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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36873

UNION PACIFIC CORPORATION AND
UNION PACIFIC RAILROAD COMPANY
— CONTROL —
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY

COMMENTS OF THE AMERICAN FARM BUREAU FEDERATION

The American Farm Bureau Federation (Farm Bureau) respectfully submits the following comments to the Surface Transportation Board (the Board or STB) to voice its strong opposition to the proposed acquisition of control of Norfolk Southern Corporation and Norfolk Southern Railway Company (Norfolk Southern or NS) by Union Pacific Corporation and Union Pacific Railroad Company (Union Pacific or UP).

Introduction

The American Farm Bureau Federation represents the interests of farmers, ranchers, and rural communities, with more than five million member families from all 50 states and Puerto Rico. Farm Bureau establishes policy through our grassroots network where members develop, deliberate, and adopt policies on a variety of issues that impact their ability to grow safe and abundant food, fuel, and fiber for our nation and the world.

During the 107th Farm Bureau Annual Meeting in January 2026, Farm Bureau members proposed and adopted policy specifically opposing the merger of Union

Pacific and Norfolk Southern. That policy was adopted unanimously by hundreds of our farmer leaders.

We thank the Board for the opportunity to review and comment on this proposed merger and the significant impact it would have on rural America. The details made available to date have only deepened Farm Bureau's concerns and strengthened our opposition. If approved, this transaction would further consolidate an already highly concentrated freight rail industry, reduce competitive alternatives for farmers, ranchers, and other agricultural shippers, and increase the economic and operational risks faced by farmers and ranchers who depend on reliable and affordable rail transportation.

We urge the Board to consider the competitive consequences of this transaction on transportation rates, service reliability, rural rail infrastructure, and the long-term resilience of America's agricultural supply chain. The concern over rail rates is reinforced by Union Pacific's CEO stating that he will "probably increase everybody's rates that said they didn't want a seamless railroad by 3 or 4 extra percent to teach you a lesson."[1] Due to the significant risks posed to rail competition, rates, and service, and the related potential harm to farmers, ranchers, and rural communities, Farm Bureau urges the Board to reject this transaction.

Importance of Freight Rail to American Agriculture

Freight railroads are a vital component of the U.S. agricultural supply chain. Shippers of bulk commodities such as grain, oilseeds, fertilizer, feed ingredients, and food products rely on rail for long-distance movement where trucking is cost-prohibitive and waterways are unavailable. In recent years, farm and food products have consistently accounted for roughly one-fifth of total U.S. rail tonnage, reflecting agriculture's dependence on a rail network that connects rural production regions with domestic processors and export markets. [2]

In 2024 alone, U.S. railroads carried more than 82.7 million tons of corn (+3.3% from 2023), 26 million tons of soybeans (+3.4% from 2023), and nearly 29.1 million tons of wheat (+11.9% from 2023), much of it originating in the Midwest and

[1] "Jim Vena Remarks at the Southwest Association of Rail Shippers Annual Conference." YouTube video. n.d. https://www.youtube.com/watch?v=B81kApzN-Cw.
[2] U.S. Department of Agriculture, Agricultural Transportation Open Data Platform, "Agriculture on Rail," accessed November 17, 2026, https://agtransport.usda.gov/stories/s/25z9-isvp.

Northern Plains and moving toward coastal ports or major processing hubs.[3] For many regions, particularly those far from navigable waterways, rail is not simply the lowest-cost option, it is often the only viable one.

Against this backdrop, Union Pacific and Norfolk Southern have proposed an $85 billion merger that would create the first coast-to-coast Class I railroad in U.S. history. The combined system would span roughly 50,000 route miles across 43 states, linking the dominant western and eastern rail networks into a single carrier. Proponents describe the transaction as an "end-to-end" merger that would streamline operations, reduce interchange delays, and improve service efficiency.

However, the economic implications of such a consolidation extend beyond operational integration. For agriculture and rural America, the central question is not whether railroads could operate a larger network, but how further concentration would affect pricing power, service reliability, and accountability in markets where shippers already have limited alternatives.

Market Concentration and the Loss of Competitive Discipline

The U.S. freight rail industry has undergone decades of consolidation. Since deregulation under the Staggers Rail Act of 1980, the number of Class I railroads has fallen from more than 40 to just six. Four carriers now account for nearly 90% of total U.S. rail freight revenue, a level of concentration well above thresholds typically considered "highly concentrated" under federal antitrust guidelines.

Empirical measures make this consolidation clear. One commonly used yardstick is the Herfindahl–Hirschman Index (HHI), which adds up the market shares of all major firms in an industry to show how concentrated a market is. Lower values indicate more competition, while higher values signal that market power is concentrated in fewer hands. For Class I railroads, the HHI rose from 589 in 1978, a level consistent with a competitive market, to more than 2,200 by the mid-2000s, a level well above the U.S. Department of Justice's threshold for a *highly concentrated* industry. Subsequent rail mergers have only reinforced this structure, leaving much of the eastern United States effectively served by a CSX–Norfolk Southern duopoly and much of the West dominated by Union Pacific and BNSF.

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[3] U.S. Department of Agriculture, Agricultural Marketing Service, *Grain Transportation Report: May 7, 2026*(Washington, DC: USDA, May 7, 2026), https://www.ams.usda.gov/sites/default/files/media/GTR05072026.pdf.

