

BEFORE THE
SURFACE TRANSPORTATION BOARD

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

VERIFIED STATEMENT

OF

MARK R. GEORGE

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VERIFIED STATEMENT
OF
MARK R. GEORGE

1. My name is Mark R. George and I am the President and Chief Executive Officer of Norfolk Southern Corporation and the Chairman, President, and Chief Executive Officer of Norfolk Southern Railway Company (collectively, “Norfolk Southern”). I am pleased to present this verified statement to the Surface Transportation Board (“STB”) in support of the Amended Application for approval of the combination of Norfolk Southern and UP.

2. Prior to becoming CEO in 2024, I served as Norfolk Southern’s Executive Vice President and Chief Financial Officer for five years. Before joining Norfolk Southern, I held successive roles across multiple commercial and business segments of United Technologies Corporation and its subsidiaries, including six years in Asia as the regional CFO for the Otis Elevator Company. I ultimately served as the Global CFO for both the Otis Elevator Company and the Carrier Corporation from 2008 to 2019. Today, I also serve on the Board of Directors for Trane Technologies plc.

I. Executive Summary

3. The proposed merger of Norfolk Southern and UP is a once-in-a-generation opportunity for our customers, our country, our industry, and our companies. Combined, we will create the first American transcontinental railroad with more than 50,000 route miles connecting communities and industries across 43 states and linking approximately 100 ports. By directly connecting East and West

Coast freight without the need to interchange traffic with another carrier, the merged railroad will strengthen the U.S. supply chain, support American manufacturing, create workforce opportunities (including preserving vital union jobs), improve transcontinental transit times, enhance national security, and deliver broad public benefits. It will also unlock the underserved watershed markets, within a few hundred miles of the Mississippi River, where transport via rail isn't practical because of the onerous interchange burden between two railroads. This freight moves almost exclusively on our congested highways today. There is a mandate to focus on strengthening U.S. manufacturing and national security and improving supply chain resilience. And this merger does just that.

4. In many ways, the combination fulfills President Lincoln's vision of a transcontinental railroad to unify the country. And at a time when a resilient supply chain is more important than ever, this proposal for a transcontinental railroad echoes President Eisenhower's creation of the Interstate Highway System that transformed how people and goods moved across America.

5. The proposed transaction addresses a critical, yet unsolved, competitive problem that has long plagued the U.S. freight rail industry: how to unlock the full potential of rail to meet the needs of more shippers across the country. Our current and prospective customers have made clear that to keep or gain their business, we must offer ease of use and a customer-centric approach akin to that already offered by the trucking industry. In particular, customers today demand seamless, single-line, reliable, coast-to-coast service that reduces transit times, eliminates handoffs,

and provides transparency and responsiveness. Today, trucking companies have fully integrated, nationwide service products offering single contracts, single invoices, real-time visibility, and dynamic pricing. That is the benchmark. To compete effectively and grow, rail must evolve to offer a unified national product. That is precisely what this merger will deliver.

6. Importantly, the proposed transaction will address the very real structural disadvantage the U.S. freight rail industry faces today when it attempts to compete with the highway or other nations' freight rail systems. The highway—rail's primary competitor—already accommodates a fully integrated, seamless national infrastructure paid for by America's taxpayers. As a result, the trucking industry has had greater financial latitude to invest more in technologies that put transparency and ease at customers' fingertips. Canada already enjoys fully integrated transcontinental rail networks extending seamlessly across Canada, through the United States, and into Mexico. Mexico likewise has its own transcontinental railroads. Yet, the United States has limited itself not only at its borders, but also by artificially dividing itself into East and West, creating obstacles that add cost, extend transit times, and disrupt reliability. This structure has prevented American railroads from unlocking their inherent strengths: lower cost per ton-mile, heightened fuel efficiency, unmatched density, fewer trucks stressing the nation's taxpayer-funded roadways, and superior safety.

7. Some might argue that a mere contractual partnership would suffice to deliver such benefits. History shows, however, that, while partnerships can help, the

benefits they can deliver are limited given that physical interchanges still exist, management teams change with time, and incentives don't align as the financial and other interests of one party often prevail over the collective interest that benefits the customer. We must move beyond the outdated belief that fragmented railroad alliances can effectively compete with trucking's unified networks. It is one of the main reasons rail has lost share to the highway, despite the numerous partnerships that have been launched. The question has often been asked: "Why don't railroads just keep offering service alliances like they typically do?" And the answer is: "We will." But marketing agreements, alliances, and cooperative arrangements are not enough to compete against the highway.

8. There are many ways to compete in a market and deliver for customers; the best, most effective companies embrace diversified offerings. We are not jettisoning prior cooperative arrangements. Rather, we are unlocking and adding a new, better option because history has shown that alliances often come up short in the long run. A contractual partnership simply cannot match the power and seamless service consistency of full transcontinental integration. Nor can alliances deliver real-time responsiveness and optimal levels of capital investment. In short, a national, unified railroad is needed to compete head-to-head with the highway.

9. UP CEO Jim Vena and I share a vision first born more than a century ago by President Lincoln, who understood that a transcontinental railroad would unite and strengthen this nation. It is long past time to make that vision a reality. With the approval of the STB, we can complete President Lincoln's work by building

America's first transcontinental railroad. This is good for customers, good for workers, and most importantly, good for the country.

