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PATTISON COMPANY LLC
Surface Transportation Board – Docket No. FD 36873
November 12, 2026
RE: Proposed Union Pacific and Norfolk Southern Railroad Merger
To: Members of the Surface Transportation Board:

Pattison Company LLC, an Iowa-based company producing high-quality Dolomitic Limestone Aggregates, Silica Proppants, and innovative On-site Railcar Storage and Solutions, respectfully submits this letter expressing its strong opposition to the proposed merger between Union Pacific Railroad (UP) and Norfolk Southern Railway (NS).

Pattison Company participates in the domestic aggregates and frac sand industries with approximately 95% of our aggregate and proppant business originating on the CPKC railroad network. As a company whose competitiveness depends heavily on reliable, efficient, and competitively priced rail transportation, we have substantial concerns regarding the long-term consequences this merger could have on our business, our customers, the frac sand industry, and the broader North American freight transportation market.

We believe this proposed merger risks additional concentration in an already consolidated railroad industry, further diminishing competitive transportation options for independent producers and shippers. We are particularly concerned that the benefits of the proposed merger will accrue primarily to the new railroad while the costs and operational risks are passed along to shippers and ultimately to consumers.

Negative Implications for the Frac Sand Industry

The frac sand industry is particularly vulnerable to changes in railroad competition and transportation economics. Rail transportation is not simply a logistics expense for frac sand producers; it is a fundamental component of their ability to compete in regional and national markets.

Northern White silica sand producers, including Pattison Company, compete with in-basin sand producers located closer to major oil and gas production regions. The economics of transporting Northern White sand over long distances are already challenging. Rail freight rates, access to competitive routes, interchange costs, equipment availability, transit times, and service reliability all directly influence whether Northern White sand can compete with locally sourced alternatives.

The proposed UP-NS merger raises several significant concerns:

- *Reduced railroad competition*: Combining two major Class I railroads could reduce competitive alternatives available to frac sand producers and their customers. Fewer independent transportation providers can weaken the negotiating position of shippers and potentially increase freight rates.
- *Increased delivered costs*: Frac sand is a high-volume, transportation-sensitive commodity. Even relatively modest increases in rail transportation costs can materially affect delivered pricing,

particularly when competing against in-basin sand producers with shorter transportation distances.

- *Reduced access to competitive routes*: Railroad consolidation will surely change routing options, interchange relationships, and competitive access to destination markets. These changes could make certain markets less economically viable for independent producers.
- *Customer concentration and reduced flexibility*: Our customers rely on competitive transportation alternatives to maintain predictable supply chains and manage operating costs. Reduced railroad competition will limit their ability to negotiate rates, use alternative routes, and respond to service disruptions.

The result could be a further contraction of the Northern White frac sand industry, reduced investment in domestic production facilities, and diminished competition in the proppant marketplace.

Impact on Competitive Railroad Access

Approximately 95% of Pattison Company's aggregate and proppant business originates on the CPKC railroad network. This relationship is an important part of our ability to compete in the marketplace.

The proposed UP-NS combination would create a much larger competing railroad system with significant influence over freight transportation throughout North America. Although merger proponents may argue that the expanded network will improve efficiency and create new single-line service opportunities, those potential benefits must be evaluated against the competitive consequences for existing railroads, shippers, and customers.

We are particularly concerned about the potential for the combined railroad to gain additional leverage in interchange negotiations, routing decisions, pricing structures, and access to important destination markets, primarily in the northeastern United States where Pattison ships ~2/3 of its frac sand today. A railroad that gains substantial market power through consolidation, without adequate protections for other railroads and captive shippers, creates legitimate concerns about whether the marketplace will remain competitive.

Specifically, Pattison's customers in the Northeast served by NS today are reached by CPKC-NS routes that meet the competitive needs of Pattison and our customers. With the UP-NS merger, UP will have the power to force those same customers to shift to other sand producers served by UP's network in the Midwest, reducing the rail-to-rail competition that those customers benefit from today.

Union Pacific CEO Jim Vena has already demonstrated a willingness to use the railroad's monopoly pricing power to selectively penalize shippers when it serves the company's financial interests: https://www.youtube.com/watch?v=B81kApzN-Cw. Vena's threat to "*teach you a lesson*" does not bode well for shippers or consumers, especially those which originate loads on railroads other than the UP and NS. Pattison is understandably concerned for its survival in a world where certain markets are wholly controlled by a combined UP-NS.

The STB must carefully evaluate how the transaction will affect the availability of CPKC-NS competitive options and companies' like Pattison's ability to maintain access to reliable and economically competitive transportation alternatives.

Threats to Investment, Employment, and Domestic Supply Chains

Pattison Company has made significant investments in its Iowa operations and transportation infrastructure. Our ability to continue investing, expanding production, and serving customers depends on the long-term predictability and affordability of rail transportation.

As such, the STB should require the applicants to demonstrate:

- That the merger will not result in higher freight rates or diminished service options for existing shippers.
- That competing railroads, including the CPKC, will retain effective, competitive, and reasonable access to interchange facilities and competitive routing opportunities that preserve CPKC-NS options.
- That independent producers and smaller shippers will not be disadvantaged by changes in pricing, interchange practices, or service priorities.
- That the merger will not create additional barriers to competition for transportation-sensitive commodities such as frac sand and aggregates.
- That promised service improvements will be measurable, enforceable, and sustained over time.
- Importantly, the Board should evaluate the merger's impact on commodity-specific markets, rather than relying exclusively on broad national transportation projections. The economic realities facing the frac sand industry are different from those facing many other freight commodities.

We believe a healthy and competitive railroad industry is essential to maintaining a strong domestic manufacturing, construction, and energy supply chain. Railroad consolidation should not come at the expense of the industries and businesses that depend on these transportation networks. Pattison Company has built its business around quality products, operational innovation, and competitive transportation. We believe our customers and industry deserve a railroad marketplace that encourages competition rather than further concentrates market power.

Thank you for your consideration of our position and the potential consequences this transaction could have on our company and the broader frac sand and aggregates industries.

Respectfully submitted,

Kyle Pattison

Owner, Pattison Company LLC

CERTIFICATE OF SERVICE

I hereby certify that, on this 18th day of November 2026, I caused a public copy of the foregoing letter to be served by email or by first-class mail, postage prepaid, on all parties of record in this proceeding, the Secretary of Transportation, the Attorney General of the United States, and Administrative Judge Jenifer Soulikias.

/s/ *Kyle Pattison*
Kyle Pattison