A combined UP-NS system would further limit service. According to Farm Bureau estimates based on data from the STB and the U.S. Department of Agriculture (USDA), the merged carrier would account for roughly 44% of total originated carloads across major commodity groups and more than one-third of all grain rail movements nationwide.[4] In practical terms, this would leave large portions of the country dependent on a single railroad for end-to-end service, eliminating key interchange points, such as Chicago, St. Louis or New Orleans, where shippers previously could bargain between UP and NS.

For farmers, ranchers, and other agricultural shippers, concentration matters because rail competition is already limited at the local level. Approximately 95% of grain elevators are served by only one railroad.[5] In these settings, competitive discipline does not come from the ability to switch carriers, but from regulatory oversight that substitutes imperfectly for market forces.

Inelastic Demand and Pricing Power

The vulnerability of farmers, ranchers, and other agricultural shippers to further consolidation is magnified by the inelastic nature of rail demand, meaning farmers often cannot meaningfully reduce or change how they ship, even when rail costs rise. For many bulk commodities, especially grain produced far from river systems or major processing centers, rail is not easily substitutable. Trucking long distances significantly increases per-unit costs, while barge access is geographically limited. Union Pacific claims that the merger will enhance competition between rail and trucks, but it provides no benefit to those in the agriculture sector who are captive to rail with no practical alternative. Moving bulk commodities to trucks is frequently not viable because the infrastructure built around shipping these commodities is centered on rail and would take substantial investments to change, the cost of which will be passed down to the farmer. The proposal lacks a clear pathway for enhanced rail-to-rail competition for these shippers.

Decades of transportation economics research shows that demand for rail transportation of agricultural commodities becomes increasingly inelastic as transportation alternatives disappear. Across rural regions where shippers lack

[4] American Farm Bureau Federation, Appendix, Exhibit 1.
[5] U.S. Department of Agriculture, Agricultural Marketing Service, "Chapter 8: Rail Service Performance," *Transportation Research and Information Report*, https://www.ams.usda.gov/sites/default/files/media/RTIReportChapter8.pdf.

nearby barge access or cost-effective trucking options, railroads have historically carried 85% to 95% of grain output, reflecting a near-total reliance on rail service.[6] When rates increase in these regions, shipments do not fall proportionally. Instead, farmers often absorb the cost through lower net prices at the elevator or reduced margins on sales.

This dynamic gives railroads pricing power in captive markets. Under deregulation, carriers are permitted to engage in differential pricing, charging higher markups to customers with less elastic demand while offering lower rates where competition exists. Grain shippers served by fewer railroads or located farther from barge terminals consistently pay higher rates per ton-mile than similarly situated shippers with more transportation options.

Surface Transportation Board data reinforce this pattern. Since 2004, the share of agricultural rail revenue derived from movements classified as non-competitive (a ratio of revenue to variable costs of more than 180%) has risen from the low 30% range to more than 50% on average since 2020. This means that a growing portion of rail revenue comes from shipments where competitive forces are weak, and regulatory oversight is the primary constraint on pricing behavior.[7]

Unlike farmers who sell into global commodity markets and routinely operate below cost during downturns, rail carriers operate under a regulatory framework that allows rates to be set above variable costs to ensure system viability. While this framework does not necessarily guarantee profitability, it substantially limits downside risk on traffic railroads choose to carry, particularly on movements where competitive alternatives are limited. As rail consolidation reduces competition across a larger share of movements, more farmers bear the brunt of railroad cost recovery. Cost recovery risk increasingly shifts away from carriers and onto captive shippers who have few transportation options and limited ability to absorb higher costs.

Because captive shippers have no affordable alternative — and in many cases no alternative at all — there is strong concern that Union Pacific will service the

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[6] Marvin E. Prater, Adam Sparger, Pierre Bahizi, and Daniel O'Neil Jr., "Rail Market Share of Grain and Oilseed Transportation," *Journal of the Transportation Research Forum*52, no. 2 (Summer 2013): 127–50, https://www.ams.usda.gov/sites/default/files/media/Rail%20Market%20Share%20of%20Grain%20and%20Oilseed%20Transportation%20%28Journal%20of%20the%20Transportation%20Research%20Forum%2C%20Vol.%2052%2C%20No.%202.pdf.

[7] American Farm Bureau Federation, Appendix, Exhibit 2.

transaction's debt obligations by raising rates on captive shippers. Union Pacific knows well what those debt obligations will be, and it knows what its investors and debt holders expect in terms of returns and net profit. The remaining variable is how much Union Pacific will raise rates to hit the benchmarks it has set — benchmarks designed for net profit, return on investment, executive bonuses, and corporate giving.

STB data show how this shift has played out over time. From 2004 to 2023, farm product–related rail revenue above variable costs more than doubled, increasing from $1.08 billion to $2.44 billion.[8] In practical terms, railroads are collecting more net revenue from farm-product movements than they did in the past. As more revenue flows through these movements, competitive conditions on agricultural rail routes become increasingly important. A merger that reduces routing or carrier options raises the risk that future revenue growth comes from fewer competitive choices rather than from efficiency gains, increasing exposure for agricultural shippers.

A UP–NS merger would not create this structure, but it would expand it. By eliminating one of the remaining independent Class I carriers across large portions of the country, the merger would increase the number of movements where shippers face a single carrier for the majority of their route. Public filings indicate that roughly 60% of Union Pacific's total revenue is tied to movements that exceed the federal benchmark for limited competition, meaning a substantial portion of its earnings comes from markets with many captive shippers and few transportation options.[9] In such environments, historical evidence suggests that pricing power increases even if nominal efficiencies are achieved.