10. My statement will address five topics. **Section I** provides an overview of my background before becoming CEO of Norfolk Southern—three decades in complex manufacturing that shaped my conviction about a quality mindset. **Section II** describes Norfolk Southern's legacy that led us to the proposed transaction from a position of strength, following a transformational period of our own. **Section III** explains why rail must continue to evolve and grow along with the economy and other industries. **Section IV** details the transformative benefits that building America's first transcontinental railroad will deliver for our customers, short line partners, and the country as a whole. Finally, **Section V** explains why the proposed transaction is needed, as alliances alone can no longer deliver the true integrative efficiency needed to fully unlock rail's potential.

II. My Background

11. Three decades in complex manufacturing taught me the discipline of factories, the necessity of quality, and the value of listening. From aerospace to elevators, failure is not an option, and competition requires a relentless drive to improve. This mindset shaped how I have approached the railroad industry in general, and the proposed transaction in particular.

A. An Outsider's Perspective on the Rail Industry

12. Prior to joining Norfolk Southern five years ago, I spent my career in complex manufacturing and dispersed field operations. For thirty years I worked at United Technologies Corporation, a global conglomerate of industry-leading brands

like Otis Elevator, Carrier, and Pratt & Whitney. Roughly twenty-five of those years were spent at Otis, where I ran operations around the globe, including six years leading Otis in the Asia Pacific. Those experiences gave me a front-row seat to geopolitics, the global economy, supply chain dynamics, and the challenges of operating in highly diverse markets.

13. Otis was not a “multinational” in the usual sense. We used to call it a “multi-domestic” because each country’s operations functioned as its own enterprise, with its own field operations, workforce, and customer demands. We had regional factories that supplied products throughout the complex global enterprise. That structure taught me how to manufacture and then install on customer job sites high-quality products at scale, how to ensure the requisite redundancy, and to never compromise on safety or quality. Those lessons also applied to many thousands of local field operations where installation took place in varied and far less controlled conditions, requiring consistent processes and high-quality standards. In aerospace and defense, and in vertical transportation like elevators, there is simply no room for error. Jet engines cannot fail. Elevator systems similarly suspend lives in the sky and demand the same exacting quality standards. I still remember standing in Dubai as our teams installed the elevators for the Burj Khalifa, the tallest building in the world. It was a six-year project by a small subsidiary where we had to recruit and train employees to adhere to safe working conditions, while following standard processes, demanding precision, and working with an uncompromising focus on

quality. While it was a very high-profile project, it was just one project of the million-plus elevators that we either installed or maintained around the globe every year.

14. This background gave me a unique perspective when I arrived at Norfolk Southern. I came in as an outsider with decades of experience building and reliably delivering, day after day, complex, high-precision systems. I was not steeped in traditional rail thinking. This perspective has helped me and my team look at things differently and ultimately integrate into Norfolk Southern successful processes from other industries.

B. Total Quality Railroading

15. Early in my tenure at Norfolk Southern, I learned that the railroad industry produces dedicated employees who rise to the occasion to solve problems. While the industry bred heroes to solve problems, I always felt that we needed more process control and a quality mindset to avoid problems from materializing in the first place. With our employees as our strong foundation, the opportunity was clear: focus that grit, expertise, and dedication on building standard, repeatable processes that prevent problems and deliver excellence. In manufacturing circles, this is called Total Quality Management (“TQM”).

16. At Norfolk Southern, we’ve gone beyond TQM and developed a unique framework called Total Quality Railroading (“TQR”), fusing manufacturing discipline and rail expertise powered by PSR 2.0. Developing standardized processes, real-time, problem-solving war rooms, and a relentless focus on root-cause analysis, we hold ourselves accountable to ever-higher standards of excellence. We are increasing our network’s velocity, adding consistency, and elevating customer satisfaction.

17. Railroading is an outdoor sport. It's unpredictable. Weather, terrain, and timing all conspire to challenge our operations in ways faced by very few industries. That's why we need a total quality management system, like most industrial companies figured out twenty-plus years ago. Inconsistent processes lead to inconsistent service. And inconsistent service erodes trust. At Norfolk Southern, we have worked to change that through TQR.

- TQR begins with standardizing our processes to make them repeatable, dependable, and resilient. When something goes wrong, we don't just patch it. We dig deep, identify the root cause, and mistake-proof the process. The result is a culture of continuous improvement.
- We are using war rooms as cross-functional hubs where our teams can come together to solve problems in real time. More than operational triage centers, our war rooms are breeding grounds for customer solutions where we turn setbacks into breakthroughs and repeatable processes. For instance, when we saw too many unscheduled train stops, a mechanical war room was used to drill down on each stop, identify the root cause, analyze potential trends, and fix problems at the source. As a result, train stops decreased 18% in a matter of weeks. Similar war rooms convening cross-functional teams have enabled Norfolk Southern to restore service quickly after major weather events, to optimize train flows during peak shipping seasons, and to formulate and iterate our zero-base operating plan. The result has been higher velocity, reduced dwell time, and smoother processes.
- On the commercial side of the business, we restructured our organization to reflect a more customer-centric model. We are investing in technology that makes it easier for our customers to do business with us. Our customers deserve a railroad that feels as intuitive and responsive to them as when they deal with Amazon or Delta. For many years, that was not the feeling our customers had when dealing with railroads. The results of our efforts are clear: good service and improvements to our commercial interfaces have resulted in our highest ever Net Promoter Scores.

