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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

Opening Comments and Request for Conditions of LyondellBasell

Lyondell Chemical Company; Equistar Chemicals, LP; LyondellBasell Acetyls, LLC; and LyondellBasell Advanced Polymers Inc. (collectively, LyondellBasell) submit these comments and request for conditions in response to the Amended Application filed on April 30, 2026 (Application) by Union Pacific Corporation and Union Pacific Railroad Company (collectively, UP) and Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively, NS) (UP and NS together, Applicants).[1]

Interest of LyondellBasell

As one of the largest chemical companies in the United States,[2] LyondellBasell's polyolefins and liquid chemical businesses originated roughly 90,000 rail shipments in 2025, leveraged every Class I railroad in our operations, and utilized a fleet of nearly 20,000 private railcars. LyondellBasell operates 36 facilities in the U.S., with 19 rail-served manufacturing facilities in Iowa, Illinois, Indiana, Louisiana, Ohio, Tennessee, Texas, and Virginia. Of these facilities, 17 are served by UP and two are served by NS. Rail represents the single largest

[1] These comments contain highly confidential material, which is enclosed in double braces (e.g., {{…}}). This material is subject to the protective order in this proceeding.
[2] *C&EN's Global Top 50 for 2025*, Chem. & Eng'g News (July 2025), https://cen.acs.org/articles/103/web/2025/07/CENs-Global-Top-50-2025.html.

transportation expense within LyondellBasell's North American logistics portfolio, with transportation being the third highest cost (behind raw materials and payroll) incurred in our production.

Competition in the rail industry is critical to maintaining the competitiveness of the U.S. chemical industry. The United States benefits from abundant, low-cost energy and feedstocks, a highly skilled workforce, and a strong manufacturing base that make it one of the most attractive locations in the world for chemical production. These advantages depend on a rail network that is safe, reliable, and competitive.

For LyondellBasell, that competitiveness supports over 7,000 U.S. employees and the communities in which they live and work. Rail service disruptions and reduced competition can erode these advantages by increasing costs throughout LyondellBasell's supply and value chains, affecting the production of healthcare products, food packaging, water infrastructure, transportation components, and housing materials that consumers rely upon every day.

Union Pacific

LyondellBasell values its longstanding relationship with UP, which extends through generations of predecessor companies. UP has consistently demonstrated a willingness to work constructively with LyondellBasell to address operational challenges and identify innovative solutions. As the Board is aware, that collaborative approach is unequivocally demonstrated in Docket No. FD 36854.[3] LyondellBasell appreciates its partnership with both Applicants and looks forward to working together on future opportunities that provide mutual benefit and success.

[3] *See Union Pac. R.R.—Constr. & Operation Exemption—in Matagorda Cnty., Tex*., Docket No. FD 36854.

I. Introduction

As discussed throughout these comments, LyondellBasell measures competition in the rail marketplace not only by rates, but also by local service performance, network reliability, and carriers' responsiveness to disruptions, growth opportunities, and evolving transportation needs. The Board's merger regulations require more than preserving existing competition: Applicants bear the burden of demonstrating that the transaction would enhance competition and that its public benefits outweigh its competitive harms and service risks. Consistent with U.S. rail transportation policy and those regulations, LyondellBasell urges the Board to follow that standard by requiring that the transaction enhance, not merely preserve, effective competition among rail carriers.[4]

Because this proceeding will set precedent for future consolidation, LyondellBasell encourages the Board to keep competition at the forefront of its review. As it has been described to the Board previously, "the 'end game' that would likely follow approval of the next major merger and result in two North American rail systems" will be "the single most important issue that will face the Board when the next major merger is proposed."[5] This proceeding is the first opportunity to put the current major merger regulations into practice. The evidentiary standards, competitive safeguards, and oversight mechanisms adopted in this proceeding will serve as important guideposts for any potential future transactions. Accordingly, LyondellBasell encourages the Board to carefully consider not only the consequences of the proposed transaction itself, but also the precedent this proceeding may establish for future consolidation activity within the rail industry.

[4] 49 U.S.C. § 10101; 49 C.F.R. § 1180.1.
[5] Union Pac. Corp. comments at 23*, Major Rail Consol. Proc*s., EP 582 (Sub-No. 1) (filed Jan. 11, 2001).