Impact to On-Farm Costs and Food Prices

Transportation costs are a critical component of farm profitability, particularly for commodities that must move long distances to reach markets. When rail rates rise, farmers have limited ability to offset the increase. Commodity prices are set in global markets, input costs are largely fixed in the short run, and production decisions

[8] American Farm Bureau Federation, Appendix, Exhibit 3.
[9] Surface Transportation Board, *RSAM-COMP-2023*(Excel workbook, 2023), https://www.stb.gov/wp-content/uploads/RSAM-COMP-2023.xlsx.

cannot be easily adjusted after harvest. As a result, higher rail rates will be absorbed directly into farm margins.

Published rail tariff data provide a sense of how transportation costs for grain shippers have evolved over time. Across major carriers, average rail tariffs plus applicable fuel surcharges for corn, soybeans and wheat increased between 2015 and 2025. By 2025, tariff rates per bushel were between roughly 10% and more than 50% higher than a decade earlier across key commodities.[10] While these figures reflect published tariffs rather than confidential contract rates, they illustrate a higher baseline cost for moving agricultural commodities by rail.

Over time, these costs can also ripple through the broader food system. Grain, oilseeds, and feed ingredients are foundational inputs for livestock, dairy, and food manufacturing. Increases in transportation costs function as a form of cost-push inflation, raising expenses throughout the supply chain. While not all costs are passed through fully or immediately, the cumulative effect can contribute to higher consumer prices, particularly for staple foods.

Railroads argue that operational efficiencies from single-line service offset these risks. However, historical evidence suggests that efficiency gains in concentrated rail markets do not reliably translate into lower rates for captive shippers.[11] Following earlier mega-mergers, promised service improvements often materialized slowly, while pricing power increased as competitive alternatives diminished.[12] In this context, the concern is not that efficiencies are impossible, but that absent competition, there is little incentive to share those efficiencies with agricultural customers.

Example of the Mergers' Harm: Impact to Poultry Production

Farm Bureau represents many contract poultry growers across the United States. Virtually all contract poultry is produced in a vertically integrated, contract-based system where a grower contracts to raise and care for the birds on a farm, while the

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[10] U.S. Department of Agriculture, Agricultural Marketing Service, "Rail," accessed November 17, 2026, https://www.ams.usda.gov/services/transportation-analysis/research/rail.

[11] U.S. Government Accountability Office, *Freight Rail Pricing: Contracts Provide Shippers and Railroads Flexibility, but High Rates Concern Some Shippers*, GAO-17-166 (Washington, DC: GAO, December 7, 2016), https://www.gao.gov/assets/gao-17-166.pdf.

[12] U.S. General Accounting Office, *Freight Railroad Regulation: Surface Transportation Board's Oversight Could Benefit from Evidence Better Identifying How Mergers Affect Rates*, GAO-01-689 (Washington, DC: GAO, July 2001), https://www.gao.gov/assets/gao-01-689.pdf.

company, or integrator, controls all other aspects of the supply chain, from hatching and veterinary care, to feed formulations, processing, and marketing of the final product.

A grower participates in what is called a "tournament system" where a grower is paid based on their performance relative to the performance of other growers who have the same grow out period. Performance is generally determined by how efficient the grower is at converting pounds of feed into pounds of meat. However, there are numerous things outside the control of the grower when it comes to efficiencies. An example is the availability of feed. If a grower has a feed outage for any reason, efficiencies drop along with the pay the grower receives.

USDA has attempted to correct this practice through federal rulemaking in 2024.[13] However, in June 2026, the Department chose to delay the implementation of the rule until December 31, 2027.[14]

The southeastern United States is home to the majority of the poultry production in the United States. In 2025 broiler production alone in Georgia, Alabama, Arkansas, North Carolina, and Texas represented roughly 32.4 billion liveweight pounds of broilers. [15] This does not include turkeys, pullets, breeders, or egg layers, which have feed rations similar to broilers in terms of corn content.

These five states may produce a lot of chicken, but they do not produce a lot of corn, which is the main ingredient in poultry rations. [16] While there is no data available on actual bushels of corn used for poultry production, Farm Bureau estimates that it would take an estimated 667.8 million bushels of corn to meet the demand for broiler feed. However, total corn production for these five states is roughly 707 million bushels.[17] It is important to note that broiler production accounts for 94% usage of

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[13] U.S. Department of Agriculture, Agricultural Marketing Service, "Poultry Grower Payment Systems and Capital Improvement Systems," *Federal Register*90 (January 16, 2025): 5146, https://www.federalregister.gov/documents/2025/01/16/2025-00508/poultry-grower-payment-systems-and-capital-improvement-systems.

[14] U.S. Department of Agriculture, Agricultural Marketing Service, "Poultry Grower Payment Systems and Capital Improvement Systems; Delay of Effective Date," *Federal Register*91 (June 1, 2026): 32314, https://www.federalregister.gov/documents/2026/06/01/2026-10880/poultry-grower-payment-systems-and-capital-improvement-systems-delay-of-effective-date.

[15] National Chicken Council, "Top Broiler Producing States," accessed November 17, 2026, https://www.nationalchickencouncil.org/statistic/top-broiler-producing-states/.

[16] U.S. Department of Agriculture, National Agricultural Statistics Service, *Crop Production*(November 10, 2026), https://esmis.nal.usda.gov/sites/default/release-files/796144/crop1126.pdf.

