entire fleets. That means customers get more mileage out of the assets they already own.

63. These improvements are grounded in a streamlined Operating Plan, which outlines how this integration will translate directly into better day-to-day

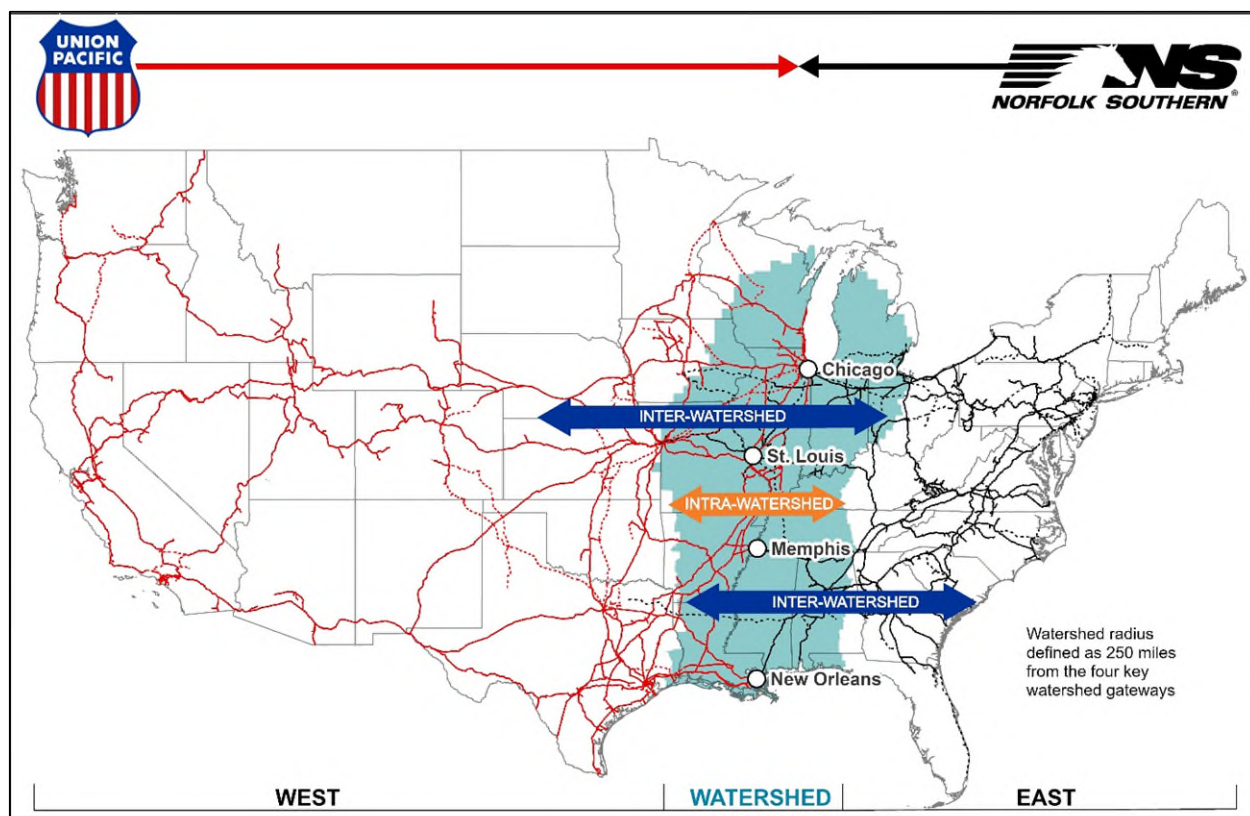
⁷ See Hunt VS at Exhibit 4-13.

execution for customers. The details of our Operating Plan are described in the relevant section of this Amended Application.⁸

3. Unlocking the American Heartland and the Watershed

64. The Watershed markets sit squarely in the nation's heart—on both sides of the Mississippi—stretching from Chicago and St. Louis down through Memphis, Birmingham, Kansas City, and Louisville. These are the arteries of American manufacturing, agriculture, and energy. When freight flows efficiently here, the entire economy benefits.

Figure 7⁹
(Reproduced): The Watershed



⁸ See Am. App., Vol. 2, Op. Plan.

⁹ Hunt VS at Exhibit 4-8 and Appendix B.5.3.

65. However, customers in these markets operate in a structural gap. Customers located just east of major gateways like Chicago, Memphis, St. Louis, or New Orleans lack access to efficient single-line service to ship to major U.S. western markets or access western ports. The same is true for customers located to the west of an interchange who seek to sell goods into the major eastern markets like Atlanta, New York, or Virginia, or seek to transport their goods through eastern ports. These customers are uniquely disadvantaged by short-haul economics and the friction created by the need to interchange. As a result, otherwise competitive rail movements end up moving via truck, or not at all. This is the missing middle of America's rail map.

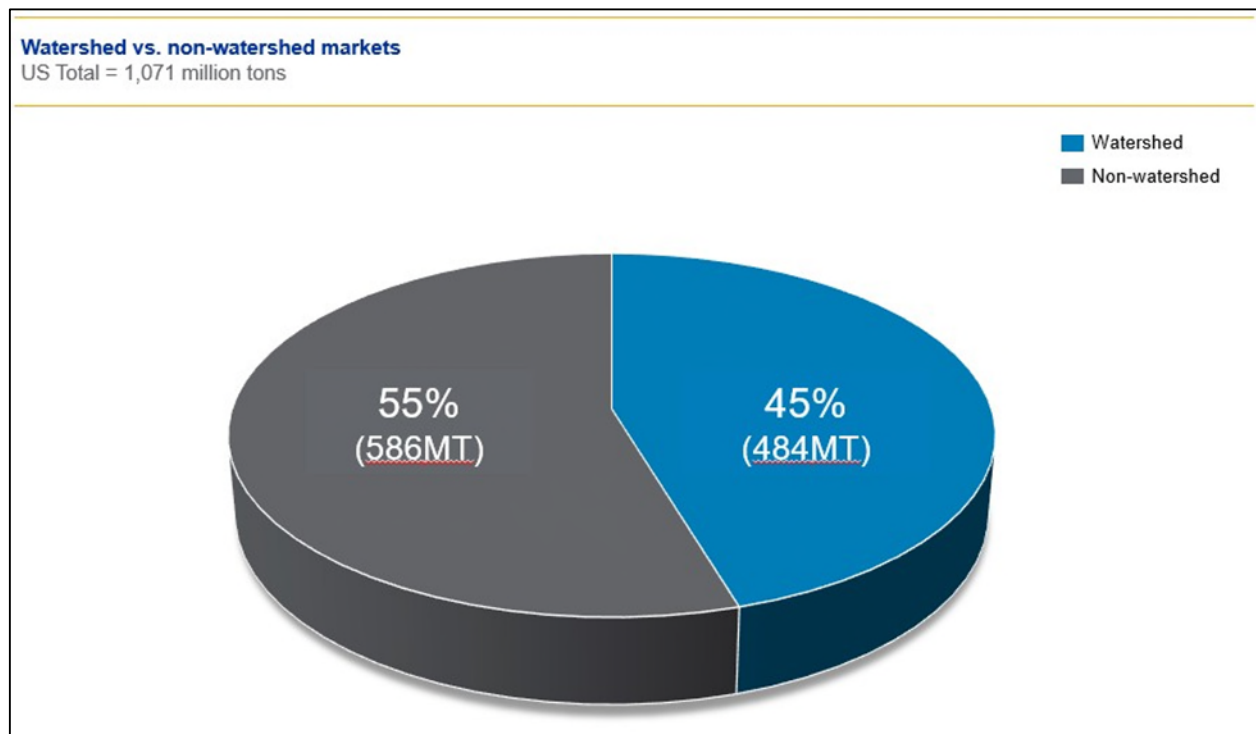
66. The Interstate Commerce Commission recognized this issue when it approved the Norfolk & Western and Southern rail merger:

This 'gateway-watershed' problem is explained as follows. Given the loss of responsibility and control associated with interline traffic and assuming current divisions are not easily adjusted, railroads can lack sufficient incentive to undertake marketing initiatives for traffic moving beyond their lines. The most severe constraint on traffic flow is encountered where an origin or destination point of one rail carrier is located relatively close to its interchange point with another railroad. Since the carrier serving the site near the gateway receives only the short-haul of what may be a movement of considerable distance, its share of a competitive rate may be insufficient to warrant its participation even though the total revenue associated with the movement may be remunerative. Factors apart from revenues—such as varying traffic balances on the two systems, so that a given movement balances the traffic flows of one carrier but increases an imbalance for another—can also prevent otherwise competitive movements from taking place.

Norfolk S. Corp. – Control – Norfolk & W. Ry. Co., 366 I.C.C. 173, 195 (1982).

67. These watershed markets could be a powerhouse for rail, as they handle enormous volumes of freight every year. Excluding moves of less than 250 miles, and focusing on the freight market where rail and trucks compete, the data shows that nearly 500 million tons of steel, grain, lumber, chemicals, and other industrial products that can move in carload service either originate or terminate in this region. This is approximately 45 percent of the total divertible marketplace for the entire United States.

Figure 8¹⁰
The Watershed Potential

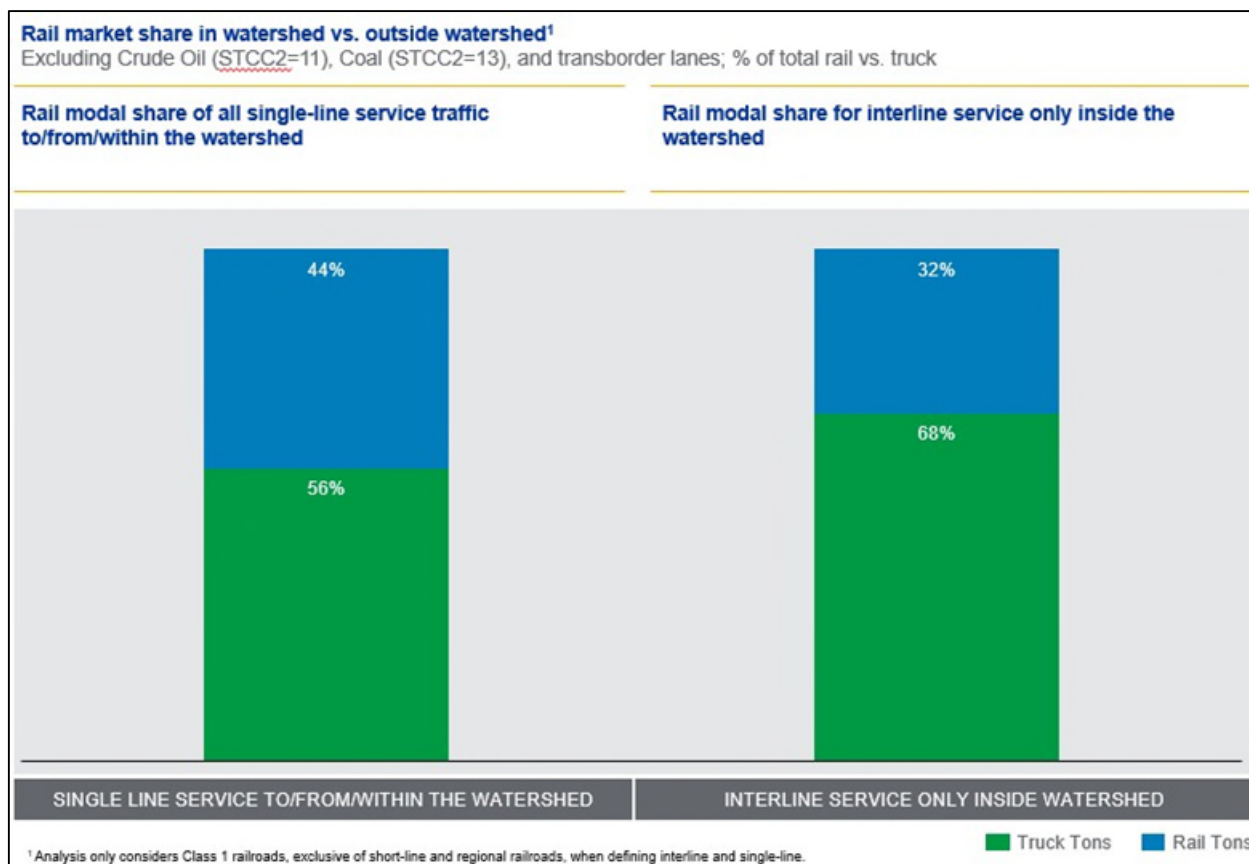


68. Yet rail is underperforming in freight markets to and from the watershed that require interline rail service. Some of that freight moves by rail, but

¹⁰ Hunt VS at Exhibit B-27.

much more moves by truck, because trucks can offer what we cannot—one carrier, one schedule, one promise. The market share data speaks for itself.

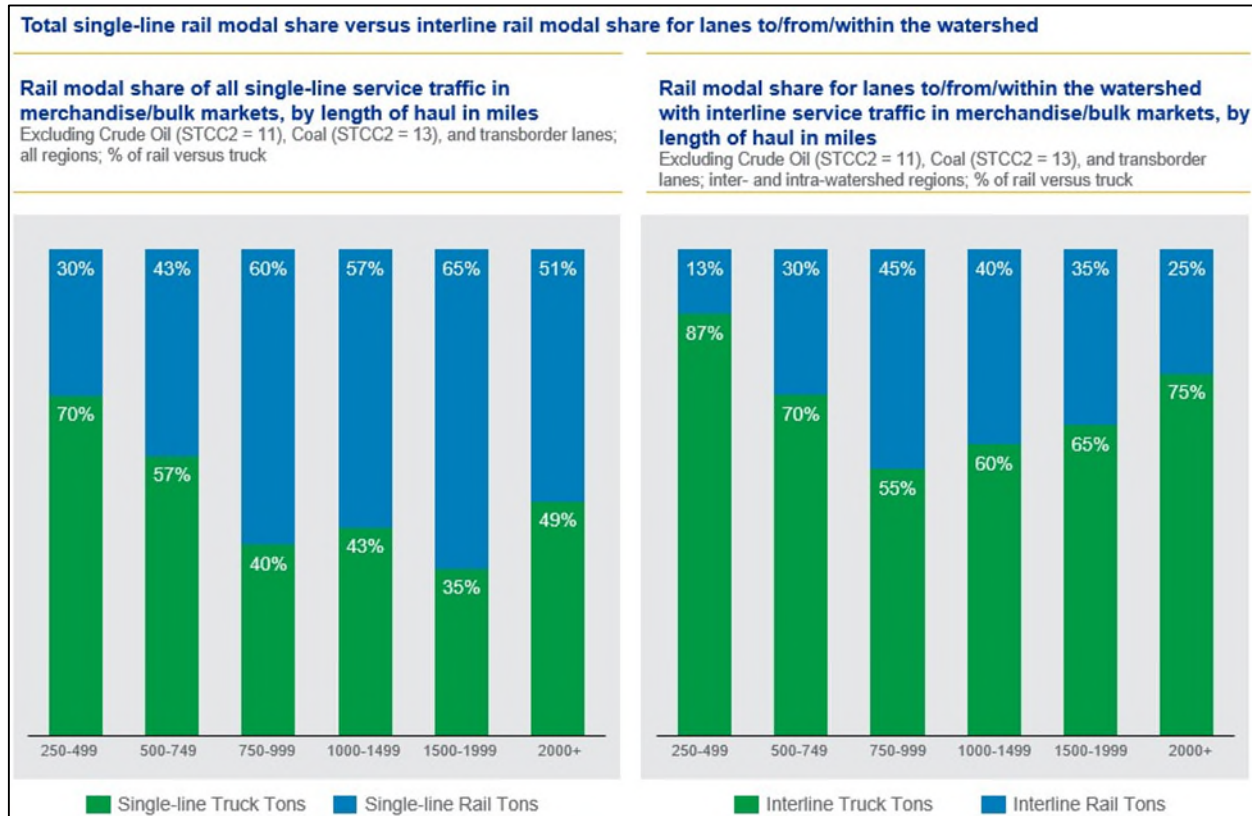
Figure 9¹¹
Rail Interline Service Massively Underperforms in the Watershed



69. Not only does trucking dominate the overall market share for inter-watershed and intra-watershed movements, trucking continuously outperforms rail at every length of haul distance.