LyondellBasell does not seek to address every benefit Applicants claim but focuses on the topics most relevant to our operations and transportation requirements.

II. Competition Impacts on LyondellBasell

In assessing whether "transportation alternatives available to shippers" are preserved,[6] the Board should not look simply at whether two carriers are physically available at a facility; it must also consider whether the merged carrier could foreclose access to those alternatives. LyondellBasell does not measure competition solely by the number of railroads within a facility's fence line. Rather, competition is demonstrated through the rates, service commitments, commercial offerings, and growth opportunities carriers provide as they compete for traffic across the LyondellBasell portfolio. Against that backdrop, the merger presents risks associated with gateway pricing and contract bundling that could diminish the robust post-merger competition upon which the transaction's anticipated public benefits depend.[7]

Contract bundling is one way to eliminate access to competition, and this merger provides Applicants a greater ability to do it. LyondellBasell maintains multi-year contracts with every Class I railroad, with pricing, generally, tied to a guaranteed percentage of volume. These contracts are not negotiated on a facility-to-facility basis; rather carriers "compete," broadly, for more volume across the entire LyondellBasell portfolio. In that framework, a carrier that holds captive traffic can use it as leverage, and LyondellBasell's ability to bargain over captive rates generally depends on committing competitive lanes to the same carrier. By combining UP's and NS's captive traffic into a single portfolio, including interline traffic moving between sole-served UP and NS facilities, the merger would give Applicants more leverage to require LyondellBasell to commit competitively served volume to Applicants in exchange for less onerous terms on

[6] 49 C.F.R. § 1180.1(a).
[7] 49 C.F.R. § 1180.1(c)(1).

captive moves, even where another carrier would offer a better rate. The result is that a facility nominally served by two carriers may, in practice, have only one.

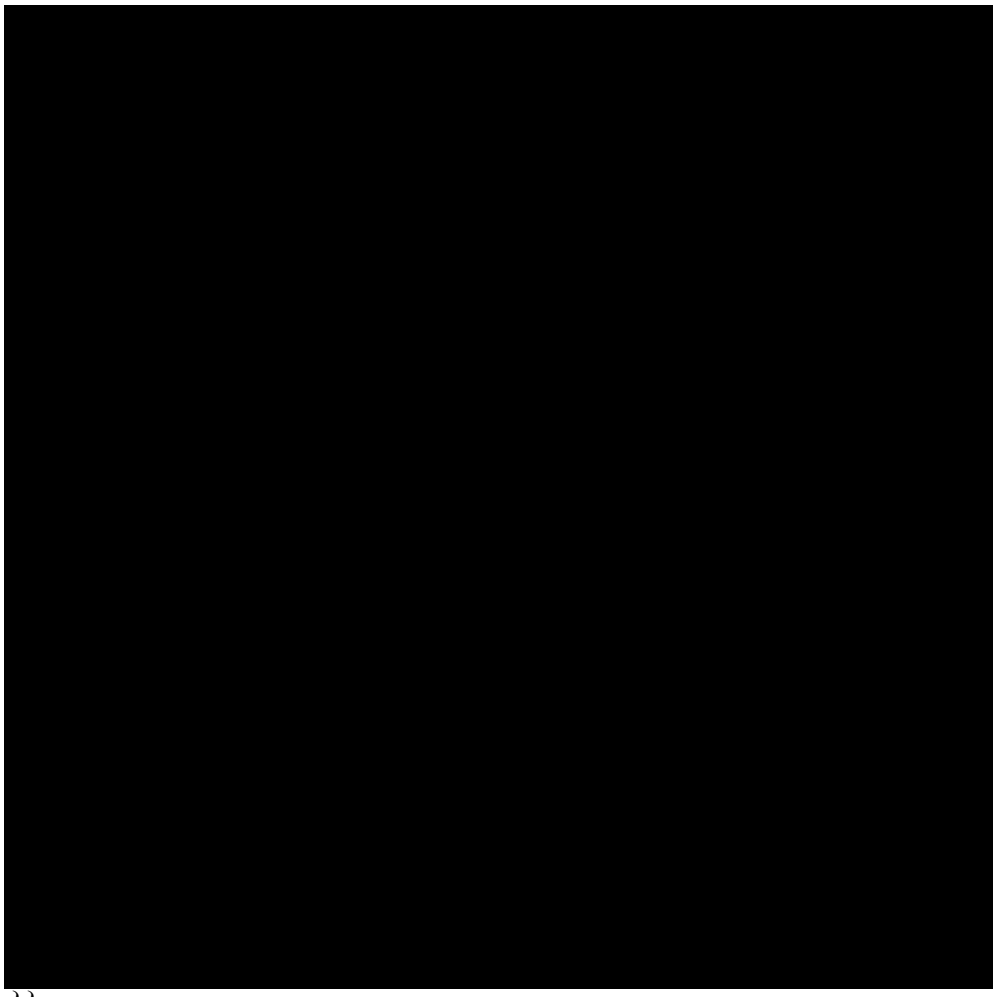
Bundling also allows Applicants to foreclose a gateway without ever closing it. Applicants' open gateway commitment and Committed Gateway Pricing address the rates, and service Applicants quote on individual interline movements, but neither prevents Applicants from insisting on a contract that conditions captive rates on LyondellBasell routing its traffic over Applicants' single-line or extended-haul routes. Applicants would not need to raise their gateway rates at all; they need to only make the bundled offer more attractive than any combination of a stand-alone gateway rate and a connecting carrier's rate.