III. Norfolk Southern's Legacy and Merging from Strength

18. Norfolk Southern is one of America's most iconic railroads, with a legacy stretching back nearly 200 years. From the earliest days of the railroads, Norfolk Southern played a vital role in linking communities, powering economic growth, and serving as a trusted backbone of U.S. transportation. Our history is written in the steel we laid across the eastern half of the United States, in the relationships we built with shippers across every industry, and in the generations of railroaders who devoted their careers to moving America forward.

19. At Norfolk Southern, we have always known that progress means rising together, a fitting reflection for a company whose elevators honor our past. Each elevator in our headquarters in Atlanta bears the name of a predecessor railroad, a daily reminder that we ascend on the strength of those who laid the tracks before us. Given that my own journey began at Otis, it's an homage that resonates deeply with me.

20. In that spirit, the proposed transaction represents more than a merger: it elevates our legacies. Just as our "Heritage Fleet" celebrates the colors and character of the railroads that built Norfolk Southern, our combination with UP will honor two centuries of progress and the many lines that have converged to create today's Norfolk Southern by creating a rail network with the scale and seamlessness to meet the demands of a 21st century economy.

21. Let me be clear: this merger is not a "Hail Mary" to save a foundering business. Norfolk Southern is strong financially, operationally, and culturally. While salvage has been the basis of many a rail combination, we are not entering into this

merger because we must. We do so because it is the right next step to unlock even greater potential for our customers, our employees, and for the United States supply chain as it competes in a worldwide economy. We are entering this merger from a position of strength to grow even stronger.

22. Proof of Norfolk Southern's strong performance is in our 2024 results, a year of transformation and momentum-building. We delivered results demonstrating both resilience and progress, and we did so under conditions that tested our ability to adapt and innovate.

23. **Safety Leadership:** We reduced FRA-reportable mainline train accidents by more than 40% year-over-year—the best improvement in the industry. We expanded first responder training to more than 5,500 participants, and we deployed advanced inspection technology to detect potential risks before they become incidents.

24. **Operational Excellence:** In 2024, our system train speed improved by more than 10%, with merchandise service up 11% and unit trains up 17%. We delivered great peak season service while handling 7% more parcel volume per day—proof that our network has the resilience to support customers even under intense demand. And our rebuilt resiliency was on full display following Hurricane Helene, which knocked out Norfolk Southern tracks to and from Asheville. We were able to reopen core routes safely within 72 hours of the hurricane by clearing 15,000 trees, repairing washed out areas and deploying hundreds of generators.

25. **Innovation:** The Great Lakes Reload facility in Chicago increased its volume by 62% compared with 2023, demonstrating the market’s demand for new logistics solutions. We supported more than 140 new industrial projects, representing \$4.3 billion in customer investment, while deploying technology to give customers real-time visibility into their shipments.

26. **Culture and People:** Our frontline teams have been more engaged than ever, and the results show in safety, service, and customer satisfaction. We have trained more than 2,300 employees through our Safety Camps and reintroduced our SPIRIT Values: Safety, Performance, Integrity, Respect, Innovation, and Teamwork. We made major investments in leadership development and strengthened our “Speak Up” culture, ensuring that employees have the confidence and tools to raise issues and drive improvements.

27. These results prove that Norfolk Southern has the discipline, performance, and innovation necessary to succeed by today’s standards and to make this merger successful by the standards of tomorrow.

IV. The Need for More: Why Railroads Must Evolve

28. Norfolk Southern is strong on its own. But when two strong railroads combine their complementary networks, their capabilities, and their people, the potential for growth and improvement multiplies. As I have said to our employees:

It’s not that we don’t believe in our ability to stay independent and grow. But when you combine the strengths of two successful railroads, one plus one can equal three—meaning the whole is far greater than the sum of the parts.

29. While Norfolk Southern approaches this merger from a position of strength, it is clear that individual strength will not be enough in the future. The world around us is changing, and the transportation marketplace is evolving faster than ever before. Despite efforts otherwise, growth in the rail industry has been stagnant and far outpaced by the growth of our trucking competitors. All of the major U.S. railroads have been treading water for almost twenty years, while the economy, trucking, and our customers' needs have evolved and grown. It has become evident that a structural barrier is impeding rail's potential. So, we ask ourselves: "Does there need to be a catalyst to achieve a breakthrough in growth? Is something interfering with growth?" The U.S. railroad industry has stalled. Something has to change.

A. The Growth Malaise in Railroads

30. For two decades, Norfolk Southern's growth—and indeed the growth of every major U.S. railroad—has lagged far behind the expansion of the trucking sector. Trucks are gaining share because they offer the speed, flexibility, and integration that customers demand. Railroads, meanwhile, struggle to keep up.

31. At the same time, our customers' expectations are rising. Many operate in just-in-time environments where even short delays can shut down production lines. They expect real-time visibility into their shipments, seamless service across regions, and frictionless contracting. They want the same ease of doing business that they get from trucking and logistics providers: single-stop service, speed, transparency, and responsiveness.