¹¹ Hunt VS at Exhibit 4-10.

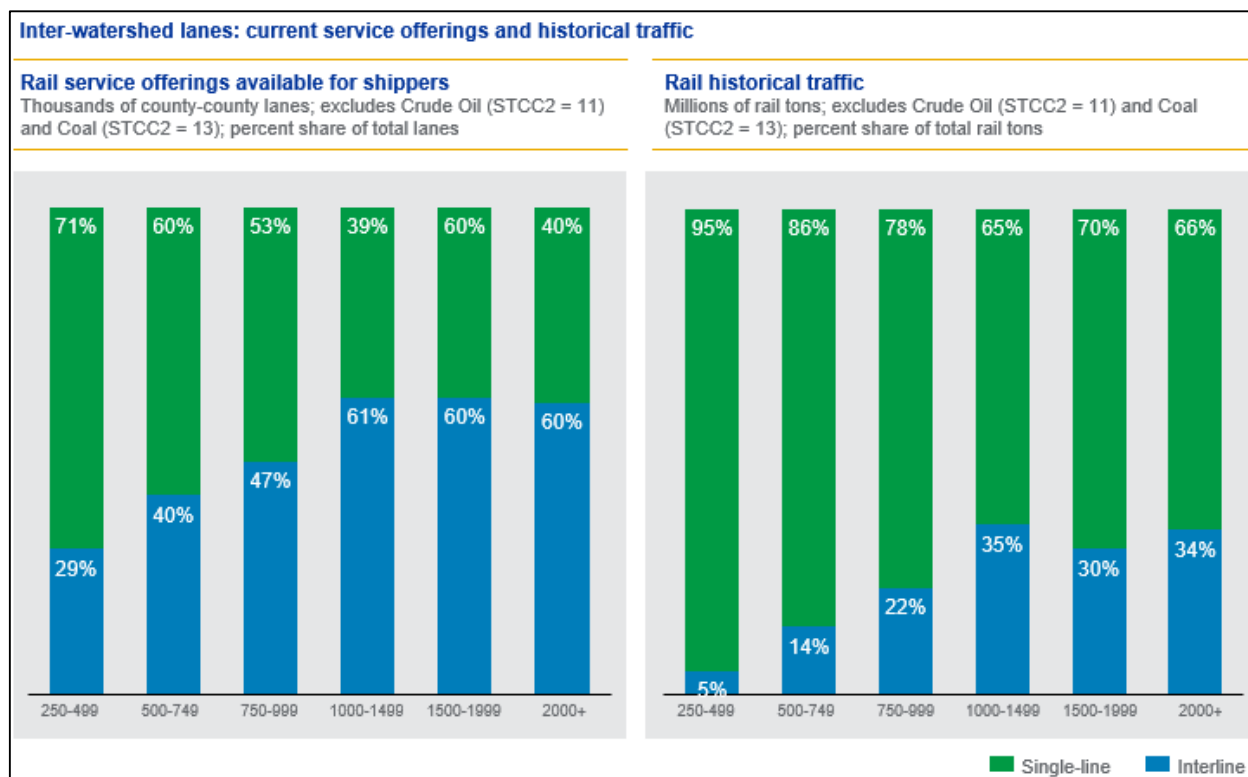
Figure 10¹²
Rail Underperforms in the Watershed Across All Lengths of Haul



70. And Figure 11 below illustrates a striking contrast between potential and actual rail service in the Watershed markets. While most of the lanes that could be served are classified as interline lanes—requiring cooperation between two carriers—the traffic that actually moves is overwhelmingly handled through single-line service. This pattern demonstrates that shippers in the region clearly prefer seamless, single-line rail solutions, valuing reliability, simplicity, and efficiency over multi-carrier coordination.

¹² Hunt VS at Exhibit 4-9.

Figure 11¹³
Most Inter-Watershed Lanes Are Interline, but Most Customers Choose Single-Line Service



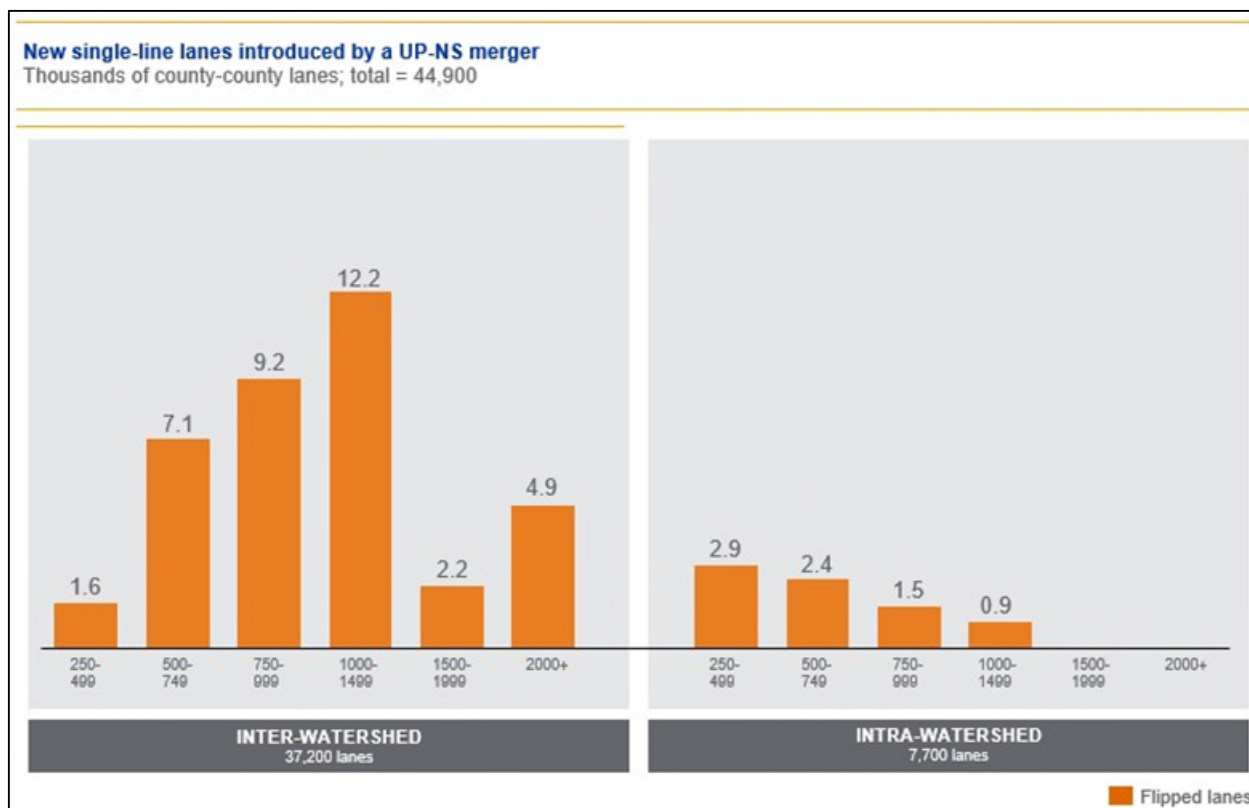
71. These facts reveal the modern “gateway-watershed problem” in a nutshell: staggering opportunities but poor rail market share because the artificial divide between rail networks limits how far we can go.

72. The solution to unlocking the so-called “watershed” markets is integration. By connecting East and West under one unified structure, we will deliver what customers have wanted for decades—one railroad, one standard, and one trusted promise from origin to destination. And in doing so, we will unlock the full potential of the watershed markets. The Amended Application puts a spotlight on

¹³ Hunt VS at Exhibit 4-11.

how much untapped demand lies within these watershed markets: This merger will transform 44,900 lanes (of the 88,000 total) within these watershed markets to single-line rail service where shippers currently truck industrial and bulk freight.¹⁴

Figure 12¹⁵
44,900 Merchandise/Bulk Interline Lanes in Watershed Upgrade to Single-Line



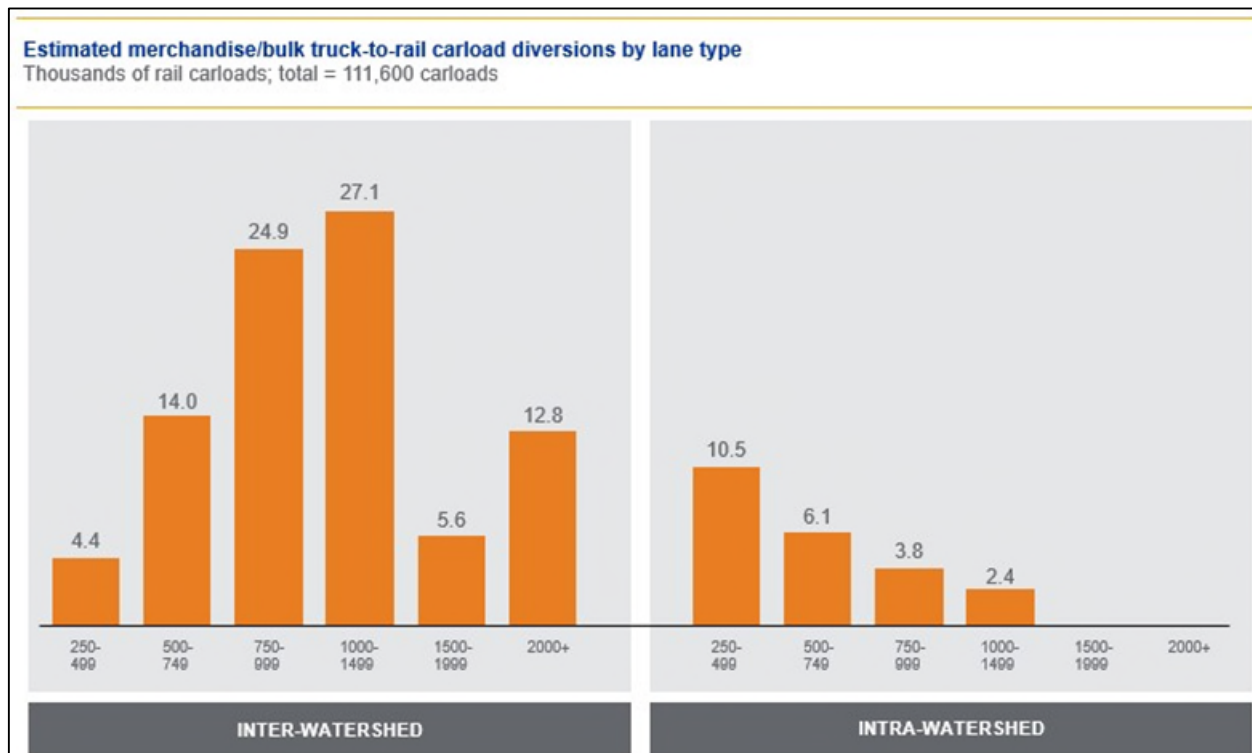
73. These shippers in the watershed markets will get an upgrade from undesirable interline options to new, single-line manifest service for the first time, and, by doing so, shift 111,600 carloads of merchandise and bulk traffic from trucks annually (of the 191,000 total projected carloads of merchandise/bulk growth).¹⁶

¹⁴ Hunt VS at Exhibit 4-13.

¹⁵ Hunt VS at Exhibit 4-13.

¹⁶ Hunt VS at Exhibit 4-13; *id.*, at Exhibit 4-12.

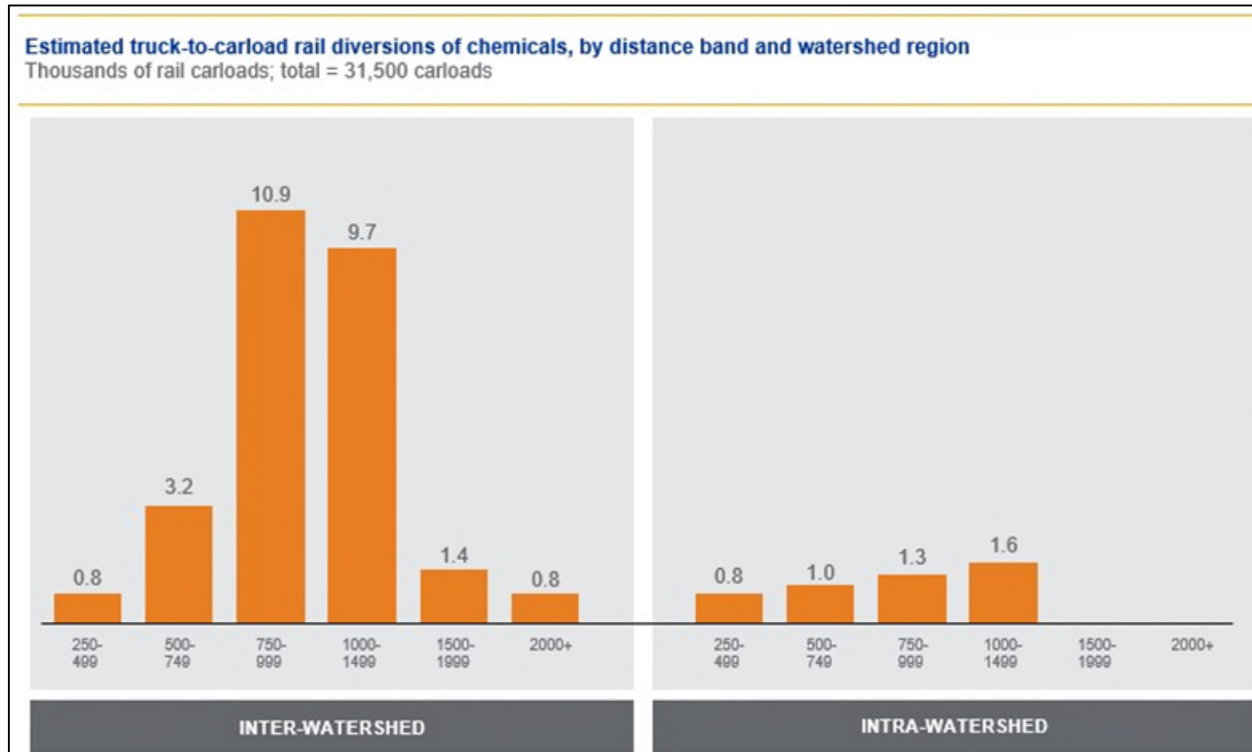
Figure 13¹⁷
Watershed Merchandise/Bulk Growth Opportunities—111,600 Carloads



74. And the opportunities cut a wide swath across commodities, creating openings for customers big and small. The data show just how broad the impact could be—touching everything from chemicals to food products.

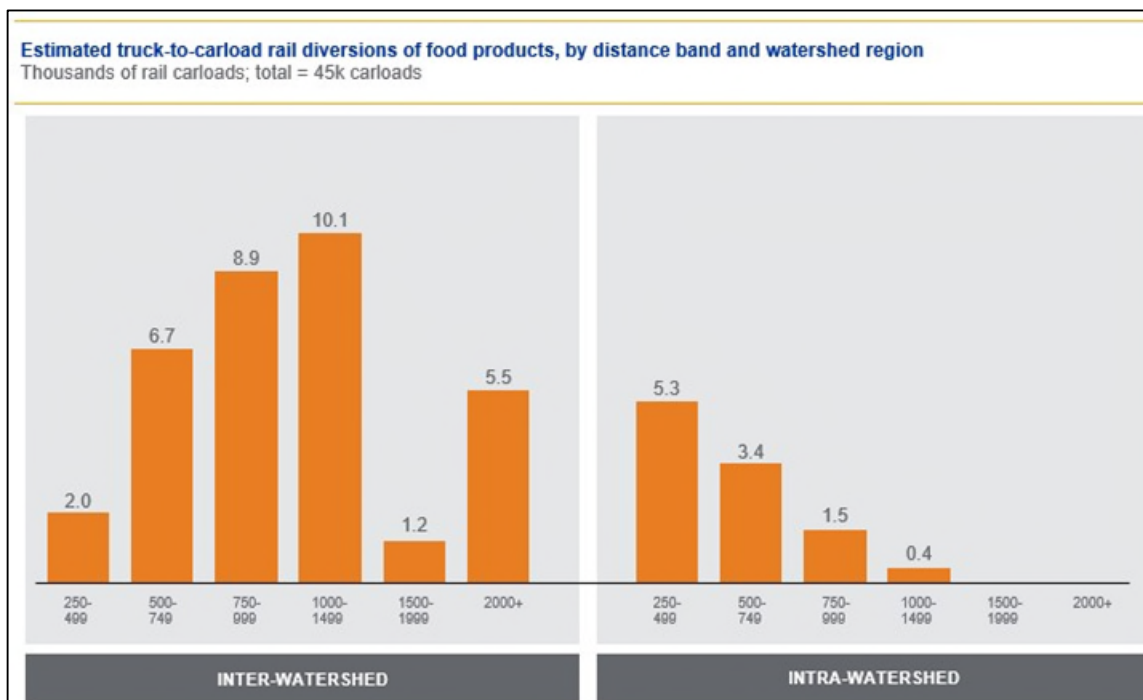
¹⁷ Hunt VS at Exhibit 4-12.