Even apart from bundling, the merger would erode the competition LyondellBasell relies on beyond the gateway. Where LyondellBasell is captive to UP at origin, UP controls the bottleneck segment to the gateway, but NS and other carriers compete for the movement from the gateway to destination. Today, UP does not charge differently based on which connecting carrier completes the move, so LyondellBasell benefits from that competition on the non-bottleneck segment. A UP-NS combination would eliminate that neutrality for a substantial portion of eastbound movements by converting what is today an interline service into a single-line service under common control. The combined carrier would have every incentive to favor its own single-line route, and it could do so by pricing or servicing its bottleneck segment so that the route through the gateway with an independent connecting carrier is no longer competitive. The gateway remains technically open, but competition on the non-bottleneck segment is cut off. This increases Applicants' leverage over LyondellBasell, which could result in higher rates, reduced service offerings, and fewer competitive alternatives.

The scale of this exposure is substantial. LyondellBasell estimates that, if the merger is approved, the share of its traffic subject to extended bottlenecks would rise from {{[redacted]}}. LyondellBasell estimates that this loss of competition could increase its portfolio-wide rail transportation costs by nearly {{[redacted]}}.

These risks are also significant because LyondellBasell has invested heavily to create the very competition that gateway foreclosure and bundling would undermine. As shown below, LyondellBasell has spent over {{[redacted]}} in the last 15 years to bolster the competitive nature of its commercial relationships by investing in additional infrastructure within and around numerous facilities. These projects were designed to enhance rail competition by expanding routing alternatives and creating access to competing carriers. In addition, LyondellBasell has added more than 2,200 storage-in-transit car spots to further enhance rail-to-rail competition. The merger may not remove a competing carrier from any of these facilities, but it does not need to in order to impair these investments. If Applicants can leverage captive traffic to influence competitive traffic decisions or can price critical segments of a movement in a manner that makes alternative routings uneconomic, the existence of another carrier may provide little practical competitive benefit. As a result, infrastructure investments made to expand competitive access could lose much of their intended value even though multiple carriers remain physically present. LyondellBasell therefore encourages the Board to ensure that the competitive benefits created by these private investments are preserved.{{





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To be clear, these investments do not show that LyondellBasell can build its way around the merger's competitive harm. LyondellBasell pursues competitive access wherever it can, but those opportunities are limited by geography, including available land and proximity to a competing carrier. Moreover, new infrastructure cannot cure harm that arises from Applicants' commercial leverage rather than from physical access. A new connection to a competing carrier offers little value if Applicants can tie LyondellBasell's captive rates to its competitive volume or route that carrier's traffic out of contention at the gateway. Additional private investment would face the same risks as the investments LyondellBasell has already made.

