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American Honda Motor Co., Inc.

**BEFORE THE**

**SURFACE TRANSPORTATION BOARD**

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**Docket No. FD 36873**

UNION PACIFIC CORPORATION AND UNION PACIFIC RAILROAD COMPANY

—CONTROL—

NORFOLK SOUTHERN CORPORATION AND NORFOLK SOUTHERN RAILWAY COMPANY

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# COMMENTS OF AMERICAN HONDA MOTOR CO., INC.

## I. INTRODUCTION AND SUMMARY

American Honda Motor Co., Inc. ("Honda") submits these comments on the revised application of Union Pacific Corporation and Union Pacific Railroad Company (together, "UP") and Norfolk Southern Corporation and Norfolk Southern Railway Company (together, "NS," and with UP, "Applicants").[1] These comments are submitted in accordance with the procedural schedule adopted by the Board on August 18, 2026.[2] Honda filed its Notice of Intent to Participate in this proceeding on June 10, 2026.

Honda relies on competitive rail service to deliver Honda and Acura vehicles to dealers and customers across the United States. A defining feature of the current rail environment is the existence of genuine, workable competition. Today, Honda can structure its rail movements across multiple carrier combinations. In the current four-railroad structure, with two major western carriers (UP and BNSF) and two major eastern carriers (NS and CSX), Honda has access to as many as four distinct interline pairings for transcontinental movements. Each of those combinations represents a separate competitive option that Honda can solicit, compare, and leverage. That competitive landscape gives Honda real choices. Honda uses those choices to solicit competing bids, negotiate improved service terms, and ensure that no single carrier holds

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[1] Union Pacific Corp.—Control—Norfolk Southern Corp., Docket No. FD 36873, Revised Major Merger Application (filed Apr. 30, 2026), as supplemented July 7 and July 27, 2026.

[2] Union Pacific Corp.—Control—Norfolk Southern Corp., Docket No. FD 36873 (STB served Aug. 18, 2026) (adopting procedural schedule; comments due Nov. 18, 2026).

unchecked leverage over a critical segment of its logistics network. Honda is attentive to how the proposed merger could narrow these options.

Honda's central concern is simple: **the proposed transaction would reduce rail competition, and less competition is worse for Honda, its dealers, and the customers who buy its vehicles.** Specifically, Honda is concerned that the transaction would:

- increase the pricing power of the merged railroad;
- reduce competitive routing options for long-distance vehicle shipments;
- concentrate control over specialized automotive railcars;
- offer protections that do not adequately cover automotive shipments;
- rely on claimed benefits that do not apply to finished vehicle shipments; and
- encourage further consolidation in the rail industry.

Honda is a member of the Automotive Logistics Executive Committee ("ALEC") and the Alliance for Automotive Innovation ("AAI") and supports the concerns addressed in the comments those organizations are filing in this proceeding.

## II. STATEMENT OF INTEREST

Honda builds vehicles in North America and delivers them to dealers in all regions of the United States. Rail is essential to this network for long-distance shipments, and at Honda's volumes there is no practical substitute. Shipments from Honda's eastern plants to western markets often depend on routes that connect two railroads.

Most finished vehicle shipments move under private contracts that the Board generally does not review. For that reason, the ability to choose between competing railroads is Honda's main protection against unreasonable rates and poor service.

## III. ABOUT HONDA

American Honda Motor Co., Inc. ("Honda") is a global leader in the automotive industry, with a longstanding commitment to delivering a diverse range of safe, affordable, and technologically advanced vehicles to its customers. Honda's well-established approach to localizing production in America has made its investments a significant part of the U.S. automotive and manufacturing landscape. Since opening its first U.S. business operation in 1959 and beginning U.S. manufacturing in 1979, Honda has invested nearly $28 billion in its U.S. operations. Today, Honda operates 12 manufacturing plants across the country, eight of which are dedicated to auto and powertrain production. Honda recently announced a ninth U.S. auto plant as part of a $3 billion investment to build a new auto production facility in Ohio. Production is expected to begin in 2029 and create 2,000 additional jobs. In addition to

automobiles, Honda manufactures powersports products, power equipment, a light business jet, and the jet engine that powers it in the United States.

Honda's leadership in U.S. manufacturing is also demonstrated by the fact that more than 60 percent of the vehicles Honda sells in the United States are built in the United States using U.S. and globally sourced parts. This is a higher percentage than that of every full-line automaker except one, and more than 99 percent of Honda vehicles sold in the United States are built in North America. In addition, Honda has conducted research and development in the United States for more than 50 years, and Honda's U.S.-based teams have developed more than 36 automobile models specifically for the American market. This demonstrates Honda's commitment to designing, engineering, and manufacturing products tailored to U.S. consumers.

