

BEFORE THE SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. FINANCE DOCKET NO. 36873 UNION
PACIFIC CORP. AND NORFOLK SOUTHERN CORP. —
MERGER AND CONTROL —

PUBLIC COMMENT AND CERTIFICATE OF SERVICE OF
INDIVIDUAL CITIZEN: Alexander Mrugala

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Dated: September 28, 2026

BEFORE THE SURFACE TRANSPORTATION BOARD

WASHINGTON, D.C.

Finance Docket No. 36873

UNION PACIFIC CORP. AND NORFOLK SOUTHERN CORP. – MERGER AND CONTROL

PUBLIC COMMENT OF Alexander Mrugala

To the members of the Board:

I am writing to express my strong opposition to the proposed transaction in Finance Docket No. 36873. The Board must not evaluate this application in a historical vacuum. This proposed transaction bears terrifying structural, financial, and operational similarities to the single greatest regulatory failure in American rail history: the 1968 Penn Central (PC) merger, which triggered an unprecedented economic crisis and forced Congress to enact the Regional Rail Reorganization Act of 1973 to rescue the Eastern rail network.

Specifically, the Board must scrutinize the highly dangerous potential for debt contagion and systemic asset neglect inherent in this combination. The historical parallels are precise and operationally alarming.

- **The Financial Analogy (PRR's Non-Freight Debt Anchor):** Prior to 1968, the Pennsylvania Railroad (PRR) was drowning in \$1 Billion of debt and bleeding \$70 million a year on federally mandated, dying passenger operations. When adjusted for modern inflation, the PRR was walking into that merger saddled with an equivalent \$9.3 Billion debt load and hemorrhaging \$650 million annually on non-freight liabilities. This financial rot acted as a terminal anchor. When the New York Central tied itself to the PRR, it unwittingly absorbed a debt bomb that exploded and destroyed both legacy systems just two years later.
- **The Modern Parallel (Norfolk Southern's Legacy Liabilities):** History is repeating itself with terrifying precision. Norfolk Southern currently carries a staggering \$17.1 billion in debt, matching the scale of the PRR's inflation-adjusted numbers. Crucially, a massive portion of this leverage was not accumulated to improve service, buy locomotives, or build capacity, but rather to fund massive payouts,

cleanup costs, and legal liabilities stemming from the catastrophic East Palestine Disaster.

- **The PSR Compounding Factor & The Staggering 2,300-Unit Crisis:**

These systemic issues will be critically compounded by Precision Scheduled Railroading (PSR). Under the guise of PSR efficacy, the industry has systematically deferred essential capital investments. The Applicants' own filing exposes a glaring, undeniable symptom of this asset starvation: **Over 2,300 combined locomotives are currently sitting completely idle in storage and maintenance deadlines.** Assuming a standard, balanced **50/50 distribution** across the two properties, this accounts for an estimated **1,150 sidelined units per railroad.** A massive concentration of this rot is found right now at Norfolk Southern's Juniata Locomotive Shop in Altoona, PA, Where hundreds of these units sit stalled out awaiting critical DC-to-AC conversions or extensive accident repairs. The carriers are moving at a snail's pace to process their respective **1,150-unit backlogs**, starving the network of reliable motive power while claiming they lack the resource scale to improve service independently

- **The Transcontinental Capital Starvation Trap:** Just as the PRR's passenger deficits starved Penn Central of the capital needed to maintain its tracks and fleet, servicing Norfolk Southern's East Palestine-inflated debt will cannibalize the combined railroads revenues. Union Pacific is fundamentally miscalculating if it believes its Western profits can absorb a \$17.1 Billion Eastern debt anchor while simultaneously fixing a massive backlog of **2,300 deadlined locomotives.** The Applicants boast that they will pull 1,000 of these exact idled units out of storage by Year 3 to handle growth. This is a damning admission: both railroads already possess the latent capacity and physical assets to handle increased traffic today without a corporate consolidation. Instead, the combined system will be forced to lock away this fleet and cannibalize it's maintenance budgets across the entire 50,000-mile network just to service the transaction's debt.

The Board must realize that pushing the \$85 billion buyout forward will inevitably drag Union Pacific down the exact same path of Infrastructure decay and insolvency that destroyed the New York Central. Unlike 1973, the American taxpayer has no appetite for

a multi billion dollar federal bailout to resolve the collapse of a consolidated transcontinental monopoly. The Board must protect the public interest and the integrity of the national supply chain by denying this application

Respectfully submitted,

/s/ Alexander Mrugala

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Dated: September 28, 2026

Certificate of Service

I hereby certify that on this 28th day of September, 2026 I have served a true and correct copy of the foregoing Public Comment Electronically upon all parties of record, in addition to the lead Applicants' Representatives and designated Parties of Record via first-class United States mail, postage prepaid, addressed as follows:

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I hereby certify that on October 2, 2026, a copy of the foregoing Public Comment in Docket No. FD 36873 was served via Electronic Mail upon all parties of the record listed on the Surface Transportation Board's official service list for this proceeding

/s/ Alexander Mrugala

10/2/2026