Separately, Applicants state as a benefit of consolidation that, "customers will have true one-stop shopping" as a unified entity would eliminate the need to "juggl[e] multiple contracts, multiple carriers."[8] LyondellBasell has successfully operated within a multi-carrier environment and does not view the existence of multiple commercial relationships as a material impediment to transportation planning. In fact, a merger would not eliminate LyondellBasell's need to continue working with multiple carriers, since LyondellBasell makes rail shipments beyond the UP and NS networks. Additionally, leveraging any competition that may still exist post-merger will involve negotiating with multiple carriers. With only a handful of Class I railroads left, independent carriers competing for LyondellBasell's traffic, including at the gateways, are what drive better rates and service, and that competitive leverage is worth far more to LyondellBasell than the purported convenience of one-stop shopping.

III. Committed Gateway Pricing Does Not Cure the Merger's Impact

For LyondellBasell, Committed Gateway Pricing (CGP) does not materially affect the merger's impact. It affects only a narrow sliver of interline traffic and offers rates that are set above competitive levels. It also is only temporary, even though the merger's impacts on competition are permanent.

Applicants describe CGP as a framework which "will further enhance competition by extending the competitive benefits of the merger."[9] As described by Applicants, "BNSF or CSX will have access to rates that reflect the benefits of the UP/NS merger for traffic shipped through mid-continent gateways to or from facilities served solely by UP/NS or facilities on a short line interchanging traffic solely with UP/NS."[10] Applicants propose having CGP "through the end of

[8] Am. App. 1-280, Joint Verified Statement of Kenny Rocker & Claude E. (Ed) Elkins (Rocker/Elkins V.S.) ¶ 12.
[9] Am. App. 1-376, Verified Statement of Katherine N. Novak (Novak V.S.) ¶ 9.
[10] Am. App. 1-377, Novak V.S. ¶ 9.

the oversight period,"[11] but state the Board could extend the duration "if the merger's anticipated public benefits fail to materialize in a timely manner."[12]

CGP reaches too little traffic to offset the merger's impact on LyondellBasell. While CGP may be intended to preserve competition, its practical impact is limited by both its eligibility requirements and its proposed duration. As Applicants note in their supplemental filing, only 257,971 carloads would qualify for CGP, based on 2024 data.[13] In 2024, AAR reported a total of 25,178,586 freight cars for U.S. rail traffic,[14] meaning CGP would be available to only slightly more than 1% of all U.S. rail traffic. Even for that eligible traffic, CGP sets the merged carrier's rate at the 70th percentile of comparable rates, which Applicants concede is "designed to provide benefits to customers with the highest rates in relation to comparable traffic," not to produce a competitive rate.[15]

CGP's limited duration further limits its efficacy. Applicants propose that CGP generally remains in place only through the Board's oversight period, even though the merger's effects on competition will continue well beyond it.

LyondellBasell, which operates under multi-year transportation agreements, does not believe CGP adequately protects, let alone enhances, competition for its shipments. To the extent the Board relies upon CGP as evidence that merger-related benefits will be broadly distributed throughout the rail network, the Board should consider whether the program's scope and duration are sufficient to accomplish that objective.

[11] Am. App. 1-377, Novak V.S. ¶ 45.
[12] Am. App. 1-375, Novak V.S. ¶ 4.
[13] Applicants' Supp. 20, July 27, 2026.
[14] *AAR: U.S. Rail Volume Up for 202*4, Ry. Age (Jan. 3, 2025), https://www.railwayage.com/freight/class-i/aar-u-s-rail-volume-up-for-2024/.
[15] Applicants' Supp. 42, July 27, 2026.

IV. Claimed Benefits Are Not Material for LyondellBasell's Traffic

Applicants' promise that their single-line service will cause shippers to divert truck shipments to rail,[16] especially for watershed moves,[17] does not hold for LyondellBasell. Like many large chemical shippers, LyondellBasell has invested heavily in rail and structured its freight logistics around rail transportation. Where LyondellBasell uses trucks, those shipments reflect customer and operational needs that no rail merger can address.

