INTERLINE PRESERVATION MECHANISM: KEEPING SHARED ROUTES COMPETITIVE

The Stakes

Many shipments move on more than one railroad. A combined Union Pacific (UP)-Norfolk Southern (NS) would control about half of all U.S. rail volume. It could manipulate rates and service on shared routes in ways that push freight onto its own network and away from competitors.

What's at Risk

UP and NS have offered to keep connections with competing railroads open on "commercially reasonable" terms. That offer is too vague and too narrow to protect customers in the real world.

What We Requested

A permanent Interline Preservation Mechanism with broad coverage:

- **All traffic:** No commodity or train type would be excluded.
- **All affected customers:** It would cover shipments between BNSF-served locations and facilities only NS serves today.
- **Any existing interchange:** Customers would keep the routes they use now.
- **Objective pricing:** BNSF's share of the rate would be tied to the average of what UP earns on comparable traffic. The benchmark would be updated every quarter.
- **A smooth transition:** Today's gateway rates would stay available for five years.

Why it Matters to You

You would keep real choices on routes that cross between railroads, at rates based on market benchmarks instead of the merged railroad's discretion.

	UP's Committed Gateway Pricing (CGP) Proposal	BNSF's Proposal
Duration	Temporary (ends after the Board's oversight period)	Permanent
Pricing	Uses the 70th-percentile rate	Uses average rates for traffic moving pursuant to the I-5 agreement
Fees	Additional fees permitted (such as fuel surcharges)	Included in the rate
Route Exclusions	Routes not touching Chicago, St. Louis, Memphis or New Orleans	None
Traffic Exclusions	Excludes multiple categories of traffic, including intermodal traffic	Does not exclude any categories of traffic from the facilities covered by the agreement
Line Divestiture	No line divestiture or trackage rights	Line divestiture and trackage rights

BNSF remains firmly opposed to this merger. These conditions are necessary but not sufficient. They would only partly offset the harm to customers and competition. The Surface Transportation Board (STB) should deny this merger.

Learn more:
www.BNSF.com/PreserveRailCompetition

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