



October 16, 2025

The Honorable Patrick Fuchs
Chairman
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Michelle Schultz
Vice Chair
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Karen Hedlund
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Chairman Fuchs, Vice Chair Schultz, and Member Hedlund:

On behalf of the Minnesota Grocers Association (MGA), we respectfully submit this letter to express our concerns regarding the proposed merger between Union Pacific (UP) and Norfolk Southern (NS). MGA represents over 300 retail, manufacturer, and wholesale members operating nearly 1,300 locations across Minnesota. Our members include independent grocers, regional chains, wholesalers, and suppliers who work every day to ensure that Minnesota families have access to safe, affordable, and high-quality food.

The proposed merger would result in a single railroad controlling approximately 45 percent of total U.S. rail tonnage. In sectors critical to our industry, the concentration is even more pronounced: UP would hold 47 percent of the market share in food and kindred products, compared to just 26 percent for the next largest competitor. In intermodal containers,

essential for transporting packaged goods and perishables, UP would control 46 percent of the market, with the next closest carrier at 30 percent.

This level of market dominance raises serious concerns. When any one entity holds such a disproportionate share of the market, competition suffers—and when competition suffers, prices for grocers and consumers rise. For grocers, especially independent operators, competitive freight rail access is essential to maintaining stable prices and consistent service. A merger of this scale would reduce routing options, increase vulnerability to disruptions, and concentrate control over key supply chain corridors.

Minnesota's grocery industry depends on a resilient and diverse supply chain. Further consolidation in the freight rail sector would undermine that resilience, leaving businesses and consumers more exposed to service failures and cost increases. This is not the direction we should be heading. We need more competition and flexibility in our transportation networks, not less.

We urge the Board to carefully evaluate the long-term implications of this merger. The STB's merger guidelines rightly emphasize the need to enhance competition. In our view, any transaction that significantly expands a single railroad's market power must demonstrate clear and measurable benefits to shippers, consumers, and the broader economy. We believe this proposal falls short of that standard.

Sincerely,

A handwritten signature in black ink, reading "Patrick Garofalo". The signature is written in a cursive, flowing style with a large initial "P".

Patrick Garofalo

President
Minnesota Grocers Association