LyondellBasell prefers rail because it offers capacity, cost, and safety advantages that trucks cannot match. Of the 90,000 rail shipments per year, LyondellBasell originated approximately 38,000 rail shipments of polymers in 2025 from within the "watershed," averaging more than 103 railcars a day. To move just this watershed volume by truck, LyondellBasell would need more than 150,000 truckloads per year.[18] For one facility alone, a truck would need to be loaded with polymers every 15 minutes, 24 hours a day, 365 days a year.

Given the scale and economics of its production, LyondellBasell has invested in rail and uses it as much as possible as rail is typically lower cost than trucks pound-for-pound. These investments include building rail loading capacity and track infrastructure at origins, acquiring rail storage-in-transit capacity, and maintaining a large fleet of railcars to support rail logistics. Similarly, both LyondellBasell and its customers rely heavily on railcars for the storage capacity needed to keep their operations running. Importantly, rail also reduces product handling events and the number of trucks on the road, posing fewer chances for vehicle accidents.

LyondellBasell's limited truck traffic—30,000 truckloads of polymers in 2025 (equivalent to approximately 7,500 railcars), with 13,000 truckloads (approximately 3,250

[16] Am. App. 1-14.
[17] Am. App. 1-21.
[18] Assumes one railcar is equal to four truckloads.

railcars) originating within the watershed—moves by truck for reasons the proposed transaction does not change. LyondellBasell uses trucks primarily to serve smaller-volume orders, niche products, shipments that do not justify a full railcar, emergency commercial orders, and for customers that cannot receive rail shipments. LyondellBasell may also use trucks to address rail service problems or where rail is not viable for reasons beyond interline inefficiency. For example, insurance and indemnification requirements that UP and other Class I railroads impose on TIH/PIH traffic can materially affect the economics of rail transportation and may, in limited circumstances, make truck transportation the commercially viable option. In each case, the choice to use trucks relies on customer, product, or commercial factors that the proposed transaction does not materially change.

V. Line-Haul Transit-Time Gains Do Not Substitute for Reliable Service

Applicants emphasize transit-time improvements, but they do not address what matters most to LyondellBasell's operations: reliable service. As LyondellBasell has previously explained to the Board, route efficiency is one of many considerations when the company evaluates transportation options.[19] Efficient routings can reduce private-car fleet requirements, infrastructure needs, rail-network congestion, and the risk of service disruptions. On the other hand, reliable service, including the timely placement and release of railcars, local switching performance, and responsiveness during service disruptions, remains critical to operations.

LyondellBasell does not dispute that a two-day, or even a four-day, reduction in transit time may provide substantial value for certain shipments with time-sensitive delivery requirements. However, Applicants' examples of merger-related transit-time improvements

[19] LyondellBasell comments at 2, *Reciprocal Switching*, EP 711 (Sub-No. 1), Feb. 14, 2022.

focus heavily on intermodal traffic, a transportation segment that Applicants themselves acknowledge is "already highly competitive,"[20] not on carload shipments like LyondellBasell's.

For LyondellBasell, reliable service is as important as, if not more important than, line-haul transit time. LyondellBasell's railcars often remain at customer facilities for weeks to months at a time, so reductions in line-haul transit time may not provide a material benefit. Also, production schedules, inventory levels, and shipping plans can often be adjusted to account for known transit times. Unexpected service failures, by contrast, are far more difficult to manage and can negate any transit-time improvements.

As LyondellBasell has noted in previous filings, unreliable service carries real operational costs. Railroad failures to deliver shipments within close proximity to their original estimated time of arrival have forced LyondellBasell to incur (1) increased costs from diverting traffic to other sub-optimal modes of transportation, (2) lack of products at distribution facilities, which in turn has required LyondellBasell to use inefficient distribution sites and transportation means, and (3) reduced production rates, shutdowns, or both of its own and customer facilities. If a railroad fails to spot and pull 90% of railcars in the planned service window, LyondellBasell is likely to experience production impacts. If a railroad fails to spot or pull a railcar two serving windows in a row, it could have the effect of disrupting an entire day of production at the particular LyondellBasell facility, especially when there are no on-site switching means or if the site has rail space limitations. A complete no show by a railroad for spots and pulls during a service window would have even greater consequences.[21] The merger could compound these risks, because consolidating previously independent route segments would leave both

[20] Applicants' Supp. 33, July 27, 2026.
[21] LyondellBasell comments 3, *Reciprocal Switching for Inadequate Service*, EP 711 (Sub-No. 2), Nov. 7, 2023.

