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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 MISSOURI CORN GROWERS ASSOCIATION

November 18, 2026

I. INTRODUCTION

Missouri is consistently among the nation's top ten corn-producing states, ranking between eighth and tenth in recent years. Production over the last three years has ranged from roughly 560 to 680 million bushels annually. A significant portion is used in-state for livestock feed and ethanol production, while an estimated 200 to 260 million bushels are available for net export. These supplies move by rail and barge to domestic and export markets.

Missouri corn farmers, like those across the Corn Belt, are price-takers. Futures prices and basis are highly volatile, and production costs (seed, fertilizer, fuel, land, and interest) remain elevated, while revenue is set by markets over which farmers have no control. Disruptions or added costs anywhere in the supply chain, including reduced transport capacity, higher freight rates, unreliable service, and demurrage, are ultimately absorbed by farmers through a weaker basis. This reduces net revenue, constrains planting and investment decisions, and weakens local and regional economies. Inputs such as fertilizer, as well as grain and co-products such as ethanol and distillers dried grains with solubles (DDGS), all move by rail. Reliable, competitive rail service is therefore essential to Missouri farmers and the state's agriculture industry.

Farmers do not ship corn beyond the first point of sale, but a major service disruption resulting from the proposed merger of Union Pacific (UP) and Norfolk Southern (NS) could still expose them to significant risk.

UP and NS operate under different models and metrics for corn shipments, and both serve Missouri. For example, freight on eastern carriers such as NS is typically booked by the receiver, while freight on western railroads such as UP is generally booked by the shipper, with limited exceptions. This merger could bring these two models into direct conflict in our state.

The merger could broaden market access for Missouri producers. Conversely, service disruptions, or railroad policies that shift the burden of perceived efficiency onto shippers, could interrupt markets and devalue shipper assets, ultimately lowering farmgate prices for farmers.

The Missouri Corn Growers Association (MCGA) represents 1,800 members. After consulting with elevators, other transportation modes, and end users, MCGA is neither supporting nor opposing the proposed merger at this time. Instead, we request the following conditions, whether voluntarily agreed to by the applicants or imposed by the Surface Transportation Board, to protect the competitive position, service reliability, and net returns of Missouri corn growers and the elevators that serve them.

II. CONDITIONS TO PROTECT MISSOURI CORN FARMERS (IF APPROVED)

Condition 1 – STB Oversight: Given the magnitude of the proposed merger, the first under the STB's 2001 major merger rules, we request that, if approved, the STB oversight period be seven years and that all conditions, whether agreed to or imposed, remain in effect for the entire period. Because corn is planted and harvested once a year and rotated with soybeans and other crops, a seven-year period gives producers time to adjust planting decisions as service changes take effect.

Condition 2 – Dedicated Customer Service: The merged railroad should operate a dedicated corn desk, ideally located in the Corn Belt and at a minimum in the Central time zone. Shippers report that Norfolk Southern previously had a grain customer service representative in Decatur, IL, but no longer does. Customer service is now routed through Atlanta, with no specific point of contact to resolve issues quickly.

Condition 3 – Demurrage: Shippers report that train delivery is often untimely, and Norfolk Southern's service in particular has not been strong. The lack of a dedicated local grain customer service representative compounds the problem. Despite advances in tracking technology, the deployment of positive train control, and railroads' stated commitments to transparency, shippers still do not receive precise, reliable delivery notification. Most elevators operate only one loading crew. Unpredictable train release makes workforce scheduling difficult, hinders shippers' ability to load within the time required to earn timely-loading rebates, and increases their exposure to demurrage penalties. We propose either of two remedies:

- Extend the free load-out period from 24 to 30 hours.

- When a train is released outside normal business hours, start the demurrage clock at the next 6-hour increment. For example, if the railroad releases a train at 2:00 a.m., the clock would start at 6:00 a.m.

Condition 4 – Loading/Unloading Performance Rebates: Many railroads offer rebates for timely loading or unloading of trains. One railroad abruptly canceled its rebate mid-year. Although these rebates are modest, they are significant to shippers, and many have built them into their capital repayment plans. We request that any rebate program, once announced or agreed to, remain in place for at least one year.

Condition 5 – Rate Discrimination Based on Loading Configuration: Missouri grain elevators use a variety of track configurations to handle unit trains. Some have installed loop tracks, while others, especially those located within towns, load unit trains using "ladder" track systems. If the goal is to encourage unit-train shipping, tariff rates should not disproportionately disadvantage ladder-track shippers.

Condition 6 – Continuation of the "Pegasus" Program: Norfolk Southern operates a "Pegasus" shuttle program serving Decatur, IL, and Lafayette, IN. The program primarily serves elevators within about 90 miles that ship 50-car shuttle trains. In some years it has been extended to Missouri shippers, giving them an additional market outlet. We request that the merged railroad continue this program and its availability to Missouri shippers.