32. Broader trends amplify these pressures. The rise of e-commerce, the near-shoring of manufacturing to the United States and the need for more resilient

supply chains are examples. Each requires carriers to be more nimble, flexible, and customer focused. If we cannot adapt, freight will continue to migrate to highways, and railroads will steadily lose relevance.

B. Why U.S. Rail Is Falling Behind

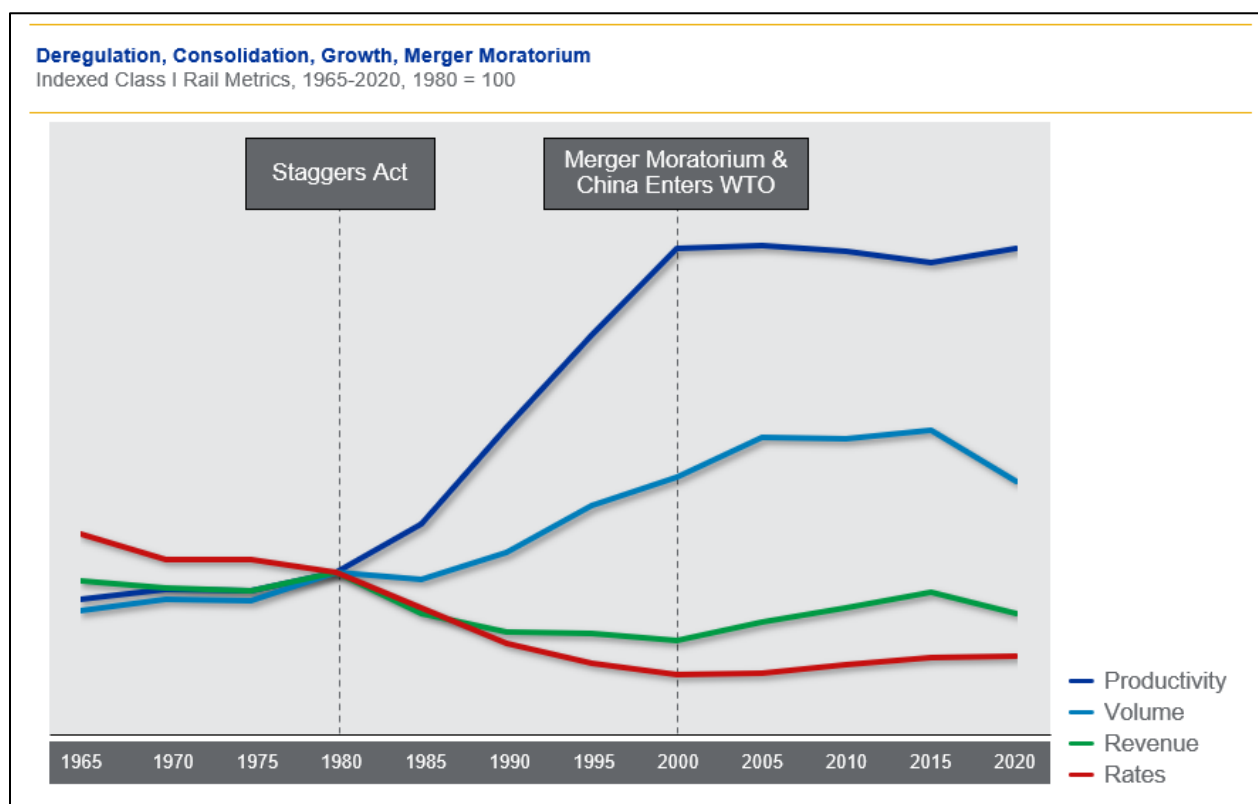
33. Why is the U.S. rail industry falling behind? From 1980 through 2000, U.S. freight rail made tremendous progress, driven by the Staggers Act deregulation and a new focus on efficiency. During this period, railroads consolidated, shed excess capacity, and invested heavily in operations. And the short line industry grew by leaps and bounds. Those changes produced decades of productivity growth and financial stability.

34. After the consolidations of the late 90s, the industry enjoyed several years of growth prompted by significant investment and by unlocking the potential of the new, larger networks we had created. For example, after Norfolk Southern stabilized our Conrail acquisition, we realized intermodal growth of over 1 million units—almost 50%. This would not have happened but for the industry consolidation. But as we entered the Great Recession, growth had already begun to plateau, and most railroads suffered significant reductions in business in 2009 and 2010.

35. While there are many reasons for that—including service volatility, the decline in coal, and the acceleration of logistics demands of our customers—two factors stand out to me as key drivers of malaise. First, U.S. domestic industrial production stagnated as China entered the World Trade Organization (“WTO”) and manufacturing left our shores for cheaper overseas locations. Second, while consolidation in the U.S. rail industry might have been the best response to all of

these factors, merger activity among major railroads came to a stop, leaving the industry to operate under a fragmented structure that forces costly interchanges between carriers, adds complexity, and erodes accountability. This lack of integration continues to make rail less competitive than it could be because customers prioritize simplicity and reliability, even when rail is cheaper and greener.