LyondellBasell and the railroads with fewer alternatives for moving traffic during service disruptions, congestion, or capacity constraints.

LyondellBasell's recent experience during CPKC's post-merger integration provides a directly relevant example of how rail service failures can quickly become production problems, as service challenges emerged during the integration of the railroad's information technology systems. As the Board is aware, first- and last-mile performance on portions of the CPKC network fell below 70%, resulting in elevated delays, missed switches, and congestion.[22] LyondellBasell's Louisiana Integrated PolyEthylene joint venture was significantly affected by these service disruptions, with facility service falling to approximately 20%. As the disruption continued, the lack of timely rail service required the facility to reduce olefin production rates by nearly 20% and operate one of the polyolefin units at a minimum rate. At several points, the facility was hours away from curtailing polyolefin production entirely, which would have resulted in additional reductions to olefin production. Compounding these challenges, paper barriers currently limit competitive access at the facility, reducing LyondellBasell's ability to respond when service performance deteriorates. This experience illustrates why local service reliability can have a far greater impact on industrial operations than modest reductions in line-haul transit time.

For these reasons, the Board should not treat Applicants' projected transit-time improvements as a meaningful benefit to carload shippers like LyondellBasell. Faster line-haul movements offer little value if railcars are not placed and pulled when needed, and the merger would increase the risk of exactly the kinds of service failures that matter most to LyondellBasell's operations.

[22] CPKC Report 3, *Can. Pac. Ry.—Control—Kansas City S.*, FD 36500 (Sub-No. 6), June 20, 2025.

VI. Service Assurance Mechanisms Do Not Cover LyondellBasell

LyondellBasell recognizes the substantial planning that has gone into the proposed integration and UP's efforts to address LyondellBasell's service concerns. As previously mentioned, when LyondellBasell has an issue, UP is usually quick to respond with an actionable solution. LyondellBasell anticipates that level of customer engagement will continue should the proposed transaction be approved.

At the same time, even the most comprehensive merger planning cannot eliminate the potential for service disruptions. In fact, NS acknowledged this reality during the Board's review of prior merger proposals, stating that "no matter how confident the proponents may be that service will be perfect after a merger, the potential for problems is great."[23] LyondellBasell therefore believes it is appropriate for the Board to consider not only the measures Applicants intend to take to avoid service disruptions, but also the mechanisms available to identify, address, and remedy disruptions should they occur. To the extent merger-related service failures result in commercial harm, shippers should have access to a meaningful process to seek appropriate relief. Such a process should include contract traffic and provide a mechanism to address commercial damages arising from service deficiencies, including, but not limited to, first- and last-mile performance failures. That is especially important because current statutory remedies for service issues, including reciprocal switching, do not apply to contract traffic, and LyondellBasell's existing contracts with UP and NS do not include service performance requirements or remedies.

Applicants' proposed programs do not provide that remedy. While Applicants have developed an "Alternative Dispute Resolution Program" ("ADR Program") and a "Targeted

[23]David R. Goode, CEO, Norfolk Southern, at 7, *Major Rail Consolidation Procedures*, EP 582, March 8, 2000.

Access Program," both programs exclude contract traffic, which, as the application notes, accounts for a "significant fraction of rail shipments"[24] and includes a majority of LyondellBasell's traffic. Even for traffic that is eligible, the 30-day cure period under both programs is incompatible with LyondellBasell's operational requirements. As discussed above, LyondellBasell generally requires at least 90% spot-and-pull performance within planned service windows to avoid production impacts. By the time a service failure has persisted for 30 days, production rates likely will have been reduced, and in some instances operations may have been partially or fully curtailed. Under the ADR Program, the 30-day cure would relieve Applicants of responsibility for the significant damages LyondellBasell would already have incurred; under the Targeted Access Program, it would deny LyondellBasell a reciprocal switch despite those operational impacts. Finally, the ADR Program caps monetary relief, even though a shipper's actual damages from a service failure are not similarly limited.

