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FLETCHER & SIPPEL LLC
ATTORNEYS AT LAW

29 North Wacker Drive
Suite 800
Chicago, Illinois 60606-3208

Phone: (312) 252-1500
Fax: (312) 252-2400
www.fletcher-sippel.com

ROBERT A. WIMBISH
(312) 252-1504
rwimbish@fletcher-sippel.com

November 18, 2026

VIA E-FILING
Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: ***Union Pacific Corporation and Union Pacific Railroad Company—Control—Norfolk Southern Corporation and Norfolk Southern Railway Company*, FD 36873**

To the Chief of Case Administration:

Filed herewith for Surface Transportation Board consideration in connection with the above-captioned proceeding are the responsive comments (the "Comments") of the Alabama Port Authority ("APA").

The undersigned counsel also hereby certifies that he has, on behalf of APA, on this 18th day of November, 2026, served the following Comments upon all parties of record in the FD 36873 docket and in all related sub-dockets.

Respectfully submitted,

/s/*R. A. Wimbish*

Robert A. Wimbish
Attorney for Alabama Port Authority

cc: All parties of record

ALABAMA
PORT AUTHORITY

November 18, 2026

VIA ELECTRONIC FILING
The Honorable Patrick J. Fuchs
Chairman, Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Re: ***Union Pacific Corporation and Union Pacific Railroad Company—Control—Norfolk Southern Corporation and Norfolk Southern Railway Company*, FD 36873**

Comments of the Alabama Port Authority in Opposition to the Proposed Transaction as Currently Presented

Dear Chairman Fuchs and Members of the Board:

The Alabama Port Authority ("APA") respectfully submits these formal comments in conditional opposition to the proposed consolidation of the Union Pacific Railroad ("UP") and Norfolk Southern Railway ("NSR") networks as currently presented. APA recognizes that an expanded single-line network may generate internal operational efficiencies for the applicants, but the Surface Transportation Board's (the "Board") governing major rail consolidation standards require far more. Under 49 U.S.C. § 11324 and 49 C.F.R. part 1180, a transaction of this magnitude must serve the public interest, protect national supply chain resilience, and affirmatively enhance competition—not merely preserve it. For the U.S. shippers who rely on the Port of Mobile as a vital rail-to-sea gateway, the application as currently structured fails those tests.

APA's concerns rest on four foundational flaws in the applicants' presentation: (1) the transaction's consolidation of market power threatens to foreclose competitive routing optionality for rail-dependent shippers, a danger underscored by troubling commercial messaging from the applicants' senior leadership during this proceeding; (2) the applicants' Operating Plan appears to relegate Alabama and its primary classification yards to a pass-through corridor for

East-West traffic while starving vital North-South port feeder routes; (3) the application lacks credible, enforceable safeguards to prevent catastrophic network integration disruptions from cascading into global maritime supply chains; and (4) the applicants improperly claim credit for hundreds of millions of dollars in pre-existing public-private baseline infrastructure investments in Alabama without demonstrating a single incremental train start or service enhancement attributable to the merger.

The Alabama Port Authority and Its Role in National Supply Chain Resilience

The Port of Mobile is both an economic engine for the Southeast and one of the nation's premier multi-modal maritime gateways, handling 52.2 million short tons of cargo (12th nationally) and 29.6 million short tons of dry bulk cargo (8th nationally). Our facilities represent hundreds of millions of dollars in public and private investment supporting the automotive, steel, chemical, forest products, agricultural, and advanced manufacturing sectors.

Beyond Alabama's borders, the Port of Mobile functions as a critical intermodal and bulk interchange node serving landlocked shippers across the American Heartland, the Midwest, and the broader North American rail network. In an era of recurring coastal port bottlenecks, Mobile provides essential gateway diversification and routing optionality for U.S. importers and exporters. When rail connectivity to a major Gulf Coast port is compromised, the harm is not confined to the port's docks; it directly reduces competitive transportation alternatives and supply chain resilience for shippers nationwide. To protect that multi-modal optionality, APA must speak candidly about the fundamental deficiencies in the UP-NSR application.

