



September 16, 2025

The Honorable Patrick Fuchs
Chairman
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

The Honorable Michelle Schultz
Vice Chairman
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

The Honorable Karen Hedlund
Member
Surface Transportation Board
395 E Street, NW
Washington, DC 20423

Dear Chairman Fuchs, Vice Chairman Schultz and Member Hedlund,

On behalf of the undersigned members of the Rail Customer Coalition (RCC), which represents manufacturing, agriculture, energy, and other vital industries across the U.S. economy, we write to express our serious concerns and reservations about the proposed merger between Union Pacific and Norfolk Southern¹.

A strong, competitive transportation network is critical to strengthening American manufacturing, unleashing energy production, securing domestic supply chains, and preserving U.S. leadership in global trade. The industries represented by the RCC collectively provide more than 7 million American jobs and produce more than \$4.8 trillion in economic output. As some of the nation's largest freight rail customers, our members depend on reliable and affordable rail service to keep goods moving and businesses growing.

Past rail mergers have shown what happens when consolidation goes unchecked: service suffers, costs increase, and jobs disappear. Today, just four U.S. Class I railroads control over 90% of all freight traffic. A transcontinental merger could spark a new wave of consolidation, leaving captive shippers with even fewer Class I rail companies and competitive joint line options to choose from. This is in direct contrast to the President's executive orders aimed at promoting American prosperity, curbing anti-competitive practices, and preventing monopolistic behavior. Rather than

¹ Union Pacific and Norfolk Southern NOTICE OF INTENT TO FILE APPLICATION FOR APPROVAL OF TRANSACTION SUBJECT TO 49 U.S.C. §§ 11323-25, July 30, 2025.

fostering economic growth, it would invite supply chain disruptions and make American products less competitive in the global marketplace.

The RCC strongly believes that more, not less, competition in the rail industry is essential to the Administration's economic agenda. At a time when policy makers are working to strengthen American manufacturing, secure supply chains, and fight inflation, we must be careful not to allow further consolidation in a critical transportation sector to undo that progress. Enhanced freight rail competition is essential for producing more goods in America, growing rail volumes and maintaining our leadership in global trade.

The Surface Transportation Board's (STB) upcoming review presents a critical opportunity to prioritize freight rail competition and protect American shippers and consumers from the adverse impacts that could result from further railroad consolidation. The Board must rigorously evaluate the potential impacts of the merger and take meaningful action to enhance and protect competition, service, and supply chain stability. The STB's merger rules rightly focus on the need to "enhance competition." For any transaction that would so dramatically extend a single railroad's market power, we believe the threshold for enhanced competition should be broadly expanding access to *competitive freight rail service*, not solely claims that single line service could make certain lanes more competitive with other modes of transportation such as trucking.

Our organizations are committed to actively engaging in the STB review process to prevent the harmful consequences of further consolidation in the rail industry and to champion a more competitive, rail-to-rail freight system that drives growth for American businesses and families.

Sincerely,

The Undersigned Members of the Rail Customer Coalition

Agricultural Retailers Association
Alliance for Chemical Distribution
American Cement Association
American Chemistry Council
American Coatings Association
American Composites Manufacturers Association
American Forest and Paper Association
American Fuel & Petrochemical Manufacturers
AmericanHort
American Malting Barley Association
American Petroleum Institute
Chlorine Institute
Council of Producers and Distributors of Agrotechnology
Essential Minerals Association
The Fertilizer Institute
Florida Fertilizer and Agrichemical Association
Freight Rail Customer Alliance

Glass Packaging Institute
Growth Energy
Independent Lubricant Manufacturers Association
International Dairy Foods Association
Michigan Agri-Business Association
National Industrial Transportation League
North Carolina Agribusiness Council
Ohio AgriBusiness Association
Recycled Materials Association
Steel Manufacturers Association
The Sulphur Institute
Vinyl Institute