[17] U.S. Department of Agriculture, National Agricultural Statistics Service, *Crop Production Annual Summary* (January 12, 2026), https://esmis.nal.usda.gov/sites/default/release-files/795725/cropan26.pdf.

total corn production in these states. That leaves only 6% to be allocated for other usage in other feed rations for beef cattle, hogs, dairy cattle, and turkeys. In addition to livestock feed, corn is also used in ethanol production and is a top commodity exported by the U.S. It is critically important for the southeastern United States to have reliable access to corn from the Midwest to supplement what they cannot produce themselves.

The estimate uses the assumptions of 1.7 pounds of feed per pound of live broiler weight, of which 68% of the feed ration is corn. [18] This equals 1.15 pounds of corn per pound of live broiler production. Data from the National Chicken Council estimate the total live broiler production in these five states is 32.40 billion pounds, requiring 55.14 billion pounds of total feed. Multiplying 55.14 billion by .68 equals 37.4 billion pounds of corn, which is roughly 667.8 million bushels at 56 pounds per bushel.

This example, and many others like it, is a fundamental driver of Farm Bureau's opposition to the proposed merger. Union Pacific already has a track record of failing to reliably deliver feed from the corn-surplus to corn-deficient areas that rely on rail feed transport. Such was the case in 2023 when the STB had to step in and instruct Union Pacific that they cannot embargo shipments of corn to California.[19]

In this situation, the farmer in the Midwest who grows corn could potentially see lower prices for corn due to the basis spread, which takes into account increased shipping costs, and poultry growers in the Southeast could see their pay from raising poultry on contract diminished because of the potential feed outages and poorer performance this merger poses.

Service Reliability and Systemic Risk

Beyond pricing, service reliability is a core concern for agriculture. Farming operates on biological and seasonal timelines that do not accommodate prolonged transportation disruptions. Grain must move after harvest, livestock require consistent feed deliveries, and food processors depend on predictable inbound shipments.

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[18] National Chicken Council, "U.S. Broiler Performance," accessed November 17, 2026, https://www.nationalchickencouncil.org/statistic/us-broiler-performance/.

[19] Surface Transportation Board, "STB Directs UP to Deliver Trains to Foster Farms," press release no. 22-56, December 30, 2022, https://www.stb.gov/news-communications/latest-news/pr-22-56/.

This risk is not hypothetical. During the 2013–2014 rail congestion in the Northern Plains, driven by a surge in oil-by-rail traffic and a harsh winter, grain shipments were backlogged for weeks. At the time, shippers reported that railroads prioritized higher-revenue traffic such as crude oil over grain, leaving loaded grain cars sidelined. A North Dakota State University analysis estimated that delayed grain movement reduced farm income by more than $160 million as basis levels weakened while a USDA analysis found that Minnesota grain farmers lost roughly $100 million from rail-related delays that year.[20] [21]

Large rail mergers have historically struggled with integration. The Union Pacific–Southern Pacific merger in the late 1990s is frequently cited as a cautionary example. Following that merger, network congestion and operational failures led to months of service disruptions across the West and South. Grain shipments stalled, feed deliveries were delayed, and agricultural losses mounted. Congressional inquiries later estimated the broader economic damage at $4 billion.[22]

More recent integration challenges, including the CP–KCS merger, highlight similar risks. STB "cars not moved" data show massive spikes in railcars held for more than 48 hours following 2025 system integrations, reflecting transitional stress that can disrupt supply chains even without a full network breakdown.[23]

Additionally, in seeking approval for the CP–KCS transaction, the combined carrier projected that removing interchanges and offering single-line service would shift 64,000 trucks to rail. Nearly three years later, reported conversions total approximately 16,000, around 74% below the initial projection. [24] While each rail merger differs, recent experience suggests that volume and efficiency claims often prove difficult to achieve in practice.

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[20] Strategic Economics Group, *An Assessment of the Economic and Fiscal Impacts of the Dakota Access Pipeline in North Dakota, South Dakota, Iowa and Illinois*, prepared for Dakota Access, LLC (November 12, 2014), https://puc.sd.gov/commission/dockets/HydrocarbonPipeline/2014/HP14-002/daexhibits/8.pdf.

[21] U.S. Department of Agriculture, Agricultural Marketing Service, *USDA Analysis of 2013–14 Rail Service Challenges for Senators Thune/Klobuchar* (January 2015), https://www.ams.usda.gov/sites/default/files/media/USDA%20Analysis%20of%202013-14%20Rail%20Service%20Challenges%20for%20Senators%20ThuneKlobuchar.pdf.

[22] U.S. Senate, Committee on Commerce, Science, and Transportation, *Nominations to the National Transportation Safety Board and the Surface Transportation Board*, hearing, 119th Cong., 1st sess., November 6, 2025, S. Hrg. 119-340, https://www.govinfo.gov/content/pkg/CHRG-119shrg63178/pdf/CHRG-119shrg63178.pdf.

[23] American Farm Bureau Federation, Appendix, Exhibit 6.

[24] Surface Transportation Board, "STB Approves CP/KCS Merger with Conditions and Extended Oversight Period," press release no. 22-07, March 15, 2023, https://www.stb.gov/news-communications/latest-news/pr-23-07/.

A combined UP–NS system would create a single, contiguous rail network spanning much of the country. While the two railroads do not run parallel tracks across most regions, they currently operate as independent systems, providing redundancy across interchange points, gateways, operating centers and long-haul corridors. Merging those systems concentrates operational control and reduces system-level redundancy. As a result, weather events, labor disputes, cyber or technology failures, or bottlenecks affecting shared gateways or key corridors would have broader consequences when fewer independent networks exist to absorb disruptions.

