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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 NORTH DAKOTA GRAIN GROWERS ASSOCIATION

I. INTRODUCTION AND POSITION

The North Dakota Grain Growers Association (NDGGA) represents and advocates for the state's wheat and barley producers. It provides representation, education, and proactive policy advocacy for North Dakota farmers on state and domestic issues, working alongside organizations like the North Dakota Wheat Commission and the North Dakota Barley Council.

NDGGA submits these comments in opposition to the proposed acquisition of control and consolidation of Union Pacific Railroad and Norfolk Southern Railway. The proposed transaction raises substantial concerns regarding competition, transportation costs, rail service reliability, and the economic interests of North Dakota wheat and barley producers.

II. LESS COMPETITION MEANS HIGHER TRANSPORTATION COSTS FOR FARMERS

The agricultural economy of North Dakota depends on reliable and competitively priced rail transportation. Wheat and barley producers rely on rail service to move substantial amounts of grain to domestic processing facilities as well as coastal seaports for transport to foreign markets. Because many rural shipping locations have limited transportation alternatives, the competitive structure of the rail industry has a direct effect on the prices North Dakota producers receive and the ability of producers to serve their customers.

North Dakota wheat and barley producers sell into a world market at prices they don't set and cannot pass along to the buyer. Every added dollar spent moving a bushel from the farm to a miller or export terminal comes out of the producer's net return. With few practical transportation alternatives, the competitiveness of the rail system bears directly on farm profitability.

III. IMPACT ON NORTH DAKOTA'S RURAL COMMUNITIES

North Dakota wheat and barley producers are already facing increasing costs for inputs, and adding increased transportation costs to the equation puts unnecessary pressure on our members. Transportation is a major cost they cannot control, and each increase narrows already thin margins. Rate increases or extra fees imposed by a railroad merger of this magnitude are passed directly down the supply chain. Producers are forced to absorb the rising rates, which weakens local basis and reduces the final price per bushel.

IV. CONCLUSION

NDGGA respectfully requests that the Surface Transportation Board deny the application because the Applicants have not shown that the transaction will improve competition and serve the public interest.

Respectfully submitted,

Ryan Ellis

Ryan Ellis, President

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CC: All Parties of Record