



THE UP-NS MERGER: **THE REVIEW PROCESS BEGINS.** YOUR VOICE MATTERS MORE THAN EVER.

*On Sept. 18, the Surface Transportation Board (STB) exercised its discretion to allow the Union Pacific-Norfolk Southern merger application to move into a full review, one that will include comments from customers and other stakeholders. Those comments are due Nov. 18. **The Board's decision was not an approval.** The Board said directly that continuing the review is not an endorsement of UP's and NS's arguments.*

What the Board Said

The Board called this transaction “unprecedented” and “consequential.” It also agreed that the questions raised by BNSF, shippers and others will keep being examined.

“I believe [the] Applicants still have a long way to go to show that the Transaction is in the public interest...”

—STB Board Member Richard Kloster

UP and NS must prove that this deal serves the public interest and strengthens competition. The Board will weigh their case against what it hears from the businesses that actually move the freight.

For customers, nothing changes today. Your service, your rates and your options are the same. What's at stake is whether you'll still have those options years from now.

What's at Stake

- **50% market share means less competition and fewer customer choices.** A combined UP-NS would control half of all American rail shipments, concentrating market power at a level never before seen in the industry.
- **Dominant market positions increase the risk of higher rates** The merger would give UP-NS control of up to 85% of traffic in key markets, while evidence shows shippers with only one rail option face significantly higher rate increases.
- **The cost of getting integration wrong would be enormous.** UP's last major merger contributed to an estimated **\$100 million per month in shipper losses.** Even the much smaller CP-KCS merger a few years ago was beset with service integration challenges. A UP-NS integration would be the largest in the history of the US and put service reliability and the entire North American supply chain at risk.

Bottom line: More than a year after the merger was announced, UP has failed to answer one central question: How does reducing the number of major rail competitors, and creating a railroad that carries roughly half of U.S. freight rail traffic, preserve and enhance competition?

Unprecedented Market Power Means Fewer Choices

A combined UP-NS would control about 50% of all American rail shipments. Each loaded railcar or container counts as one shipment, which is how customers buy rail service. In key markets, a combined UP-NS would control approximately:



85% of intermodal shipments
to and from Pennsylvania



80% of metal-products shipments
to and from Indiana



70% of chemical shipments
to and from Texas



55% of farm-product shipments
to and from Kansas

Integration Puts the Supply Chain at Risk

UP's merger with Southern Pacific caused a service meltdown that took years to fix and forced Gulf Coast factories to shut down. A UP-NS integration would affect the entire U.S. rail network.

Communities Pay a Price, Too

Based on Federal Railroad Administration data, UP already reports more blocked crossings than all other U.S. railroads combined. Train traffic at some crossings could nearly triple within five years of the merger.

Collaboration, Not Consolidation

Railroads don't need a merger to deliver more for customers. BNSF has expanded service through partnerships, including new coast-to-coast intermodal service with CSX and Quantum with J.B. Hunt, while keeping the competitive options customers rely on.



Opposition Is Broad and Growing

Nearly 60% of rail cargo is represented by shipper associations that oppose the merger or have raised concerns

70% of projected combined UP-NS unionized workforce is represented by organizations opposing the merger

184 vs. 7: statements of concern or opposition in Congress compared with statements of support

Less than 6% of rail cargo is represented by the shippers who wrote letters of support

MAKE YOUR VOICE HEARD



This proceeding will shape freight rail for decades – and decision-makers need to hear from the customers, businesses and communities who live with the real-world impact of reduced competition.

Share your perspective with elected officials and policymakers. First-hand input from customers, businesses and communities helps decision-makers understand the importance of preserving competition in freight rail.



Learn more:
www.BNSF.com/PreserveRailCompetition

