



American Alliance for Innovation
Federal Advocacy Committee



April 13, 2026

Senator Cindy Hyde-Smith
Chairman
Senate Appropriations Subcommittee on
Transportation, Housing and Urban
Development, and Related Agencies
Washington, D.C. 20510

Senator Kirsten Gillibrand
Ranking Member
Senate Appropriations Subcommittee on
Transportation, Housing and Urban
Development, and Related Agencies
Washington, D.C. 20510

The Honorable Steve Womack
Chairman
House Appropriations Subcommittee on
Transportation, Housing and Urban
Development, and Related Agencies
Washington, D.C. 20515

The Honorable James Clyburn
Ranking Member
House Appropriations Subcommittee on
Transportation, Housing and Urban
Development, and Related Agencies
Washington, D.C. 20515

Dear Chairman Hyde-Smith, Ranking Member Gillibrand, Chairman Womack and Ranking Member Clyburn:

On behalf of the undersigned associations representing a broad range of freight rail customers and downstream industries, we have concerns regarding the proposed merger between Union Pacific Railroad and Norfolk Southern Railway. As you consider funding for Fiscal Year 2027, we urge your consideration of report language that ensures the Surface Transportation Board (STB) conducts a thoughtful and rigorous review of this proposed merger.

Freight rail plays a critical role in the U.S. supply chain, and any consolidation among Class I railroads has far-reaching implications for service reliability, competition and cost. Our members rely on a competitive and resilient rail network to move goods efficiently to ensure that constituents across the country have access to essential products.

The proposed merger raises significant concerns about reduced competition, potential service disruptions and increased rates for rail customers, particularly those in captive markets. It is essential that the STB evaluate these concerns under its established guidelines and ensure that any future merger serves the public interest.

We request the committee includes the following language in the Fiscal Year 2027 Transportation, Housing, and Urban Development Appropriations Act:

STB Jurisdiction & Review.—The Committee recognizes that the Surface Transportation Board (STB) has exclusive jurisdiction to approve or disapprove railroad mergers under 49 U.S.C. §§ 11321–11328, and notes that if an application is accepted, the proposed Union Pacific–Norfolk Southern consolidation is expected to undergo STB review over a 12–18 month period.

The Committee further observes that the STB’s revised 2001 merger rules, which raised the regulatory bar for any future Class I mergers by requiring applicants to not only preserve rail-to-rail competition but deliver enhanced competitive options for railroad shippers, while also ensuring the proposal serves the public interest, have never been applied in a major Class I merger proceeding.

Therefore, given freight rail’s critically important role in the U.S. economy and the potential implications of further industry consolidation for increasing costs on American businesses and raising consumer prices, the Committee encourages the STB to conduct a rigorous and comprehensive review of the proposed transaction to ensure it delivers substantial public benefits, enhanced competition for rail shippers, and protections for the U.S. economy and consumers.

A competitive, reliable, and efficient freight rail system helps bolster American manufacturing, lower consumer costs, and strengthen the U.S. economy. We appreciate your attention to this matter and stand ready to work with you to ensure that any further consolidation in the rail industry does not come at the expense of American businesses and consumers.

Sincerely,

American Composites Manufacturers

American Farm Bureau Federation

American Forest & Paper Association

American Fuel & Petrochemical Manufacturers

Agribusiness Council of Indiana

Agricultural Retailers Association

Alliance for Chemical Distribution

American Cement Association

American Chemistry Council

American Coatings Association

American Foundry Society

AmericanHort

Association of the Nonwoven Fabrics Industry

Autos Drive America

Builders Association of Minnesota

Can Manufacturers Institute
Chemical Industry Council of Delaware
Chemical Industry Council of Illinois
The Chlorine Institute
Council of Producers & Distributors of Agrotechnology
Essential Minerals Association
The Fertilizer Institute
Freight Rail Customer Alliance
Glass Packaging Institute
Household & Commercial Products Association
Illinois Farm Bureau
Independent Lubricant Manufacturers Association
Institute of Makers of Explosives
Massachusetts Chemistry and Technology Alliance
Minnesota AgriGrowth
Minnesota Crop Production Retailers
Minnesota Farmers Union
Minnesota Forest Industries
National Farmers Union
The National Industrial Transportation League
New York State Chemistry Council
North Carolina Agribusiness Council
North Dakota Association of Builders
Ohio Chemistry Technology Council (OCTC)
Pennsylvania Chemical Industry Council
Pet Food Institute
Plastic Pipe and Fittings Association
Plastics Industry Association
Recycled Materials Association
Specialty Equipment Market Association (SEMA)
Spray Polyurethane Foam Alliance

The Sulphur Institute

Vinyl Institute

Willmar Lakes Area Chamber