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November 18, 2026

VIA E-FILING

Surface Transportation Board
395 E Street, SW
Washington, DC 20423
Attn: Chief of Case Administration

Re: Docket No. FD 36873, Union Pacific Corporation and Union Pacific Railroad Company — Control — Norfolk Southern Corporation and Norfolk Southern Railway Company

Dear Members of the Board:

Smart Sand, Inc. ("Smart Sand", "we" or "us"), a Northern White frac and industrial sand producer and party of record, without taking a position on whether the merger application should be approved, writes to explain how, absent permanent and meaningful changes, the proposed Union Pacific ("UP") – Norfolk Southern ("NS") transaction could harm Smart Sand's ability to compete in Northeastern markets, and why the conditions UP and NS (collectively, "Applicants") have offered, including expanded Committed Gateway Pricing ("CGP"), do not remedy that harm.

We operate three mines with about 10 million tons of annual production capacity: Oakdale, Wisconsin served by Canadian Pacific Kansas City ("CPKC"); Blair, Wisconsin, served by Canadian National ("CN"); and Ottawa, Illinois, whose product is trucked to our nearby transload in Peru, Illinois, served by BNSF Railway ("BNSF"). More than 90% of our sales move by rail. We have invested heavily in the Northeast, adding four terminals served by NS's network. Our only UP access is an off-site transload at Byron, Wisconsin, about three miles from Oakdale, where Oakdale sand arrives by truck and is loaded onto UP railcars. Byron cannot handle all of Oakdale's capacity, but it does provide competitive leverage for eastbound movements. A substantial portion of our volume moves east to the Marcellus and Utica basins.

Today, NS is a neutral interline partner for sand originating on UP, CPKC, CN, and BNSF, and we have used that competition to lower the prices our customers pay. If UP is authorized to control NS, the merged carrier would have reason to steer eastbound business toward UP-origin, single-line moves, including those of our competitors, and to disadvantage interline traffic from our mines through controlling gateway rates, switching and scheduling. The promise of an open gateway is not the same as a competitive one.

The expansion of CGP to bulk unit trains does not reach most of our traffic. CGP applies only where one end of the move is sole-served on UP/NS and the connecting carrier is BNSF or CSX at Chicago, St. Louis, Memphis, or New Orleans. CN and CPKC traffic is excluded, which leaves our two largest mines, Oakdale and Blair, entirely outside the program. Applicants say CN and CPKC traffic involves a larger share of north-south and cross-border movements, but ours is domestic, east-west traffic. Even traffic from our BNSF-served Ottawa mine would not qualify for moves to, for example, our terminals at Dennison and Minerva, Ohio, which sit on Genesee & Wyoming short lines also reached by the Wheeling & Lake Erie and CSX, because CGP excludes short lines that connect with more than one carrier.

Where CGP applies, it offers little protection and is not reflective of the frac sand industry standard of shipping pursuant to contract rates. Moreover, CGP rates are set at the 70th percentile of UP/NS's own rates and reset annually, escalate each year, never decrease, and exclude fuel and accessorial charges. Furthermore, CGP rates are offered only to BNSF and CSX, not to shippers, and therefore are not transparent. In addition, the program ends with the oversight period, while the loss of a neutral NS would be permanent.

Reliable rail service is another concern. Our near daily eastbound 100+ car unit trains depend on quick deliveries, quick returns, short and predictable cycle times and reliable high-volume service. Smart Sand carries costly safety-stock inventory in the Northeast to protect against rail service failures, but that buffer can cover only a missed cycle, not a sustained disruption. A merger-driven degradation of eastbound unit train service would deplete it quickly and put our Marcellus and Utica operations at risk. We believe that extending UP's manifest-focused operating model to NS and the Chicago interchange risks degrading eastbound service due to, among other things, reduced service options, increased cycle times and added demurrage friction. Yet no service remedy Applicants offer covers unit trains moving under contract. The Targeted Access Program excludes unit trains, excludes contract traffic, and only applies to shippers in terminal areas. Meanwhile, the Damages ADR Program covers only common-carrier traffic.

Moreover, the Applicants' public benefits case is focused on intermodal truck to rail conversion. Conversion of truck traffic to rail provides no benefit to us, an upper mid-West high-volume bulk commodity shipper with no viable trucking option.

While Smart Sand does not take an express position on whether the merger should be approved, absent permanent and meaningful changes, the proposed merger could harm competition for frac sand movements. At a minimum, any approval must provide transparency with enforceable and self-executing protection, such as reliable, non-discriminatory and competitive unit train service as well as broad-based reciprocal switching or open access sufficient to preserve and enhance competition for non-UP origin shippers to compete for eastern markets on equal terms.

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Thank you for considering Smart Sand's perspective. We would welcome the opportunity to provide additional information as the record develops.

Respectfully submitted,



James D. Young
Executive Vice President & General Counsel

cc: All Parties of Record

CERTIFICATE OF SERVICE

I hereby certify that on November 18, 2026, a copy of the foregoing was served upon all parties of record in this proceeding by first-class mail, postage pre-paid, or electronic filing.

/s/ Sandra L. Brown