Figure 1¹
An Evolving Picture



36. The lesson inherent in this history is apparent. Progress was real when railroads continued to evolve. Growth stopped when evolution stopped. Decisions may

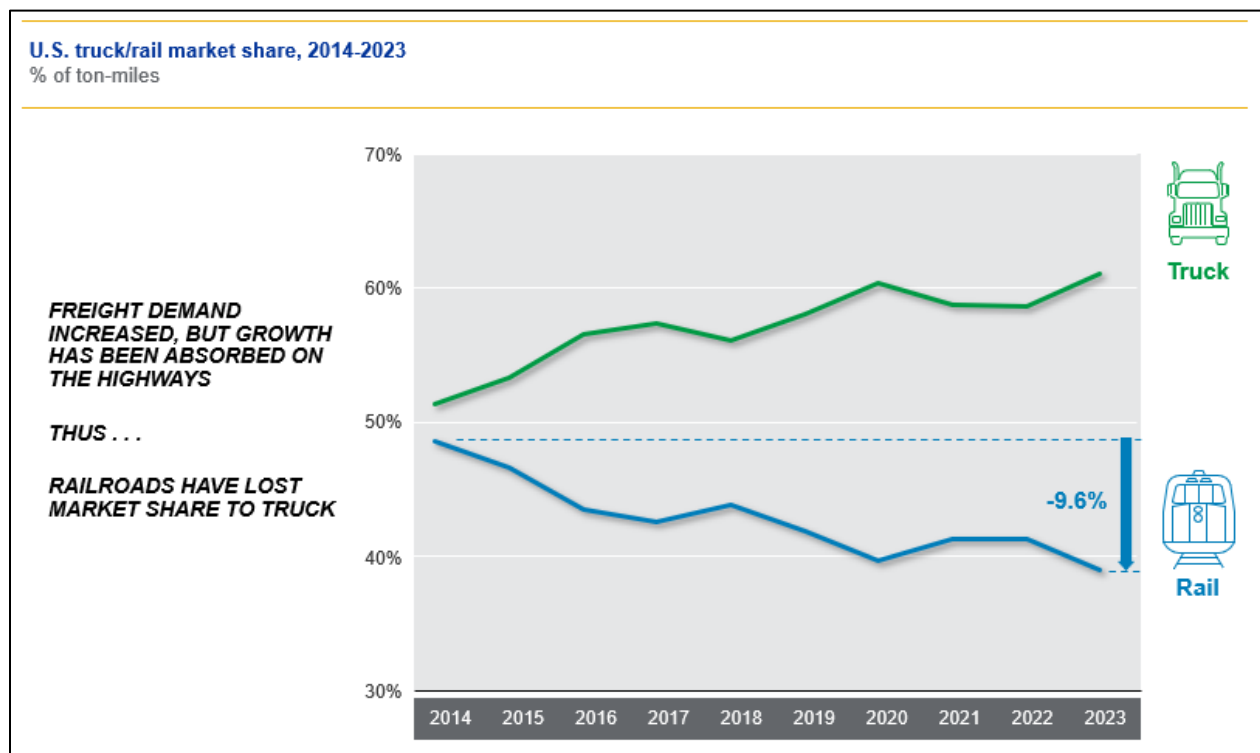
¹ See American Association of Railroads, Railroad Facts and Analysis of Class I Railroads. “Rates” is inflation-adjusted revenue per ton-mile. “Volume” is ton-miles. “Productivity” is revenue ton-miles per constant dollar operating expense. “Revenue” is operating revenue in 2022 dollars. (1980=100.)

have seemed correct when they were made, but as times and circumstances changed, we have grown, evolved, and enhanced the way we do business. Just think about how much technology alone has changed in 25 years.

C. Lessons from the U.S. Trucking and Canadian and Mexican Rail Industries

37. The U.S. trucking industry offers the clearest proof of the value of an integrated, national transportation network. Today, the top ten U.S. trucking companies all provide integrated, nationwide service. But that was not always the case. Before deregulation in 1980, trucking was fragmented, regional, and more dependent on alliances and handoffs to create long-haul service similar to the rail industry of today. Deregulation unleashed competition, which in turn drove innovation. The industry reinvented itself—moving from a patchwork of carriers to seamless national networks—and never looked back. While freight demand has increased, more and more of that demand is being satisfied not by rail, but by the highways.

Figure 2²
Truck Continues to Take Market Share from Rail



38. Canadian carriers have had the benefit of transcontinental networks for more than a century. Canada's economy and its ports have long enjoyed the advantages of two coast-to-coast railroads, enabling them to capture growth, attract investment, and serve global markets with seamless efficiency. The existence of Canada's transcontinental railroads allows Canadian companies to divert into their ports freight that is ultimately bound for U.S. markets; such freight can move more efficiently across Canada and into the U.S. than it can move across our own country. The results speak for themselves: Canadian rail has grown, while U.S. rail has shrunk.

² See Workpaper "M. George VS - Truck vs. Rail Market Share.xlsx."

39. Two years ago the STB approved a merger allowing a Canadian railroad to create a north-south transnational railroad connecting the Canadian heartland, through the United States, and into the most important markets and ports in Mexico. In the meantime, U.S. domestic ports and markets continue to be divided into east and west railroads with time consuming interchanges to move cross country.