Condition 7 – Shortline Railroad Interchanges: Several Missouri shippers have facilities, including unit-train loaders, on shortlines such as the Missouri and Northern Arkansas Railroad and the Arkansas and Missouri Railroad. To preserve the viability of these facilities and the farmers they serve, the merged railroad should maintain existing interchanges and continue to offer interchange service and tariffs at current price spreads. It should also align shortline demurrage free time with the frequency of Class I service. For example, if the Class I railroad serves the shortline once a week, shippers on that line should receive seven free days. If it serves the shortline five times a week, shippers should receive one free day.

Condition 8 – Private Grain Cars: Many corn receivers use their own fleets of owned or leased grain cars. The merged railroad should maintain current rate spreads between private cars and railroad-owned equipment.

Condition 9 – Cross-Gateway Rates: Through arbitrage, the grain industry has always been able to meet excess demand from excess supply areas. However, the railroad should not circumvent normal grain flow patterns, in the name of increasing traffic, revenue or other operating metrics. To prevent this, the railroad should not offer lower tariff rates “over the top rates” to markets in Mexico.

Condition 10 – Grain Rate and Service Arbitration: In its July 27 supplemental filing, Union Pacific offered to establish arbitration systems for both rate and service disputes. The grain industry already has a long-established arbitration system. We request that the merged railroad

commit to an arbitration system dedicated solely to agriculture. Because grain operates on extremely tight margins, professional arbitration services are often uneconomical. A dedicated system, staffed by both grain traders and transportation personnel, would broaden access and keep costs reasonable for both parties.

Condition 11 – Capital Improvement: Past railroad mergers have driven changes in the grain industry, such as the development of unit-train loaders. The combined Union Pacific–Norfolk Southern system will likely push for larger trains. Because the merger will drive these changes, the railroad should help fund the investments needed to improve system efficiency, in one of two ways:

- Establish a capital fund from which elevators can borrow at below-market interest rates.
- Offer performance rebates to encourage investment. If this approach is chosen, the railroad must guarantee the rebates for the entire payback period of the elevator's investment, for example a minimum of 10 years.

Condition 12 – Performance Standards: Railroads impose performance standards on shippers through demurrage and other charges, but do not face comparable consequences for their own poor or untimely performance. We request that the merged railroad commit to guaranteed performance standards for releasing trains and pulling them from the station, with consequences when those standards are missed.

Condition 13 – Timely Dispute Resolution: The merged railroad should commit to resolving rate and service disputes in less than three months. The grain industry operates on extremely low margins, and lengthy delays force shippers to tie up operating revenue for extended periods, reducing their profitability.

Condition 14 – Tariff Rate Setting: We understand that a primary motivation for the merger is capturing more intermodal and other non-agricultural freight. Union Pacific's filing claims the merger will ultimately remove more than 2 million truckloads from American roads. Without commenting on the validity of these projections, they do not suggest a reduction in truck movements of grain. The grain industry is therefore concerned that rail rates for grain will rise disproportionately to those of other commodities. We request that grain tariff rates not increase beyond a reasonably projected level of inflation.

Condition 15 – Performance Metrics Reporting: The STB has required railroads to publish performance metrics, such as velocity, cars online, dwell time, and carloadings, throughout the oversight period. For transparency and monitoring, we request that the merged railroad publish these metrics for each legacy network as well as for the combined railroad. This will allow shippers, market participants, and observers to objectively compare performance across the respective systems.

Condition 16 – Grain Rail Council: Through our national partner, we have participated in grain councils with other railroads. We request that the merged railroad convene a grain industry council to provide system updates, review performance, and support stakeholder engagement. The council would also be a venue to promote rail activity and discuss opportunities and challenges for the coming crop year and the market overall.

III. CONCLUSION

Missouri corn farmers depend on the rail system and urge the Board to keep it intact, affordable, and efficient. For corn growers, rail is not a convenience. It is essential to how their crop reaches feed mills, ethanol plants, and export terminals, and how fertilizer for next year's crop reaches their fields. Because corn growers are price-takers, every added dollar in freight cost and every hour of delay comes out of the price they receive, weakening basis and the economic health of rural communities. The Board's decision in this proceeding will shape the cost and reliability of that service for decades.

The Board's 2001 major merger rules require applicants to show that a transaction would enhance competition and deliver public benefits that outweigh its harms. We expect the Board to apply that standard rigorously and to adopt the conditions requested in these comments.

Corn growers have few practical alternatives to freight rail, and farmers should not bear the cost of a transaction that primarily benefits other industries. MCGA reserves the right to participate further in this proceeding, including through reply comments and at any public hearing. We thank the Board for the opportunity to comment on the proposed merger of Norfolk Southern and Union Pacific.

Sincerely,



Patrick Seyer, President
Missouri Corn Growers Association

CERTIFICATE OF SERVICE

I hereby certify that I have caused this document to be served electronically or by first class mail, postage pre-paid, on the Secretary of Transportation, the Attorney General of the United States, Applicants' representatives, Administrative Law Judge Jenifer Soulikias, and all parties of record in this proceeding.

Respectfully submitted,

X 

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Dated: November 18, 2026

CC: Parties of Record