Figure 14¹⁸
Chemical Watershed Growth Opportunities—31,500 Carloads



¹⁸ Hunt VS at Exhibit B-55.

Figure 15¹⁹
Food Products Watershed Growth Opportunities—45,000 Carloads



75. Moreover, the benefits of opening the watershed markets don't stop with our network or our customers—they extend to the states themselves. By taking over 2 million truckloads off the highways, this merger delivers real, measurable gains.²⁰ Fewer trucks mean less congestion, lower emissions, and safer roads for the people who live and work in these regions.

76. We believe that customers in the watershed markets want to move by rail. We believe they value our efficiency, safety, and sustainability. All they need is a rail partner who can provide a commitment for the entirety of their service and live up to that commitment, from start to finish. And a seamless, transcontinental rail

¹⁹ Hunt VS at Exhibit B-54.

²⁰ Hunt VS at Exhibit 2-5.

network would do more than improve freight flow—it would strengthen the entire manufacturing base. It would give producers in these watershed markets the dependable, cost-efficient logistics they need to compete globally, while supporting efforts to bring manufacturing back home.

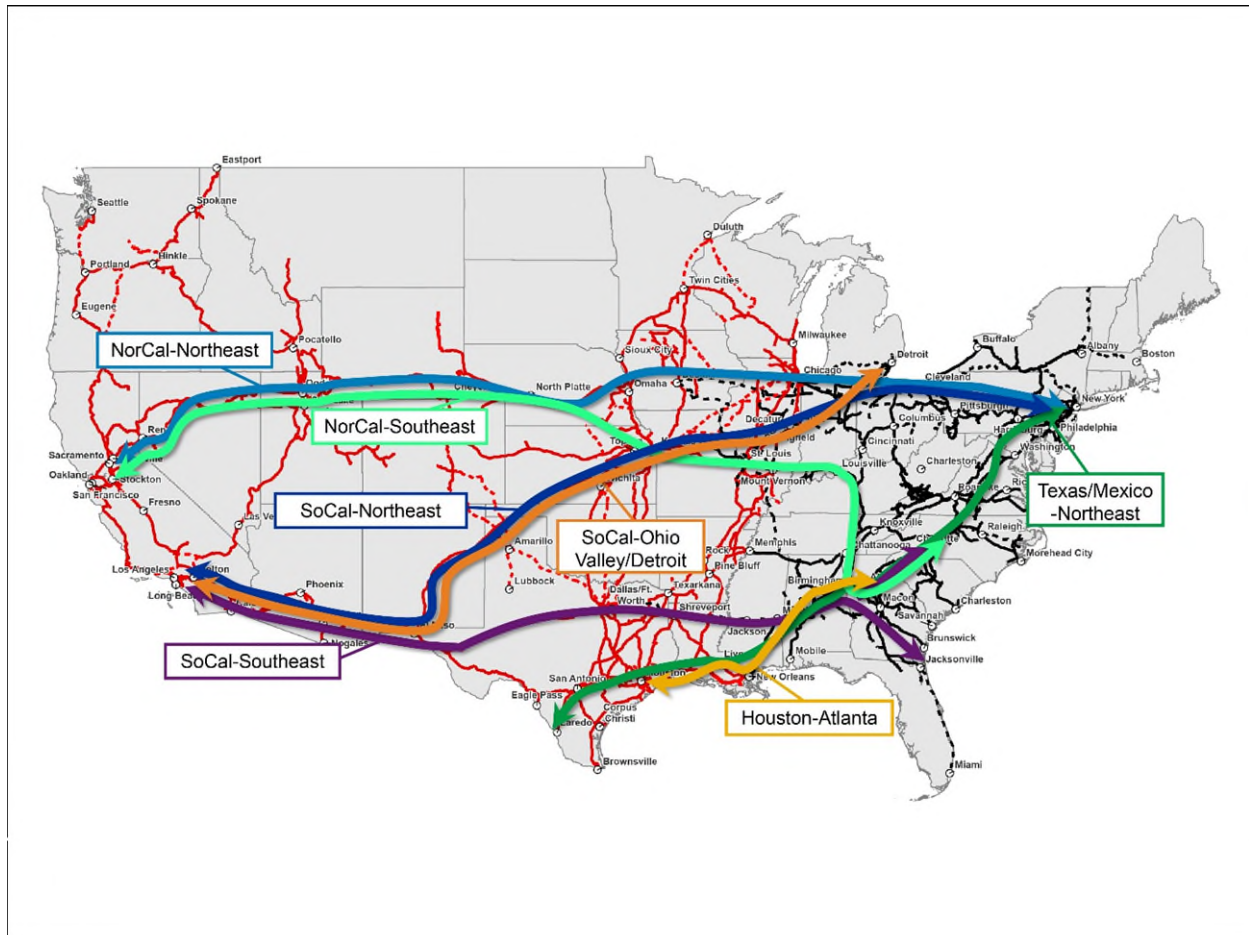
4. Benefits by Commodity & Industry Segment

77. The benefits of this merger are not just to businesses shipping to and from the Watershed markets—the benefits will reshape the playing field for customers across the entire country. The combined UP/NS network will give customers from coast to coast a single, integrated system that touches almost every major population center, every major port, and every major industrial region in America. No matter what customers ship—from cars to chemicals to food and beyond—this merger will create a nationwide footprint that unlocks new opportunities and delivers solutions that customers want.

a. Intermodal

78. Intermodal has historically been rail's fastest-growing segment and a serious competitor to long-haul trucking. Customers of consumer goods, e-commerce products, and high-value freight require consistent schedules, reliable service, and connections to major ports and inland hubs. The merger will combine NS's intermodal franchise with UP's extensive western network, creating unmatched scale and coverage to take trucks off America's highways. For example, as shown in Figure 16 below, this integration will generate new transcontinental products that eliminate interchange variability and provide truck-like reliability.

Figure 16
New Intermodal Single-Line Service



79. According to the World Bank Logistics Performance Index (2023), the U.S.’s infrastructure score lags behind Canada, Germany, Japan, and China.²¹ A coast-to-coast integrated railroad is an opportunity to deliver an optimized national intermodal infrastructure that relies more on the efficiency of rail to move large volumes over long distances, leverage the agility of trucking for smaller first-mile connections, and leaves more of our roadways and highways for cars.

²¹ World Bank, *2023 Logistics Performance Index (LPI) — Global Ranking* (Aug. 18, 2025), <https://lpi.worldbank.org/international/global> (see Full LPI Dataset for 2023, “Infrastructure Score” column).

80. The most promising growth opportunities lie in strengthening rail connections between major manufacturing and population centers, particularly along corridors linking Texas to the Southeast and Northeast. In addition, eliminating rubber-tire interchanges in Chicago will provide the speed and consistency needed to compete effectively with trucking on routes from Southern California to the Northeast. And expanding single-line services into the Upper Midwest—with direct rail connections from Southern California and Texas to key destinations such as Cincinnati, Columbus, Toledo, and Detroit—will reduce highway congestion and create more efficient, lower-cost supply chains.

81. Since presenting our growth forecasts in the original Application, we have heard from many stakeholders who share our excitement about the opportunities ahead. We have also heard questions about whether we and our intermodal marketing company partners will have the capacity to support our projected 1.3 million incremental loads of domestic intermodal traffic. The answer is yes. The projected growth is realistic, supported by existing capacity, and backed by the demonstrated capability and our commitment to expand to meet demand. Currently, the domestic 53' container fleet has sufficient excess capacity to accommodate our projected growth. We estimate there are approximately 373,000 domestic 53' containers in service today. This fleet reflects years of sustained investment by railroads and private partners—investment that accelerated in anticipation of post-pandemic intermodal growth. As post-pandemic growth plateaued, that investment left a national container fleet that is now underutilized

and available to support the growth that this merger promises. While precise figures are not publicly available, multiple data points, including public statements from J.B. Hunt and our own experience at UP and NS, indicate that approximately 13% of the container fleet is idle.

Table 2
Average Effective Trailing Equipment Usage, 2025 Q4 Average²²

Fleet	Fleet Size	Average Active	Capacity	Average Idle
UP-Owned	46,272	40,106	13.0%	6,166
JB Hunt	124,838	107,617	14.0%	17,221
NS-Owned	17,360	15,861	8.6%	1,499

82. Applying a 13% idle rate to the approximately 373,000 domestic container fleet implies roughly 48,000 idle containers. And using a conservative assumption of 1.7 turns per month,²³ that level of idle equipment translates into approximately 989,196 loads of annual capacity. That idle equipment figure exceeds the intermodal growth projected for the first two years following the transaction.

83. And these levels of underutilization are conservative. The figures above reflect only containers in storage and do not capture additional underutilization from equipment that is active but waiting on loads and thus could be making more turns.

²² See J.B. Hunt Year End Earnings (December 31, 2025), [https://urldefense.com/v3/__https://www.jbhunt.com/content/dam/jbhunt/jbh/investor-relations/documents/earnings-releases/Q4-2025-Earnings-Release-with-schdeules.pdf__;!!Omh0IfYXnA!16qnT8sX2P4xmMhOmAem8cB_cSrxLNgcQ4e257M81VtoRZUoreLDviXxu4VPQIrBysiPDRWm2VmDKok\\$](https://urldefense.com/v3/__https://www.jbhunt.com/content/dam/jbhunt/jbh/investor-relations/documents/earnings-releases/Q4-2025-Earnings-Release-with-schdeules.pdf__;!!Omh0IfYXnA!16qnT8sX2P4xmMhOmAem8cB_cSrxLNgcQ4e257M81VtoRZUoreLDviXxu4VPQIrBysiPDRWm2VmDKok$).

²³ Drawing conservatively from JB Hunt data, 551,302 intermodal loads for Q4 2025 divided by an average active container usage of 107,617 containers over a 3 month period results in 1.7 turns per month.

Moreover, the combined UP/NS network will create extra capacity by using equipment in faster, more efficient, single-line service.

84. In sum, we firmly believe, based on available data, that there is enough latent domestic 53' container capacity to absorb all of the projected 1.3 million loads of merger-related intermodal growth, even before accounting for any additional investment. And other industry participants have recognized this as well. As STG Logistics recently explained, "from a container and chassis perspective, intermodal capacity across the industry is robust. There is more than enough equipment available today to support an incremental one to two million additional shipments."²⁴

85. At the same time, we recognize the practical limits of existing capacity. Certain providers may reserve buffer capacity for their own operations. In addition, market forces independent of this transaction may tighten available capacity over time. Demand for domestic intermodal service can also increase rapidly with shifts in truckload pricing, driver availability, or changes in shipper routing strategies.

86. We also expect a competitive response to our merger. A more efficient and effective combined UP/NS network will prompt both trucking providers and competing railroads to respond with improved service offerings and pricing. That is a feature, not a flaw. These responses are likely to open new intermodal

²⁴ Gary Ahlstrom, *Intermodal in 2026: Capacity, Consistency, and Confidence in an Uncertain Market*, STG Logistics (Dec. 16, 2025), https://www.stgusa.com/news-notices/intermodal-in-2026-capacity-consistency-and-confidence-in-an-uncertain-market/?utm_source=chatgpt.com.

opportunities, attract additional freight to rail, and increase overall demand for intermodal service.

87. If existing latent equipment capacity proves insufficient, we and our IMC partners will invest to support market demand. The data show that intermodal industry participants invest when utilization supports it, and they have done so through every prior growth cycle.

Table 3
U.S. Domestic Dry Van Container Fleet Growth (2012–2026)²⁵

US Dry Van Fleet (000s)			
Year	Private	Rail	Total
2012	121	66	187
2013	133	68	201
2014	144	68	212
2015	151	80	231
2016	160	90	250
2017	168	88	256
2018	179	88	267
2019	195	94	289
2020	199	97	296
2021	208	95	303
2022	244	93	337
2023	285	91	376
2024	290	87	376
2025	283	85	368
2026	290	83	373

88. Union Pacific and Norfolk Southern have a strong track record of direct investment in domestic intermodal containers to support customer demand, and that will not change. We have already engaged with key partners, including partners such

²⁵ See Hunt VS Workpapers “IID+IAC_Total US Dry Van Fleet.xlsx” and “Intermodal In-Depth_IID-2021-04.pdf”.

as Hub Group, who have confirmed their willingness to invest alongside us to support the projected intermodal growth opportunities. If current excess equipment capacity proves insufficient to sustain the exciting growth opportunities predicted from this merger, we will invest in equipment—just as we will invest in rail infrastructure—to ensure we have the capacity to meet customer demand.

b. Agriculture

89. Efficient rail transportation is critical to our agriculture customers, as rail moves massive volumes of grain, oilseeds, and related products to both domestic and global markets. Across the U.S., 1.88 million farms support 8,000 off-farm facilities (elevators) that manage storage and transportation for today’s global farm economy.²⁶ The majority of these farms and elevators sit in the nation’s heartland. Iowa leads with 820 off-farm storage facilities and 2.05 billion bushels of on-farm storage, followed closely by Illinois, Minnesota, Nebraska, and Kansas.²⁷

90. These farmers, processors, and exporters need dependable access to inland elevators, feed mills, and export ports on both coasts and the Gulf. Today, gateway barriers and interchange delays limit options and add cost, making U.S. agriculture less competitive internationally. The merger will remove those barriers, creating seamless single-line access to markets and expanding port options east and

²⁶ See U.S. Dep’t of Agric., Econ. Research Serv., *Farming and Farm Income* (updated 2024), <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/farming-and-farm-income/>; U.S. Dep’t of Agric., Nat’l Agric. Stat. Serv., *Grain Stocks* (Jan. 2025), https://www.nass.usda.gov/Publications/Todays_Reports/reports/grst0125.pdf.

²⁷ See U.S. Dep’t of Agric., Nat’l Agric. Stat. Serv., *Grain Stocks* (Jan. 2025), https://www.nass.usda.gov/Publications/Todays_Reports/reports/grst0125.pdf.

west of the Mississippi. Examples include soybean meal shipments from western crush plants to East Coast markets, and grain exports from eastern elevators to Gulf Coast ports.

91. Behind those statistics are real people working every day to feed the country and keep their local economies alive. The 1.88 million farms²⁸ across the United States, along with thousands of off-farm storage facilities, represent families, co-ops, and small businesses that depend on efficient transportation to make a living. When I (Kenny Rocker) visited Landus Cooperative, a farmer-owned co-op based in Des Moines, I saw that reality firsthand. With 5,500 farmer-owners working to serve over 34 states nationally and 16 countries across the globe, Landus shows how much rail service matters.²⁹

92. Landus is investing in new technology and smarter operations to compete on the world stage. They rely on strong rail connections to make that possible. They also face the same rural workforce challenges seen across the Midwest. Better market access through expanded rail service can help create jobs and keep small towns strong. As Landus noted in its support letter of this merger:

“Our company depends on efficient, reliable, and cost-effective rail service to meet the needs of our customers and ensure the safe, timely delivery of our products across the country. [At] Landus, we transport grains and feed ingredients to markets nationwide and across North America. The American freight rail network is a critical component of our supply chain, allowing us to move large

²⁸ See U.S. Dep’t of Agric., Econ. Research Serv., *Farming and Farm Income* (updated 2024), <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/farming-and-farm-income/>.