VII. Conditions

LyondellBasell is concerned about the potential impact on our operations and whether the transaction will preserve the effective competition among rail carriers and the competitive options upon which LyondellBasell depends today, let alone enhance competition. Specifically, this transaction, as proposed, would eliminate competitive options for traffic moving to and through key gateways, reducing LyondellBasell's ability to leverage competition across its transportation portfolio and placing the company at a greater competitive disadvantage than it experiences today. If the Board approves this transaction, it should impose the conditions below to preserve competition, protect service reliability, and help ensure that merger-related benefits are realized.

[24] Am. App. 2-193, Verified Statement of Mark A. Israel (Israel V.S.) ¶ 21.

As LyondellBasell previously stated to the Board, "any merger conditions that the Board imposes should be clear and sufficiently detailed to prevent railroads from miring their enforcement with disputes and lengthy litigation."[25] LyondellBasell's experience with conditions imposed in prior rail mergers underscores the importance of that principle. Issues arising from conditions imposed as part of UP's last major merger continued to be litigated for decades after the transaction was consummated, with the Board resolving significant matters only this year.[26] LyondellBasell appreciates the Board's recent efforts to streamline its procedures and improve the efficiency of its processes. Nevertheless, merger conditions provide meaningful protection only to the extent they can be quickly and efficiently enforced.

Reciprocal switch – As noted, the proposed transaction would reduce the number of independent railroads available to compete for LyondellBasell's traffic and could diminish the competitive leverage that currently exists across its transportation portfolio. To help preserve competition, the Board should require reciprocal switching at any existing or future LyondellBasell facilities that are or could become captive to UP, including but not limited to facilities located in Channelview, Texas; Allen/Chocolate Bayou, Texas; and Victoria, Texas. Reciprocal switching would also provide an important safeguard against bottleneck situations created or exacerbated by the transaction by preserving access to alternative rail service options where feasible. To make the conditions readily enforceable, the Board should apply the reciprocal-switching rates established following the UP/SP merger, which continues to govern competitive-access arrangements in many locations today, so that implementation does not depend on litigating the switch fee.

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[25] LyondellBasell comments 10, *Can. Pac. Ry.—Control—Kansas City S.*, FD 36500, Feb. 28, 2022.
[26] *S*ee Press Release, Surface Transp. Bd., STB Finalizes BNSF Access Terms (PR-26-17) (July 21, 2026), https://www.stb.gov/news-communications/latest-news/pr-26-17/.

Applicants contend that "[t]he merger will create operating efficiencies, providing cost savings that will be shared with customers and consumers,"[27] with projected savings exceeding $1 billion annually. At the same time, UP leadership has stated that the company is "not afraid to compete."[28] A reciprocal switching condition would provide a practical mechanism to preserve competition for LyondellBasell's facilities while giving Applicants an opportunity to demonstrate the projected benefits of the transaction.

If Applicants' projections fail to materialize, reciprocal switching would provide an important competitive safeguard for captive facilities. In addition to preserving rail-to-rail competition, reciprocal switching would provide LyondellBasell with additional flexibility to respond to service disruptions outside the first-mile/last-mile context that may come after the merger, serving as an important safeguard against merger-related service disruptions.

Given the significance of the proposed transaction and its potential impact on competitive transportation options, a reciprocal switching condition represents a reasonable and measured approach to preserving competition and protecting LyondellBasell's service requirements.

Resolve paper barriers – Paper barriers are a consistent hurdle to achieving competition among rail carriers,[29] and, as LyondellBasell has previously noted, some of them make no sense by limiting access only for certain types of shipments. For example, at the LyondellBasell La Porte, Texas facility, interstate traffic can originate with two railroads via a reciprocal switch, but the same switch is unavailable for intrastate shipments.

[27] Applicants' Reply at 6, Aug. 26, 2026.
[28] Union Pac. Corp., Fourth Quarter 2025 Earnings Call, at 41:30 (statement of V. James Vena) (January 27, 2026), https://event.choruscall.com/mediaframe/webcast.html?webcastid=TTnAbQ04.
[29] A "paper barrier" is a contractual provision in a sales or lease agreement for a rail line that limits the ability or incentive of the purchaser or lessee carrier to interchange traffic with carriers other than the seller or lessor carrier.