40. The public interest justifications for a true American transcontinental railroad are compelling. Such a railroad could finally deliver to American shippers, workers, and communities the same benefits that Canada and Mexico enjoy and that our trucking competitors have offered for decades.

D. The Answer Is Clear

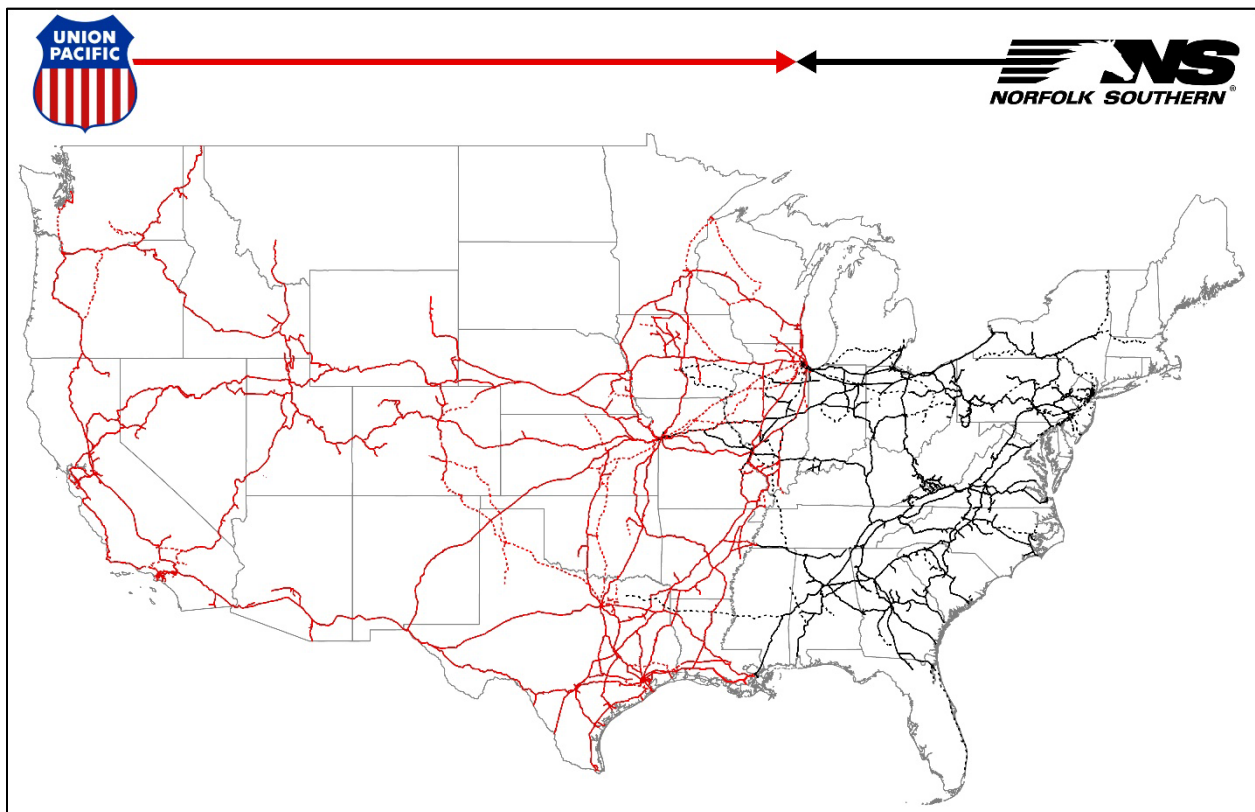
41. The message is unmistakable. I am proud of Norfolk Southern's performance in recent years. Despite significant challenges from the COVID pandemic, the Great Resignation and the supply chain collapse, our performance is as good as ever. But we cannot rest on "as good as ever" because, without the return to volume growth that a combination will unlock, the railroads will be stuck in cost reduction mode. Continued evolution requires a relentless drive to innovate and improve.

42. In the face of stagnant long-term growth, our industry cannot stand still while our customers demand more and the highway is delivering. Railroads must further evolve, shifting our mindset to one that embraces urgency, innovation, and customer service at every turn. That is the spirit—and will be the effect—of this merger.

V. Benefits of the First American Transcontinental Railroad

43. The proposed transaction will create immediate and long-term value for customers, short line partners, and the country. Customers will gain more single-line services across the country, providing faster transit times, greater reliability, and more cost saving options compared to highway solutions. Short line partners benefit from new connections and growth potential through access to new markets. And the nation benefits through reduced highway congestion, stronger manufacturing supply chains, less environmental impact, and greater global competitiveness.

Figure 3
A Transcontinental Railroad



44. A single, coast-to-coast network removes barriers that slow down freight, reduces costs and improves reliability. It will put rail on a more competitive

footing with the highway, generating benefits that will extend from customers to employees, short line partners, and communities across the nation. Importantly, a transcontinental railroad will support the country's goals for growth, manufacturing, and sustainability.