²⁹ Landus, Home Page (last visited Dec. 10, 2025), <https://www.landus.ag/>.

volumes efficiently and sustainably. We understand the importance of rail to our employees, our products, and our national economy. We also understand firsthand how these rail networks need new investments, and new commitments for growth and innovation, so that Landus Cooperative has a bright future.”³⁰

93. The biggest win for agriculture is choice. Farming is never static—weather, markets, and world events can change overnight. A transcontinental rail network will give the ag industry more options when those changes come. It would enable grain, wheat, and feed products to move more efficiently from the Midwest to mills and feed markets in the Southeast and East. It would open up new lanes for ethanol to reach the Gulf, West Coast, and East Coast, and for renewable diesel and other clean-fuel projects to grow with confidence. Seamlessly connecting over 50,000 route miles across 43 states and linking approximately 100 ports and nearly every corner of North America will provide farmers and co-ops like Landus greater flexibility to adapt, compete, and win.

94. Across the country, cooperatives and processors realize the opportunities ahead. Those in support serve nearly eight hundred ninety thousand (890,000) independent farmers who are ready to grow with us.³¹

c. Food

95. The food and beverage sector is highly sensitive to transit times and reliability, as perishable goods such as produce depend on tight supply chains. Customers in this industry need speed, equipment, and consistent delivery windows

³⁰ See Am. App., Vol. 3, Landus Support Letter.

³¹ See Workpaper “Cooperative & Processor Support Letters 11.20.2025.xlsx.”

to prevent spoilage and meet retail demand. Today, interchange delays add time and variability that make many food products noncompetitive on rail for long-haul moves. The merger will reduce transit times and eliminate interchanges, creating new opportunities for rail to serve long-distance food shipments.

96. The food industry will also see some exciting new opportunities as a result of the merger. Huge growing regions in the West—from California and Idaho to Oregon and Washington—supply millions of consumers in the East. Every day, rail helps move potatoes, frozen fries, onions, canned goods, and other food products from farms and processors to grocery shelves and restaurant kitchens across the country. A seamless, integrated railroad will make that journey faster, more reliable, and more cost-effective. It will also expand options for moving frozen proteins from the Midwest and Arkansas to major population centers in the East. More direct, efficient rail routes will give producers and distributors the flexibility they need to meet shifting U.S. demand.

d. Chemicals

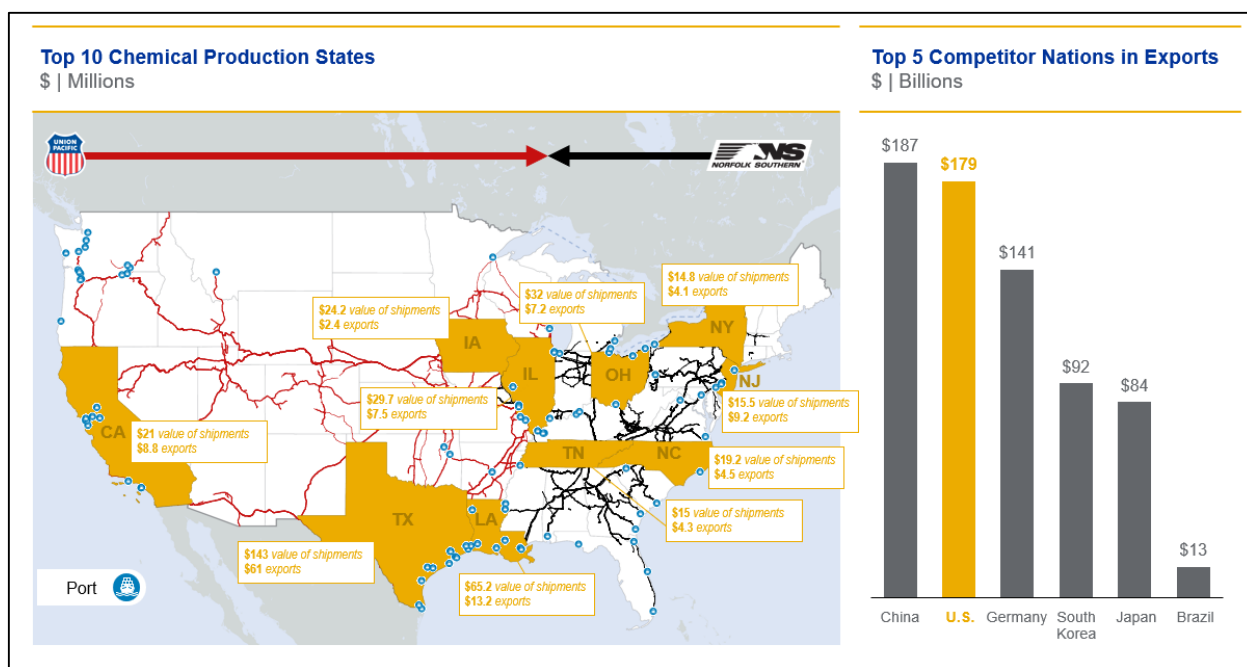
97. The American chemical industry is one of the great engines of national strength—a foundation of manufacturing, trade, and innovation that reaches into nearly every part of modern life. The combined network of UP and NS would create single-line service linking the nation's largest chemical production centers with export terminals and manufacturing hubs. This unified network would connect approximately 100 ports across North America, giving chemical producers greater reach with fewer handoffs, faster transit times, and more dependable delivery.

98. The chemical industry along the Gulf Coast—modern U.S. manufacturing success story—will particularly benefit from this merger. It is a region where energy, innovation, and logistics came together to make the United States the world’s low-cost producer of key industrial materials. From Houston and Baton Rouge to Lake Charles and Corpus Christi, American chemical companies have invested billions of dollars in new and expanded facilities over the past decade. And Gulf Coast petrochemical production has surged, powered by America’s advantage in low-cost natural gas feedstocks. And UP has invested hundreds of millions of dollars in Gulf infrastructure; it now serves more receivers and packaging facilities than any other carrier. Major new projects such as Chevron Phillips Chemical’s expansion in Orange, Texas, and Dow’s new Poly 7 facility in Freeport, Texas, will add billions of pounds of capacity, all dependent on efficient rail access.

99. But the geography of this industry results in it being uniquely impacted by a fragmented rail network. Many chemical producers or customers in this region are located squarely in, or adjacent to, the “watershed markets”—*i.e.*, the manufacturing and agricultural heart of the country that lies within roughly 250 miles of major gateways such as Chicago, St. Louis, Memphis, and New Orleans. This is where the artificial East-West divide impedes effective rail service. As a result, these chemical customers face inefficiencies from interchange that result in costly delays or, in some cases, no effective rail service at all. Underserved by rail, many of these facilities have the capacity to expand and compete globally but are limited by the lack of a seamless, direct rail service option.

100. The unified network will change that. Not only will it open new inland markets, it will give producers within and adjacent to the watershed new, more efficient access to coastal ports and export lanes, extending America’s chemical reach in both directions and improving American chemical companies’ global competitiveness.

Figure 17³²
Improving U.S. Chemical Global Competitiveness



101. Knocking down these watershed barriers will not only open new markets, but provide new opportunities to convert to lower-cost rail where truck has historically been viewed as the only option. As noted above, we are projecting over 44,000 carloads of chemicals and related products will be converted from truck to

³² American Chemistry Council, *2023 Guide to the Business of Chemistry*, p. 48, Table 6.3 (global); *id.* at 96, Table 14-1 (states).

single-line rail service to and from (or over) the entire watershed region as a result of this transaction, providing significant cost savings to these customers.³³

102. But this is more than just unifying two networks and addressing the watershed problem, this combination is about giving chemical customers faster transit times, fewer handoffs, and in some cases, fewer miles traveled. While the anticipated network fluidity improvements will benefit all of our customers, it will have an outsized benefit for chemical manufacturers who choose to use our services in three key ways.

103. First, improved service performance will enable more efficient railcar utilization. Chemical customers lease and own some of the most expensive railway equipment in the North American fleet. The dependability improvements discussed above will translate into shorter transit times, providing a unique opportunity for customers to adjust their fleet sizes to the new operating environment we will create. Smaller fleets mean less depreciation, lease costs, storage costs, and maintenance costs, all of which will benefit the customers who use these types of fleets.

104. Second, operational improvements will translate into tighter inventories and quicker market access. Chemical customers ship some of the most expensive commodities on the rails. With the reductions in handlings and variability that will result from the merger, chemical customers will have an opportunity to reduce their inventories, which will improve service for the entire supply chain. Time is money, and, in this case, a reduction in cycle time for chemical customers will create a unique

³³ Hunt VS at Exhibit B-55.

opportunity to reduce the production-to-cash-collection cycle time. Getting to markets faster not only saves money, it will create competitive advantage for chemical customers choosing our unified network.

105. Third, and most importantly, the operating improvements of the merger will offer chemical customers a safer journey. The unified network will significantly reduce the number of handlings required to move chemical shipments, eliminating interchange points and intermediate switching. Fewer transitions and, in some cases, fewer miles, mean less risk, especially for the most hazardous commodities. And competing away chemical traffic from the highways to rail will further strengthen safety.

106. In sum, a faster, stronger rail network does not just mean better service; it means lower costs, higher asset utilization, improved safety, and a more competitive American chemical industry worldwide.

e. Forest Products

107. Forest products—including lumber, paper, and packaging—are vital to construction, housing, and consumer goods supply chains. These are highly cost-sensitive products that depend on efficient long-haul rail service to remain competitive. Currently, routing inefficiencies and interchange add costs that restrict access to distant markets. The merger will create new single-line lanes that will reduce costs and improve market reach for lumber customers.

108. The biggest benefits for shippers of forest products will come from expanded reach into fast-growing regions where trucks currently dominate. An example would be Southern Yellow Pine, which thrives south of the Mason-Dixon line

and east of the Great Plains, where its strength, density, and malleability make it one of the chief sources of softwood products in the United States. Shipped by centerbeam railcars—each capable of hauling roughly 205,000 pounds, or enough framing lumber to build seven homes—Southern Yellow Pine moves more economically and sustainably by rail than by truck. The efficient, long-haul rail access that this merger will offer will enable this product to reach growing construction markets in Texas and the Southwest. And beyond this example, the merger’s new single-line routes will expand forest products’ market reach, reducing costs and helping these customers compete effectively in fast-growing, truck-dominated regions.

f. Coal

109. Coal continues to play an important role in U.S. energy production and export markets, requiring reliable transportation from coal fields to utilities and ports. Energy producers and utilities need consistent, cost-effective supply chains to keep plants running efficiently. Today, the nation’s coal flows are largely regional in nature—what is mined in the West tends to stay in the West, and what is mined in the East typically stays in the East. Western coal primarily serves utilities and export terminals west of the Mississippi River, while eastern coal supplies power plants, industries, and export markets across the eastern half of the country. This is largely market driven, but it is also a reflection of the artificial friction created by the need to navigate two separate rail networks and interchange at major gateways such as Chicago, Memphis, St. Louis, or New Orleans.

110. While powerful market forces will always influence where coal is mined and shipped, this merger is about expanding what is possible. The U.S. is experiencing skyrocketing demand for energy with the AI revolution. A merged UP/NS railroad would create a single, seamless network that can unlock new routing options for coal and improve efficiency across the entire energy supply chain. Imagine Western coal moving directly to eastern utilities without delays at interchange points, or coal from the eastern Appalachian region reaching new export outlets in the West. The most exciting opportunities for coal customers from this merger lie in these new, unbroken single-line corridors—where western coal can move deeper into eastern markets and vice versa.

g. Metals

111. The metals industry underpins construction, automotive, and manufacturing supply chains. Metals customers require efficient flows of raw materials like scrap into mills, and reliable distribution of finished products into growth regions. Current interchange barriers constrain geographic reach and add unnecessary costs. The largest gains in metals will come from new access to high-growth regions where customers need both raw material inputs and distribution of finished products.

Figure 18³⁴
Top-15 Primary Metal Growth Opportunities

Top Primary metal state-to-state diversions Carloads; total = 17K			
LANE	DIVERSIONS	ORIGIN STATE	DIVERSIONS
OH-TX	2,000	OH	5,100
CA-OH	1,200	IN	3,500
AL-TX	1,100	AL	2,600
IN-TX	1,000	IL	1,300
CA-IL	1,000	PA	800
IN-MN	500	SC	500
AL-LA	500	TX	500
OH-OK	500	MI	400
CA-IN	400	TN	300
PA-TX	400	KY	300
IN-NE	300	VA	300
AL-IL	300	MS	100
OH-WA	300	UT	100
AL-CA	300	WI	100
NE-OH	300	AZ	100
TOP-15 TOTAL		TOP-15 TOTAL	16,000
% OF TOTAL DIVERSIONS		% OF TOTAL DIVERSIONS	94%

5. Benefits to Our Short Line Partners

112. For both UP and NS, our short line partners play a pivotal role in our success, offering customized solutions and expanding the reach of the national freight network. Customers clearly value their service offerings, as short lines' volumes have grown faster than those of UP or NS. These local and regional railroads—180 connecting to the UP Railroad and 252 connecting to the NS Railway—are the first and last mile for our customers, connecting farms, factories, and distribution centers directly to the Class I main lines. Short lines will remain a critical part of our

³⁴ See Hunt VS at Exhibit B-56.

commercial and operating strategy, and we will continue to commit the resources needed to ensure a strong engagement with our short line partners.

113. The greatest benefits for short lines that connect with the new merged network will be access to a single nationwide railroad with one point of accountability. UP and NS both have strong commercial teams working with the short line community, and we expect to adopt the best practices of each to ensure a best-in-class experience and engagement with our short line partners. This will provide streamlined, one-stop shopping for pricing, service, equipment, information services, etc. Further, much of this transaction will open up new watershed markets (discussed above) for the UP and NS; so too will opportunity be afforded to short lines, especially those with service in the heartland, unlocking new markets and truck-to-rail diversion opportunities.

114. As the combined Class I network creates new single-line routes, opens competitive markets, and streamlines service, short lines will see new business flow directly onto their rails. Every new carload represents not just volume for the network, but investment and job creation in the communities short lines serve.

115. In the end, this merger isn't just about two Class I railroads getting stronger, it's about making the whole rail ecosystem stronger. When interchange is easier, service is faster, and reliability improves, short lines can compete more effectively, local industries can grow, and customers across the country gain a more responsive, resilient rail option. That's the rising tide we're working toward: one

network, many partners, all pulling together to deliver the service we sold, from the smallest branch line to the longest main line.

6. Benefits to American Industrial Development

116. Every new plant, terminal, and transload facility represents fresh opportunity: new customers, new markets, and new jobs that keep the railroad strong for the long run. Those of us who work directly with customers know how rewarding that process can be. The first visit to a potential site, the handshake that marks a partnership, the satisfaction of seeing the first carload move. Markets shift, and demand from existing customers rises and falls, but the steady flow of new industry keeps railroads thriving. That's why the marketing team is always out there hustling for the next opportunity, the next customer, the next community ready to grow with rail. This work never stops, and it shouldn't. Because helping a community grow, a plant open, or a customer succeed is what makes this job worth doing.

117. A laser focus on industrial development isn't just important to the railroad, it's vital to American prosperity itself. Today, as national policy turns toward bringing American manufacturing back to American soil, reliable, coast-to-coast rail service is more critical than ever.

118. This merger can power that next wave of industrial growth by giving customers new confidence that an interconnected national rail network can deliver the service, consistency, and reach they need to invest and grow. Companies making new siding and expansion decisions are looking for certainty; they need confidence that their chosen location will have access to efficient, consistent, and long-term rail service. Until now, no American railroad could provide that level of seamless national

coverage. The merger will change that by creating a one-stop shop for industrial development across the continental U.S. that would allow companies to plan with a single transportation partner that can connect both coasts, every major port, and the country's industrial heartland. That certainty is what allows investment to move from plans on paper to jobs on the ground.

