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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 PRAIRIE CENTRAL COOPERATIVE

November 18, 2026

Prairie Central Cooperative (PCC), headquartered in Chenoa, IL, respectfully submits these comments regarding the proposed Union Pacific (UP) and Norfolk Southern (NS) merger.

PCC is a farmer-owned grain cooperative operating facilities served by UP at Pontiac, IL, NS at Sunbury, IL, and the Toledo, Peoria & Western Railway (TP&W) at Chenoa, IL. Competitive rail transportation is essential to PCC's grain merchandising operations and access to domestic and international markets.

The Board's 2001 major railroad merger rules call for preserving existing choices and enhancing competition. PCC asks the Board to apply those standards to agricultural shippers by protecting competition between grain origins, short-line access to other railroads, and dependable service. Lower railroad operating costs should translate into measurable benefits for shippers.

Regional Railroad Competition

PCC's facilities at Pontiac, IL, and Sunbury, IL, are approximately 20 miles apart and currently served by independently operated Class I railroads. Traditional two-to-one shippers are facilities where two independent serving railroads would become one through the merger. Although PCC's separately served facilities may not qualify as traditional two-to-one shippers, they compete within the same agricultural marketplace, and common ownership would eliminate UP and NS as independent competitors across those nearby origins.

Independent railroads provide transportation alternatives that influence freight costs, destination opportunities, and grain prices offered to producers. PCC requests that the Board evaluate the loss of geographic competition across agricultural marketing territories, not solely the effects on traditional two-to-one shippers directly served by both railroads.

TP&W and Competitive Gateway Access

PCC depends on TP&W interchange opportunities, including connections through the Peoria/Pekin, IL, marketplace, to competing railroads and grain markets. That marketplace includes Tazewell & Peoria Railroad, Inc. (TZPR), Illinois & Midland Railroad, Inc. (IMRR), and the Peoria and Pekin Union Railway Company (P&PU).

PCC asks the Board to preserve existing gateways and consider better eastern access for TP&W, including the route from Logansport, IN, through Fort Wayne, IN, toward Leipsic, OH. Better connections could give grain shippers additional rail options and access to more markets.

Competitive access in the Peoria/Pekin, IL, marketplace also depends on the surrounding rail network, including IMRR connections toward Springfield, IL. PCC asks the Board to protect these connections and consider improvements that would give shippers practical alternatives.

P&PU owns tracks operated by TZPR in the Peoria/Pekin, IL, area. PCC asks the Board to ensure that any ownership changes preserve fair access to this terminal network for connecting railroads and their customers.

Keeping an interchange physically open does not guarantee competition if freight rates, switching charges, equipment availability, or operating restrictions make the route impractical. PCC asks for fair pricing, workable switching arrangements, and removal of restrictions that prevent customers from using competing railroads.

Grain Transportation and Service Assurances

PCC has invested substantial capital in rail-loading infrastructure and depends on dependable rail transportation, including shuttle-train movements serving Mexico, the southeastern United States, and other destinations.

The proposed pricing and service commitments should work for grain unit trains and shipments moving under transportation contracts.

Service protections should cover contract shipments as well as other grain traffic. PCC asks for measurable standards based on service before the merger, dependable equipment availability, and clear remedies when service falls short.

PCC recognizes potential efficiencies from single-line service, but these improvements should not eliminate competitive interline routing alternatives.

Agricultural Competition and Measurable Benefits

PCC wants to see clear benefits for agricultural shippers. Systemwide railroad efficiencies should produce improvements in transportation rates, service reliability, and market access for individual grain facilities.

Shipper Participation and Retaliation Concerns

PCC appreciates the Board's recognition of concerns regarding potential retaliation against shippers participating in this proceeding. Rural agricultural cooperatives often depend on a single railroad at individual facilities, with limited alternatives for reaching important domestic and international markets.

The concern is not necessarily an identifiable threat or deliberate act of retaliation. Freight rates, equipment availability, service priorities, and access to competitive shipping corridors change for numerous reasons, particularly in agriculture, where volumes and destinations fluctuate. This makes it difficult for a shipper to determine whether unfavorable treatment reflects normal business decisions or other considerations.

PCC considered these commercial risks when deciding whether to participate publicly. Whether real or perceived, the possibility of adverse consequences can discourage shippers from expressing opposition, particularly when their railroad relationships cannot readily be replaced. PCC is not alleging retaliation, but believes the Board should recognize that the absence of public opposition does not necessarily indicate support for the merger.

Requested Board Considerations

PCC respectfully requests that the Board:

1. Evaluate geographic competition between nearby agricultural origins currently served independently by UP and NS, in addition to effects on traditional two-to-one shippers.

2. Preserve and enhance TP&W interchange opportunities, including practical access to competing Class I railroads through TZPR and the P&PU terminal network in Peoria/Pekin, IL, and relevant IMRR connections.

3. Ensure gateway pricing and competitive routing protections apply meaningfully to grain shuttles, unit trains, and short-line traffic.

4. Require service assurance protections for contract grain shipments, supported by objective performance benchmarks and enforceable remedies.

5. Require fair rates for each railroad's portion of a shipment, workable switching arrangements, and removal of restrictions that limit competitive interchange.

6. Require measurable benefits for agricultural shippers and long-term oversight consistent with the 2001 major railroad merger rules.

Conclusion

PCC respectfully requests that the Board carefully evaluate the transaction's impact on agricultural competition, short-line access, and reliable transportation service.

Any approval should enhance competition, preserve existing transportation choices, and provide clear service protections and measurable benefits for agricultural shippers.

Respectfully submitted,

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CC: Parties of Record