



July 29, 2025

The Honorable Patrick Fuchs
Chairman
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Michelle Schultz
Vice Chair
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Robert Primus
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Karen Hedlund
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Chair Fuchs, Vice Chair Schultz, Member Primus, and Member Hedlund,

We write today with concerns about reports that Union Pacific (UP) has agreed to acquire Norfolk Southern (NS), which has reportedly set off other deal preparations at BNSF and CSX. If approved, this acquisition would be the most significant consolidation in freight rail in decades and would undoubtedly reshape the U.S. freight rail industry and supply chain. Specifically, we are concerned that a merger of this magnitude would diminish options for industry to transport goods, increase costs, create more unreliable service for U.S. shippers, and reduce overall competition in a market where the number of carriers has diminished since 1950. Should these railroads move forward with a merger and submit an application to the Surface Transportation Board (STB) for approval, we would urge you to consider these harms to rail shippers and consumers across the United States.

Since the 1950s, the rail industry has consolidated from over 100 Class I freight railroads to only six today. A long trend of industry consolidation has dramatically increased the power of railroads over shippers in the last few decades — leaving four carriers to provide nearly 90 percent of the nation's freight rail transportation. In recent years, we have heard from too many U.S. manufacturers, utility companies, agricultural producers and small businesses experiencing service and reliability problems while paying excessive rates. The railroad industry has proven to be more concerned with increasing their rates and profits rather than improving their service.

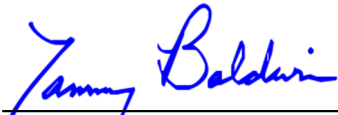
While Class I railroads continue to see record profits, shippers and consumers are paying the price. UP has a market value of around \$140 billion, and NS has a market value of around \$60 billion. UP and NS both posted considerable profits as they recovered from pandemic disruptions to shipping and service. In 2022, every Class I railroad reported increased revenue, with UP and NS both reporting a 14 percent increase in operating revenue to \$24.9 billion and \$12.9 billion, respectively. As the remaining Class I railroads continue to profit, shippers are left with unreliable railroad service and high rates because they have limited to no other options to move

goods to market at a reasonable rate. As a result, consumers continue to face higher costs for essential everyday goods.

A major rail merger has the potential to trigger additional industry consolidation. We are encouraged that the STB shared this concern in the context of the 2001 rulemaking process, in which the STB set new rules governing major railroad mergers and started requiring Class I railroads to prove that mergers would both enhance competition and are in the public interest. We strongly encourage the STB to keep this at the forefront of considerations.

In closing, we urge the Board to keep the best interests of rail shippers and consumers in mind throughout your careful review of this matter. We look forward to your response.

Sincerely,



Tammy Baldwin
United States Senator



Roger Marshall, M.D.
United States Senator