119. But real, long-term growth rests on trust. We have to convince the customer before they invest that we can deliver the seamless transportation they need. An existing customer might take a chance on rail, testing how we perform. But for a new investor to commit capital to build a plant, warehouse, or transload facility, that trust must be backed by a network that can deliver exactly what it promises. A fractured rail network, split down the middle of the country, simply can't offer the same credibility or confidence that a true transcontinental railroad could offer.

120. We are therefore very excited about the opportunities for accelerating industry growth this transaction will bring. A unified national network would create the scale and connectivity to support meaningful new industrial investment across America.

B. Investment: The Huge Bet on the American Economy

1. Current Challenge

121. Growth is not just about improving service, it's about making the investments needed to sustain and scale that growth. As we both emphasized in our testimony before the Surface Transportation Board in 2024, better service must be matched by investments that ensure that capacity and infrastructure can keep pace

with rising demand.³⁵ Delivering the service we sold takes more than operational excellence; it requires the foresight to invest ahead of the market. That's how we earn the confidence of customers who are betting their own capital on long-term transportation solutions.

122. Today, those investments are made separately by eastern and western carriers, limiting scale and duplicating effort. Fragmented investment divides resources, delays innovation, and makes it harder for us to compete with the scale and scope of trucking and highway infrastructure. While highways benefited long ago from unified national planning and funding, railroads have been left to optimize within their own networks, even when customers need solutions that cross both. That divide constrains growth and weakens our ability to compete in national corridors.

123. Others will speak in more detail about the operating plan and the near-term planned capital investments required to support immediate growth. From a marketing perspective, we want to focus on how this merger will align incentives for smarter, more strategic investment—the kind that supports our second pillar of long-term growth.

2. Merger Benefits for Investment

124. Railroads build for the long term, building for decades, sometimes centuries. The merger between UP and NS would represent an \$85 billion investment

³⁵ Sept. 16, 2024, Transcript, Hearing on Growth in the Freight Rail Industry, EP 775, at 97-106, *available at* https://www.stb.gov/wp-content/uploads/Growth-hearing-transcripts_12162024.pdf; Sept. 17, 2024, Transcript, Hearing on Growth in the Freight Rail Industry, EP 775, at 532-41, *available at* https://www.stb.gov/wp-content/uploads/Growth-hearing-transcripts_12172024.pdf.

in the American economy, but, more than that, it would be a show of faith in where this country is headed. The last time we saw this kind of national-scale transportation investment was when President Eisenhower built the Interstate Highway System, a public project that created the modern trucking industry. Just as those highways reshaped commerce in the last century, this merger will reshape it in the next by creating a privately funded rail alternative that can stand toe-to-toe with trucking. It's a big idea. But at its heart, it's a simple idea: keep America connected and keep freight moving.

125. From a marketing perspective, the true potential of this transaction lies in the long-term alignment of incentives to invest. Near-term capital investments will be made, as needed, to capture the immediate growth that improved service creates. But from our perspective, the long-term possibilities are far greater. For the first time, an investment in Pittsburgh could support growth in Portland, and a project at a Gulf Coast plant could unlock markets on the Atlantic seaboard. The combined network would think and invest as one organic system, ensuring that every investment decision serves customers and markets nationwide. When we remove the boundaries that have divided rail for more than a century, we open the door to growth that is national in scale and generational in impact.

126. That potential is limited only by our imagination. Imagine a Gulf Coast chemical processing plant that ships intermediate products to a New York hub for final blending before East Coast distribution. New demand forecasts could trigger rail investments to expand capacity in the Southwest, enabling a single consistent

rate and transit promise all the way into the Northeast. For the first time, these kinds of opportunities could be built, priced, and marketed end-to-end rather than pieced together across disconnected systems. If a customer brings us a plan that requires capital investment in one region to enable growth in another, we are finally in a position to support that growth with a unified transportation and capital plan.

127. Both UP and NS have a long and proven record of private investment in their networks. Over the past decade, the two companies have reinvested billions of dollars to modernize track, expand terminals, upgrade yards, modernize locomotives, add railcars, and deploy new technology to better serve our customers. No other industry in America matches rail's record of private reinvestment in national infrastructure.

128. Our history of massive capital investment shows that this industry can be trusted to align incentives, pursue marketing opportunities, and make smart, integrated investments for our customers across a unified national network.

C. Innovation: Tech-Enabled Customer Experience

1. Current Challenge

129. In our modern transportation networks, innovation is the next great differentiator—the bridge between operational excellence and the customer experience we promise to deliver.

130. Others will speak in detail about the tech integration the combined company will undertake to unite systems and streamline processes. From a marketing perspective, we want to highlight how this merger will advance the third pillar of growth: technology and innovation.

2. Merger Benefits for Innovation

131. A rail customer's experience spans three core actions: Shop, Ship, and Pay. Customers need to find us, complete their transaction, and settle accounts efficiently.

132. **Accelerated Shopping:** The merger would enable an accelerated shopping experience, allowing customers to compare, price, and book rail service faster than ever before—mirroring the simplicity and speed of trucking and logistics platforms. Updated transit time logic and predictive analytics would shorten decision-making cycles and help customers plan smarter. Integrated digital tools would empower customers to identify the most efficient and cost-effective routing options, reducing friction and aligning rail with the pace of modern supply chain management.

133. **Advanced Shipment Management:** The combined network will unlock advanced customer visibility, providing end-to-end transparency and control. We will consolidate critical applications into one intuitive platform, giving customers a single view of their rail shipments. The integrated system will provide management tools alerting customers to potential issues before they become disruptions, which will enable customers to efficiently and confidently manage their supply chains. Customers will further benefit from GPS-enabled devices, such as RailPulse, that unlock even more insights and visibility. This level of clarity and integration will elevate the rail customer experience to a standard that customers expect from leading logistics providers.

134. **Streamlined Ease of Doing Business:** The merger would create a single digital experience that delivers true streamlined ease of doing business across the national network. Customers would enjoy a seamless, truck-like digital journey that extends across the entire combined system—one contract, one set of rules, one invoice, and one customer portal simplifying every transaction. Optimized workflows and proactive issue-resolution tools would minimize administrative effort, reduce downtime, and speed service recovery. What once required multiple touchpoints and manual coordination would instead happen seamlessly, with a single point of accountability.

135. Together, these advancements would redefine what it means to ship by rail. The combined UP and NS network would deliver a modern, tech-enabled shipping experience that simplifies doing business, provides unprecedented visibility, and accelerates the way customers buy and use our rail service. The result would be a digital platform that makes our merged rail services not just cost-competitive, but fully service-competitive with trucking.

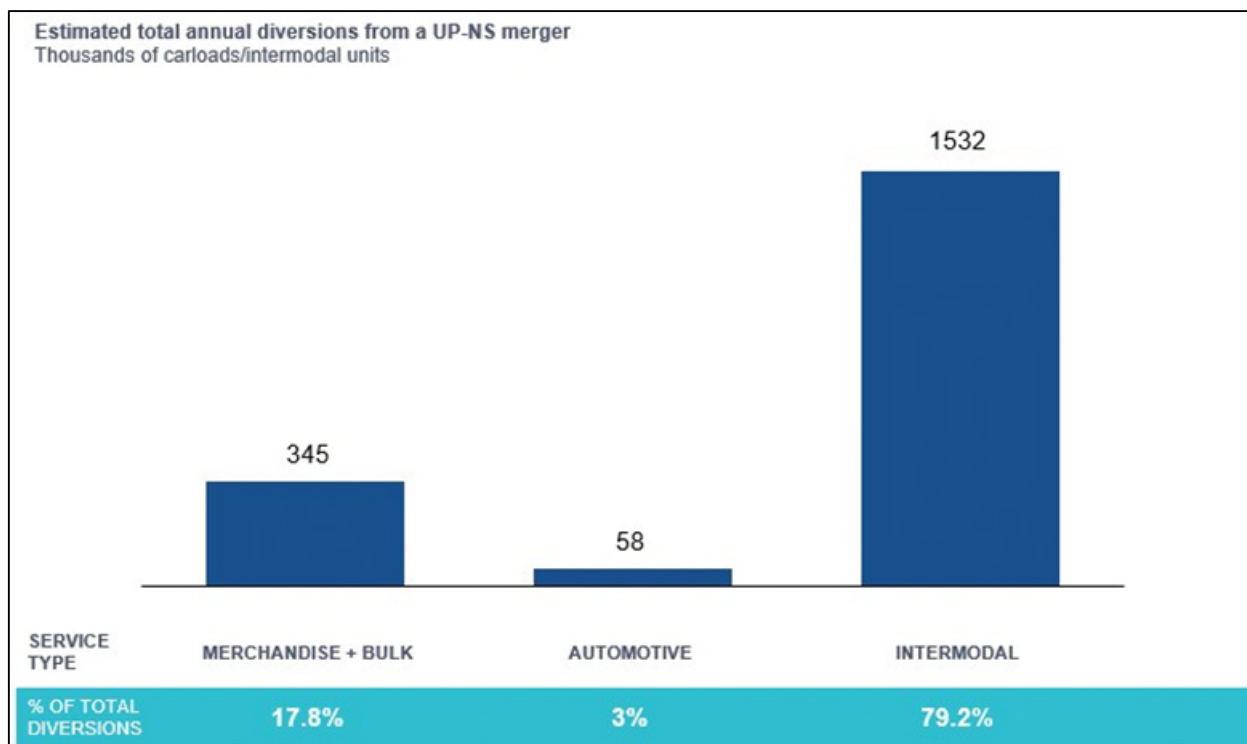
D. Growth: Unlocking Our Full Potential

136. A true, integrated transcontinental railroad will create significant opportunities for growth by executing on the three pillars we have discussed throughout this statement: service, investment, and innovation. When all three come together across a unified, transcontinental network, the growth potential will be unlike anything the rail industry has seen in generations.

137. We asked Oliver Wyman to conduct a rigorous, data-driven analysis of traffic flows, diversion potential, and customer demand. Their work combined

detailed network modeling with a rich dataset on market opportunities (TranSearch) to evaluate what a truly unified national rail system could deliver.

Figure 19³⁶
Total Quantifiable Growth Potential



138. These growth models developed by Oliver Wyman are more than just numbers on a page or a technical, table-top data analysis. They reflect months of close work between Oliver Wyman and our marketing teams in intermodal, chemicals, automotive, agriculture, and other key markets. Our people brought their real-world experience to the table to test what the data showed against what they know is actually possible. These teams, who report to us, contributed decades of specialized knowledge about growth opportunities that come from offering single-line service

³⁶ See Hunt VS at Exhibit 2-4.

across America’s heartland. While it’s not practical to check every lane by hand, the work was detailed, thoughtful, and guided by seasoned marketing professionals. The result is a set of growth analyses that we believe are both realistic and well supported.

139. We understand that the STB’s rules ask Applicants to forecast not only the growth expected from this transaction but also the timing of those traffic gains over the first three years. We have done our best to provide both, but it is important to keep in mind that modeling is not an exact science. Our models simply reflect what we believe this unified network can achieve when given the chance to perform. And it is always risky to predict both what will happen and when it will happen. With those caveats made clear, the table below outlines our three-year projected modeling, reflecting what we believe are realistic expectations grounded in current demand trends and supported by meaningful operational improvements.

Table 4
Timing of Achieving Anticipated Traffic Gains

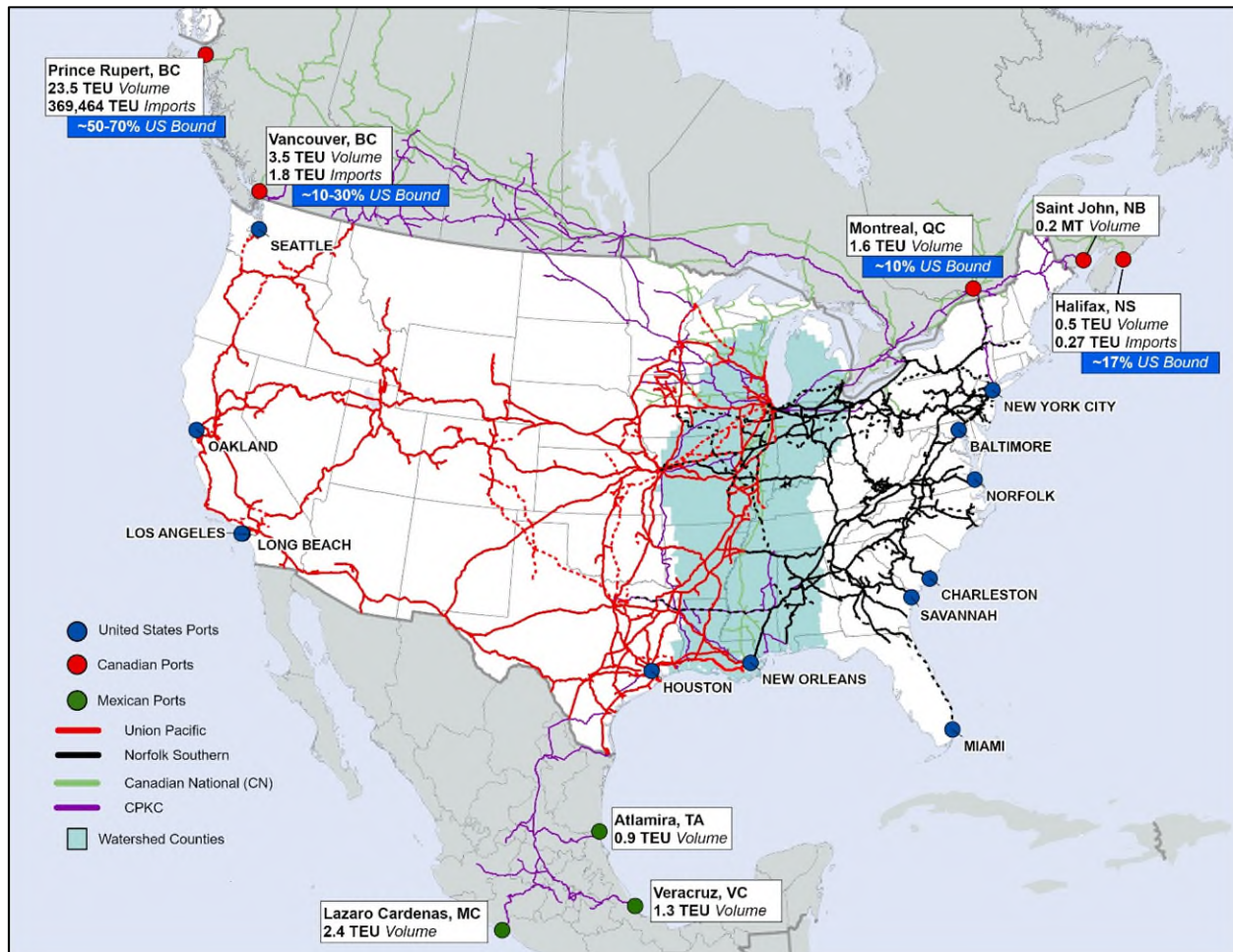
Type	Year 1	Year 2	Year 3
Intermodal (growth)	40%	70%	100%
Intermodal (from truck)	40%	70%	100%
General merch (growth)	40%	70%	100%
General merch (from truck)	40%	70%	100%
Autos	40%	70%	100%
Bulk (specific opportunities)	40%	70%	100%

140. We’ve been around this business a long time and we’ve seen a lot of forecasts. The consultants do good work, they’re careful, and they’re thorough. And our marketing teams vetted those analyses thoroughly. But they have to stick to what

the numbers can prove. We strongly believe that the true growth potential here goes well beyond what can be modeled on paper. Once customers see a single-line, coast-to-coast service that's faster and stronger, we believe the growth will come faster than any spreadsheet can predict.