The company currently employs more than 30,000 U.S. workers, 75 percent of whom work in manufacturing, and collaborates with more than 600 American suppliers.

## IV. HONDA'S CONCERNS

Honda's concerns, from the perspective of a finished vehicle shipper, are described below.

### *A. Less competition will lead to higher costs and a weaker negotiating position.*

The transaction would create a single transcontinental railroad much larger than any other U.S. railroad, leaving shippers with fewer real choices. With fewer choices, shippers would have less leverage at contract renewal, and the railroad would have the ability and incentive to raise rates and offer less favorable terms. Higher rail rates ultimately affect vehicle costs for manufacturers and can also affect dealers and customers. Because most vehicle shipments move under contracts, competition is the protection that matters, and the transaction would reduce it.

### *B. Competitive routing options would be reduced.*

Today, shipments between the East and the West are handled by separate eastern and western railroads, and shippers can often choose among different combinations of carriers. Applicants state that the transaction would convert approximately 10,000 existing lanes from service shared by two railroads into single-line service.[3] After the transaction, the merged railroad would have the incentive to favor its own single-line routes over routes shared with other railroads.

### *C. Control of automotive railcars would be concentrated.*

Auto-rack railcars are specialized equipment supplied largely through a shared industry pool. The merged railroad would control a large share of this equipment and have significant

[3]Union Pacific Corp. and Norfolk Southern Corp., News Release, Creating America's First Transcontinental Railroad: Union Pacific and Norfolk Southern's STB Merger Application Details Enhancements to Competition and Public Benefits (Dec. 19, 2025).

influence over the pool, including how railcars are allocated and which shipments receive priority. Railcar availability is already a challenge for the automotive industry, and greater concentration would increase this risk.

### *D. Applicants' proposed protections do not adequately cover automotive shipments.*

Applicants have offered several commitments intended to protect shippers, including keeping existing gateways open for eligible traffic on "commercially reasonable terms," a Committed Gateway Pricing program, temporary access to alternative rail service if service declines during integration, and a new rate relief process.[4] Honda is concerned that these commitments do not adequately protect automotive shipments, for three reasons:

- **Unclear terms.** The gateway commitment applies only to "eligible" traffic on "commercially reasonable terms." These terms are not clearly defined, and the merged railroad would control how they are applied.
- **Limited coverage of contract shipments.** Most finished vehicle shipments move under contracts. Based on Honda's review, finished vehicle shipments do not appear to be covered by the Committed Gateway Pricing program, and the proposed service protections do not clearly extend to contract shipments.
- **Temporary protection that does not cover a permanent change.** The service protections apply only during the integration period. The loss of competition, however, would be permanent.

Because the Board generally does not review contract rates, shippers of finished vehicles would have limited ability to seek relief if rates rise or service declines after the transaction. Without clear, enforceable, and lasting protections that apply to contract shipments, the commitments offered do not replace the competition that would be lost.

### *E. The benefits claimed do not apply to finished vehicle shipments.*

Applicants rely heavily on projected shifts of freight from truck to rail, estimating that approximately two million truckloads would be converted to rail each year.[5] The automotive network already uses rail for long-distance moves and truck for shorter moves, so there is little long-distance truck traffic to convert. Honda does not expect the transaction to shift more of its vehicles from truck to rail. Reduced competition would make rail less attractive, not more.

### *F. The transaction is likely to lead to further consolidation.*

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[4] Id.; Union Pacific Corp. and Norfolk Southern Corp., News Release, Union Pacific and Norfolk Southern Affirm Strength of Merger Application and Offer Unprecedented New Customer Assurances (July 27, 2026).

[5] News Release (Dec. 19, 2025), supra note 4.

If this transaction is approved, other railroads may face strong pressure to combine in response, leaving only two very large transcontinental railroads. That outcome would further reduce competitive choices for all shippers.

## V. HONDA SUPPORTS THE CONCERNS RAISED BY ALEC AND AAI

Honda supports and aligns with the concerns raised in the comments that ALEC and AAI have filed in this proceeding. Those comments describe in greater detail why the automotive industry depends on competitive rail service and why the transaction raises serious concerns for automotive shippers.

## VI. CONCLUSION

The proposed transaction would reduce rail competition, limit routing choices, concentrate control over automotive railcars, and leave automotive shipments without adequate protection. For Honda, less competition means higher costs, fewer choices, and less access to the railcars needed to serve its dealers and customers. Honda appreciates the opportunity to share these concerns with the Board.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**

I certify that on November 18, 2026, a copy of the foregoing Comments of American Honda Motor Co., Inc. was served by electronic mail or by first-class mail, postage prepaid, on the Secretary of Transportation, the Attorney General of the United States, Applicants' representatives, the Administrative Law Judge, and all parties of record in this proceeding.

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