For agriculture, this matters because redundancy is resilience. Multiple independent carriers provide alternative routings and operational workarounds during disruptions, even when physical track does not overlap. A single coast-to-coast network reduces those options, increasing the severity of service failures and raising broader national resilience and security concerns given rail's role in food, energy, and defense supply chains.

Access, Investment, and Accountability

The long-term effects of consolidation extend beyond rates and short-term service metrics. Railroads allocate capital based on expected returns, prioritizing high-density corridors and traffic with the strongest revenue profiles. Low-volume rural lines and branch routes often struggle to compete for investment in this environment.

Following past mergers, some rural shippers have seen reduced service frequency, fewer car allocations, or pressure to shift traffic to trucking.[25] [26] Short-line railroads, which often serve as first-mile connections for agriculture, have in some cases faced reduced interchange flexibility and routing options following large Class I mergers, limiting local competition and service alternatives for rural shippers. [27]

The financial trajectory of the merging carriers also warrants attention. Between 2014 and 2024, Union Pacific's total carload volumes declined by approximately 13% while revenue per unit increased by roughly 17%. Over the same period,

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[25] U.S. General Accounting Office, *Railroad Regulation: Changes in Railroad Rates and Service Quality Since 1990*, GAO/RCED-99-93 (Washington, DC: GAO, April 16, 1999), https://www.gao.gov/assets/rced-99-93.pdf.
[26] U.S. Department of Agriculture, Agricultural Marketing Service, "Chapter 8: Rail Service Performance," *Transportation Research and Information Report*, https://www.ams.usda.gov/sites/default/files/media/RTIReportChapter8.pdf.
[27] Surface Transportation Board, "Major Rail Consolidation Procedures," STB Ex Parte No. 582 (Sub-No. 1), final rule, service date June 11, 2001, https://dcms-external.s3.amazonaws.com/DCMS_External_PROD/1616441943865/31881.pdf.

combined UP–NS volumes have fallen by about 11%. Against that backdrop, projections that the merged system will quickly reverse course and grow volumes by double digits in just a few years deserve scrutiny.

These outcomes are not driven by malice, but by incentives. Publicly traded railroads are accountable primarily to shareholders, whose ownership is dominated by large institutional investors generally concentrated in major financial centers rather than rural America. As a result, management performance is evaluated through financial metrics such as operating ratios, earnings growth and capital efficiency, rather than the service needs of the rural communities most dependent on rail access. None of these metrics explicitly reward maintaining service levels or price discipline in captive rural markets.

In competitive environments, shippers discipline behavior through choice. In captive markets, regulation is the primary substitute. As consolidation increases, the effectiveness of that substitution becomes more critical and more strained. Regulatory remedies, when they arrive, often follow prolonged disputes and do not fully reverse losses already incurred by farmers and rural businesses. Regulatory oversight cannot replicate the discipline of competition. Once competition is eliminated, service and pricing harms occur immediately, while remedies arrive only after damage is done – if they arrive at all.

Recommendations to the Surface Transportation Board

Farm Bureau requests that the Board carefully evaluate the financial implications of the proposed UP-NS transaction. We recommend that the Board consider the total fixed charges resulting from the transaction, in addition to the adequacy of transportation, the interests of affected carriers, their employees, and the rural, suburban, and urban communities they serve, as well as the potential adverse effects on competition consistent with 49 U.S.C. subsection 11324(b).

Union Pacific is entering into a significant financial transaction in its quest to acquire Norfolk Southern by offering approximately $85 billion. Roughly $35 billion will be financed through new debt. This structure warrants scrutiny from the Board given the economic position of shippers in the agriculture sector. Farmers and ranchers operate daily in markets where commodity and input prices are determined by both domestic and international supply and demand. This position does not allow them to

increase prices to offset the higher transportation costs that this transaction will likely create.

As outlined above, Farm Bureau's concerns that the financial obligations to service the roughly $35 billion in debt will be placed on the backs of captive entities who have no choice but to pass the increased transportation cost down to farmers and ranchers in the form of lower commodity prices and higher input prices in areas where there is no other viable transportation alternative.

The Board should also require demonstrable and enforceable public benefits. Union Pacific has characterized this transaction as in everyone's best interest through a single, uninterrupted coast-to-coast service with fewer interchange points. However, the projected efficiencies are insufficient to establish that a consolidation of railroads of this size serves the public interest. Given historical experiences with consolidation in prior rail mergers as well as other sectors of the U.S. economy, efficiencies, lower prices, and competition do not always materialize.

For the reasons outlined above, Farm Bureau respectfully requests that the Board reject Union Pacific's application to acquire Norfolk Southern.

Conclusion

The risk of the UP-NS merger is clear. It would leave farmers more dependent on fewer railroads at a time when they already have almost no ability to walk away from higher costs or poor service. The merger does not create new competition for agriculture. It removes what little leverage remains by eliminating key routing and interchange options that currently help keep rates and service somewhat in check. When that pressure disappears, history shows that farmers do not ship less — they get paid less.

If the promised growth and efficiencies do not materialize, the financial obligations of an $85 billion acquisition still must be recovered. In a system where agriculture is already carrying a growing share of rail cost recovery, those pressures will not fall evenly. They will fall where alternatives are few and demand cannot adjust.

For farmers and rural communities, this merger is not about bigger trains or faster routes. It is about who has choices and who does not, and whether the risks of

consolidation are borne by shareholders or by the people who depend on rail to get their crops to market. We strongly urge the STB to reject the proposed merger.

