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BEFORE THE SURFACE TRANSPORTATION BOARD
FINANCE DOCKET NO. 36873
UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY
—CONTROL—
NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY

COMMENTS OF THE NORTH DAKOTA SOYBEAN GROWERS ASSOCIATION

I. INTRODUCTION AND POSITION

The North Dakota Soybean Growers Association (NDSGA) is a statewide, nonprofit, member-driven organization that advocates in Bismarck and Washington, D.C. on behalf of North Dakota soybean farmers. NDSGA is one of 26 state soybean organizations affiliated with the American Soybean Association. NDSGA submits these comments in opposition to the proposed acquisition of control of Norfolk Southern by Union Pacific.

NDSGA does not support this merger. Further consolidation of the Class I railroad industry limits competition, and reduced competition paves the way for higher costs and fees. Those costs will not stay with the railroads. They will be passed down to the farmer in the form of higher transportation rates to move soybeans from the farm to the global market.

II. LESS COMPETITION MEANS HIGHER TRANSPORTATION COSTS FOR FARMERS

North Dakota soybean farmers sell into a global market at prices they do not set and cannot pass higher costs onto a buyer. Every added dollar spent moving a bushel from the farm to a crusher or export terminal comes out of the farmer's net return. Because many farmers have few practical transportation alternatives, the competitiveness of the rail system bears directly on farm profitability.

While the merger applicants project roughly $2.75 billion in annual synergies, we are very concerned for our members to eventually face increases to rates, fees, and every increasing surcharges. Rates are already rising for marketing year 2026/27, Union Pacific raised its soybean tariff rates by $225 per car across all origins, and BNSF raised its rates to Pacific Northwest export terminals by $120 per car. Even where the merging railroads do not directly serve a North Dakota elevator, the transaction can change competitive dynamics across the network and invite further Class I mergers. The STB Board's rules require the Applicants to show that the transaction will enhance, not merely preserve, competition, and account for these downstream effects.

III. IMPACT ON NORTH DAKOTA'S RURAL COMMUNITIES

North Dakota farm operators and owners already face ever-increasing costs, from high input costs to increased transportation expenses, while the prices they receive for their crops are set by global markets. Transportation is a major cost they cannot control, and each increase

narrows already thin margins. Farmers are directly a price-taker when it comes to transportation costs, even more so when mergers occur, and there are fewer service providers in a system to ensure competitive pricing. Rate increases or extra fees imposed by a railroad merger of this size are passed directly down the supply chain. Farmers are forced to absorb the rising rates, which weakens local basis and reduces the final price per bushel.

The effects reach well beyond the farm gate. Agriculture is the foundation of the economy in small rural North Dakota communities. Local elevators, equipment dealers, input suppliers, Main Street businesses, and schools all depend on healthy farm income. When higher freight costs reduce what farmers earn, every one of those communities feels the impact of loss. The merger eliminates independent regional carriers at key interchange points. Many North Dakota grain elevators are "captive shippers" with no viable trucking alternative for long-haul routes. As a result, North Dakota elevators lose the ability to leverage competing lines for better rates. Furthermore, the merger will disadvantage shipments originating from or passing through lines connected to other major western carriers. The merger will shrink competitive interchange and routing choices.

IV. CONCLUSION

NDSGA respectfully requests that the Surface Transportation Board deny the application because the Applicants have not shown that the transaction will enhance competition and serve the public interest. If the STB Board considers approval, NDSGA asks that it impose effective, enforceable conditions that preserve competitive options and protect agricultural shippers from rate and fee increases.

Respectfully submitted,



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CC: Parties of Record