A. For Customers

45. At the heart of this merger is a promise to our customers: seamless, single-line service from coast to coast, including the currently underserved watershed markets. By eliminating interchange handoffs that have functioned as toll gates impeding efficient transport, we will deliver faster transit times, lower costs, reduce delays, and operate with greater reliability. This is the most powerful benefit of integration, and it is why shippers across the country have told me that they support this transaction.³

46. UP and Norfolk Southern's Amended Application contains the technical details, the modeling, and the data that demonstrate the vast benefits of this merger. Here are proof points that illustrate the real, tangible benefits of the proposed transaction.

- **Single-line service.** Single-line, coast-to-coast service without today's interchanges will deliver faster transit times, fewer delays, lower costs, and greater reliability. By eliminating interchange handoffs, shipments will move seamlessly across the network with one accountable carrier. In fact, rail's market share against truck is roughly three times higher where single-line service is available which makes sense as freight that moves end-to-end on one integrated network results in faster transit times, fewer handlings, greater reliability, and lower total logistics costs. The benefits of single-line service are undeniable. This merger will

³ See Am. App., Vol. 3, Statements of Shippers, Government Officials and Others in Support of Amended Application.

transform more than 88,000 county-to-county lanes where shippers truck industrial and bulk freight from interline to single-line rail service for the first time.⁴

- **Watershed opportunities.** The integrated system will capture new traffic, expand into markets where rail has traditionally struggled, and make rail viable in lanes long dominated by the highway. The watershed is characterized by shorter-haul routes on both sides of an interchange where rail networks meet. This interchange friction adds disproportionately higher transit time (and cost) to an otherwise short move, that effectively repels traffic to the highway. The merger will create new seamless single-line service to serve freight without interchange and better position rail to compete with the highway. This merger will transform 44,900 lanes within and into the watershed markets from interline to single-line service (of the 88,000 total),⁵ and by doing so shift 111,600 carloads of merchandise traffic from the highways annually (of the 191,000 total projected carloads of merchandise growth).⁶
- **National economic benefits.** The merger will advance U.S. manufacturing, reduce highway congestion and impacts to roadways, create a more resilient supply chain, and improve the competitiveness of U.S. ports against ports in Canada and Mexico as routes into North America for international shipments. The Parties anticipate that the merger will take over 2 million truckloads off the highways. Fewer trucks mean less congestion, lower emissions, and safer roads for the people who live and work in these regions.⁷

47. The transformation is obvious: what today is a patchwork of interline rail routes becomes a unified national system. What was once thousands of interline service routes will become seamless single-line rail offering more efficient, competitive service.

⁴ Am. App., Vol. 2, Verified Statement of David T. Hunt at Exhibit 4-13.

⁵ *Id.*

⁶ *Id.* at Exhibit 4-12.

⁷ *Id.* at Exhibit 2-5 (Estimated total truckloads and truck-miles removed from roadways (excludes local drayage mileage for intermodal diversions)); *see also* Am. App., Vol. 2, Op. Plan.

48. The benefits are not limited to today's rail customers. While existing customers will see immediate improvements and expanded access to markets, the new seamless, interconnected railroad will also create opportunities to capture new traffic and expand into markets where rail has traditionally struggled to compete. And, as the country reindustrializes, manufacturers will entertain sites along the rail network knowing that we can offer single-line service to destinations where single line service previously did not exist.

49. For decades, the highways have had an advantage in speed, reliability, and simplicity. A fully integrated transcontinental railroad will change that equation. By reducing transit times, eliminating inefficient interchanges, simplifying logistics, and improving reliability, we can make rail more competitive with trucking and win back freight.

50. The benefits will extend across the supply chain. Intermodal customers will see faster, more predictable service. Manufacturers and industrial producers will enjoy more reliable connections to their suppliers and markets. Grain shippers will gain more efficient access to ports, while chemical producers will have safer, more dependable options to move their products. And U.S. ports will be able to provide the same transcontinental service that now is offered only by ports in Canada and Mexico. By eliminating speed bumps and duplicative choke points, we will unlock capacity and reliability across every sector.

B. For Short Line Partners

51. Short lines, our trusted partners who are so often the first and last mile of our service, share our entrepreneurial spirit and extend our reach into every

community and corner of the economy. They make rail personal, building relationships with farmers, manufacturers, and small businesses. And in doing so, they ensure that rail remains relevant, competitive, and responsive at the local level. A faster, seamless, coast-to-coast network will give short lines the ability to deliver superior service to their customers and access to more markets unburdened by artificial barriers and delays.

52. Norfolk Southern's and UP's short line partners have recognized the value America's first transcontinental railroad could deliver for them and their customers.⁸ The growth that our merger will facilitate will be a tide that rises for all, opening for short lines new opportunities to reach national and global markets. The ripple effect will strengthen local economies, power new industrial growth, and deepen the partnerships that keep America's supply chain strong.

C. For the Country

53. Freight rail already is vital to America's core economic infrastructure. Every day, it moves the goods that power our factories, stock our shelves, and connect our ports, manufacturers, and farmers to world markets. It ensures that American products are shipped by American companies, creating American jobs and building American wealth. This merger will unlock the full potential of American manufacturing by strengthening supply chain resilience and supporting re-shoring.

⁸ See Am. App., Vol. 3, Statements of Shippers, Government Officials and Others in Support of Amended Application.

54. This merger will make today's rail faster, better, and stronger. We will move more freight, more efficiently, and more reliably than ever before and in a way that strengthens our economy and secures America's competitive edge.