Respectfully submitted,

Joby Young

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Appendix

Exhibit 1

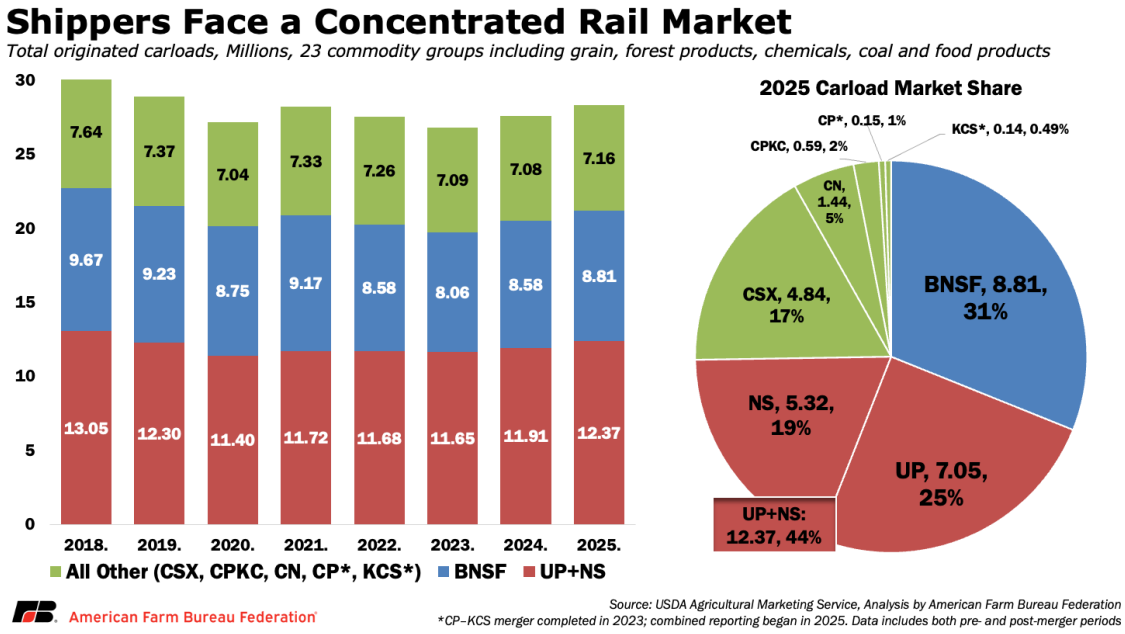


Exhibit 2