141. As one example, we see big potential around the ports and in global trade. The merged UP/NS railroad would connect seamlessly with approximately 100 U.S. ports, giving customers more options than ever before. Whether it's containers moving inland or exports heading to the coast, we will be able to handle that business faster and more efficiently than anyone else. And as manufacturing comes back to the U.S. and companies adjust supply chains, this unified network will put us in the right place at the right time. Freight that might have moved through Canadian or Mexican ports will now have a stronger reason to stay here at home—moving through U.S. ports served by a truly national rail system. That will be good for our customers, our ports, and American jobs.

Figure 20³⁷
Making U.S. Ports More Competitive with Improved
U.S. Single-Line Service Through the American Heartland



142. So while the Oliver Wyman models tell you what can be measured over the next few years, this merger isn't about the next two or three years, or the next decade—it's about the next century. It's about building something lasting for future generations. Still, the findings are clear: when we simplify routing, cut dwell, and give customers faster, more dependable single-line choices, the merged UP/NS would

³⁷ See Workpaper "Rocker-Elkins VS - North America Port Data.xlsx".

become a fiercer competitor to the trucking industry and other Class I carriers who will be forced to elevate their game.

IV. Creating Opportunities, Ensuring Service, and Enhancing Competition: The Path Forward for American Rail

143. Our customers have good questions. Below, we answer three important questions we've heard our customers raise: (1) "Why do you need a merger to make this happen—why can't you just cooperate more?"; (2) "How will you avoid the integration mistakes of past mergers?"; and (3) "Will this merger really enhance competition?" These three questions matter, and the next few sections will address them head-on.

A. Partnerships Simply Cannot Match the Scope of Benefits That Will Be Unlocked with America's First Transcontinental Railroad

144. We believe in cooperation where it makes sense. But experience has shown that joint alliances have built-in limits. The same issues come up time and again, and they make it difficult for customers to get the seamless, dependable service they expect:

- **Different Goals, Different Bottom Lines.** In any partnership, each partner still answers first to its own shareholders and priorities. As long as both sides see a benefit, things run fine. But when conditions change or one railroad's economics shift, the balance breaks down. What helps one partner's business might hurt the other's, and that tension eventually pulls the partnership apart.
- **Hard to Keep Two Railroads on the Same Schedule.** Coordinating two large, complex rail networks is tough. Different systems, operating cultures, and priorities make it hard to move in lockstep. If one side has congestion, weather problems, or crew shortages, the whole partnership feels it. That lack of synchronization frustrates customers who expect one smooth trip, not two disconnected halves.

- **Priorities Change Over Time.** Leaders change, corporate strategies evolve, and markets shift. What started as a strong partnership can lose momentum when one side changes direction or a new competitor alters the landscape. These changes are normal in business—but they make long-term cooperation fragile.
- **Difficult to Coordinate Investments.** Partnerships often stumble when one side wants to invest more than the other. A new siding, yard, or terminal only works if both parties are willing to fund and operate it together. When incentives don't line up, investment stalls, and customers miss out on improvements that could have made the service better.
- **Technology Doesn't Always Line Up.** As railroads modernize, their technology platforms and marketing systems evolve differently. Systems that don't talk to each other create gaps in communication, pricing, and shipment visibility. Customers end up with inconsistent information and slower service when those systems don't mesh.
- **Short-Term by Nature.** Most alliances are built to work “as long as it makes sense.” That means they're inherently temporary. When market conditions, traffic flows, or technologies change, these relationships often fade out quietly. What once looked like a promising collaboration can end simply because both sides found easier paths forward.

145. What customers want instead is a railroad that can turn on a dime, and that cannot happen when every decision requires a negotiation and a contract. A merged company can create a new block of traffic, adjust operating plans, or launch a new service in days, not months. We can respond when a factory comes back onshore, when fuel prices swing, when new export markets open for agriculture, or when a supply chain disruption demands immediate action. Alliances, by contrast, require new negotiations every time something changes. And while lawyers are drafting the contracts, customers lose opportunities.

146. This merger is like creating thousands of alliances at once, but without the limitations that make alliances fragile. Every origin and every destination across

both networks will be connected under one roof, with one plan, one standard of service, and one point of accountability. Instead of stitching together a patchwork of cooperative deals or temporary arrangements, we will be running one unified system that delivers a single, seamless experience for customers.

147. The scale of service improvements that this transaction can offer is staggering: 88,000 county to county lanes where current shippers truck industrial and bulk freight will have an opportunity to ship single-line manifest service.³⁸ That's hundreds of thousands of improved service opportunities—each one representing a business that can ship more competitively, a county that can grow its economy, and a supply chain that can operate more efficiently.

148. That doesn't mean that alliances will disappear. Geography will always matter in rail, and there will still be lanes where cooperation is essential—with CSX, with BNSF, with Canadian carriers. UP's Falcon Premium product is a great example of that. Yet the scale of what's possible here is simply not possible through handshake deals. The scale of what's possible here—hundreds of thousands of lanes, every customer touched—is something only a true merger can deliver.

B. Our Commitment to Seamless Integration

149. Other witnesses with direct experience in the Service Assurance Plan will walk the Board through the elaborate plans and operational steps being developed. The Service Assurance Plan is our playbook for how we will bring these two railroads together while protecting customers from the types of service problems

³⁸ Hunt VS at Exhibit 4-13.

the industry has seen in past mergers, and how we will respond if problems still occur. It addresses how we will plan, implement, monitor, and, if needed, reverse changes during the integration. We want to just highlight the key points of that plan, from our perspective, as a reflection of our commitment to a seamless integration. The Service Assurance Plan focuses on four kinds of change that create the most risk: new operating plans, yard and terminal changes, major IT cutovers, and how customer service is organized.³⁹ On the operating side, we will move in stages. Before any major change goes into effect, it is reviewed by people who run trains, manage crews and locomotives, handle customer orders, and oversee key routes and yards. The change will not launch without their approval. For critical parts of the network that might be affected by integration, such as the Kansas City to Butler line and gateways like Chicago, St. Louis, Memphis, and New Orleans, we have identified backup routes, substitute yards, additional crew bases, at the ready locomotives, and extra car supply so that if a problem flares up in one place, we have preplanned ways to keep freight moving. And if a change does not perform as expected, the plan requires that we be able to roll back to the prior train and blocking pattern or terminal configuration.

150. The Service Assurance Plan also leverages our experience to develop benchmarks to detect emerging issues should they occur. If some of these benchmarks do exceed a carefully determined threshold, UP/NS will activate a special problem resolution team to not only address the issue, but to find the root cause and develop

³⁹ See Am. App., Vol. 2, Service Assurance Plan.

and supervise the execution of plans to ensure problems don't recur. When that team is activated, they will look at what is happening on the ground and use their experience and judgment to deploy buffer resources as appropriate to promptly restore adequate service. During this period, the plan calls for closer internal reporting and direct engagement with the Board's staff until performance is back where it needs to be. With the Service Assurance Plan, our IT integration plan follows the same careful approach. For example, UP's NetControl operating and CADx dispatching systems will be introduced on NS territory in stages, with careful virtual testing and data validation after each step.⁴⁰ Here, too, the plan requires that we remain able to roll back any IT change if we detect a problem, so we will keep legacy systems available long enough to support rollback.

151. Customer service integration is also staged and conservative. At first, each railroad will operate as it does today in its own geography, but with shared visibility into the whole network, shared access to critical shipment information, common incident response and escalation paths, and a single entry point for customers that work with both carriers. Over time, we will move to a single platform for shopping, pricing, onboarding, and case handling, with unified call routing and case management. The plan also provides clear protocols for customers who experience merger related service problems. They can raise concerns through existing customer service, marketing, and operations contacts, by calling our customer

⁴⁰ See Am. App., Vol. 2, Service Assurance Plan, Information Technology Systems Integration Plan.

centers, or by using online portals, where issues are logged, tracked, and escalated for cross network problems. If a customer believes a merger related service problem has caused financial harm and is not satisfied with the response through these channels, the plan offers an optional arbitration process.

152. Taken together, the Service Assurance Plan is a practical, step by step guide for implementing this merger with customers in mind. It relies on staged changes, built in buffers, detailed contingency plans, rigorous monitoring, mandatory rollback features, stands up a dedicated problem resolution team, and offers clear customer protocols. It sets the standard by which customers and the Board should hold us accountable throughout the integration process.

C. A Transcontinental Railroad Will Enhance Competition

153. The final question we hear asks how the transaction will enhance competition. The Ph.D. economists will give you the academic models, which confirm this merger will enhance, and not harm, competition.⁴¹ But we know these markets because we live them. And from where we sit, this transaction is, without a doubt, pro-competitive.

1. This Is an End-to-End Merger of Complementary Networks

154. First, this is a classic “end-to-end” merger. UP and NS are not substitutes for each other. They connect. Each serves a distinct geographic region with complementary networks, customers, and markets. There are virtually no

⁴¹ See Am. App., Vol. 2, Verified Statement of Dr. Mark Israel.

customers who would lose a rail option as a result of this transaction. To the contrary, by eliminating interchange points and combining complementary routes, the merger will expand competitive options for customers in virtually every major corridor—against competitor railroads and trucks. The result is more competition, not less, and a stronger, more efficient national rail system.

155. The merger will also increase product competition by opening up previously unattainable commodity markets for shippers. Product competition is driven by substitution among commodities and inputs in end-use markets. It occurs when a shipper's product competes with other products that serve the same purpose. For example, a utility may own coal-fired power plants served by rail, but it may also own plants fueled by natural gas. Similarly, agricultural markets reflect constant substitution among fertilizer inputs such as anhydrous ammonia, urea, and potash that shift based on chemical prices. Livestock producers adjust feed rations among corn, DDGs, soybean meal, and canola meal depending on feed costs. These substitution dynamics extend beyond energy and agriculture. Some manufacturers can switch between materials, such as paper and plastic or steel and wood. In consumer markets, proteins such as poultry, beef, and fish compete directly.

156. By creating more efficient, single-line routes, the transaction will enable a wider range of commodities to move more efficiently from origin to customer, helping spur head-to-head competition in the marketplace. That will have real benefits. The transaction will enhance the ability of shippers to send their products to markets to compete with other products and the ability of receivers to benefit from

that competition. Coal shippers will have improved access to utilities to compete with natural gas, and utilities will have stronger fuel choice options. The merger will similarly enhance access to markets and access to products for shippers and consumers of fertilizers, feed products, manufactured goods, and consumer goods. By reducing delays and simplifying shipping, the proposed merger will enhance product competition by making it easier for substitute products to reach buyers by rail, and compete on price, quality, and performance with other substitutes.

2. A Transcontinental Railroad Will Itself Enhance Competition

Second, the most transformational enhancement to competition would come from the creation of America's first coast-to-coast transcontinental railroad. As we have described above, the benefits to customers from combining these two networks are massive. As the merged UP/NS railroad offers faster service, better consistency, and stronger reliability—the very things that enable rail to go toe-to-toe with trucks—our Class I competitors will need to do the same in order to compete. We are already seeing a competitive response from other railroads. Following the announcement of this proposed merger, BNSF and CSX announced new intermodal service alliances aimed at creating coast-to-coast, seamless rail options.⁴² That is exactly how competition is supposed to work. Other carriers will not stand still if the STB approves this merger; they will respond with new partnerships, new lanes, and better

⁴² See BNSF Railway & CSX Corporation, *BNSF, CSX Announce New Intermodal Services, Offering Seamless Coast-to-Coast Rail Solutions* (Aug. 22, 2025), <https://www.bnsf.com/news-media/news-releases/newsrelease.page?relId=bnsf-csx-announce-new-intermodal-services-offering-seamless-coast-to-coast-rail-solutions>.

service offerings of their own. The result will be a more dynamic, customer-focused rail industry—one where everyone has to hustle harder to earn business.

157. Just as important, this merger doesn't just make the railroads more competitive—it makes our customers more competitive across the globe. Faster service, shorter routes, better asset utilization, superior customer support, and improved reliability all flow through directly to the businesses we serve. Grain farmers can move harvests to market more efficiently. Metal producers can reach new plants and end users with fewer delays. The American auto industry can connect its supply chains coast-to-coast with less risk and more certainty. And our ports—on the Atlantic, the Pacific, and in the Gulf—will be better supported by a unified rail network that connects them seamlessly to inland markets.

158. Railroads cannot grow unless we offer a service product that helps our customers be more competitive in their markets. Our customers compete in a global marketplace, and approximately 40 percent of UP's business traverses an international border. When our customers grow, our Nation grows stronger in the global economy.

3. 2-to-1 Customers Will Be Protected

159. For those few customers in the Midwest who might see a change in their competitive landscape—the so-called “2-to-1” customers—we have contacted them and committed that they will retain two Class I railroads serving their facility after the merger. Katherine Novak's statement describes the 2-to-1 customers who will be protected from the loss of any rail-to-rail competition.

160. This small group of 2-to-1 customers simply reflects what the data confirm—a tiny overlap between our networks. UP and NS are committed to making sure even that limited group continues to be well served as we move forward.

4. Build-In/Build-Out Options Will Be Preserved

161. To preserve the competitive status quo, we commit to preserve pre-merger build-in/build-out options for existing customer facilities served exclusively by UP or NS that would be eliminated as a result of the merger. Consistent with build-in/build-out condition the Board imposed in authorizing the UP/SP merger, an existing exclusively-served customer of UP or NS will be able to raise a claim that the merger deprived it of a build-out/build-in option at any time. If the relevant connecting line is actually built, UP/NS will negotiate in good faith the terms of an agreement that will implement the build-in/build-out remedy. Any technical disputes with respect to the implementation of this commitment will be resolved either by arbitration or by the Board.⁴³

5. Keeping Major Gateways Open on Commercially Reasonable Terms and Not Creating Any New Regulatory Bottlenecks

162. In addition to protecting 2-to-1 customers, we are also making major commitments that apply broadly across the network. Despite the fact that this merger would not harm competition—and would, on its own without any voluntary conditions, enhance competition—we are providing assurances to our customers and

⁴³ See *Union Pac. Corp.—Control & Merger—S. Pac. Rail Corp.*, 1 S.T.B. 233, 420 (1996).

to the Board that this transaction is going to offer more, not less, competition and customer options.

163. We therefore are voluntarily embracing the same robust and readily enforceable open gateway requirement and bottleneck pricing conditions that the Board imposed in the recent Canadian Pacific-Kansas City Southern (“CP-KCS”) merger proceeding.⁴⁴ These commitments will thoroughly address any customer fears (even if speculative and groundless) about foreclosure or competitive harm.

164. **Voluntary Gateway Commitment #1:** We commit to keep open on commercially reasonable terms all existing gateways for eligible traffic (that is, traffic that UP or NS interchanged with another carrier for which the transaction will create a longer UP/NS haul than was available on the UP or NS system pre-transaction). This commitment will ensure that the transaction will not result in any foreclosure of customers’ opportunities to use existing interline routes that they might prefer to the new UP/NS single-line options.

165. We will apply this commitment to both existing and new traffic flows along the lines that the Board established in the CP-KCS merger approval decision.⁴⁵ As in the CP-KCS merger, we will define existing traffic subject to the commitment as traffic that UP or NS has interchanged with another carrier within the five-year

⁴⁴ See Decision No. 35, *Canadian Pacific Railway Ltd., et al.—Control—Kansas City Southern, et al.*, Docket No. FD 36500, at 67-83 (STB served Mar. 15, 2023) (“CP-KCS”).

⁴⁵ See *id.* at 70–71.

period before the effective date of STB approval.⁴⁶ We will also apply the commitment to “new traffic” as modified by the Board in FD 36500.⁴⁷ Regardless of whether the customer has previously chosen an alternative route, shipped a different commodity, or is entirely new, the gateway commitment will apply to preserve pre-transaction interline routing options for traffic moving in origin-destination corridors that have been used by any customer within five years of the date a request for a rate involving new traffic is made. We will commit to keep the gateway used by any such route open on commercially reasonable terms.

166. This gateway commitment means that we will continue to offer commercially reasonable rates and terms capable of supporting the continued movement of traffic via the gateway, and we will not make it impossible to construct viable interline options for customers by refusing to quote commercially reasonable rates. It applies to both the rates we will quote and to the service we will provide.