55. Designed for the demands of the modern economy, the combined network will reduce costs, expand opportunity, and build a stronger, more connected America. It also enhances U.S. rail competitiveness against the Canadian and Mexican transcontinental railroads that already exist.

VI. Why These Benefits Can Only Come from a Merger

56. Since announcing this merger, I have traveled widely, meeting with customers, employees, investors, and community leaders. In every conversation, I have seen recognition of the power that this merger can bring to the country and to the economy. People understand what is at stake. They see the opportunity to finally create a seamless, modern, coast-to-coast rail network that serves not just shippers, but American workers, families, and communities.

57. Only full integration can deliver the scale, coordination, and customer responsiveness necessary to compete with trucking and modern logistics providers. Partnerships and alliances have been used for decades. They have served—and continue to serve—as a vital option. But they are not enough because rail continues to lose freight market share to the highway. You don't need to look any further than the airline industry, which went through its own consolidation in the 2010s to give passengers more direct seamless options as opposed to relying only on codeshare alliances. That industry is far healthier today.

58. The late Patrick J. Ottensmeyer, legendary CEO of Kansas City Southern, saw risks with relying only on alliances. During the CP-KCS proceedings, he testified:

Unfortunately, as is often the case when two railroads try to collaborate on arrangements such as joint marketing and joint operating agreements, they fail. This is because each railroad works to protect its interests or not expend its capital on a risky commercial opportunity for which there is no guarantee of adequate returns.⁹

Pat was right then, and his words ring even more true today. Railroads cannot contract their way to a seamless network through alliances and marketing agreements. Only integration can remove the structural barriers that prevent full cooperation, seamless operations, and effective investment.

59. Actual integration also fosters a level of strategic agility alliances alone cannot offer. A merged company can work with customers to respond in real time to market changes—shifting gateways, creating new blocks of traffic, adjusting operating plans, extending sidings, moving crew districts, deploying new technology—without endless negotiation and renegotiation with interline partners as often occurs when operating under an alliance. If a customer’s needs change because a factory returns production from overseas to the United States, an integrated railroad can quickly reroute traffic to a different port or inland market. If new markets open for American grain exports, an integrated railroad can promptly create new unit train service to capture the opportunity. And if customers face new

⁹ Verified Statement of Patrick J. Ottensmeyer, Ex. 2 to Joint Motion for Approval of Voting Trust Agreement, *Canadian Nat’l. Ry. Co. et al.—Control—Kansas City S. et al.*, STB Docket No. 36514 (STB filed May 26, 2021).

competitive pressures in regions like the Gulf Coast or the Pacific Northwest, or from Mexican or Canadian origins and destinations, a merged network can reconfigure operations immediately to meet those demands. Alliances, by contrast, require new agreements for every material change, resulting in missed market opportunities for customers while railroads haggle over how to respond.

60. This merger does not mean that alliances will go away or that they should. Alliances will continue to be an important part of this industry, particularly where geography requires cooperation. One unmovable difference between railroads and trucking is that rail assets are fixed. We cannot easily change our geographic footprint the way that trucks can. That means that when new opportunities arise—opportunities that can only be met by a joint service arrangement with another Class I—we will continue to have the same incentives to work together that we have today. Whether that involves UP and CSX, UP and BNSF, or UP working with the Canadian and Mexican railroads, the merged company will remain committed to collaborating to meet customer needs.

61. From Lincoln's vision of a unified country by rail to Eisenhower's creation of a seamless interstate highway system, America has always chosen integration over fragmentation. The notion that a series of alliances could substitute for a transcontinental railroad is ill-conceived.

VII. Conclusion

62. This merger is more than a business transaction. It is a responsibility to contribute to building the infrastructure that America needs to compete in the 21st century: seamless, national, and responsive. Only full integration can deliver a

change on the scale of the Eisenhower Interstate Highway System—a once-in-a-generation modernization that redefines what is possible for freight movement in America and provides a seamless, competitive, and responsive competitive option to trucks.

63. I therefore urge the STB to approve the proposed transaction as consistent with the public interest. The record is clear. The benefits of the combination are compelling. There is no credible competitive harm. Indeed, the merger began enhancing competition the day it was announced, with competitors announcing new interline partnerships in response to the mere mention of the proposed transaction. This reflects our competitors' concerns that our merger will do exactly what we said it will do: reduce transit times and costs and provide shippers with access to new markets and opportunities. Our competitors believe that they can compete via these new interline partnerships and we strongly believe they do offer compelling alternatives. But one thing interline partnerships cannot do is eliminate the friction and associated transit delays that a single-line service offers to customers, and that will result from this transaction.

64. Combining two complementary networks into a U.S. transcontinental railroad creates massive competitive benefits: more efficient use of infrastructure, seamless service, fewer handoffs, greater accountability, and stronger competition with trucking. Our application details those benefits in specific, measurable terms, and they align directly with the Board's obligation to protect and promote the public interest.

65. The future of American rail is seamless, coast-to-coast, and customer-driven. Approving this transaction to complete the work that President Lincoln started and creating America's first transcontinental railroad is how we get there.

VERIFICATION

I, Mark R. George, 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.