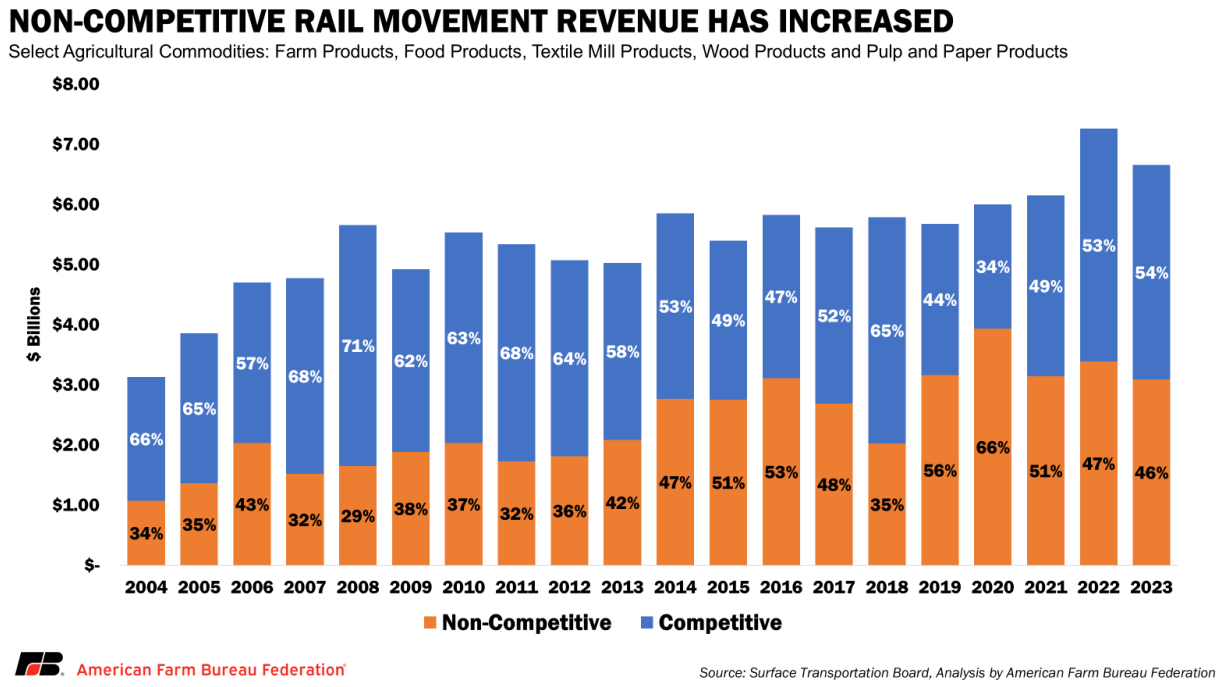


Exhibit 3

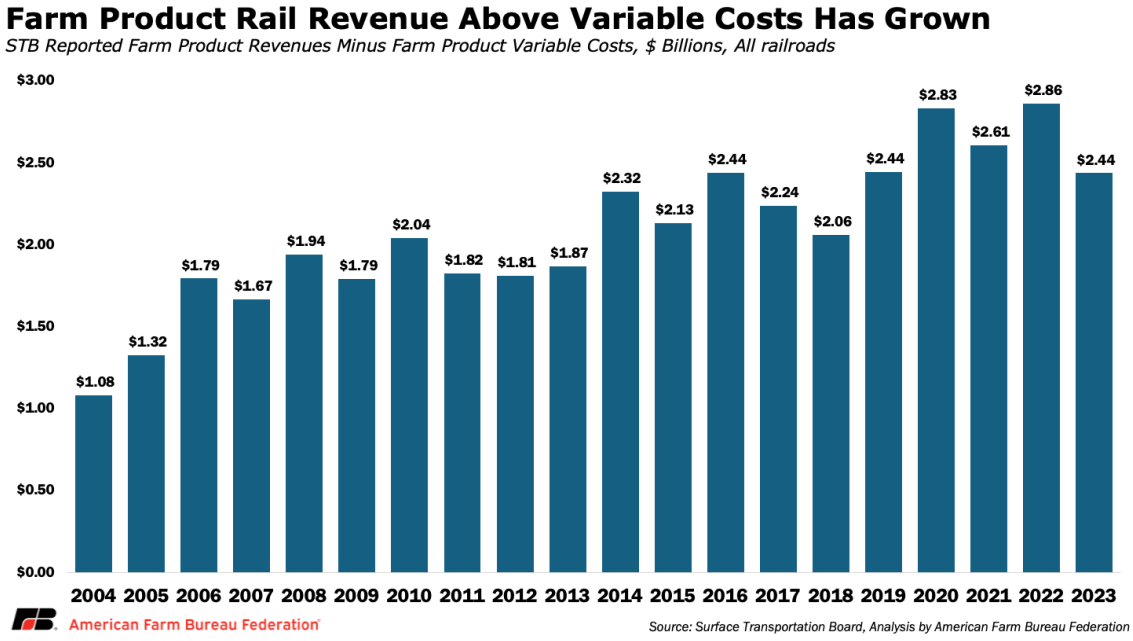


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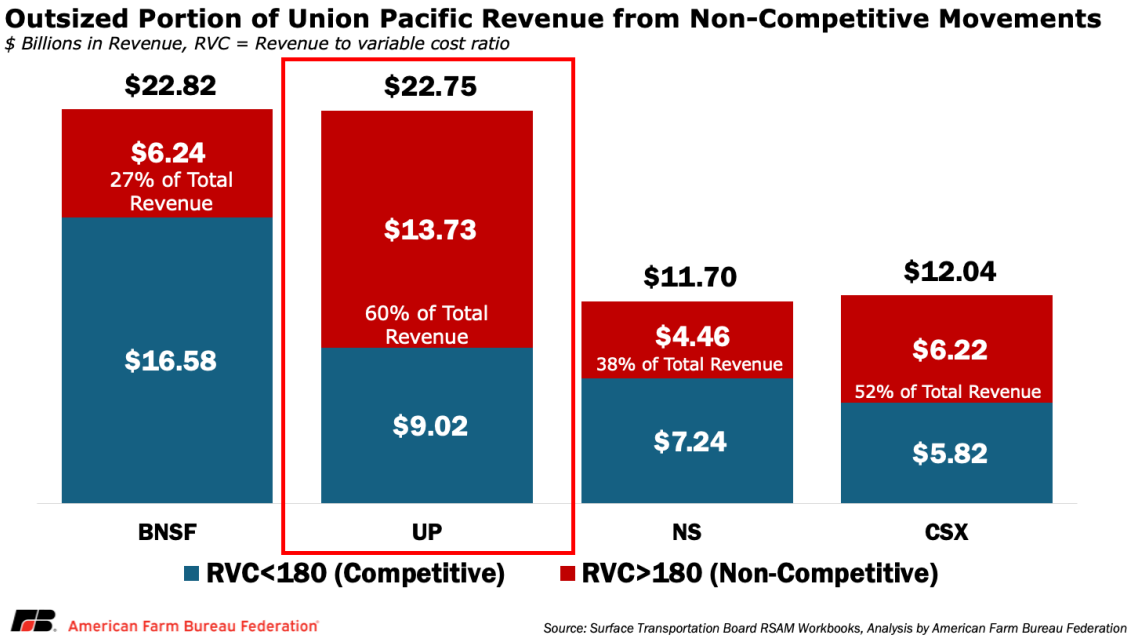