Diminished Competition, Rail-Dependent Shippers, and the Threat of Commercial Consequences

Consolidating two dominant Class I systems under a single corporate roof fundamentally alters commercial incentives, interchange relationships, and routing leverage across the national network. For rail-dependent industries and shippers requiring multi-gateway routing optionality, the creation of a transcontinental mega-carrier presents an acute risk of vertical foreclosure. Even where alternative interline routes to Gulf Coast gateways remain open on paper, a combined UP-NSR system will possess both the incentive and the market power to render those routes commercially unviable through punitive proportional pricing, degraded interchange frequency, longer transit times, and restricted equipment allocations.

The commercial climate surrounding this proceeding is also troubling. APA has reason to be concerned that its position on the proposed consolidation could expose the Port of Mobile and its shippers to commercial consequences.

A dominant rail carrier does not need to issue a formal embargo to punish a dissenting gateway or its customers; it can quietly slow-walk capital investments, deprioritize freight car and locomotive allocations for traffic routed through Mobile, reduce local switching frequency, or price North-South inland intermodal corridors out of the market. The fact that a major public port authority has been given reason to weigh the commercial consequences of speaking candidly to this Board is a glaring red flag regarding how the combined entity would wield its enhanced market power post-merger. Moreover, it casts serious doubt on the efficacy of the applicants' proposed voluntary remedies: no shipper or short line will invoke post-merger arbitration or service-assurance mechanisms if doing so invites commercial retribution elsewhere on the system. No port or shipper should have to choose between exercising its statutory right to participate in this docket and protecting its commercial survival. If the Board considers countenancing this proposed combination, it must incorporate strict, decisive, and independently enforceable anti-retaliation and non-discrimination protections.

Anticipated Post-Transaction Network Focus Risks Turning Alabama into a Pass-Through Corridor

While Alabama and its public and private partners have spent hundreds of millions of dollars building rail capacity to accommodate port-related freight growth, the applicants' Optimized Plan projects a 21.8% reduction in average daily cars handled at Sheffield Yard (from 671 to 525) and a 3.9% reduction at Birmingham's Norris Yard (from 1,651 to 1,587).

APA recognizes that a nominal diminution in classification yard activity does not automatically equate to service degradation; in some cases, it can reflect interline service improvements, such as the building of direct run-through trains that bypass yards. However, raw yard contraction data is meaningless unless connected to specific localized impacts. APA is deeply concerned that these yard reductions indicate a combined UP-NSR system intends to prioritize long-haul, run-through block trains to competing coastal gateways, relegating Alabama to a mere pass-through corridor. If the applicants are achieving supposed "efficiency" by reducing local switching frequency and starving our North-South port feeder network of locomotive power and equipment to support East-West transcontinental flows, then the Port of Mobile and local Alabama commerce are being actively subverted, not enhanced.

Furthermore, material data regarding projected train counts on NSR's 3B Corridor—NSR's roughly 250-mile operating route that connects classification hubs in Birmingham and central Alabama directly to the Port of Mobile—is hopelessly buried in raw workpapers rather than developed in the application narrative, and key competitive data on the Birmingham–Little Rock corridor is missing entirely. For instance, the applicants claim 25,000 annual truck-to-rail diversions in the Texas–Alabama market, yet fail to indicate whether a single carload of that anticipated traffic will move through or benefit the Port of Mobile. The real-world supply chain ramifications of this network shift are severe: if North-South rail velocity and equipment supply into Mobile are deprioritized, ocean carriers could remove Mobile from their vessel rotations due to container dwell imbalances, regional automotive assembly plants could face just-in-time supply chain shortages, and U.S. steel, forest products, and agricultural exporters could be priced out of global markets.

Integration Disruption Threatens Time-Sensitive Port Cargo and Supply Chain Fluidity

History demonstrates that Class I rail consolidations of this scale carry a severe risk of systemic service meltdowns during IT cutovers, yard consolidations, and operating plan changes. The applicants propose massive network construction and operating adjustments that directly implicate traffic flowing through Norris Yard in Birmingham, the primary inland hub for freight moving to and from the Port of Mobile.

Our analysis of the applicants' proposed remedial steps and generic service-assurance frameworks leaves APA unpersuaded that significant supply chain disruptions will be avoided. Decades of regulatory and industry experience dictate that preventative assurances are wholly inadequate once a network meltdown is underway, and the applicants' suggested post-hoc remedies leave port and shipper stakeholders flat. For a maritime gateway handling time-sensitive containerized freight, automotive parts, and continuous-flow industrial commodities, rail service failures during merger implementation do not merely delay a shipment—they permanently drive ocean carriers and global logistics chains to competing gateways, erasing Alabama's hard-won infrastructure gains on the 3B corridor overnight.