In other instances, LyondellBasell is told paper barriers exist, but the railroads do not provide any evidence for LyondellBasell to verify their claim. At the Louisiana Integrated PolyEthylene JV in Lake Charles, Louisiana, LyondellBasell is captive to CPKC while other shippers located within the same complex with the same address can leverage CPKC and UP. LyondellBasell has been informed that paper barriers restricting competitive access exist for that location, but, despite years of discussion, documentation sufficient to evaluate the restrictions has not been provided.

The Board should deem unenforceable any paper barrier that restricts competitive access to a facility, so that no paper barrier prevents LyondellBasell from obtaining comparable service from a competing carrier that has access to the facility. For this purpose, paper barriers should include any agreement that restricts access in any manner. The Board should also require any alleged paper barrier to be clearly identified and understandable to affected parties and, where there is a dispute regarding the existence, scope, or applicability of a paper barrier, provide an expedited process for resolving the issue. Finally, the Board should make clear that any reciprocal switching remedy imposed in connection with this proceeding overrides any conflicting paper barrier.

Service assurance plan – As discussed above, reliable local service is critical to LyondellBasell's operations. For many facilities, missed switches, delayed placements, or failures to pull loaded railcars can quickly impact production, customer service, and supply-chain performance. While LyondellBasell appreciates the efforts Applicants are undertaking to support a smooth integration, the combination of two railroads that have historically operated and competed as independent companies presents inherent risks. Past rail mergers have shown that operational and service challenges can occur even with significant planning, requiring shippers

such as LyondellBasell to adjust production schedules, operating plans, and incur significant costs to mitigate disruptions.

Given the operational consequences that missed switches and inadequate local service can have on LyondellBasell's facilities, the Board should establish an escalating framework during the oversight period. Spot-and-pull performance below 90% for four consecutive weeks should establish a presumption that reciprocal-switching relief is warranted. If performance remains below 90% for six consecutive weeks, LyondellBasell may seek expedited Board consideration of additional competitive-access or service-related remedies, including but not limited to trackage rights. Any relief granted should remain in effect until service performance exceeds 90% for at least four consecutive weeks. While reciprocal switching and other competitive-access remedies may not fully address the immediate operational impacts of missed switches or delayed car placement, they create a direct economic incentive for improved service by exposing traffic to competition. A railroad that consistently fails to provide adequate service should not be insulated from competitive alternatives or rewarded with continued exclusive access to line-haul revenue.

The Board should require Applicants to modify their proposed Damages ADR Program, which should remain voluntary for shippers, for merger-related commercial damage claims arising from service disruptions or other merger-related operational failures, including but not limited to first- and last-mile performance failures. Specifically, the program should not give Applicants a right to cure that avoids liability for damages, cap the amount of monetary relief, or exclude damages that are otherwise recoverable by law. The program also should not exclude contract traffic or limit the duration of the process. Participation in the arbitration process should

not preclude LyondellBasell's ability to seek Board review or relief related to broader service, competition, or systemic issues.

Conclusion

LyondellBasell appreciates the considerable time and effort that the Board and its staff have devoted to reviewing this proceeding and evaluating the extensive record developed by Applicants, shippers, railroads, and other interested stakeholders. LyondellBasell believes the Board should carefully consider its potential impacts on competition and local service performance.

LyondellBasell depends on a safe, reliable, and competitive rail network to serve its customers and support its manufacturing operations. Accordingly, LyondellBasell respectfully encourages the Board to ensure that, if it approves this merger, the merger will enhance competitive options for both LyondellBasell and the broader rail network, and that there will be appropriate safeguards to maintain service reliability and protect the public interest.

Respectfully submitted,



Scott Campbell

Vice President, Global Supply Chain

2800 Post Oak Blvd

Houston, TX 77056

Dated: November 18, 2026

Verification

I, Scott Campbell, verify under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this statement.

Executed on November 18, 2026.



Scott Campbell

Vice President, Global Supply Chain

2800 Post Oak Blvd

Houston, TX 77056

Certificate of Service

I hereby certify that on November 18, 2026, the foregoing document was served by first-class mail or email on all parties of record to this proceeding.

/s/Kimberly Murray
Kimberly Murray