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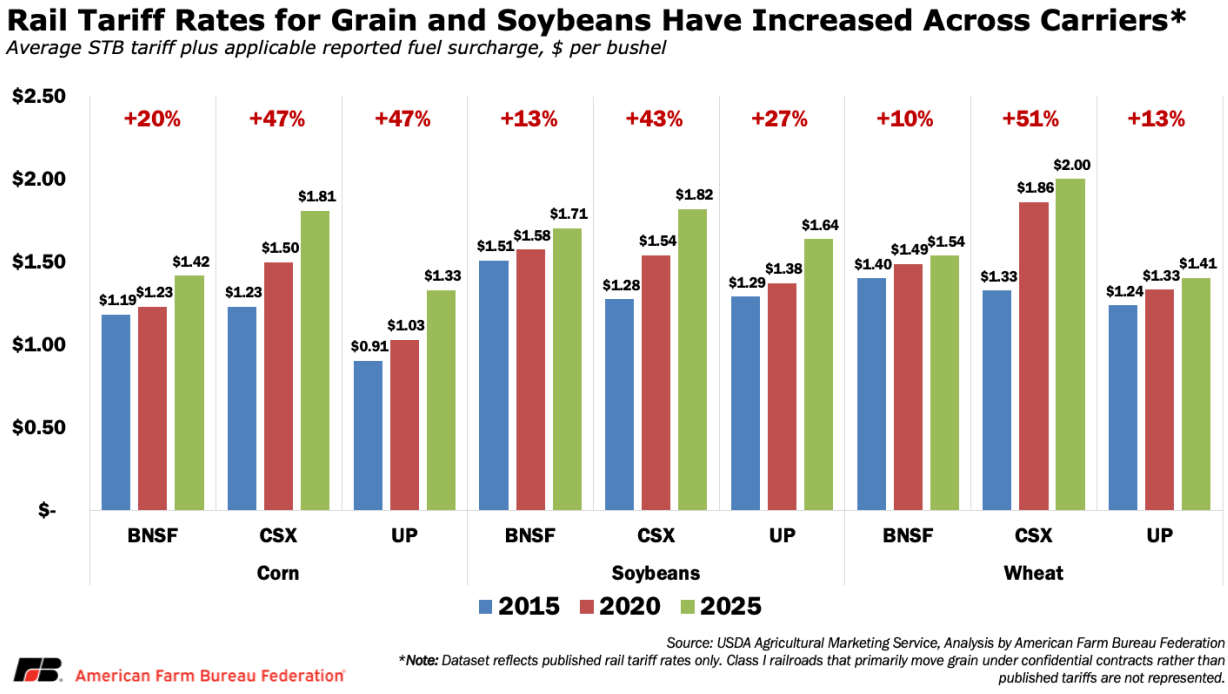
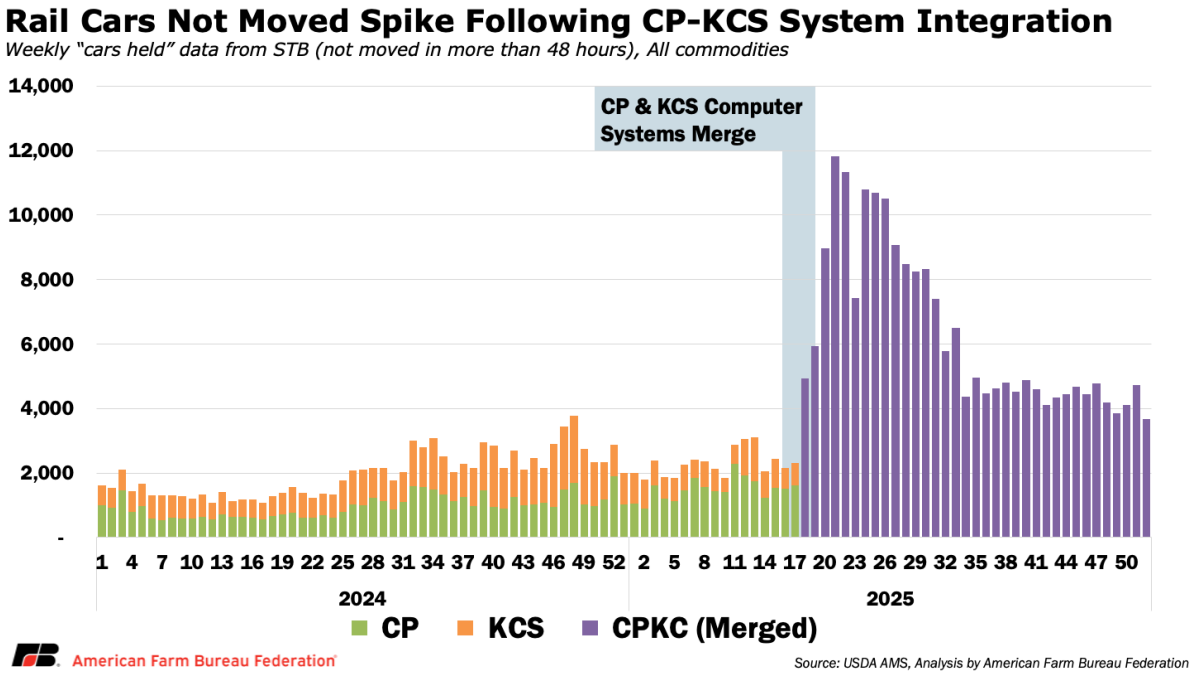


Exhibit 6


Rail Cars Not Moved Spike Following CP-KCS System Integration
Weekly "cars held" data from STB (not moved in more than 48 hours), All commodities
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
CP & KCS Computer Systems Merge
1 4 7 10 13 16 19 22 25 28 31 34 37 40 43 46 49 52 2 5 8 11 14 17 20 23 26 29 32 35 38 41 44 47 50
2024
2025
CP
KCS
CPKC (Merged)
American Farm Bureau Federation
Source: USDA AMS, Analysis by American Farm Bureau Federation

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CERTIFICATE OF SERVICE

I hereby certify that I have caused the foregoing comments to be served electronically or by first-class mail, postage pre-paid, on the Secretary of Transportation, the Attorney General of the United States, Applicants' representatives, Administrative Law Judge Jenifer Soulikias, and all parties of record in this proceeding.

/s/ Joby Young
American Farm Bureau Federation
Date: November 18, 2026