Pre-Existing Commitments to Public Investments Are Not "Merger Benefits"

Under 49 C.F.R. § 1180.1(c), the Board evaluates only those public benefits that are merger-specific—meaning efficiencies and capacity gains that

could not be achieved absent the consolidation. Here, the applicants improperly attempt to claim credit for baseline infrastructure projects in Alabama that predate this transaction by years.

For over five years, NSR has worked to eliminate severe capacity bottlenecks along the 3B Corridor. In 2021, APA and NSR jointly pursued federal CRISI grant funding for the Alabama-USA ("A-USA") Corridor initiative—a formalized public-private partnership between the State of Alabama and NSR designed to upgrade the 3B Corridor with $249.375 million in needed passing sidings, centralized traffic control, yard expansions, and clearance improvements.[1] While the grant application was ultimately not successful, NSR continued to self-fund approximately $200 million in 3B corridor improvements announced in 2024.When APA partnered with NSR in 2021, those baseline investments were required simply to fix historic capacity deficits. As the original A-USA planning documents warned: "Without capacity improvements, Norfolk Southern cannot support Intermodal, continue developing mega-sites or promote existing manufacturing expansion." Those nearly completed upgrades were designed to increase corridor capacity from three to five trains per day (a 66% increase) to support Port of Mobile cargo.

Now, the applicants point to the 3B/A-USA corridor upgrades as evidence that their proposed consolidation will benefit Alabama. The proposed consolidation had nothing to do with those investments. Taking credit for past accomplishments is not a substitute for demonstrating merger-specific public benefits. The applicants must be required to prove what incremental train starts, transit-time reductions, and port freight volumes this consolidation actually adds for Mobile beyond the baseline capacity Alabama.

Conditions in the Event of Approval: The Need for Specific, Enforceable Commitments—Not Vague Assurances

General promises of network efficiency are insufficient to satisfy the Board's public interest standard. If the Board were to consider approving this application, the applicants must be required, as mandatory conditions to such approval, to provide:

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1 *See* Office of the Governor of Alabama, *Governor Ivey Announces Launch of Alabama-USA Corridor* (Jan. 4, 2022), https://governor.alabama.gov/newsroom/2022/01/governor-ivey-announces-launch-of-alabama-usa-corridor/ (detailing the joint federal, state, and private investment to upgrade Norfolk Southern's rail tracks connecting the Port of Mobile to central Alabama).

Full Alabama-specific operational disclosures

Complete disclosure (under protective order where appropriate) reconciling the projected car-handling reductions at Sheffield and Norris Yards with projected 3B Corridor train counts, Birmingham–Little Rock routing impacts, and Mobile-specific traffic forecasts.

3B Corridor utilization and service guarantees

Binding commitments that the capacity created by the publicly supported A-USA and ultimately the NSR funded 3B Corridor investments will be dedicated to supporting and growing Alabama-originating, Alabama-destined, and Port of Mobile freight as intended, with enforceable minimum train-start, local switching, and equipment-supply obligations to prevent the corridor from being cannibalized for pass-through traffic.

An enforceable port service assurance and anti-retaliation plan

A strict operational contingency plan establishing measurable transit-time and interchange metrics for Mobile traffic during network integration, paired with an explicit, independently enforceable prohibition against commercial retaliation or rate/service discrimination against APA or its customers.

. . .

The central question before the Board is straightforward*: Is this transaction consistent with the public interest by enhancing competition and preserving vital, multi-gateway routing options for U.S. importers and exporters, or will it structurally degrade shipper optionality and supply chain resilience across the Gulf Coast?*

Because the application as currently presented fails to answer that question or protect the shippers who rely on our gateway, the Alabama Port Authority must oppose the transaction. However, our opposition is not intractable. Should the applicants meaningfully address the deficiencies in their operating plan, commit to utilizing Alabama's rail infrastructure to affirmatively grow Port of Mobile cargo, and establish the specific, enforceable protections outlined above, the Port Authority can and will re-evaluate its position. We remain open to constructive

dialogue with UP and NSR leadership to determine if this consolidation can be restructured to deliver verifiable public benefits. Until such time, APA respectfully urges the Board to deny the application.

Respectfully submitted,



Douglas C. Otto, Jr.
Director and Chief Executive Officer
Alabama Port Authority