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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 TRANSPORTATION DIVISION INTERNATIONAL ASSOCIATION OF SHEET METAL AIR, RAIL AND TRANSPORTATION WORKERS IN SUPPORT OF THE PROPOSED TRANSACTION

The Transportation Division of the International Association of Sheet Metal, Air, Rail and Transportation Workers ("SMART-TD") respectfully submits the following comments in support of the Amended Application filed by Union Pacific Corporation ("UPC"), Union Pacific Railroad Company ("UP"), Norfolk Southern Corporation ("NSC"), and Norfolk Southern Railway Company ("NS") (collectively "Applicants") seeking approval from the Surface Transportation Board ("STB" or "Board") for UPC's acquisition of control of NSC and its rail carrier subsidiaries and the resulting consolidation of UP and NS rail operations ("the Proposed Transaction"). *Union Pacific Corporation and Union Pacific Railroad Company—Control—Norfolk Southern Corporation and Norfolk Southern Railway Company*, Finance Docket No. 36873, Amended Railroad Control Application ("Amended Application"), (Apr. 30, 2026).

I. BACKGROUND

On July 30, 2025, Applicants notified the Board of their intent to seek approval of the Proposed Transaction under 49 U.S.C. §§ 11323-25. Applicants filed their initial Application on December 19, 2025, and subsequently submitted an Amended Application on April 30, 2026. According to the Applicants, the Proposed Transaction is an end-to-end merger that would

combine two largely complementary rail networks to establish a transcontinental railroad providing single-line freight service between the East and West Coasts. Amended Application, Vol. 1 at 40-50. Among other anticipated benefits, Applicants project that the combined railroad will improve service, increase competitiveness, and generate additional rail traffic and employment opportunities. *Id.* at Vol. 1 at 40-52.

II. SMART-TD'S POSITION

SMART-TD is the largest railroad operating union in North America, and is the certified representative of the crafts or classes of train service employees and yardmaster employees on both UP and NS. As the collective bargaining representative of employees directly affected by the Proposed Transaction, SMART-TD initially had reservations. While a unified, transcontinental railroad may offer significant benefits to the public and the national rail transportation system, past railroad mergers have too often resulted in job losses and uncertainty for affected employees. Accordingly, to ensure that the anticipated benefits asserted by Applicants would extend to its members, SMART-TD engaged UP in negotiations to secure meaningful employment guarantees before taking a position on the Proposed Transaction.

Following extensive negotiations, SMART-TD and UP reached a historic Jobs for Life Agreement in September 2025, providing career-long, craft-specific employment protections for covered SMART-TD members working in in train and yardmaster service on both UP and NS at the time of the Proposed Transaction, if approved. Subject to customary requirements for continued employment, these members are guaranteed employment for the duration of their working careers and are protected against involuntary furloughs. This level of protection is unprecedented in modern rail consolidations and represents a significant departure from the uncertainty associated with prior transactions. Indeed, these protections go substantially beyond

the traditional employee protective conditions established in *New York Dock Railway—Control—Brooklyn Eastern District Terminal*, 360 I.C.C. 60 (1979), which generally provide limited-duration financial protections for employees adversely affected by a railroad transaction.

Applicants acknowledge the significance of SMART-TD's agreement in their Amended Application. UP Vice President of Labor Relations Maqui B. Parkerson describes it as part of an "unprecedented" and "groundbreaking" commitment to provide employment opportunities allowing existing craft employees to complete their careers with the combined railroad. *Amended Application*, Vol. 1, Verified Statement of Maqui B. Parkerson ("Parkerson VS"), ¶ 3, at 537-38. In addition to this unprecedented agreement, Parkerson also confirms that UP and NS are parties to the Cramdown Agreement, resulting in further protections for SMART-TD members with respect to working conditions of employees in the even the merger is approved. *Id.* ¶ 4, 14 at 538-39, 544.

Congress expressly requires the Board to consider "the interest of rail carrier employees affected by the proposed transaction." 49 U.S.C. § 11324(b)(4). SMART-TD believes that the employment protections directly advance this statutory consideration. In addition to preserving existing employment, Applicants anticipate that the Proposed Transaction will generate additional employment opportunities through increased rail traffic and expanded service, and project a net increase of approximately 1,171 positions across all crafts by the end of the third year following consolidation. *Amended Application*, Vol. 1, Parkerson VS ¶ 10, at 541 (revised by Second Errata Apr. 29, 2026).

SMART-TD also recognizes the broader potential benefits of establishing a transcontinental railroad in the United States. Canada has long operated two transcontinental rail networks, Canadian National and Canadian Pacific Kansas City, demonstrating the potential

advantages of integrated coast-to-coast freight transportation. As UP Chief Executive Officer Jim Vena observes in his Verified Statement, Canada's transcontinental railroads have contributed to its economic growth and transportation capabilities. *Amended Application*, Vol. 1, Verified Statement of V. James Vena ("Vena VS"), ¶ 25, at 221-22. SMART-TD believes that a comparable network in the United States presents opportunities to expand rail service, strengthen rail transportation's competitiveness with other modes of freight transportation, and support long-term economic growth and railroad employment. Together with the substantial employment protections secured for SMART-TD members, these anticipated benefits form the basis for SMART-TD's support of the Proposed Transaction.

II. CONCLUSION

For the foregoing reasons, SMART-TD respectfully supports the approval of the Proposed Transaction and requests that that Board condition its approval upon Applicants' compliance with the negotiated Jobs for Life Agreement, the Cramdown Agreement, *New York Dock* and/or equivalent protections, and all commitments and representations made by Applicants throughout this proceeding.

Respectfully submitted,

s/ Erika A. Diehl-Gibbons
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General Counsel
SMART-TD

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been e-filed this 18th day of November, 2026, via the STB's e-filing system, and served upon the parties of record by email or in the manner specified.

s/ Erika A. Diehl-Gibbons
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