167. **Voluntary Gateway Commitment #2:** We commit, during the oversight period, to provide a customer upon request a written justification for any rate increase above the rate of inflation for interline movements subject to the open gateway condition.⁴⁸

168. **Voluntary Gateway Commitment #3:** We commit to gateway-related reporting requirements analogous to those imposed in FD 36500.⁴⁹ In particular, we

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *See id.*, at 68, 78–79.

⁴⁹ *See id.*, at 80–83.

commit to report monthly during the oversight period with regard to traffic interchanged between the combined entity and connecting carriers at key gateways potentially affected by the transaction. We will comply with the specific reporting requirements imposed by the Board in FD 36500 to the extent they are applicable to the combined entity or analogous data can be provided.

169. **Voluntary Gateway Commitment #4:** Our commitment to keep existing, major gateways open on commercially reasonable terms will apply in perpetuity and to all traffic, including intermodal and other traffic that is exempt.

170. **Voluntary Gateway Commitment #5:** We commit to not take the position that the open gateway commitment does not apply because of a lack of market dominance. Nor will we take the position that the Board lacks jurisdiction because the revenue-variable cost percentage generated by the traffic is less than 180 percent.

171. **Voluntary Gateway Commitment #6:** We commit to offer connecting carriers commercially reasonable rate divisions and to negotiate in good faith with the connecting carrier to seek to resolve any disagreements about the commercial reasonableness of proposed divisions.

172. **Voluntary Gateway Commitment #7:** Finally, the combined entity will not create any new regulatory “bottlenecks” that, as a result of this transaction, might limit a customer’s ability to access relief via the STB’s rate review processes.

6. Committed Gateway Pricing Framework Will Further Stoke Competition

173. Beyond these robust protections, we are going even further with a new commitment designed not just to preserve competition, but to expand it.

174. And that's where UP's previous experience in another market comes in. Twenty-five years ago, UP rolled out a similar program in the I-5 corridor, which spans from the Canadian border through Washington and Oregon to California, following Interstate 5, and it worked—spectacularly. Now, I (Kenny Rocker) was not at UP when this program was created, but I saw firsthand as Assistant Vice President of Industrial Marketing how it worked. That program drove tremendous growth by giving customers new competitive choices, and it became one of the most successful examples of railroads expanding competition through innovation.

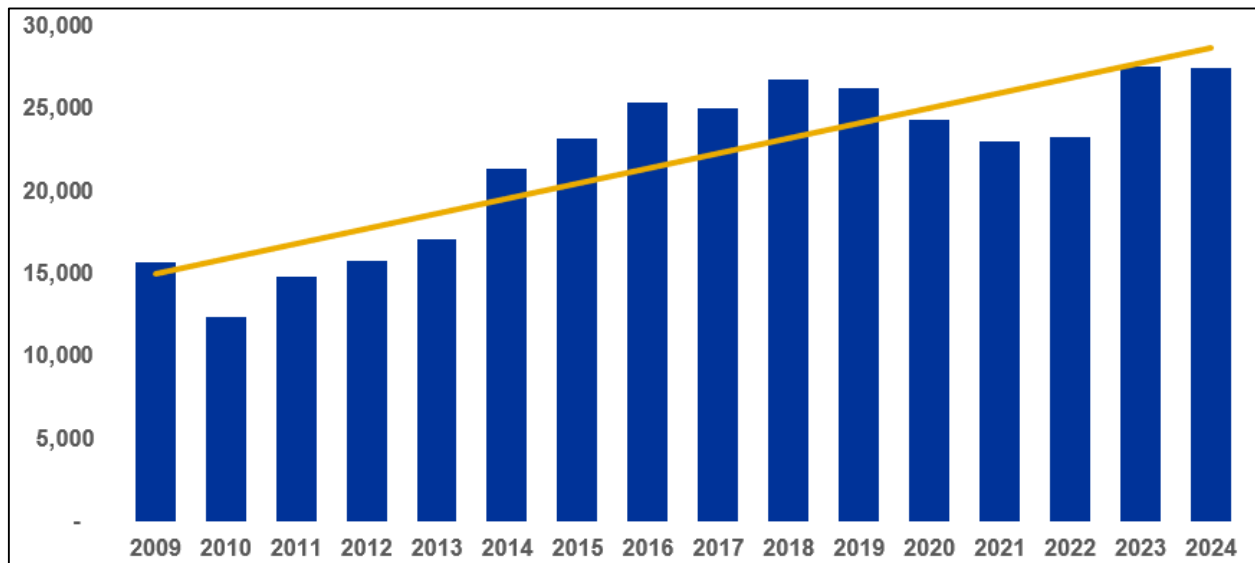
175. The secret to its success was that it created both parity and transparency. When an opportunity to compete arose, UP could move fast, equipped with a clear, published rate for the BNSF portion of the route. That simple mechanism unlocked agility—if UP had a better relationship with the customer, a stronger service plan, or simply saw an opportunity others had missed, we could step in and win business on merit.

176. From the customer's point of view, it offered the kind of rail experience they had been waiting for. It wasn't just a rate program—it was a window into how rail could feel more like a modern logistics partner. It gave customers the confidence that they could plan, price, and execute through one channel, much like they would with a trucking provider. And that's the lesson we carry forward today: if we want to

compete with trucks, we have to offer a simpler, more responsive, and more connected customer experience. The I-5 program didn't remove all the friction of interchanges—that requires deeper network integration—but it let UP hustle for business as if it were a single-line carrier.

177. And the proof of concept is in the results. In the twenty-five years since that program was introduced, the I-5 corridor has seen sustained growth in rail volumes and market share. What began as an experiment in cooperation became a long-term competitive advantage—for UP, for customers, and for the broader supply chain. The data tells the story: traffic expanded year after year, new customers entered the market, and rail captured freight that previously moved by truck. The lesson is clear—when railroads innovate to make it easier for customers to do business, the market responds decisively.

Figure 21⁵⁰
The I-5 Agreement Growth Story



178. Building on the success of the I-5 corridor, we now propose to roll out this program on a national scale. While the I-5 initiative was limited to the Pacific Northwest, the vision before us is far broader. Through this merger, we plan to extend the same principles of transparency, parity, and single-point accountability to four major gateways that connect our combined system with the broader North American rail network. The result will be a significant catalyst—creating faster, more flexible options for customers and extending the benefits of seamless coordination well beyond the direct UP/NS footprint.

179. This Committed Gateway Pricing cannot replicate the full service advantages that an integrated UP/NS network will offer in terms of service quality, reliability, and shipment visibility. But it will meaningfully extend the benefits of

⁵⁰ See Am. App., Vol. 1, Verified Statement of Katherine Novak at Figure 1.

this merger to a multitude of sole-served customers. For many of these customers, particularly those who cannot move directly on a new UP/NS lane, this proposal will open the door to a new level of access and competitiveness. It will allow CSX or BNSF to act quickly on new opportunities when customers are ready to move freight. That agility will not only improve the customer experience but will also make these lanes more competitive against trucking, offering simpler pricing, faster responses, and a more reliable rail option.

180. The benefits flow both ways. Customers gain speed, clarity, and access to broader markets, while we gain new traffic that flows across the gateways and onto our networks. The entire rail ecosystem grows stronger as more freight moves efficiently by rail rather than by highway. It's a rising-tide opportunity—one that lifts every participant in the system. The result is not only more competition, but better competition: built around customer needs, grounded in transparency, and driven by shared success.

181. Katherine Novak's statement describes the proposal and its mechanics in greater detail, outlining how the Committed Gateway Pricing framework will function in practice. And Dr. Mark Israel's testimony explains how this initiative will further enhance competition—above and beyond the already significant public benefits that flow directly from the UP/NS merger itself.

V. The Customers, Short Lines, and Communities Supporting This Merger

182. This is the part of the Amended Application that hits home—because this merger isn't about lines on a map. It's about the people we serve, the employees

who make it all happen, and the communities who prosper when we succeed. More than 2,000 statements of support have come in from across the country.⁵¹ Our customers touch every part of the U.S. economy, and you see them represented in the many letters from farmers, housing market suppliers, chemical industries, intermodal customers, and soda ash producers. We also received support from employees, short line partners, suppliers, ports, labor unions, and the communities we collectively serve. These letters tell one simple story: that people believe rail can do better and they want more. They see this iconic merger as a chance to build a faster, better, and stronger rail network that helps their businesses, their workers, and their hometowns grow.

183. We've not been shy to admit that railroads haven't always been the easiest partners to work with. So when we asked thousands of stakeholders to share their views on this merger, we wanted to make it easy for them to participate, so we offered letters they could use if they wished. Some personalized the letters, some didn't. But everyone took the time to think about what this merger means for them and their community. Whether the words were polished or plain, those letters are theirs. And they represent customers, employees, and communities who care deeply about rail's future and want to see it work better.

⁵¹ Unless otherwise noted, the quotations in this section can be found in the corresponding letters of support in Volume 3 of this Amended Application.

A. What Our Customers Are Saying

184. We meet with customers every week and across every industry. And they're telling us the same thing that they're telling the STB in their letters: they want rail to be easier to use, faster across the country, and reliable enough to plan their business around. They understand that this merger isn't just about scale, it's about delivering a better product. And they want the STB to approve it.

185. In agriculture, for example, the message came through loud and clear:

- “Farmers depend on efficient rail service to get their crops to market and their inputs delivered on time. By uniting these rail networks, Union Pacific and Norfolk Southern are taking a logical step to improve agricultural logistics. We expect to see faster grain shipments, fewer delays, and better rail access.” – KC Graner, President and CEO of Central Farm Service
- “The proposed merger would . . . position[] us to reach new markets and end-users further east. . . . Farmers don't have time or margin for delays. The sooner this merger is approved, the sooner we can all start seeing the benefits—fewer bottlenecks, better access, and lower costs across the supply chain. That's good for agriculture and it's good for the communities that depend on it.” – James Burgum, CEO of The Arthur Companies

186. The same excitement came from logistics and transportation partners, who voiced their support this way:

- “This is a significant breakthrough in U.S. freight transportation. By knitting together a coast-to-coast rail network, Union Pacific and Norfolk Southern are creating new efficiencies that will benefit everyone – from logistics providers like us, to our customers, to the end consumers.”⁵² – Adam Miller, CEO of Knight-Swift Transportation

⁵² Knight-Swift Transportation Holdings Inc., *Knight-Swift Transportation Holdings Inc. Endorses Union Pacific – Norfolk Southern Merger* (Sept. 2, 2025), <https://investor.knight-swift.com/news/news-details/2025/Knight-Swift-Transportation-Holdings-Inc--Endorses-Union-Pacific--Norfolk-Southern-Merger/default.aspx>

- “By eliminating interchanges where railcars are handed off from one railroad to another, service times from coast to coast will improve by several days. Current interchange points of Chicago, Kansas City, St. Louis and Memphis will be eliminated, which will keep railcars flowing more quickly from coast to coast. Less handling and delays also lessen the chance of product shift, damage and theft. ... The watershed areas near current UP and NS interchange points along the Mississippi River will receive particularly enhanced economic competitiveness since the combined railroad will not have to charge minimum rates on short-haul moves that make existing opportunities impractical.” – Scott Harris, President of Business Development, CCO of CAD Logistics, LLC
- “Beyond operational improvements, we see this merger as a catalyst for broader industrial growth. Rail is a cornerstone of American infrastructure, and a unified network would be better positioned to invest in the technology, equipment, and capacity needed to support the evolving needs of manufacturers, retailers, and consumers. . . . A transcontinental railroad would allow for more seamless service across regions, reducing transit times and minimizing handoffs. That kind of efficiency isn’t just good for business – it’s essential for maintaining supply chain reliability in a competitive and fast-moving market.” – Tim Clay, President & CEO of Cornerstone Systems

187. And from the petrochemical industry, Frank Vingerhoets, President of Katoen Natie North America, explained how this merger will improve supply chains that reach across the globe:

- “We wholeheartedly support this merger and the vision of a truly transcontinental railroad. . . . Union Pacific’s strong Gulf Coast network has long been the backbone of our petrochemical logistics operations. Linking that network directly with Norfolk Southern’s East Coast routes will create unprecedented efficiencies. It means the plastic pellets and other products we handle can reach key markets faster and more seamlessly than ever. In short, it’s a win for customers and for the entire supply chain”⁵³ – Katoen Natie

⁵³ Katoen Natie, *Katoen Natie Supports Union Pacific–Norfolk Southern Merger, Applauds Coast-to-Coast Rail Expansion*, Business Wire (Sept. 3, 2025), <https://www.businesswire.com/news/home/20250903921990/en/Katoen-Natie-Supports-Union-PacificNorfolk-Southern-Merger-Applauds-Coast-to-Coast-Rail-Expansion> (last visited Nov. 11, 2025) (internal quotations omitted).

188. Likewise, from the forest products industry, customers see a host of benefits and opportunities from combining the complementary networks of UP and NS:

- “We are in the lumber business . . . [and the] way the US rail system is laid out and parceled up makes it difficult for us to reach our customers in an efficient and cost-effective manner. . . . It is ridiculous to ship from Lake Charles to the Northeast for example and being basically charged twice for the same railcar, making the entire transaction cost prohibitive.” – Thomas Mende, Chief Sales Officer, Binderholz Timber LLC
- “UFP Industries is a \$6 billion publicly traded American manufacturer serving the building, construction, and packaging sectors. With hundreds of locations and tens of thousands of customers nationwide, we rely heavily on efficient, reliable, and cost-effective rail service to distribute our products. We believe this merger will help advance these priorities by integrating complementary rail networks and spurring new investment in the freight rail industry, enhance competition and deliver tangible benefits for customers like us, including improved service reliability through more direct routes, fewer disruptions, and greater flexibility. It will also reduce transit times, enabling us to deliver goods more efficiently and expand our reach to new and existing customers.” – Will Schwartz, CEO & President of UFP Industries

189. From the food industry, customers are excited about how the merger will get rid of longstanding inefficiencies that get in the way of growth and stability and will offer a more resilient rail network that can meet the needs of modern-day market demands:

- “As a manufacturer deeply reliant on efficient freight transportation, we recognize that the current rail system faces logistical challenges—ranging from inconsistent service schedules and limited network interoperability to congestion at key transfer points. These inefficiencies disrupt supply chains, delay deliveries, and increase operational costs for businesses like mine. The merger between Union Pacific and Norfolk Southern offers a unique opportunity to address these deficiencies by creating a more unified and responsive rail network. A consolidated system would enhance coast-to-coast connectivity, reduce handoffs between carriers, and streamline routing-resulting in faster transit

times and improved reliability. It would also allow for better coordination of assets, more flexible scheduling, and increased investment in infrastructure upgrades and digital technologies. For CJ Bio America, these improvements would translate into greater supply chain stability, reduced transportation costs, expanded reach, and improved service to our customers across North America.” – Lucas Palmer, Sr. Director of ESG at CJ Bio America, Inc.

- “The strength and competitiveness of our supply chain, and by extension the broader food distribution network, rely on a modern, resilient rail system capable of meeting evolving market demands. We believe this merger represents a forward-looking investment in that future.” – Peter Unanue, Executive Vice President, Goya Foods, Inc.

190. The intermodal community anticipates both time and cost savings, as well as value-enhancing innovation that will result in the growth of intermodal traffic and supply-chain reliability:

- “We believe that the formation of America’s first transcontinental railroad through the merger of Union Pacific and Norfolk Southern will accelerate the full realization of the benefits of intermodal transportation for our customers and the United States economy. . . . As manufacturing in the United States further expands it is critical to have the reliable, efficient, and cost-effective freight rail service and offerings that Union Pacific and Norfolk Southern would more effectively provide as a combined company.” – Phillip D. Yeager, President, CEO, and Vice Chairman, Hub Group, Inc.
- “Intermodal companies currently tasked with trucking their containers between UP and NS intermodal yards in Chicago, Kansas City, St. Louis and Memphis will finally be able to leave their trailers and containers on railcars for the entirety of the move. This time and cost savings will help U.S. intermodal traffic grow over the next decade.” – Scott Harris, President of Business Development, CCO of CAD Logistics, LLC

191. For the metals industry, combining the networks of UP and NS means new efficiencies and opportunities to better serve their customers:

- “By eliminating interchanges where rail cars are handed off, the combination will remove several days from transit times, enabling us to deliver more goods to more customers and to find new producers of steel

to supply our facilities faster.” – Rafael Andre Martinez, International Planning and Logistics Manager, ViSteel, Inc.

