312950

ENTERED
Office of Chief Counsel
November 18, 2026
Part of
Public Record

United States Senate
WASHINGTON, DC 20510

November 18, 2026

The Honorable Patrick Fuchs
Chairman
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Michelle Schultz
Vice Chair
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Karen Hedlund
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Richard Kloster
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Chair Fuchs, Vice Chair Schultz, Member Hedlund, and Member Kloster,

We write today with serious concerns regarding the proposed merger of Union Pacific (UP) and Norfolk Southern (NS). If approved, this transaction would represent the most significant consolidation in the freight rail industry in decades and would reshape the U.S. freight rail network and supply chain. Specifically, we are concerned that a merger of this magnitude could increase costs, reduce transportation options for shippers, undermine reliable service, and further diminish competition in an already highly consolidated industry. Given these significant risks to rail shippers, consumers, and the broader U.S. economy, we urge the Board to reject the proposed merger.

Since the 1950s, the rail industry has consolidated from more than 100 Class I freight railroads to only six today. This consolidation has left many manufacturers, utility companies, agricultural producers, and small businesses with limited competitive options for moving their goods. In recent years, shippers across the country have raised concerns about rail service, reliability, and rates, particularly where they are served by only one carrier. Further consolidation threatens to exacerbate existing service challenges and further entrench the lack of competition that has left shippers with little leverage to negotiate fair rates or secure reliable service.

We are also deeply concerned by the recently released video of UP CEO Jim Vena's remarks at the Southwest Association of Rail Shippers annual conference in March 2026. Mr. Vena suggested raising rates by an additional three to four percent on customers who opposed the merger to "teach [them] a lesson." While UP has characterized these remarks as a joke, the company resisted public disclosure of the footage, including by appealing an administrative law judge's order, prompting the Board to deny its appeal on November 4, 2026. The video is now public, and the Board should take Vena at his word that he plans to retaliate against shippers and consider whether shippers can meaningfully participate in the Board's review process without fear of retaliation. The Board must be able to hear candidly from shippers to fully evaluate the

potential impacts of this merger, particularly in an industry where many customers have limited competitive alternatives.

A merger of this magnitude could also trigger consolidation among the remaining Class I railroads. The Board recognized this concern when it adopted its major rail merger rules in 2001, establishing a heightened standard for major transactions and requiring applicants to demonstrate that a proposed transaction is consistent with the public interest and adequately addresses competitive harms. Those rules also require consideration of the potential downstream effects of further consolidation. We strongly urge the Board to apply these standards rigorously in its review of the proposed UP-NS merger.

The proposed UP-NS merger would further concentrate market power in an already consolidated industry, threatening to increase costs, undermine reliable service, and leave shippers with even fewer options. The recent concerns surrounding potential retaliation against shippers only underscore the risks associated with increased consolidation. Given the extraordinary scale and potential consequences of this transaction, the applicants must demonstrate that the merger will enhance competition and deliver meaningful benefits to shippers and consumers—rather than simply promise greater efficiencies. We do not believe that the railroads have met that standard, and we believe further consolidation of the freight rail industry is not in the public interest. We urge the Board to reject the proposed UP-NS merger.

Sincerely,

Tammy Baldwin
United States Senator

Roger Marshall, M.D.
United States Senator

John Hoeven
United States Senator

Martin Heinrich
United States Senator

Steve Daines
United States Senator

Amy Klobuchar
United States Senator

Tim Sheehy
United States Senator

Charles E. Schumer
United States Senator