THE UP–NS MERGER: STILL A MONOPOLY IN THE MAKING

*Union Pacific and Norfolk Southern want to control **half of all U.S. rail freight. They claim this merger will "grow the industry" and "increase competition." The truth? It will reduce your choices, raise your costs, and destabilize the supply chain that powers the American economy.***

The Recent Refiling: More of the Same

The STB **unanimously voted to reject** UP and NS's original application earlier this year. After serious concerns from customers and other stakeholders across the industry, they refiled – but **changed nothing of substance**: no new conditions or commitments for shippers, and continued reliance on **flawed, inflated truck-to-rail conversion estimates**.

UP's Growth Claims are Unachievable

UP promises 13% volume growth within the first three years after merger – despite **a decade of declining volumes while having the highest revenue per unit in the industry**.

- When growth doesn't materialize, history shows **pricing power does**.
- CPKC made similar but more modest projections in their merger and **missed by 70%**.
- The **activist shareholders** backing this deal expect immediate profitability – and without growth, those profits come **from higher rates and higher consumer costs**.

Market Share Reality: A Concentration of Power

UP doesn't say it explicitly – but the result is clear. The combined UP-NS would control **50% of U.S. rail volume**, concentrating power, reducing shipper choice, and increasing pricing leverage – leaving customers with fewer options, more captive traffic, and greater exposure to higher rates.

Manufactured Truckload Conversion Savings

UP claims the merger will convert 2.1 million truckloads to rail and **save truck shippers $3.5 billion** – savings they say will flow through to lower consumer prices. It sounds compelling, but it's just a flawed math exercise to distract from the reality of this merger. UP already has by far the highest rates in the industry and – through 10 months of speeches and ~14,000 pages of formal application – still has **not promised to lower rates for rail shippers**.

Rail intermodal is already cheaper than truck. Shippers who want to convert from truck to rail **can capture those savings right now**. UP is taking credit for a benefit they aren't creating – it's a rhetorical flourish designed to distract from the real consequences of consolidation: fewer choices, higher captive rates, and a more fragile supply chain. And let's not forget – this so-called benefit is limited to intermodal. If you're moving agricultural commodities, industrial products, or merchandise by carload, there's nothing in it for you.

The Merger Bar is High – For Good Reason

A merger giving one company 50% control of a market is **presumptively illegal** under the Department of Justice's merger standards. And railroad mergers are held to an **even higher standard** under the STB's rules. UP must **preserve and enhance** competition and serve the public interest. These rules exist because **past mergers caused supply chain meltdowns, reduced competition, and higher rates.**

UP's Plan Doesn't Enhance Competition – It Decreases It

One railroad controlling nearly half of U.S. rail freight means over **10,000 captive facilities**. Texas alone has over **1,500 captive UP facilities**. Movements to, from, and within Texas already generate over **25% of UP's revenue**. UP ignores STB rules by falsely claiming truck-to-rail conversion clears the bar.

Gateway Pricing Proposals are Hollow

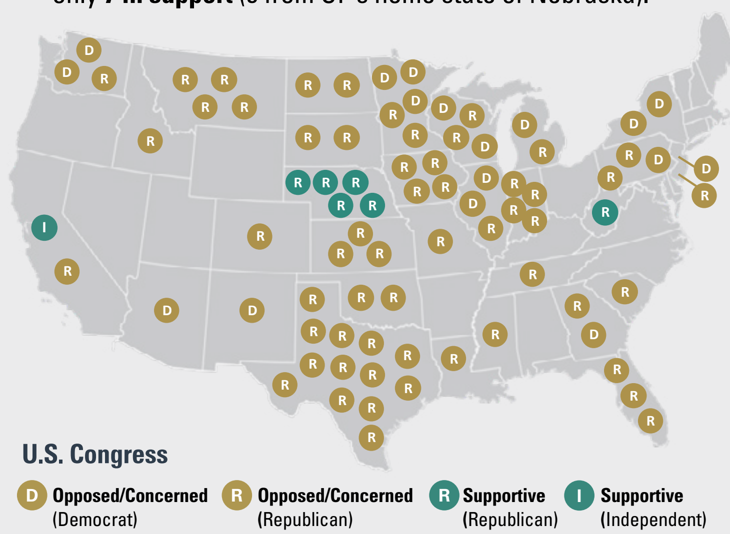
UP's "Committed Gateway Pricing" is **unchanged** from the rejected application: it covers **less than 1% of traffic,** expires in **five years**, is limited to **four gateways**, and **excludes** intermodal, autos, unit trains, TIH/PIH, dimensional shippers, and Canadian carriers. Prior to the initial application, UP quietly **removed $750M** in concessions – their own admission these protections are meaningless.

UP's Service Integration Plan: "Trust Us" Isn't a Plan

Every major merger has caused disruptions – and this is the **biggest yet**. UP promises crew and equipment buffers – the **same promise they made before issuing 1,000 embargoes** during the pandemic, requiring **STB intervention**. UP claims a slow integration while telling investors they'll **add 1.9M units and cut $1B in costs within 3 years**.

Opposition is Overwhelming

- UP touts 500 shippers in support, but those shippers represent only 8% of all rail freight. **The Rail Customer Coalition, which represents customers that ship more than half of the total volume of cargo shipped by rail**, and the **Teamsters, which represents more than 70,000 rail employees in the United States**, demand rejection.
- In **Congress: 72 statements of concern or opposition** vs. only **7 in support** (5 from UP's home state of Nebraska).



- Customer opposition is broad and growing. Dozens of shipper associations have made public statements of concern and opposition, including the newly introduced Stop the Rail Merger Coalition, which represents major railroad operators, customers and consumers. Learn more at: www.StoptheRailMerger.com

The Bottom Line

This merger is about power, not progress. It will raise prices, reduce service, and weaken supply chain resilience. Urge the STB to reject this monopoly.

Make Your Voice Heard

Speak up for competition, fair pricing, and a resilient U.S. supply chain. The option to file a **Notice of Intent to Participate** is open now. If the STB accepts the UP-NS application and issues a procedural timeline, the filing window will remain open for only a short period – likely about two additional weeks.

Filing is simply a placeholder to preserve your ability to be heard and does not require taking a position or committing to participate later.

Learn more about how to participate at www.BNSF.com/PreserveRailCompetition