192. In the auto industry, the combined network’s single-line service will mean new opportunities and new optionality:

- “My business would benefit from faster, more reliable service, a more efficient and resilient supply chain and access to new markets. The proposed Union Pacific–Norfolk Southern merger has the strong potential to help my business by delivering single-line service and offering more direct routes that increase transportation options, expand[ing] each railroad’s geographic reach and encouraging investment in infrastructure and technology.” – Cecelia Esparza, Material Logistics Specialist, Siemens Mobility Inc.

193. From the coal industry, the merger is an opportunity to open up new market opportunities for U.S. coal to compete more strongly, including globally:

- “For our coal industry this merger could be especially important. West Virginia leads the nation in coal exports[,] and improved logistics directly reduce cost per ton. International buyers are very sensitive to transportation costs and the ability to move coal efficiently and affordably helps our miners stay competitive. . . Improving the rail network’s efficiency and creating westbound access strengthens the economics of exporting coal to global markets. Reduced rail costs and faster delivery lower the total cost of coal shipped overseas, improving the position of West Virginia producers in world markets.” – Gary Howell, West Virginia House of Delegates

194. Customers from a variety of other industries are likewise eager to realize the benefits of America’s first transcontinental railroad, which they recognize will not only enhance their ability to compete and succeed in a global marketplace but will strengthen North American trade overall:

- “[E]nhancing connectivity between UP and NS networks is critical for advancing North American trade competitiveness.” – Alejandro Rodríguez Villarreal, Founder & CEO of TLTerminals
- “[T]he larger network of a combined NS and UP provides OES with an improved ability to hit markets into which we have historically be[en]

unable to enter.” – Bryan Hurtado, CEO and Founder of Oleum Energy Solutions, LLC

- “We see firsthand the need for expanded capacity, reduced bottlenecks, and forward-looking investment. This merger is an opportunity to align the freight rail system with 21st-century priorities, from energy security to industrial resilience.” – Christopher D. Smith, Founder & CTO, SunTrain, Inc.

195. For companies like these and hundreds more, the merger represents something simple but powerful. It represents railroads delivering on the promise of service that works the way customers have always wanted it to.

B. What Our Short Line Partners Are Saying

196. We’ve already discussed the many benefits this merger brings to short lines, but they deserve special mention. Short lines are the front door to American industry. They are often the first and last mile connecting farms, factories, and distribution centers to the national rail network. They know their customers and communities better than anyone, and they’ve told us what a unified coast-to-coast railroad will mean for them: simpler interchange, faster handoffs, clearer communication, and stronger, more reliable service.

197. But don’t take our word for it—listen to theirs. Across the country, short lines have written in support of this merger because they see the benefits firsthand:

- “The proposed merger represents a reasoned and logical step forward for the national rail system. The combined network should unlock efficiencies that benefit all stakeholders from large and small shippers, communities and consumers, and railroads and logistics providers. Rio Grande Pacific looks forward to collaborating with the newly combined railroad to help our shippers capitalize on new routing options, new potential markets and growing service enhancements.” – Rio Grande Pacific Corporation

- “One of the biggest barriers today is the complexity and inefficiency created by the need to secure multiple rates and handoffs across various connecting carriers. Reinvigorating the CVLY and attracting sustained investment to this region depends on our ability to connect directly with national markets through seamless, single-line service. . . . With this merger, Clackamas Valley Railway could connect directly into a 53,000-mile unified rail system—one that offers competitive transit times, streamlined pricing, and a service experience that finally rivals that of trucking.” – Clackamas Valley Railway
- “Progressive Rail’s St. Paul & Pacific Railroad Company, based in Watsonville, California, proudly serves a region that produces cauliflower, broccoli, lettuce, strawberries, raspberries, and the famous Martinelli’s Sparkling Fruit Juices. Today, most of these products travel to market by tractor-trailer. However, with a true coast-to-coast rail corridor, frozen strawberries and sparkling apple juice could move with greater purpose and priority—ultimately allowing American consumers to pay less for fresh, healthy, domestically grown food. By linking the Atlantic and Pacific regions of our nation through an efficient, safe, and temperature-controlled rail network, we can advance both economic and environmental goals while supporting America’s farmers and families.” – St. Paul & Pacific Railroad
- “CPR operates 6 lines, with 5 interchanges with NS, so our daily interaction with NS and the NS management team is tremendous; and our increasing growth could not be possible without them as a partner, and with the merger, that partnership will only grow to promote UP/NS and CPR’s position as an economic driver for the State of Georgia and beyond. We see improved service reliability, reduced transit times and an increase in infrastructure investment. All of which promotes our goal of job growth, domestic and international economic development and ultimately, a safer rail network.” – CaterParrott Railnet
- “A combined Union Pacific / Norfolk Southern will unlock more competitive origins for our agricultural shippers located on the Delmarva Peninsula by eliminating several days from transit times, allowing rail to be even more competitive.” – Carload Express
- “The UP / NS partnership would open brand new markets with a wildly efficient single line haul and greatly decreased transit times.” – Crab Orchard & Egyptian Railroad
- “At the core of the CJR’s support [for the merger] is the newfound efficiencies in transit[,] opening brand new markets[] while also

dramatically improving overall transit times.” – Chicago Junction Railroad

- “We believe this merger will deliver meaningful benefits—not only for Mount Hood Railroad, but for the thousands of local businesses and communities who depend on the broader rail network.” – Mount Hood Railroad
- “Industrial development flourishes along the most effective supply chains. The newly proposed 52,215-mile network, spanning forty-three states, is an economic development machine like no other.” – Wisconsin Northern Railroad

198. Their message is clear: this merger lifts everyone. A stronger national network, built on better service and closer partnerships, creates a rising tide that lifts all railroads and strengthens the entire transportation ecosystem.

C. What Our Supply Partners Are Saying

199. The people who build our trains and power the technology behind them know what opportunity looks like. They see the proposed merger of UP and NS as a chance to make the whole system stronger. A unified network means more locomotives to build, more components to produce, and more innovation to drive forward. They understand that when rail runs better, it creates a ripple effect that lifts everyone—suppliers, customers, and workers alike:

- “We believe that the proposed merger can improve the effectiveness of railroad operations to better support customers and enhance competition with trucking. Through integration of Union Pacific and Norfolk Southern’s rail footprints, the merged railroad will operate the first coast-to-coast rail network in the U.S., allowing customers to avoid issues in interchange between multiple railroads that have historically made rail shipments more cumbersome and less attractive compared to trucking.” – Progress Rail Services Corporation
- “As a family owned and operated company based outside Chicago, we know firsthand the benefits a merger would bring not only to our region, but across the country. Safety, the cornerstone in our company, would

be addressed with improved service reliability and increased direct routes and flexibility. Chicago, often called the ‘railroad capital of the U.S.’ has a long history of growth and opportunity due to the railroads. We value this moniker; our families and local businesses view improved service and reduced transit times as an avenue to ensure our future continues as a transportation hub.” – K-Five Construction

- “Our Canadian customers—CPKC and CN—have operated transcontinental and transnational rail networks for decades. It is time for the United States to have the same advantage.” – NSH USA Corporation
- “Choctaw Construction Services, LLC is an American Indian and Veteran owned business that strongly supports the proposed merger between Union Pacific and Norfolk Southern. Union Pacific Railroad, which was chartered and partially funded by the U.S. government under Abraham Lincoln’s administration, now has the potential to fulfill the vision that Abraham Lincoln had for a transcontinental railroad, but now under a much more efficient single-corporate structure.” – Choctaw Construction Services LLC
- “This combination promises to strengthen the national fuel supply network, streamline logistics, and unlock new levels of reliability and responsiveness—benefits that will extend across the entire transportation ecosystem. We are proud to be in full support of this merger and believe it will create a more resilient and forward-looking rail infrastructure.” – U.S. Energy, a U.S Venture company

200. As their support statements show, this merger will not only benefit UP and NS suppliers, it will generate American opportunity and growth far and wide.

D. What Our Communities Are Saying

201. Communities along our lines view this merger as an investment in their future too. Local leaders have told us they see new jobs, new industry, and new growth coming from a rail network that moves freight faster and more reliably. To them, railroads are partners in progress, not just carriers of freight. They know that when rail runs better, local businesses can grow, farmers can reach new markets, and communities can attract the kind of development that keeps them thriving:

- “The merger of Union Pacific and Norfolk Southern will only further strengthen the efficiency, reliability, and effectiveness of our freight rail system. . . . These improvements are likely to lower supply chain costs for shippers, which ultimately means lower prices for consumers. And it is projected that all this will increase freight rail demand and thus increase the number of jobs at the newly-formed company, which is one reason why the nation’s largest railroad union has announced its support for the merger. Finally, as demand for freight rail increases, more trucks can be taken off our highways and other roadways, reducing congestion and further lowering emissions. In short, the proposed merger, like our freight rail system itself, will promote economic growth and environmental sustainability. It will be good for our individual States and for the Nation as a whole.” – Joint Support Letter from State Attorney General: Chris Carr, Georgia Attorney General; Mike Hilgers, Nebraska Attorney General; and J.B. McCuskey, West Virginia Attorney General
- “Norfolk Southern’s deep integration into Georgia’s manufacturing ecosystem ensures that this merger will amplify—not diminish—economic opportunity across our state[.] . . . The merger will further empower Georgia to compete in the next era of U.S. manufacturing. As someone who helped recruit Norfolk Southern’s headquarter operation to the state of Georgia, I’m also pleased to see the companies commit to maintaining Atlanta as a critical hub for innovation, technology, and operations.” – Alan Powell, Chairman, House Regulated Industries, Georgia House of Representatives
- “Rail is particularly critical to some of our region’s largest employers, including CURRIES, Cargill, Smithfield, and Kraft Heinz. . . . [We] respectfully urge the [STB] to approve this merger so that Mason City and the North Iowa region can fully benefit from the efficiencies, investments, and opportunities it will bring—connecting our community locally, regionally, and across the globe.” – Greater Mason City Chamber of Commerce
- “The proposed merger between Union Pacific Railroad and Norfolk Southern Corporation presents a unique and timely opportunity not only for West Virginia but for the entire Appalachian and Mid-Atlantic region.” – Gary Howell, West Virginia House of Delegates
- “As the home of the largest port on the eastern seaboard, we rely on dependable and affordable freight service to power our logistics economy. . . . The proposed merger presents a unique opportunity to strengthen [the freight rail] network and deliver direct benefits to New Jersey” – New Jersey Business and Industry Association

- “I believe this merger will help with providing efficient, reliable, and cost-effective service to businesses large and small. . . . I am also happy to see that this is a true partnership between the company and the working men and women who have helped build and operate the rail system. The announcement of job protections and the endorsement from the union representing the workers, SMART-TD, means they will begin this endeavor stronger together.” – Jay Costa, Jr., State Senator, Democratic Leader, 43rd Senate District, State of Pennsylvania
- “In recent years, freight rail expansion has strengthened South Carolina’s economy by moving more cargo through our ports, enhancing the competitiveness of local businesses, lowering costs for consumers, and reinforcing supply chains. The proposed merger between Union Pacific (UP) and Norfolk Southern (NS) offers an opportunity to build upon this. . . . For Charleston in particular, the impact will be significant. The Navy Base Intermodal Facility (NBIF), now under construction, will establish a near-dock rail connection linking Port of Charleston cargo directly to inland markets, including those served by NS. Together, this merger and NBIF will unlock transformative opportunities for our region – enabling Southeast businesses compete in global markets and ensuring Palmetto state-made goods can move seamlessly to customers throughout the country. South Carolina is also home to world-class manufacturers like Boeing, Michelin, and Volvo. The merger will enhance these employers’ ability to move raw materials and finished products more efficiently, protecting tens of thousands of well-paying jobs while fueling economic growth.” – Charleston Metro Chamber of Commerce
- “For a community like Douglas County, strategically positioned along the I-20 corridor and committed to economic growth, the efficiencies, investments, and opportunities created by this merger will help ensure our competitiveness in the global economy. Ultimately, the Douglas County Chamber supports the proposed merger because it aligns with our legislative priorities to attract diverse businesses and create wage-sustaining jobs, while advancing technology and infrastructure investments that incorporate local input.” – Douglas County Chamber of Commerce
- “For Cobb’s manufacturers, distributors, and small businesses, this expanded network means faster service, fewer delays, and broader market opportunities. Just as important, it will help improve freight mobility, and support sustainable economic growth across our region. With Atlanta and Cobb County already recognized as global cities, this merger ensures that Cobb County will remain a vital logistics and

business hub at the heart of a fully integrated coast-to-coast rail system.” – Cobb Chamber of Commerce

- “As State Senator and resident of Greenville County, South Carolina, I’ve seen firsthand how our region has grown into a thriving hub for manufacturing, small business, and logistics. . . . That success brings challenges on our roads, infrastructure, and freight systems. For this reason, I support the proposed merger between Union Pacific (UP) and Norfolk Southern (NS). This partnership will be an important step forward for the Upstate and for South Carolina as a whole. The merger would strengthen the rail network that serves our region and provide a more efficient, safe, and reliable way of moving freight. Fewer trucks on crowded highways would mean less congestion, reduced wear and tear on local roads, and a more balanced and sustainable transportation system. Anyone who has driven 1-85 through Greenville County knows how congested the highway has become—and how dangerous that congestion can be. . . . The merger would create a more coordinated rail system with greater capacity, connecting businesses in Greer, Spartanburg, and across the Upstate to new markets. In addition, unified operations and upgraded technology would improve safety, maintenance, and scheduling. These enhancements will protect workers, communities, and the environment while keeping goods moving efficiently.” – Jason Elliott, State Senator, South Carolina

202. We are deeply grateful for the support from the more than 2,000 customers, employees, and community leaders who see the promise in this merger and took the time to say so. That confidence means a lot to us. But we also know some folks are still on the fence and that’s fair. In this business, trust isn’t lightly given; it’s earned. The only way to earn it is the way we always have: by hustling to deliver what we promised and operating with the consistency and operational excellence our customers demand. That’s the mindset we bring to this merger, and it’s how we intend to prove, one customer and one train at a time, that the merged UP/NS railroad will live up to its potential.

CONCLUSION

203. We've talked a lot here about what a merged UP/NS railroad could mean for our companies, our customers, and the country. But it really all comes down to those same three pillars that drive growth for any great railroad: service, investment, and innovation.

204. Right now, both railroads are executing on that shared vision. We're operating at best-ever performance, investing billions in our networks, and using innovation to make rail easier to use and more dependable. We both have been relentless in our shared pursuit of operational excellence and innovation. We are two companies with complementary networks in sync, working hard for our customers. But we are poised for so much more. Because as strong as we are individually, together we can finally deliver something this country's never had before: a true coast-to-coast, single-line rail network.

205. The reality is that rail, as an industry, has been steadily losing market share to trucking for decades. Trucks keep getting faster, smarter, and more connected—and with autonomous technology on the horizon, that gap will only grow if we don't act. We can't afford to stand still while the world moves forward. Our customers expect us to compete, and they deserve a rail system that's as seamless, innovative, and reliable as the highway network they use today.

206. This merger is our chance to do that. It's an iconic opportunity to create America's first transcontinental railroad. A network that connects East and West, unites ports and markets, and serves customers from coast to coast with one standard

of operational excellence. The near-term growth opportunities are exciting, but the long-term potential is breathtaking.

207. Opportunities like this don't come around often. This merger will shape the next hundred years of American railroading. It's about unlocking growth, strengthening competition, and building something enduring for the generations that will follow us. We respectfully urge the Surface Transportation Board to seize this moment and approve this transaction.

VERIFICATION

I, Kenny G. Rocker, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed this 29th day of April, 2026.



VERIFICATION

I, Claude E. Elkins, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed this 29th day of April, 2026.